

**Date:** Tuesday 11 March 2025  
**Time:** 10.00am  
**Meeting Room:** Room 1, Level 26  
**Venue:** Te Wharau o Tāmaki - Auckland House  
135 Albert Street, Auckland

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**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 ATTACHMENTS**

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**Quarterly Performance Report**

**Eke Panuku Development Auckland**

2024/2025 Quarter 2  
For the 6 months ended 31 December 2024





## Q2 – At a glance



Good progress has been made across a number of our capital projects this quarter, enabling creation of new development sites. In the Waterfront, **Karanga Plaza Harbour pool**, Tāmaki Makaurau's first free saltwater pool opened in December 2024. The pool has safe swimming zones, lanes and a jump platform and the project was completed on time and on budget. The **Westhaven Seawall upgrade** was completed which will protect people, buildings and boats from extreme weather events and provide wider walkways with lookouts over the Waitematā. The **Te Wero Wynyard Crossing Bridge** was reopened in December 2024 following the completion of an extensive maintenance programme to repair, replace and upgrade the bridge's structural, mechanical and electrical components. This ensures the bridge can continue to safely and reliably serve Auckland's waterfront for many years to come.

The **Property portfolio surplus** continued strongly for the quarter at \$11.6m, this is \$5.5m ahead of budget. The effect of the weak economy on **property market demand** has impacted our new dwellings and sales targets for the year. Sites continue to be taken to the market to test market appetite but any improvement in market sentiment is still to appear. Land values in some areas we are trying to sell are impacted by pending development contribution regime. The total asset sales target of \$76m will not be met at the end of the year nor the target on dwelling numbers. Once the market improves, sales are still expected but timing will be repathed to subsequent years.

## \$ Financial Performance

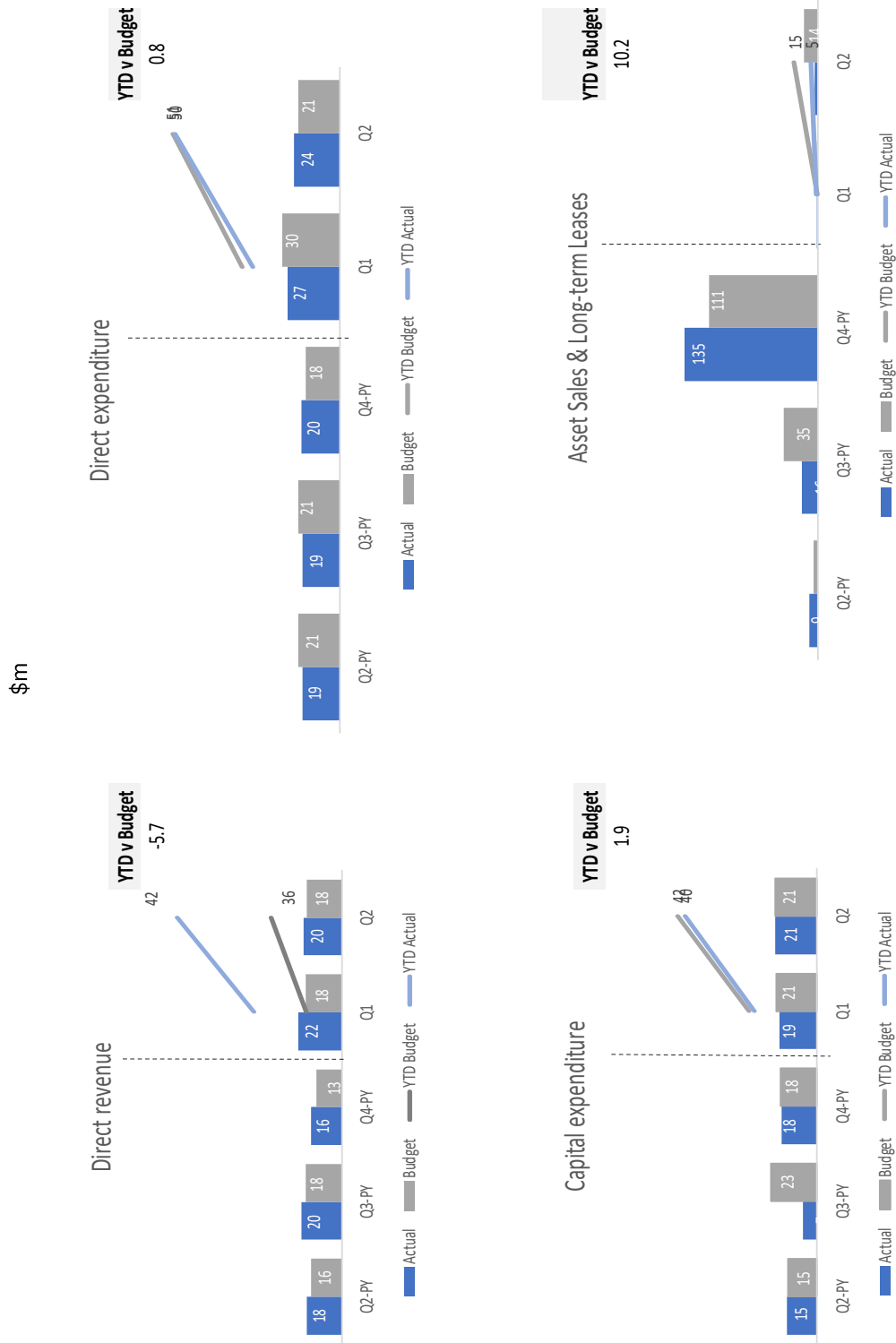
**Direct revenue** continues to be favourable to budget and is now \$5.7m ahead of budget year to date. This is mainly due to unbudgeted revenue of \$3.2m property lease recognised which would normally have been spread across the life of the lease. Additional revenue of \$1.6m has also been received from properties that were expected to be sold or vacant, remaining tenanted and increase in recharged revenue.

**Direct expenditure** is \$0.8m favourable against to year-to-date budget. Central Wharves master planning had a budget of \$1.6, it is now forecast to spend \$0.8m. We are making good progress on our capital programme despite **capex** tracking \$1.9m behind phased budget.

At the end of December, **asset sales achieved** was \$4.5m. Approximately \$50.5m of further conditional sales are under negotiation. This is reflected in the risk sections of the quarter report.

*Note: for more details on financials, refer to the graphs on page 2 and financials section on pages 15 - 22*

<sup>1</sup> Group Performance Reporting



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### Highlights

- **More affordable homes for Old Papatoetoe** - New Zealand Housing Foundation, a community housing provider, has completed construction of 29 new homes on Cambridge Terrace in Old Papatoetoe, a site sold to the foundation by Eke Panuku in one of our priority locations.
- In **Pukekohe**, works have started on the **Te Pae Mahara Roulston Park upgrade** to improve accessibility and park facilities. In **Avondale**, the deconstruction of the shops to enable the **Te Hono Avondale Community hub and town square** are underway.
- **City Centre Community Safety Action Plan** - was launched in Q2 by the council group alongside partners, the Police and residents' and community groups. The safety plan was a collaboration across council and Eke Panuku. The overarching goal of the plan is to make the city centre a safer, more welcoming place for everyone. Along with a focus on enhanced safety and security, the plan identifies improved social and wellbeing outcomes for rough sleepers and vulnerable communities as a key objective.

### Issues/Risks

- **Delivery of development outcomes** is affected by challenging economic conditions and property market. Inflation and interest rates have reduced but unemployment continues to increase, impacting demand. This affects the delivery of current and future SOI asset sale targets and regeneration outcomes including construction of new dwelling units. It is taking longer to attract partners with capacity to achieve viable projects in current conditions. The draft policy to increase development contributions by council to fund infrastructure costs is also creating uncertainty for developers. If implemented, it will have a material impact on land values in some locations. The policy will become effective 1 July 2026. We continue to monitor arrangements with existing development partners and carry out due diligence as part of development partner selection process. Also, where appropriate, we work with development partners on terms and conditions to reflect the slower market conditions for the developer to achieve presales, funding and resource consent. (*Projects affected are noted on page 6 of this report*).
- **CCO reforms and property review** - The council governing body resolved to disestablish Eke Panuku, move business activities and projects into the council and for the new operational model to start from 1 July 2025. The short timeframe to design and operationalise the new operational model can have an impact on the delivery of services and programmes. Under the CCO Reform Programme, an Eke Panuku and Tataka Auckland Unlimited sub-workstream has been formed to manage the design, consultation and implementation of the new operating model including people, system and processes, legal and other changes, enabling continuity of activities and projects. While resource has been diverted to the transition, Eke Panuku remains focussed on delivering the current programmes and activity set out in the SOI. Auckland Council is also undertaking a Group Property Review which is seeking to define the challenges and opportunities that exist in the group's property functions. The working group is currently building a Group Property Strategy based on existing property related processes, team responsibilities and relevant statutory obligations.

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## Key Performance Measures

Of the 12 SOI performance measures, 7 performance measures are on track to be met by year end based on year-to-date results, 3 are off track and 2 are measured at the end of the year (surveys). The targets off track include the transform and unlock asset sales, asset recycle sales, and number of new dwelling number targets all affected by the significantly depressed property market.

Strategic performance priorities	Achieved / Ontrack	Not Achieved	Not reported this quarter	Total
Urban regeneration	2	3		5
Property and marina management	2		1	3
Sector leadership	3		1	4
<b>TOTAL</b>	<b>7</b>	<b>3</b>	<b>2</b>	<b>12</b>

Note: for details on performance measures, please refer to the Performance measures section – Pages 13 - 14

## Strategic alignment and key policies

### Climate change and sustainability

Projects and initiatives advanced in the quarter included:

- **Planning and delivery of deconstruction projects to enable redevelopment** – In Papatoetoe, deconstruction of the former bowling club commenced and deconstruction of 17 St George Street, Papatoetoe was completed. Deconstruction also commenced on buildings in Avondale to make way for Te Hono, the new Avondale Library. Where appropriate materials of value are identified and salvaged for reuse.
- **Supplier diversity targets** – The Roulston Park upgrade was awarded to Lite Civil, an Amotai registered Māori business, as main contractor, with delivery continuing into 2025. Planning commenced for Onehunga Wharf Shed D refurbishment, with Amotai identifying potential Māori and Pasifika businesses to participate in a procurement.
- **Climate related disclosure** – We have been working across the business and with the Council family to further embed climate considerations throughout what we do, including the business case processes and our risk management framework.

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## Attachment A

## Item 9



- **Waste minimisation** – The placemaking team have been working with community partners to deliver food waste initiatives in Onehunga and Northcote. The Onehunga Food Scraps trial wrapped up in November with data collected across 6 businesses diverting waste from landfill. Investigations are underway to establish how this can be self-sufficient in future.
- **Blue green networks and community engagement** – Te Whakaorangao te Puhinui is involving ongoing work to engage and empower the community through this stream regeneration project and associated activities.

### Māori outcomes

Eke Panuku contribution to Māori Outcomes is set out in our aligning Māori Outcomes Plan agreed with mana whenua iwi. Progress is outlined below:

- **Commercial opportunities (Kia ora te Umanga)** – Eke Panuku presented to iwi leaders and delegates this quarter on the progress of sustainable procurement of Māori services for 2023/24. This provides iwi the opportunity to advise us on preferred approaches to supporting Māori businesses.
- **Engagement (Kia ora te Hononga)** – The opportunity to meet directly with Eke Panuku's leaders provides a space for iwi rangatira and delegates to influence and advocate with Eke Panuku decision makers to support delivery of iwi aspirations and outcomes. Eke Panuku Chief Executive and leadership team met with Iwi Mana Whenua Rangatira and their delegates in a Governance Forum in November to discuss organisation updates that impact iwi. The property pipeline was presented by our Development Managers highlighting properties that will be coming up for sale. Eke Panuku's Board of Directors met directly with Rangatira and leaders from multiple iwi mana whenua on our work programmes and the CCO reform.
- **Culture and identity (Kia ora Te Ahurea)** – Eke Panuku is committed to embedding the culture and identity of iwi mana whenua of Tāmaki Makaurau. Eke Panuku engaged with majority of iwi leaders who hold interest in the Central Wharves/ Waitemata/ Port Area to understand if they would like to be a part of the Master planning process for the wharves. This provides iwi the opportunity to integrate their whakaaro and wants.
- **Environment (Kia ora te Taiao)** – Eke Panuku meets with mana whenua through the Eke Panuku mana whenua forum and one on ones with iwi to deliver iwi taiao aspirations in its projects and programmes. Eke Panuku presented to iwi, the stormwater and urban Ngahere plan in Onehunga. We know iwi have significant taiao aspirations, and we want to work with iwi to deliver our programmes to reach shared outcomes.





# Statement of performance expectations

## Urban Regeneration

### Other highlights

- In the South, the **Roulston Park upgrade** works in Pukekohe have commenced and are expected to be completed in Q4. The upgrade is integrated with the adjoining double intersection works, which together make this park more accessible and supports new living opportunities. Works have also started on the streetscape upgrade, laneways and cycleway at the **Cambridge Terrace extension and car park** in Old Papatoetoe. This group of projects creates new access to the town's green spaces, enhances them and provides new amenities that Eke Panuku are delivering around it. It also creates development sites for new homes. In Manukau, the construction tender process for the **Te Aka Raataa Stage 1 Raataa Vine** works for a new walkway, shared path and stream corridor improvements has been awarded. This project aims to support new urban growth nearby, address water quality that flows into the Manukau Harbour and provides a safe, high amenity open space and connection between the Botanic Gardens and the Wiri community. Works are expected to be completed in FY26.
- In Avondale, enabling works relating to the deconstruction of the shops at the **Avondale Community hub and town square** site are now underway and are expected to be completed in Q2. This follows the approval of the detailed design for the town square in Q1. It is adjoining the Avondale Central development site.
- Public engagement of the Concept Plan for **Te Ara Tukutuku (Wynyard Point)** was also completed this quarter reaching an estimated 850 thousand people, with 87% of those surveyed supporting the design.
- Also covered above in the summary sections, the **Karanga Plaza Harbour pool**, the **Wynyard Crossing Bridge** repairs and the **Westhaven Seawall upgrade** were completed in QTR2.

### Issues and Risks

- **A challenging property market has affected the sale of several development sites** - The development agreement for the Takapuna Auburn Street site is unlikely to go unconditional this financial year. The preferred development partner for the North Wharf development site is unable to finalise the terms of its joint venture. The development partner on the Papatoetoe St George Street residential development Piko Toetoe is experiencing challenging market conditions.
- **Potential increase in development contributions** by council to fund for infrastructure costs can have an impact on our development partner's project feasibility and will create uncertainty for land values in some locations. The Panmure 3 Kings Road residential site development partner has withdrawn from the conditional development agreement due to site development constraints and the proposed increase to development contribution costs.

*More details on issues and risks are contained in the programmes section Pages 7 - 10.*

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## Programmes

Progress towards key project deliverables set out in the SOI (pages 19-28)	
Key Programme	Status
Northcote	<b>On track</b>
<p>All three deliverables are on track. Negotiations are underway with three potential parties across three sites, following last quarter's release of a revised development strategy for the <b>Northcote town centre</b> in the context of the current market.</p> <p>Developed design began in October 2024 for the <b>Northcote town centre streets project</b> and is expected to be completed by the end of Q3. The final business case is expected to be approved in February 2025, and consent lodgement is planned for March 2025. To minimise the impact on the community and surrounding businesses, construction is expected to start in mid-2025 and likely to be staged.</p> <p>The <b>Northcote community hub and Puāwai / Cadness Reserve upgrade</b> is progressing well. Developed design was approved in November 2024, and resource consent was lodged in December 2024.</p> <p>The development agreement for the <b>Auburn Street site</b> is unlikely to go unconditional this financial year, current forecast is November 2025. The preferred development partner is currently working to satisfy the conditions of the development agreement.</p> <p>Marketing of stage one Takapuna Central has been delayed due to market conditions.</p>	
Takapuna	<b>Delayed</b>
<p>All three project deliverables are on track.</p> <p>We continue to facilitate and deliver on our <b>development opportunities</b> of the three key sites in the City Centre. We are working with the developer of the Downtown carpark; the Symphony Centre development agreement terms are being finalised and the developer of the Bledisloe House plans to improve the building's exterior and is continuing to look at leasing opportunities.</p> <p>The <b>City Centre Action Plan</b> has now been updated and endorsed by Steerco. The action plan is a collection of things that many people, groups and organisations believe need to be done in Auckland city centre over the next ten years. Work on the precinct regeneration plans is also ongoing, and the plans are expected to be completed by the end of June 2025. Initiatives to support existing residents and encourage future residential growth in the city are progressing with a comprehensive update presented at the December 2024 City Centre Advisory Panel meeting.</p> <p>We continue to work across the council group to <b>maximise benefits of CRL</b>. This quarter, the CRL Station precinct integration mapping was completed. Gaps and opportunities in the group's work programmes are being reviewed. A Crime Prevention through Environmental Design (CPTED) assessment has been completed for Maungawhau.</p>	
City Centre	<b>On track</b>
<p>Three project deliverables have been achieved, two remain on track and one is at risk. The <b>swimming facility</b> at Karanga Tidal steps opened to the public in December 2024. The pool's design incorporates safe swimming zones and lanes, a jump platform, and facilities that ensure a comfortable visit for everyone. The project was delivered on time and on budget.</p> <p>The <b>Westhaven seawall upgrade</b> was completed ahead of schedule in January 2025. Part of a wider marina enhancement programme the seawall is designed to protect people, buildings and boats from rising sea levels and more frequent and severe storms. It has also led to a more</p>	
Waterfront	<b>On track</b>

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Key Programme	Status	Progress towards key project deliverables set out in the SOI (pages 19-28)
		<p>attractive and functional waterfront space for people to enjoy. There are now wider pedestrian walkways with extended lookouts over the Waitematā, enhancing pedestrian connections around the entire Marina.</p> <p><b>Te Ara Tukutuku (Wynyard Point)</b> deliverable to complete public engagement on the concept plan was achieved this quarter. Engagement was undertaken over August 2024 and reached an estimated 850 thousand people via our campaign, with 87% of people supporting the design.</p> <p>Works are progressing ahead of schedule on the <b>Precinct Stage 3</b> office and retail development and are now due for completion in February 2025.</p> <p><b>Central wharves masterplan</b> is progressing well with the Eke Panuku Board approving a project plan in December 2024. Engagement with mana whenua, key stakeholders and Council whanau is also underway.</p> <p>The preferred development partner for the <b>North Wharf development site</b> has communicated to Eke Panuku that it is unable to finalise the terms of its joint venture. We are taking legal and procurement advice on best next steps. Achieving a conditional long-term lease agreement is at risk.</p>
Avondale	<b>Delayed</b>	<p>One project deliverable has been met and one is at risk at this stage. The detailed design for <b>Te Hono - Avondale community hub and town square</b> was completed in Q1. Enabling works relating to the deconstruction of the shops at the site are now underway and works are expected to be completed in February/March 2025.</p> <p>The <b>Avondale Central mixed-use development</b> deliverable to progress the implementation of the development agreement is at risk as an agreement has not yet been reached with the development partner in relation to site design issues. Further steps are being considered to progress the project.</p>
Henderson	<b>On track</b>	<p>Both project deliverables are on track. The developed design for the <b>Wai Horotiu Henderson connection</b> (formerly Oratia Link cycleway) was approved in December 2024 and the final business case is expected to be approved in February 2025.</p> <p>The deliverable for construction works to start on the <b>Catherine Plaza</b> are on track to begin in February/March 2025. Resource consent for the enhancement works was granted in September 2024, with engineering plan approval and building consents both lodged shortly after.</p>
Onehunga	<b>On track</b>	<p>The remaining three deliverables are all on track. The conditional development agreement for the <b>Waiapu Lane and Selwyn Street development sites</b> for a new supermarket was executed in June 2024. Finalisation of the agreement, including integration of works, is being progressed with the development partner. The Waiapu precinct enabling works are expected to commence in April 2025.</p> <p>One deliverable has been met with the final business case being approved for the <b>Onehunga Wharf public space</b> in November 2024. Works are targeted to begin in April 2025.</p> <p>The four Waiapu Precinct site acquisitions needed to enable urban renewal are progressing. One of the sites has settled. Acquisition of the remaining three sites is progressing.</p>

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Progress towards key project deliverables set out in the SOI (pages 19-28)	
Key Programme	Status
Panmure	<b>Delayed</b>
Maungawhau	<b>On track</b>
Manukau	<b>On track</b>
Papatoetoe	<b>On track</b>

Three of the four deliverables which all relate to reaching agreements with development partners are at risk. Both **Basin View Lane and Lagoon Drive development sites** are planned to be taken to the open market in March/April this year, but at this stage are unlikely to achieve conditional sale agreements due to the challenging property market.

The **3 Kings Road** residential site development partner has withdrawn from the conditional development agreement due to site development constraints and the proposed increase to development contribution costs. We anticipate taking the property back to the market in May 2025. Construction works for the **Lagoon Edge Reserve enhancements** remain on track to start this financial year. Draft consent conditions have been received and an engineering approval application has been lodged. A construction contractor is expected to be procured in March 2025.

Both project deliverables are on track. The statutory process with **Whenua Haumi Ltd Partnership** for the three mixed-use development sites that are subject to rights of first refusal, will start once the sites have been transferred to Auckland Council. A plan has been drafted on the transitional use of the development sites post CRL project completion.

Approval decisions from the Governing Body and Crown Sponsors will be sought in March 2025 to transfer ownership and approve disposal of the development sites. Subject to this approval, Eke Panuku would be able to take seven sites to market or make formal offers from April 2025. One site would be offered to the Whenua Haumi Limited Partnership as it is subject to a right of first refusal. The remaining four sites, need to wait for further work to be completed by CRLL, most notable being the tunnel box as-built survey currently due in November 2025. We expect these sites could go to market in December 2025.

One deliverable has been achieved and the remaining three deliverables are all on track.

The **Puhinui Regeneration – Te Aka Raataa Stage 1 Raataa Vine** deliverable of completing the procurement process has been achieved. Works are expected to be completed in FY26.

**Development site sales** are being progressed including go to market strategy approvals by Eke Panuku Board. Subject to market conditions, marketing campaign to commence in March/April this year.

The **Osterley Way Civic Streetscape Works** are progressing well. The detailed design package has now been submitted to the design review panel for approval. Resource consent lodgement will follow. The completion of tender documents is scheduled for Q4.

The **Hayman Park wetlands** resource consent was lodged in April 2024. We are working with Auckland Council to obtain the resource consent.

The development partner on the **St George Street residential development Piko Toetoe** is experiencing challenging market conditions. We are working with the developer on milestones and timeframes.

Two of the three deliverables relating to public realm projects have been achieved, and one remains on track. One development site deliverable also remains on track.

**Cambridge Terrace construction start** deliverable was achieved in November 2024. The **Stadium Reserve works** construction contract awarded deliverable has also been achieved, with work expected to start in February/March this year.



Progress towards key project deliverables set out in the SOI (pages 19-28)	
Key Programme	Status
Pukekohe	<p>Works on the Chambers Lane accessway upgrade and open space amenities commenced in August 2024, and the project deliverable of completing construction is on track for February/March 2025.</p> <p>One deliverable has been met, one is on track, and one is at risk. The Roulston Park construction commencement deliverable was achieved this quarter. Works are expected to be completed in May 2025.</p> <p><b>Market Precinct capital works</b> to upgrade Roulston Street, Devon Lane and enhance the town square to support markets and events are progressing to Developed Design stage. We remain on track for the deliverable of consent lodgement to be achieved by June 2025.</p> <p>Discussions with the preferred development partner for the <b>Edinburgh superblock development</b> site are continuing. Aspects of the development proposal were not considered acceptable. The conditional agreement deliverable is at risk.</p>
Regional programmes	<p>All four deliverables are on track. The <b>Wasp Hangar and YDL development sites</b> - We are continuing to work with a development partner on the deliverable of reaching a conditional agreement on the sites, Lots 6A &amp; 6B and agreeing proposals for the future use of the Wasp Hangar. The substantial increase in development contributions signaled by Auckland Council is creating uncertainty for both the developer and Eke Panuku as to values if the policy is implemented.</p> <p>Construction works continue to progress well on <b>Pump Station 6 (PS6) wastewater</b> upgrade works and are on track to be completed by the end of June 2025. The asset will then be handed over to Watercare Services.</p> <p><b>Dominion and Valley Roads, Mount Eden site</b> - Deconstruction of two properties on Valley Road is now complete. Development partner has lodged a resource consent application which was publicly notified and submissions closed on 8 December 2024.</p> <p><b>65 Haddington Drive, Ormiston</b> - The site will be taken to the market in FY25 subject to the prevailing market conditions.</p>

Note: for maps of the locations, please refer to Appendix – Urban Regeneration Spatial Delivery Plans – Pages 23 - 28



## Property and marina management

### Highlights

- The Property Portfolio and Marinas net surplus year to date is \$12.1m, which is \$4.4m ahead of budget.
- We completed renewal work on **Windross House** a heritage building in our property portfolio that has been part of the Howick area for over 130 years. The work included replacing the deck, balustrade, stairs, a rotten window and repainting the entire exterior of the building.
- The **Wynyard Crossing Bridge** remediation works are now complete, and the bridge returned to service in December 2024.
- Westhaven's **K and L piers** are being refurbished as they are at the end of their service lives. The renewal of K pier is completed. The L pier renewal is underway, and the Y pier waler replacement project has been contracted to Bellingham Marine.

### Issues and Risks

- **Failure or prolonged unavailability of infrastructure assets** – short-term controls include asset inspections, maintenance, and renewals to manage immediate risks. Long-term initiatives include working collaboratively with the Council Group Asset Management Committee (CGAMC) on the review and update of Asset Management Plans (AMPs).

Key Programme	Status	Progress towards key deliverables
Renewals	<b>On track</b>	<p>One of the three deliverables has been achieved, one remains on track and one deliverable will not be met.</p> <p>The <b>Wynyard Crossing Bridge</b> remediation works are now complete, and the bridge returned to service in December 2024.</p> <p>Manukau Harbour/ Wairopa Channel Works – A contractor has been secured to undertake the planned works over the summer period and to ensure full compliance with The Maritime Transport Act.</p> <p>The <b>Shed E deliverable of commencing with construction</b> works to repair the building located on Onehunga Wharf will not be achieved. A cost benefit analysis of the business case options showed bringing the asset up to a leasable standard to maximise rental revenue during the hold period did not justify the level of investment required. The preferred option to demolish the shed has been completed. We are now reinstating the hard stand foundation to enable future rental. Rental revenue will still be achieved through the rental of the hard stand.</p>



## Capital budget milestones and variances

The total capital budget for the year is \$98.9m. This funding supports the delivery of a range of projects across the regeneration and renewal programmes. To provide additional information on progress, we are reporting on six projects that have a budget of more than \$5m each and collectively make up 48% of the annual capital budget. The mix of projects reflect the range and complexity of projects across the programmes and the wide range of factors and dependencies that can affect a project including the scope, budget, risks and time frames. Material variances are managed at a programme and portfolio level.

### Capital Projects greater than \$5m

	Notes	Full year		2024/25 YTD		Variance
		Budget	Actual	Budget	Actual	
6-10 Racecourse Parade (Avondale Central)	1	13.0	0.4	0.7	0.7	0.2
Te Ara Tukutuku – Wynyard Point	2	10.0	2.3	4.3	4.3	2.0
PS6 Wastewater Upgrade Works Hobsonville	3	7.6	3.7	3.0	3.0	(0.7)
Cambridge Terrace Extension and Carpark	4	6.0	0.8	2.5	2.5	1.7
Wynyard Crossing Bridge	5	5.4	9.1	5.4	5.4	(3.7)
Westhaven Seawall Upgrade	6	5.0	6.0	4.3	4.3	(1.8)
<b>Total</b>		<b>47.0</b>	<b>22.3</b>	<b>20.2</b>	<b>20.2</b>	<b>(2.3)</b>

- 6-10 Racecourse Parade – this is an acquisition of land in Avondale from Kainga Ora to create a consolidated development site for primarily new housing. Settlement is due at the end of March.
- Te Ara Tukutuku – physical enabling works to support the mixed-use development were expected to have started on site, however, there have been some delays due primarily to the need to complete certification of decontamination work with a third party. The project is tracking behind planned spend and is forecast to be underspent.
- PS6 Wastewater Upgrade Works – this is a joint project between Eke Panuku and Kainga Ora to upgrade the wastewater system servicing new development at the Airfields in Hobsonville. The project is on track with handover of a completed asset to Watercare expected in June 2025.

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4. Cambridge Terrace which will enhance access and create new development sites has recently started construction. Spend in year is forecast to be below budget as the tenders we received were under budget estimates. This reflects the competitive construction market and will result in better value outcomes.
5. The Wynyard Crossing project has been completed and the bridge returned to service in December 2024. The unplanned closure of the bridge and time constraints to get the project underway meant that comprehensive project scoping and pricing was not completed when the budget for this financial year was set. By late August a clearer picture of the extent of the corrosion and condition of the mechanical and electrical components had identified that they were materially worse than previously understood. Additional costs and scope were approved by the Eke Panuku Board to \$10.63m. Actual costs to the end of December was \$9.1m, out of the total budget of \$10.6m. The delivery of the project was completed within the Board approved budget envelope.
6. The Westhaven seawall upgrade started in FY24. The timing of the project costs are split over FY24 and FY25 and different to initial forecasts. More costs have ended up in this financial year. The project has now been completed ahead of schedule in January.

## Performance measures

Performance measure (unaudited results)	Previous year result	Target	Q2 Actual	Status	Commentary
<b>Urban regeneration programmes and projects</b>					
Net new dwellings (housing units) – LTP performance measure	135	157	38	Off track	The challenging property market with reduced demand has meant that construction has been delayed or re-staged on some projects. The SOI target is unlikely to be met.
Public realm – square metres	20,065 sqm	7,000 sqm	3,374 sqm	On track	3,374 sqm of renewed public realm reached practical completion YTD.
Capital project milestones approved by the board achieved – LTP performance measure	100%	80%	33%	On track	To date, consent was lodged for the Northcote Community Hub, taking our completed SOI milestones to 5 out of 15. There are 2 milestones at risk.
Achieve board approved budgeted Transform and Unlock (T&U) sales for the financial year through unconditional agreements	\$2.5m	\$16m	-	Off track	No Transform and Unlock sales YTD. It is unlikely that the FY25 target will be met.
The asset recycling target agreed with Auckland Council	\$158.9m	\$60m	\$4.5m	Off track	Four properties have been sold with a cumulative value of \$4.5m YTD. Due to the current weakness in the property market, we will not meet the \$60m sales target.

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Performance measure (unaudited results)		Previous year result	Target	Q2 Actual	Status	Commentary
<b>Property portfolio and marina management</b>						
Annual property portfolio net operating budget result agreed with the council achieved – LTP performance measure		\$27m	\$18m	\$11.6m	On track	The surplus for the portfolio was \$11.6m, this is \$5.5m ahead of budget.
Monthly average occupancy rate for tenantable properties – LTP performance measure		Commercial 97.1% Residential 98.2%	Commercial 90% Residential 95%	Commercial 97.2% Residential 98.6%	On track	Both Commercial and Residential occupancy rates remain high and ahead of target.
Percentage of marina customers surveyed who are satisfied with marina facilities and services		93%	88%	-	On track	The survey will be completed at end of year.
Climate change mitigation - Significant capital project decisions consider and reduce carbon impacts. <i>Target: Adoption and testing of methodology and development of performance measures for FY26.</i>		New measure	Methodology adopted, tested and applied. Performance measure developed.	-	On track	Project Emissions Estimation Tool (PEET) has been adopted for assessing embodied carbon of designs for capital projects and is currently being tailored for Eke Panuku use. Application will commence once this is completed. This tool is also used and supported by Auckland Transport.
<b>Sector leadership</b>						
<b>Creating positive outcomes for Māori</b> Deliver ongoing or new initiatives that support Māori Outcomes		59	40	20	On track	20 initiatives were delivered to support Māori outcomes. Examples of initiatives carried out include Iwi input into a development on the corner of Dominion and Valley Road in Maungawhau. Engaging with mana whenua to scope development on vested land along Ti Rakau Drive. Developed a cultural induction pack for all new starters into Eke Panuku.
<b>Enhancing the relationship between Eke Panuku and mana whenua</b> Increasing the percentage of satisfaction with the support they receive from Eke Panuku		60%	Maintain or improve on previous year	-	On track	The survey will be completed at end of year.
Percentage of complaints received by Eke Panuku resolved within 10 working days		85%	80%	100%	On track	One compliant received in December and closed with met target.

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### Financials – Eke Panuku Cash Flows

\$ million	YTD Actual	YTD Budget	YTD Variance	Full Year Budget	
<b>Capital Inflows</b>					
Selling Council's surplus property	4.5	1.0	3.5	60.0	The property market is challenging from a wider economic perspective with significant number of listings and developers holding unsold stock. Uncertainty over the proposed new development contribution regime making developments financially unfeasible. For example one site sale that has fallen through as it was facing a potential increase of development contributions of \$64k per household unit. Sites continue to be taken to the market to test market appetite but any improvement in market sentiment is still to appear. At the end of December sales achieved are \$4.5m.
Selling or long leasing property to reinvest in our urban regeneration locations	0	13.8	(13.8)	16.0	The developer for the planned sale of the Lysaght building has pulled out of the deal due to uncertainty from the CCO reforms as the major tenant is Tatak Auckland Unlimited. The sales of properties within urban regeneration locations are not expected to make target this year.
Third party capital contributions	2.2	1.9	0.3	3.8	
<b>Capital Outflows</b>					
Investing in council group assets to support regeneration and asset renewals	40.0	40.2	0.2	98.9	Capital spend is tracking well to budget.
<b>Operational Inflows</b>					



Revenue from property interests for Council group	40.8	33.7	7.1	66.7	Revenue is tracking ahead of budget. Due to the downturn in the property market last year, some properties that we budgeted to have been sold are still in the portfolio and we are continuing to generate income from them \$1.6m. A change in Auckland Transport project timing has resulted in additional revenue for their properties as tenanted when expected to be vacant \$1.3m. In addition a property in Northcote has been long leased for 125 years for \$3.2m. Council Finance advised us instead of spreading the revenue over the life of the lease that the full cash amount received should be shown as revenue, this was unbudgeted.
<b>Operational Outflows</b>					
Managing council group properties	10.1	9.9	(0.2)	19.6	
Utilities and leases for council group owned assets we manage	3.6	3.3	(0.3)	6.7	
Rates on council group owned assets	7.6	7.7	0.1	7.7	
Maintenance of council properties	6.2	6.1	(0.1)	12.3	
Consultation, negotiation, and sales processes to sell council property	1.6	2.2	0.6	4.3	
Leading regeneration of town centres, city centre and waterfront.	12.5	11.0	(1.5)	23.8	

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## Financials – Eke Panuku company

Overall, the operating performance of Eke Panuku is favourable to budget, and the drawdown of funding from Council for Eke Panuku is \$2.7m less than budgeted.

A: Employee benefits are favourable to budget by \$1.4m, there are currently 14 vacant positions, uncertainty surrounding the CCO reforms has led to delays in recruitment.

B: Other direct expenditure is \$1.0m behind phased budget, there are savings in year in director costs, internal audit and consultants as some planned work streams have been put on hold.

FY 25 \$ million	Notes	FY 25 Quarter 2 YTD		FY 25 Annual Plan
		Actual	Annual Plan Variance	
<b>Net direct revenue</b>		(9.6)	(12.5)	2.9 (24.1)
<b>Direct revenue</b>		10.2	9.8	0.5 19.6
Fees and user charges		0	0	0.0 -
Operating grants and subsidies		0	0	0 -
Other direct revenue		10.2	9.8	0.5 19.6
<b>Direct expenditure</b>		19.8	22.3	2.5 43.7
Employee benefits	A	16.8	18.2	1.4 36.3
Grants, contributions and sponsorship		0.0	0.1	0.0 0.1
Cost of goods and services		0.0	0.0	0.0 -
Repairs and maintenance		0.1	0.1	(0.0) 0.2
Outsourced works and services		0.0	0.0	0.0 -
Other direct expenditure	B	2.9	3.9	1.0 7.1
<b>Other key operating lines</b>				
Operating grants and subsidies intercompany		9.6	12.3	(2.7) 24.1
Depreciation and amortisation		0.2	0.2	(0.0) 0.3



## Direct operating performance

\$ million	Notes	FY 25 Quarter 2 YTD		FY 25 Annual Plan
		Actual	Variance	
<b>Net direct revenue</b>		1.1	2.5	0.9
<b>Direct revenue</b>		31.6	26.3	48.3
Fees and user charges	A	1.3	0.9	1.7
Operating grants and subsidies		-	-	-
Other direct revenue	B	30.3	25.5	46.6
<b>Direct expenditure</b>		30.5	28.8	47.4
Employee benefits		0.0	0.0	0.0
Grants, contributions and sponsorship		-	-	-
Cost of goods and services		-	-	-
Repairs and maintenance		5.7	5.7	11.4
Outsourced works and services		0.1	0.1	0.1
Other direct expenditure	C	24.8	23.1	35.9
<b>Other key operating lines</b>				
Depreciation and amortisation		13.0	12.8	27.2
Finance Revenue		-	-	-

### Managed activities for Auckland Council

The financial data in this table represents the Auckland Council portfolio managed by Eke Panuku. These numbers exclude the net direct revenue that Eke Panuku has generated for properties managed for Auckland Transport \$1.5m which is \$1.8m favourable to budget. In addition, a \$3.5m, dividend has been paid to Council's Solid Waste team from the Waste Disposal Services investment, managed by Eke Panuku.

A: Fees and user charges \$0.5m ahead of budget, more income has been generated from the Jellicoe Street Carpark, this is expected to continue during the next quarter.

B: Other Direct revenue - a property in Northcote has been long leased for 125 years and settlement has been made by the purchaser. Council Finance have asked us to recognise the entirety of the lease revenue in FY25 and not spread it over the term of the lease. This represents \$3.2m of unbudgeted revenue that was recognised in July.

There is also additional rental received for a small number of properties that were not budgeted for, as they were expected to be sold \$1.6m.

C: Other direct expenditure was impacted in December by accounting advice received from PWC that has confirmed that the costs of sale of the Downtown Car Park that have been incurred over several years and treated by Eke Panuku as a capital expense must be treated as an operating expense \$2.6m. For Council Group accounting purposes it can be treated as capital expenditure. Central Wharves masterplan had \$1.6m set aside in FY25, this is now forecast at \$0.8m and the remainder will be deferred into next year.

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## Financial breakdown by key activities

### Operating expenditure

#### Urban regeneration

	Notes	Previous year Actual	Actual	2024/25 YTD Budget	Variance
Transform and Unlock Locations					
<b>Net direct expenditure</b>	<b>1</b>	<b>11.0</b>	<b>4.7</b>	<b>5.6</b>	<b>0.9</b>

#### Capital expenditure

	Notes	Actual	Budget	Variance
<b>Property renewals</b>		<b>13.0</b>	<b>10.2</b>	<b>(2.8)</b>
<b>Transform and Unlock Locations</b>				
<i>Isthmus</i>	5.6	3.3	2.2	(1.1)
<i>North</i>	5.5	1.1	1.3	0.3
<i>South</i>	10.5	5.4	7.6	2.2
<i>West</i>	2.1	1.6	2.3	0.7
<i>Waterfront</i>	25.4	10.4	11.8	1.3
<b>Regional</b>		<b>5.2</b>	<b>6.5</b>	<b>1.3</b>
<b>Total</b>		<b>40.0</b>	<b>41.9</b>	<b>1.9</b>



Asset sales and long-term leases

	Previous year	2024/25 YTD		
	Actual	Actual	Budget	Variance
General Asset sales for the group	158.9	4.5	1.0	3.5
Reinvestment - Transform and Unlock	2.5	0	13.75	(13.75)
<b>Total</b>	161.4	4.5	14.75	(10.25)
<b>Waterfront long leases</b>	0	0	0	0

Property and marina management

	Notes	Previous year	2024/25 YTD		
		Actual	Actual	Budget	Variance
<b>Auckland Council Properties</b>					
Direct revenue		38.0	19.4	16.6	2.7
Direct expenditure		14.1	9.2	10.2	0.9
<b>Net direct expenditure</b>		<b>23.9</b>	<b>10.2</b>	<b>6.4</b>	<b>3.6</b>
<b>Waterfront Public Space</b>					
Direct revenue		0.6	0.1	0.2	(0.1)
Direct expenditure		7.1	3.9	3.4	(0.5)
<b>Net direct expenditure</b>		<b>(6.5)</b>	<b>(3.8)</b>	<b>(3.2)</b>	<b>(0.6)</b>
<b>Marina Operations</b>					
Direct revenue		16.4	7.9	8.6	(0.7)
Direct expenditure		6.8	3.6	3.6	0

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	Notes	Previous year		2024/25 YTD		Variance
		Actual		Actual	Budget	
<b>Net direct expenditure</b>		9.6		4.3	5.0	(0.7)
<b>Marina Trusts</b>						
Direct revenue		7.1		3.8	3.8	0
Direct expenditure		6.6		5.0	4.0	(1.0)
<b>Net direct expenditure</b>	<b>2</b>	<b>0.5</b>		<b>(1.2)</b>	<b>(0.2)</b>	<b>(1.0)</b>
<b>Auckland Transport Properties</b>						
Direct revenue		6.9		3.2	2.0	1.3
Direct expenditure		3.9		1.8	2.3	0.5
<b>Net direct expenditure</b>	<b>3</b>	<b>3.0</b>		<b>1.4</b>	<b>(0.3)</b>	<b>1.8</b>
<b>Business Interests</b>						
Direct revenue (includes share of JV Profit)		7.4		3.8	3.9	(0.1)
Direct expenditure		0.6		0.3	0.5	0.2
<b>Net direct expenditure</b>		<b>6.8</b>		<b>3.5</b>	<b>3.4</b>	<b>0.1</b>





**Activity based financials commentary:**

1. A Haumaru property was long leased in Northcote for 125 years and all of the revenue for that lease has been recognised in year \$3.2m. As a result the net direct expenditure on regeneration is \$0.9m ahead of budget. Actual spend in year is tracking ahead of phased budget by \$1.9m
2. Westhaven Marina is governed by a Trust Structure which comprises two Trusts being the Existing Trust and the Extension Trust. These Trusts operate on the premise that they make a zero net surplus / breakeven year on year. Currently the Trusts are in deficit (\$1.1m), this intentionally reflects the draw down of retained earnings from prior years and use of the refurbishment fund. Each year funds are set aside in a refurbishment fund, marina staff continue to maintain the marina assets to the required standard. The refurbishment of K and L piers is currently underway with costs to date of \$1.3m, forecast total cost over 3 years is \$3.2m. The Existing Trust will use either the refurbishment fund or operational budget to complete any renewals including the refurbishment of K& L. Therefore, it will draw down from the refurbishment fund this year. The Existing Trust will show a deficit for the year. Y Pier Waters will be replaced this year, with a forecast cost of \$0.9m. This asset is located within the Extension Trust area. The operational budget is insufficient to fund this project so the refurbishment fund will be utilised. Therefore, this Trust will also show a deficit this year.
3. Transport revenue is ahead of budget \$1.3m due to a delay in timing of Transport projects and properties still being available to rent out.

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## Appendix – Urban Regeneration Spatial Delivery Plans

These plans provide a summary of projects within each programme and provide updates on specific projects.

We will present **five location programmes per quarter** reporting cycle. These are for the quarter ending December 2024.

The link below is to the Eke Panuku board reports public information webpage which contains the full set of spatial delivery plans:  
<https://www.ekepanuku.co.nz/about/public-information/>

Locations	Reporting Cycle	Regional Programmes	Reporting Cycle
1. Northcote	Q1		
2. Takapuna	Q1		
3. Henderson	Q1		
4. Avondale	Q1		
5. Maungawhau	Q1		
<b>6. City Centre</b>	<b>Q2</b>		
<b>7. Waterfront</b>	<b>Q2</b>		
<b>8. Onehunga</b>	<b>Q2</b>		
<b>9. Panmure</b>	<b>Q2</b>		
<b>10. Manukau</b>	<b>Q2</b>		
11. Old Papatōetoe	Q3		
12. Ormiston	Q3		
13. Pukekohe	Q3		
		14. Eastern Busway TODs	Q3
		15. Service Property Optimisation	Q3
		16. Corporate Property	Q4
		17. Haumaru Scope	Q4
		18. Supports Scope	Q4
		19. Regional Renewals	Q4
		20. Waterfront Renewals	Q4































































































































































**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  
Forward Work Programme 2025**

This committee deals with having 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.

The full terms of reference can be found here: [Auckland Council Governing Body Terms of Reference](#)

Area of work and Lead Department	Pūnga / Reason for work	Committee role (whakatau / decision and/or tika / direction)	Expected timeframes Highlight the month(s) this is expected to come to committee in 2025											
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Strategic direction</b>														
<b>CCO Letters of Expectation 2025-2028</b> CCO Governance and External Partnerships	Council issues an annual letter of expectations to each of its substantive CCOs to inform the development of the CCOs' Statements of Intent.	Seeking committee approval of the content of draft 2024-2025 letters of expectation.  <b>Progress to date:</b> Content of draft 2024-2025 letters of expectation approved February 2025 <a href="#">Link to decision</a>												
<b>Draft and final SOIs 2024-2027</b> CCO Governance and External Partnerships	Statements of intent set out the objectives and activities of each CCO for the next three years. They serve as a basis for accountability to the council, as the shareholder, and provide an opportunity for the council to influence each organisation's direction.  Under legislation CCOs must deliver annually a draft statement of intent to its shareholders on or before 1 April 2024.  Under legislation CCOs must deliver annually a final statement of intent to its shareholders on or before 31 July 2024.  Covers: Watercare, Tātaki Auckland Unlimited, Auckland Future Fund, Manukau Beautification Charitable Trust and Contemporary Art Foundation.	Committee to provide comments on draft statements of intent and approve final statement of intent.  <b>Progress to date:</b>												
<b>Draft and final POAL SCI 2024-2027 and Letter of Expectation</b>	Port of Auckland Statement of Corporate Intent process	Committee to approve letter of expectation – <b>10 June</b>  Committee provide comments on draft Statement of Corporate Intent – <b>9 September</b>  <b>Progress to date:</b>												
<b>Review of non-substantive Council-controlled organisation accountability requirements</b>	Some non-substantive CCOs have been exempted from accountability requirements under Section 7(3) of the Local Government Act 2002. CCO/2022/38 included agreement that these exemptions be reviewed by September 2025.	Committee to make decisions about accountability requirements of non-substantive CCOs.												

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Area of work and Lead Department	Pūnga / Reason for work	Committee role (whakatau / decision and/or tika / direction)	Expected timeframes Highlight the month(s) this is expected to come to committee in 2025											
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Review of non-substantive Council controlled organisations</b> CCO Governance and External Partnerships	To ensure the governance model for Council's non-substantive CCOs is appropriate. CCO/2020/21 approved the council undertaking a review of the status of non-substantive council-controlled organisations and the framework for undertaking the review. As of January 2025, Council's non-substantive CCOs are: <ul style="list-style-type: none"> <li>Arts Regional Trust / Te Taumata Toi-a-Iwi</li> <li>Contemporary Art Foundation</li> <li>Mangere Mountain Education Trust</li> <li>Mount Albert Grammar School Community Swimming Pool Trust</li> <li>Te Motu a Hiaroa (Puketutu Island) Governance Trust</li> </ul>	Committee to make decisions about the future governance of non-substantive CCOs. Timing is to be confirmed. <b>Progress to date:</b>												
<b>Performance monitoring and reporting</b>														
<b>Quarterly, Half-Year and Annual Reports 2024/2025</b> CCO Governance and External Partnerships	Under the LGA and LGACA the council must regularly undertake performance monitoring of the CCO to evaluate its contribution to meeting its objectives, and the desired results identified in the SOI.	Committee to receive quarterly reports, receive, and adopt half yearly and annual reports. <b>Progress to date:</b>												
<b>CCO and POAL strategic performance oversight</b>	CCO Board members are requested to attend committee meetings to discuss strategic performance twice yearly. This is to ensure CCO board engagement and relationship building.	Performance oversight focus: <ul style="list-style-type: none"> <li>Watercare – 11 March 2025</li> <li>Port of Auckland – 8 April 2025</li> <li>Tātaki Auckland Unlimited – 10 June 2025</li> </ul> <b>Progress to date:</b>												

Area of work and Lead Department	Pūnga / Reason for work	Committee role (whakatau / decision and/or tika / direction)	Expected timeframes Highlight the month(s) this is expected to come to committee in 2025												
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
<b>The State of the City reporting 2025</b> Tātaki Auckland Unlimited	The committee wishes to be kept informed on work progressing the areas of focus from the annual State of the City reports: Benchmarking Tāmaki Makaurau Auckland’s international performance.	Committee to receive presentation on the results from the annual State of the City reports: Benchmarking Tāmaki Makaurau Auckland’s international performance. Note that following CCO reform, this report may no longer be led out of Tātaki Auckland Unlimited.  <b>Progress to date:</b>													
<b>Lead Councillor Updates</b> CCO Governance and External Partnerships	Mayor Wayne Brown has appointed four lead councillors to attend the board meetings of CCOs allocated to them and report back to this committee quarterly.	Committee to receive verbal updates from the CCO Lead Councillors  <b>Progress to date:</b>													
<b>Haumarū Housing – end of year results 2023/2024</b>	Haumarū Housing is a joint venture established by Auckland Council and The Selwyn Foundation.  This will ensure the long-term provision of affordable housing services for older people in Auckland.	Haumarū Housing will report to the CCO Direction and Oversight Committee once a year to discuss performance and end of year results.  <b>Progress to date:</b>													
<b>Tamaki Regeneration Company (TRC) - end of year results 2023/2024</b>	TRC is a Crown entity that is jointly owned by the government and Auckland Council.  TRC is leading urban regeneration activity in Tāmaki to achieve four strategic objectives: social transformation, economic development, placemaking and housing resource.	TRC will report to the CCO Direction and Oversight Committee once a year to discuss performance and end of year results.  <b>Progress to date:</b>													

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