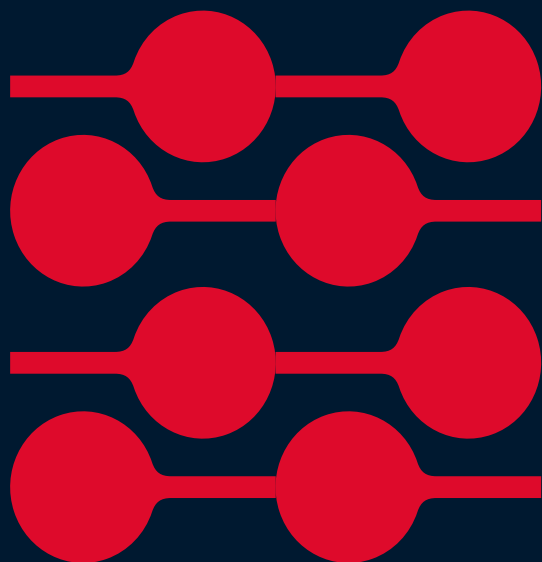




Quarterly Performance Report

Eke Panuku Development Auckland

2024/2025 Quarter 4

For the 12 months ended 30 June 2025



Q4 – At a glance



Executive Summary

We have had a challenging year with a slower property market affecting our asset sales and developments. Despite this, we progressed projects across the urban regeneration programmes, achieved a strong financial performance across the business and **achieved 10 of our 12 SOI targets**. We have completed 7 public realm and amenity upgrade projects totalling **13,777 sqm** against target of 7,000 sqm. Completion of **170 new sustainable homes** by our development partners on former council owned land, against a target of 157 homes. We completed **86%** of 15 approved capital project milestones to measure progress of our regeneration programme. The property management business delivered a **surplus of \$30.3m, \$12.3m ahead of budget** and Westhaven Marina achieved **customer satisfaction of 94%**. We did not achieve our two asset sales targets this year, however we continue to take development sites to the market to test market appetite but any improvement in market sentiment is still to appear. Once the market improves, sales are still expected to occur in subsequent years.

Good progress has been made this quarter in our capital projects with works completed on the upgrade of **Roulston Park in Pukekohe** and the **Pump Station (PS6)** wastewater upgrade in **Hobsonville**. Construction works started on several projects including **Waiapu precinct in Onehunga**, **Lagoon Edge Reserve Enhancement in Panmure** and **Catherine Plaza in Henderson**. **Old Papatoetoe** town centre revitalisation continues with the construction of the **Cambridge Terrace extension and car park** expected to be completed in September 2025. **Effective 30 June 2025, all functions of Eke Panuku were transferred to Auckland Council as part of the CCO reform.**



Financial Performance

Direct revenue continued to be favourable to budget and was \$11.0m ahead of budget in year. This is mainly due to unbudgeted revenue of \$3.2m from a property lease recognised which would normally have been spread across the life of the lease. Additional revenue of \$3.5m has been received from properties that were expected to be sold or vacant properties remaining tenanted, and expenditure recoveries from tenants \$1.8m.

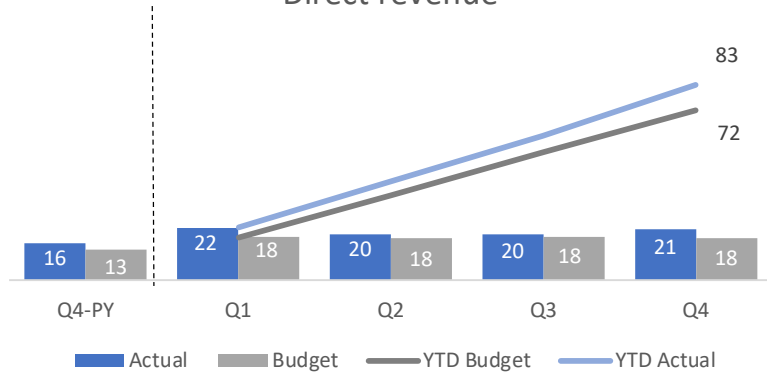
Direct expenditure was \$1.9m favourable against budget. **Capex** was \$7.7m below budget year to date. A contributing factor to the underspend relates to supplier pricing in a competitive construction market, which provided savings in year of \$8.0m. There have also been delays to works starting on two projects, adding an additional circa \$5m to the underspend. Panmure's Lagoon Edge project has experienced delays due to consenting and Waterfront's Te Ara Tukutuku land decontamination has taken longer than expected. The savings to date have been offset by the Eke Panuku Board approved additional spend in the renewals programme for the Wynyard Crossing Bridge \$3m and the opportunity to bring forward some remediation work on Queens Wharf \$3.6m. Projects over \$5m are explained on page 15 of this report. At the end of June, **asset sales achieved** was \$10.1m. The challenging economic environment and slow property market has resulted in low asset sales this year. Potential buyers have also referenced uncertainty around the change in the development contribution regime, impacting the feasibility of projects (drivers for lower sales at specific development sites are detailed on page 8 of the report).

¹ Gro
Note: for more details on financials, refer to the graphs on page 2 and financials section on pages 15 - 26

\$m

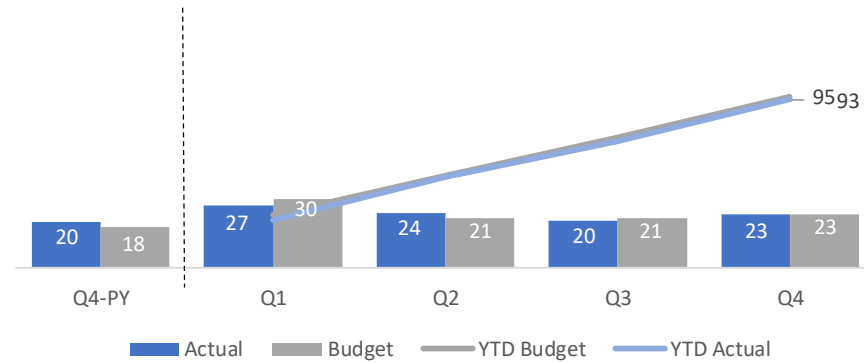
YTD v Budget
11.0

Direct revenue



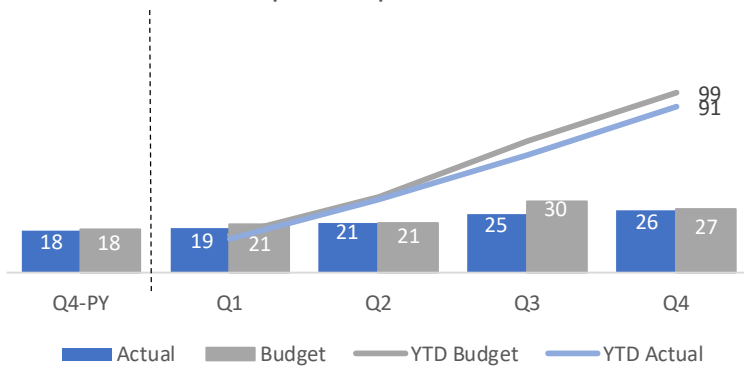
YTD v Budget
1.9

Direct expenditure



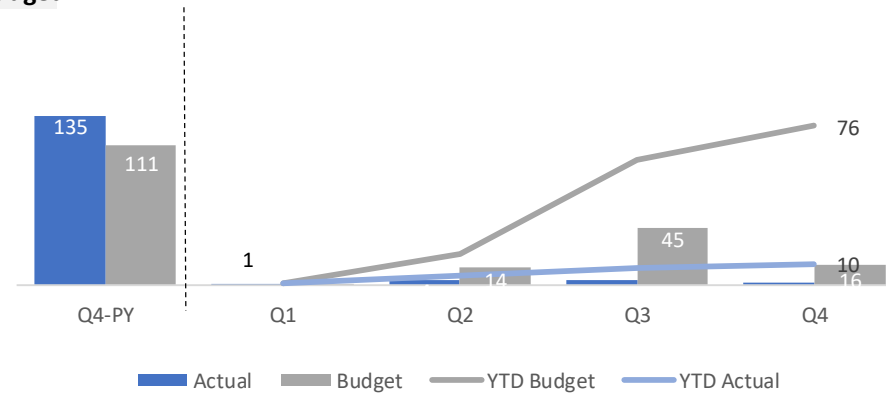
YTD v Budget
7.7

Capital expenditure



Asset Sales & Long-term Leases

YTD v Budget
65.9





Highlights

- **A new chapter for urban development** - On 1 July 2025, Eke Panuku was disestablished and its functions transferred to Auckland Council as part of the CCO reform. Urban regeneration work now sits with the new Auckland Urban Development Office (AUDO). It will also lead major development across the region and serve as the council's main point of contact for investors, iwi, developers and partners. A new property department has also been established combining property functions from the council and Eke Panuku. It manages the non-service portfolio, marinas and community leases, provides a range of property services and advice, and provides strategic leadership to ensure the council group has the right assets to deliver services now and in the future.
- The **Pump Station (PS6)** wastewater upgrade works in **Hobsonville** has been completed with the ownership of the asset transferred to Watercare. This will provide additional wastewater capacity and allow the vacant land in Hobsonville to be developed for housing.
- In **Pukekohe**, the upgrade of **Roulston Park** was completed in June 2025 with an all age-friendly playground in the park. The Massey Avenue and Manukau Road double intersection upgrades and footpath widening has also been completed. This is a co-funded project with Auckland Transport. It will increase safety and access to Roulston Park and the town centre and supports future growth and development of the Edinburgh superblock.
- **Old Papatoetoe** town centre revitalisation continues with an upgrade of Stadium Reserve to improve amenity, safety and attract visitors. The construction of the **Cambridge Terrace extension and car park** is nearing completion and improves circulation and creates additional development sites for new housing.
- **Waiapu precinct** begins construction in **Onehunga** with plans for mixed-use residential, commercial developments, new public space and connections across the town centre. A karakia whakawātea (dawn blessing) was held prior to the enabling works starting in June 2025. The upgrades include new spaces for families, improved walking and cycling connections, a new playground and green areas.

- **Lagoon Edge Reserve Enhancement** began construction in **Panmure** creating an urban waterfront park adjacent to the existing Lagoon Pools. Construction commenced on 16 June 2025 following a karakia whakawātea (dawn blessing).
- **Catherine Plaza** began construction in **Henderson** to enhance connections, activation, outdoor dining space, and landscaping. Construction works commenced in early June 2025.
- **Award Success** - Westhaven Marina has been recognised as a runner-up in the 2025 Marina of the Year Awards, receiving a Highly Commended award from the Marina Industries Association (MIA).
- Two standout projects in Auckland's Wynyard Quarter have been successful at the 2025 New Zealand Institute of Architects - Auckland Architecture Awards. The Karanga Changing Sheds, and the SeaLink Ferry Terminal building, were both recognized for their innovative and impactful designs, each reflecting a commitment to environmental responsibility and community identity.



Issues/Risks

Delivery of development outcomes is affected by challenging economic conditions and low property market demand. This affects the delivery of current and future asset sale targets and regeneration outcomes including construction of new dwelling units. It is taking longer to attract partners able to achieve viable projects in current conditions. We continue to monitor arrangements with existing development partners and carry out due diligence as part of development partner selection processes. 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 8 of this report).*

Key Performance Measures

Of the 12 SOI performance measures this year, 10 measures achieved targets, and 2 measures did not achieve targets. The targets not met are the transform and unlock asset sales, and asset recycle sales, both affected by the slow property market.

Strategic performance priorities	Achieved	Not Achieved	Not reported this quarter	Total
Urban regeneration	3	1		4
Property and marina management	3	1		4
Sector leadership	4			4
TOTAL	10	2		12

Note: for details on performance measures, please refer to the Performance measures section – Pages 17 – 19

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 was completed to deliver new public open space as part of the wider masterplan. Deconstruction was also progressed on buildings in Avondale to make way for Te Hono, the new Avondale Library. Deconstruction of the Norman King building in Northcote has been completed to enable the extension of Ernie Mays Street, a key connection and enabler of development. The dockmaster office in Westhaven has been deconstructed as the building has passed its useful life. A warehouse on the Onehunga Wharf has also been deconstructed this year. In all these projects where appropriate materials of value are identified and salvaged for reuse.
- Supplier diversity targets** – For FY25 we spent over \$8m with diverse suppliers which was about 8.4% of our budget. This means we exceeded our spend target of 7.5%. Over 50% of this spend was with Māori suppliers, just over a third with social enterprises, and over a 15% with Pasifika. This spend has been contributed to by a variety of projects including placemaking, construction works and deconstruction.

- **Climate related disclosure** – We have worked across the business and with Council family to further embed climate considerations in our work, including in business case processes and risk management. We have been mapping climate hazards such as flooding and urban heat island effects across our neighbourhoods. We have adopted the Project Emissions Estimation Tool (PEET) to undertake an assessment of the embodied carbon of capital works projects to enable carbon impacts to be assessed through the design phase. This tool is being used on key projects with some useful analysis already informing the design of Te Ara Tukutuku (Wynyard Point).
- **Blue green networks and community engagement** – Te Whakaoranga o Te Puhinui is involving ongoing work to engage and empower the community through this stream regeneration project and associated activities. Para Kore Zero Waste Northcote has wrapped up after six years. Alongside other activities, in the last 12 months there have been 25 community information sessions, including recycling education and Love Food Hate Waste programmes and 5 working bees focused on litter removal. Regular group volunteer working bees were run across the Greenway and Papa Ki Awataha - volunteers contributed a total of 230 hours, resulting in the removal of approximately 200 kilograms of pest plants and planting of 250 natives. Work has progressed to develop an approach for delivering Blue Green Networks for the City Centre as part of the delivery of the City Centre Action Plan.

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:

- **Engagement (Kia ora te Hononga)**
Eke Panuku aims to strengthen relationships with mana whenua, as reflected in its Statement of Intent goal to increase satisfaction with engagement by 5% each year. The baseline in 2022 was 50%, followed by 56% in 2023 and 60% in 2024. The 2025 actual result is 75%. These results reflect growing satisfaction with the support provided by Eke Panuku and its efforts to build meaningful partnerships with iwi.
- **Culture and Identity (Kia ora te Ahurea)**
Eke Panuku continues to embed the culture and identity of iwi mana whenua into its projects. Multiple expressions of interest (EOIs) have been issued to mana whenua partners to involve their mandated artists. Recent projects with successful applicants include the Onehunga Wharves Pathway Connection and the Northcote Community Hub.
- **Environment (Kia ora te Taiao)**
Through the Mana Whenua Forum and one-on-one iwi engagement, Eke Panuku supports iwi taiao (environmental) aspirations. One example is the Hayman Park project in Manukau, delivered as part of the Te Whakaoranga o Te Puhinui programme. This initiative, focused on regenerating the wellbeing of the Puhinui Stream, is in partnership with Te Ākitai Waiohū, Ngaati Te Ata, and Ngaati Tamaoho, and supported by council teams such as Healthy Waters. The work is guided by the principles of the Te Whakaoranga o Te Puhinui Charter.

Statement of performance expectations

Urban Regeneration

Other highlights

- The **Hayman Park wetlands** project in **Manukau** was designed to improve water quality treatment and extended detention for stream protection. It includes a new shared pathway and open space amenity. The resource consent was granted in April 2025.
- In **Pukekohe**, Market Precinct capital works to upgrade Roulston Street, Devon Lane and enhance the town square to support markets and events are progressing with the lodging of resource consent in May 2025. The project is now in detailed design stage.
- In **Ormiston**, a site at 65 Haddington Drive was taken to the market to find a development partner in April 2025. A conditional agreement has been achieved.
- In **Onehunga**, a conditional development agreement for the Waiapu Lane and Selwyn Street development sites for a new supermarket was achieved in June 2024. Integration of works agreement is now complete, and the developer has applied for resource consent.
- **Northcote town centre streets** are progressing with the extension of Ernie Mays Street, a key part of the road network which will enable optimal development sites and address flooding risk in the town centre. Final business case, developed design and lodging resource consent have all been achieved.
- The **Northcote Community Hub** project which includes refurbishing and extension of the library as a multi-purpose community hub, and the **Puāwai / Cadness Reserve** upgrade to make a better outdoor space that integrates with the community hub are next in line for delivery. Final business case, developed design and lodging resource consent have all been achieved.

Issues and Risks

- The challenging property market, project complexity and dependencies and development contributions uncertainty impacted asset sales for the year.
 - **A challenging property market has affected the sale of several development sites** – The Northcote town centre development, where most parties have decided not to progress further with any development plans noting the challenging property market. In Panmure, the marketing of two development sites has been delayed until developer interest is received, or the market improves. The development agreement for the Takapuna Auburn Street site did not go unconditional this financial year. In Pukekohe, the Edinburgh superblock development site's deliverable of a conditional agreement will not be met this financial year. The Papatoetoe St George Street residential development Piko Toetoe continues to experience challenging market conditions which has affected the staged completion of units.
 - **Project complexity and Interdependencies** – Specific infrastructure and public space integration requirements require finalisation before the sale of two city centre sites can be progressed, however good progress is being made on this. The material sale of a long-term ground lease on the Waterfront did not progress due to uncertainty as to the lease tenure and structure of the current tenancy.
 - **Development contributions** – The deliverable of achieving a conditional development agreement for the sale of 1 and 23 Launch Road, Hobsonville will not be achieved this financial year. The new development contributions signalled by Auckland Council created uncertainty and made it difficult to reach agreement on value on this and another site sale in Panmure. With development contributions now confirmed these properties will be taken back to the market.
- Site acquisitions to enable urban renewal - Only one of the four Onehunga Waiapu Precinct sites has been acquired to date. Due to the timing of court hearing dates and negotiations with the remaining parties, the conditional sale and purchase agreements for the other sites could not be achieved this financial year.

More details on issues and risks are contained in the programmes section Pages 9 - 14.

Programmes

Key Programme	Status	Progress towards key project deliverables set out in the SOI (pages 19-28)
Northcote	Substantially Achieved	Two of the three deliverables have been achieved, and one deliverable is progressing, but not fully achieved. The Northcote town centre streets project deliverable to complete the Final Business Case, developed design and lodge resource consent have all been achieved. The developed design which began in October 2024 is now complete and resource consent has also been lodged. The Final Business Case was approved in April 2025, which was the final item needed to complete this deliverable. The Northcote community hub and Puāwai / Cadness Reserve upgrade project deliverable to complete the Final Business Case, developed design and lodge resource consent have all been achieved. Developed design was approved in November 2024, and resource consent was lodged in December 2024. The Final Business Case was approved in April 2025, which was the final item needed to complete this deliverable. The Northcote town centre development deliverable to progress the process to select a preferred developer has been partially met. Following last quarter's release of a revised development strategy, negotiations were held with three parties. However, two of the three parties have decided not to progress further with any development plans noting the challenging property market. We continue to work with the remaining developer on reaching an agreement for the development of one of the sites.
Takapuna	Delayed	The Auburn Street site deliverable to progress site sale to unconditional stage this financial year was not achieved due to uncertainty in the property market. However, good progress has been made with the preferred development partner and a non-refundable deposit has been paid, further strengthening its commitment to the project.

Key Programme	Status	Progress towards key project deliverables set out in the SOI (pages 19-28)
City Centre	Substantially Achieved	Action plan programme deliverables are substantially achieved, except for the objective to 'Maximise Benefits of CRL (City Rail Link),' which is at risk due to Watercare work delays on Queen Street. Proposed mitigations are being shared and discussed with the SteerCo members (a governance body). We continue to facilitate and deliver on our development opportunities of the three key sites in the City Centre. The sale of the Downtown carpark is unconditional, the Symphony Centre development agreement terms are being progressed, and the developer of Bledisloe House has started remediating the exterior façade and removing internal fitout. It has yet to secure tenancies to finalise its design concepts for the remodeling. The City Centre Action Plan (CCAP) has now been updated and endorsed by Steerco in the last quarter. Work on the precinct regeneration plans is also ongoing with workstreams, and programme realignment confirmed and implementation underway. The City Centre Targeted Rate (CCTR) extension is well underway, aiming for completion of CCAP position by August 2025. A review of the City Centre Action Plan is currently scheduled to commence from 1 July 2025, with a view to complete by 30 June 2026, in readiness for the next LTP (2027-2037). We continue to work across the council group to maximise the benefits of CRL. This quarter, the CRL Station precinct Integration mapping was completed. Gaps and opportunities in the group's work programme are being reviewed. A Crime Prevention through Environmental Design (CPTED) Assessment has been completed for Maungawhau. There is a risk of a 3-6 month programme delay to Te Ha Noa SP2 (Victoria Street project) due to the Orakei Main Sewer being 0.5m out of its anticipated position and in poorer condition than expected, requiring further assessment, redesign, and additional mitigation measures.
Waterfront	Substantially Achieved	Four of the six project deliverables have been achieved, one partially met, and one has not been met, but good progress has been made. The swimming facility 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 Westhaven seawall upgrade was completed ahead of schedule in January 2025. Te Ara Tukutuku (Wynyard Point) design deliverable to complete public engagement on the concept plan was achieved last quarter. Enabling works started in late March 2025. Works continue to progress ahead of schedule on the Precinct Stage 3 development (office buildings) and are expected to be completed in August 2025. The Central wharves masterplan project deliverable of initiating the masterplanning process has been achieved. The project is underway. The project deliverable of securing a long-term lease for the North Wharf development site is close to being finalised but will not be completed before the end of the financial year.

Key Programme	Status	Progress towards key project deliverables set out in the SOI (pages 19-28)
Avondale	Delayed	One project deliverable has been met, and one has been partially met. The detailed design deliverable for Te Hono - Avondale community hub and town square was completed in August 2024. Further enabling works will start late April 2025 with main works anticipated to start in October 2025. The Avondale Central mixed-use development deliverable to progress the implementation of the development agreement has been partially achieved. We continue to work with the developer on a way forward regarding the development agreement and master plan.
Henderson	Achieved	The two project deliverables, both relating to capital works have been met. The developed design deliverable for the Wai Horotiu Henderson connection (formerly Oratia Link cycleway) was approved in December 2024 and the Final Business Case deliverable was approved in February 2025. The deliverable for construction works to start on the Catherine Plaza took place in early June 2025.
Onehunga	Substantially Achieved	Three of the four project deliverables have been achieved and one partially met. The conditional development agreement for the Waiapu Lane and Selwyn Street development sites for a new supermarket was executed in June 2024. Integration of works agreement is now complete, and the developer has applied for resource consent. The Waiapu precinct enabling works started in late June 2025. The upgrades includes new spaces for families, improved walking and cycling connections, a new playground and green areas. A karakia whakawātea (dawn blessing) was held prior to the works commencing. A business case for the delivery of public space on the Onehunga Wharf was approved in November 2024. Detailed design is underway and tracking towards construction commencing late FY26. The four Waiapu Precinct site acquisitions needed to enable urban renewal are progressing, but only one of the four sites has been acquired so far. Due to the timing of court hearing dates and negotiations with the remaining parties, it is unlikely that the project deliverable of conditional sale and purchase agreements being in place for all four sites will be completed this financial year.

Key Programme	Status	Progress towards key project deliverables set out in the SOI (pages 19-28)
Panmure	Delayed	One of the four project deliverables has been achieved this year. The three remaining deliverables, all relating to reaching agreements with development partners, will not be achieved this financial year due to the challenging property market. Construction works for the Lagoon Edge Reserve enhancements started on 16 June 2025 following a karakia whakawātea (dawn blessing). Basin View Lane was taken to the market in May 2025, and we are currently in discussions with interested parties. A conditional agreement will not be reached before the end of this financial year. Lagoon Drive development site marketing has been delayed until interest is received, or the market improves. A conditional agreement will not be reached before the end of this financial year.
Maungawhau	Delayed	One of the two project deliverables has been partially achieved and the other will not be met this financial year. We have collaborated with Auckland Transport (AT) and City Rail Link Limited (CRL) to agree a transitional plan for the fencing, site conditions at CRL project completion and which sites would be the focus for leasing. Including activation opportunities with the community or holding sites until development. This plan can be implemented when the timing for site transfer to Auckland Council from CRL is known. In May 2025, the Council Sponsor representative requested AT look at more active uses in the interim to further mitigate the risk of the Maungawhau Station not being as well used as anticipated. AT is underway with procurement for a consultant to look at plans to further activate the sites over the next 6-12 months. The project deliverable of commencing the statutory process with Whenua Haumi Ltd Partnership has not yet been able to commence. This is due to the sites still awaiting transfer to Auckland Council. The approval to dispose has not been agreed by Governing Body and recently, the CRL Sponsors requested a relook at the masterplan for the Maungawhau Precinct by council and Auckland Transport.

Key Programme	Status	Progress towards key project deliverables set out in the SOI (pages 19-28)
Manukau	Substantially Achieved	Three of the four project deliverables have been achieved, and one has been partially achieved. The Puhinui Regeneration – Te Aka Raataa Stage 1 Raataa Vine deliverable of completing the procurement process has been achieved. Works are now underway and are expected to be completed in FY26. Significant progress has been made this year towards preparing the Manukau sites for sale. Board approval has been obtained to sell 9 Osterley Way and 50 Manukau Station Road. Agreement has also been reached with Auckland Council on the resource consent terms for 50 Manukau Station Road, which is currently awaiting the commissioner’s approval. Four properties are now cleared for sale and will be marketed in Q1 FY25/26. The Osterley Way Civic Streetscape – Resource consent for the works has been granted. We continue to collaborate with Auckland Transport (AT) on the design, after some delay we are now aiming for approval in July 2025. Once approval from AT has been achieved, we will begin procurement to carry out the works. The Hayman Park wetlands resource consent was lodged in April 2024 and granted in April 2025.
Papatoetoe	Substantially Achieved	Three of the four project deliverables, all relating to public realm projects have been achieved. One development site deliverable will not be fully achieved this financial year. The Cambridge Terrace extension and car park construction start deliverable was achieved in November 2024 with works expected to be completed in September 2025. This project will help streamline travel between Puhinui Road, Stadium Reserve and the town centre and create additional development sites for new housing. The Stadium Reserve works construction contract awarded deliverable was achieved in January 2025. Works started in February and are expected to be completed in December 2025. This high-quality open space and civic amenity project will revitalise the town centre and support the use of the Allan Brewster Leisure Centre. The Chambers Lane accessway upgrade and open space amenities deliverable of completing construction was achieved in February 2025. Works began in August 2024 to provide upgraded accessway to new developments and open space amenities. The development partner on the St George Street residential development Piko Toetoe continues to experience challenging market conditions which has affected progress and the staged completion of units. We are working with the developer on how best to proceed.

Key Programme	Status	Progress towards key project deliverables set out in the SOI (pages 19-28)
Pukekohe	Substantially Achieved	Two deliverables, both relating to capital works have been met, the remaining deliverable relating to a development site will not be achieved this financial year. The Roulston Park construction commencement deliverable was achieved in quarter two and practical completion was achieved in June 2025. Market Precinct capital works to upgrade Roulston Street, Devon Lane and enhance the town square to support markets and events are progressing. The project deliverable of lodging resource consent has been achieved in May 2025. The project is now in detailed design phase. Discussions with the preferred development partner for the Edinburgh superblock development site are continuing in a challenging property market. The project deliverable of achieving a conditional agreement will not be met this financial year.
Regional programmes	Substantially Achieved	Three of the four deliverables have been achieved, one will not be achieved. 65 Haddington Drive, Ormiston project deliverable to take the site to market to find a development partner has been achieved. The site was taken to market in April 2025, and a conditional agreement has been reached. Wasp Hangar and YDL development sites deliverable of achieving a conditional development agreement was not achieved this financial year. The new development contributions signalled by Auckland Council created uncertainty as to values. Dominion and Valley Roads deliverable to progress design and approvals has been achieved. Deconstruction of two properties at 113 and 115 Valley Road is now completed. The due diligence, Board approval, masterplan conditions, and resource consent conditions have all been satisfied. The next condition to be met is feasibility. Precinct Residentials' resource consent application was publicly notified and submissions closed in December 2024. A hearing was held in April 2025, and no objections were received. Construction works on the Pump Station 6 (PS6) wastewater upgrade are now complete and practical completion was received in June 2025. Watercare have accepted possession and operation of the facility.

Property and marina management

Highlights

- A new **Property department** was established on 1 July 2025. It manages the non-service, marinas and community lease portfolios, provides a range of property services and advice, and strategic leadership to ensure the council group has the right assets to deliver services now and in the future.
- The Property Portfolio net operating budget result is \$30.3m, \$12.3m ahead of target.
- The average occupancy rate for commercial properties is 97% and residential properties 98.5%, both ahead of targets.

- During the year, we completed 14 renewal projects across the region, for properties in Whenuapai and Hingaia, or central areas like Queens Wharf and Wynyard Quarter in the city centre. These projects highlight the diversity of our portfolio — from homes to heritage buildings and public venues. Each one is part of our broader asset management work to maintain these valued properties, ensuring they remain safe, functional, and fit for purpose.
- A strong performance in Westhaven’s 2025 customer satisfaction survey, where 94% of 512 respondents rated Westhaven Marina five or above on a seven-point scale – our highest overall score to date.
- Westhaven Marina’s L pier has now been fully rebuilt after reaching the end of its serviceable life. The old structure was dismantled and renewed with a modern, upgraded facility. In line with our commitment to sustainability, much of the removed infrastructure and materials has been repurposed instead of heading to landfill.

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	Delayed	One of the three deliverables has been achieved, one is at risk and one deliverable has been rescoped. The Wynyard Crossing Bridge remediation works are now complete, and the bridge returned to service in December 2024. The project to undertake construction to repair Shed E on Onehunga Wharf has been rescoped. The project business case concluded that bringing the asset up to a leasable standard to maximise rental revenue during the hold period did not justify the level of investment required. Instead, based on the cost benefit analysis, a decision was made to demolish the shed and deconstruction has been completed. Rental revenue will be achieved through the rental of the hard stand space. The Manukau Harbour/ Wairopa Channel deliverable to complete works will not be achieved this financial year due to delays with receiving technical reports on the condition of the assets and procurement issues.

Capital budget milestones and variances

The total capital budget for the year was \$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		
		Budget	Actual	Budget	Variance
6-10 Racecourse Parade (Avondale Central)	1	13.0	13.0	13.0	0.0
Te Ara Tukutuku – Wynyard Point	2	10.0	5.6	10.0	4.4
PS6 Wastewater Upgrade Works Hobsonville	3	7.6	5.8	7.6	1.8
Cambridge Terrace Extension and Carpark	4	6.0	3.7	6.0	2.3
Wynyard Crossing Bridge	5	5.4	8.7	5.4	(3.3)
Westhaven Seawall Upgrade	6	5.0	7.0	5.0	(2.0)
Total		47.0	43.8	47.0	3.2

1. 6-10 Racecourse Parade – this is an acquisition of land in Avondale from Kāinga Ora to create a consolidated development site primarily for new housing. Settlement was made at the end of March.
2. Te Ara Tukutuku - physical enabling works to support the mixed-use development were expected to have started on site earlier in the year. However, there were delays due primarily to the need to complete certification of decontamination work with a third party. Physical enabling works started in the year but spend in the year was unfavourable to budget. The project will continue into the next financial years.
3. PS6 Wastewater Upgrade Works – this is a joint project between Eke Panuku and Kāinga Ora to upgrade the wastewater system servicing new development at the Airfields in Hobsonville. The project was completed in year and was under budget as construction costs negotiated were less than budgeted.
4. Cambridge Terrace, Papatoetoe which will enhance access and create new development sites. Construction started at the end of October. Spend in the year came in favourable to budget as the procurement process achieved tenders that 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

\$10.6m. Actual costs to the end of March in year \$8.7m, life to date \$10.24m 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 and practical completion certificate issued ahead of schedule in January.

Performance measures

Performance measure (unaudited results)	Previous year result	Target	Q4 Actual	Status	Commentary
Urban regeneration programmes and projects					
Net new dwellings (housing units) – LTP performance measure	135	157	170	Met Target	Net new dwellings completed in our locations this year by our development partners include 59 in Flat Bush, 40 in Northcote, 28 in Stonefields, 21 in Papakura, 14 in Papatoetoe and 8 in Hobsonville.
Public realm – square metres	20,065 sqm	7,000 sqm	13,777 sqm	Met Target	Significant public realm area upgrades completed include Westhaven Seawall, Chambers Laneway Papatoetoe, Massey Ave & Manukau Rd intersection Pukekohe and Roulston Park Pukekohe.
Capital project milestones approved by the board achieved – LTP performance measure	100%	80%	86%	Met Target	We have completed 13 out of 15 capital project milestone targets set for FY25. Examples of key milestones achieved this year include Construction completed of the Westhaven Seawall Upgrade; Construction commenced of the Papatoetoe Cambridge Terrace extension and car park, Resource consent granted for the Manukau Hayman Park wetlands and Lodgement of resource consent for the Northcote Community Hub and Puāwai / Cadness Reserve upgrade. Two milestones not achieved include complete construction on the Waterfront Bascule Bridge upper structure and Westhaven maintenance yard relocation.

Performance measure (unaudited results)	Previous year result	Target	Q4 Actual	Status	Commentary
Achieve board approved budgeted Transform and Unlock (T&U) sales for the financial year through unconditional agreements	\$2.5m	\$16m	\$1.32m	Not Met	One sale was completed in the T&U locations this year. Sales target not met mainly due to the impact of the slow property market.
The asset recycling target agreed with Auckland Council	\$158.9m	\$60m	\$8.8m	Not Met	Six properties were sold unconditionally this year. Sales target not met mainly due to the impact of the slow property market.
Property portfolio and marina management					
Annual property portfolio net operating budget result agreed with the council achieved – LTP performance measure	\$27m	\$18m	\$30.3m	Met Target	Net operating budget result is \$12.3m ahead of target. The actual result is higher than target and last year. This is mainly due to rental income received from properties being tenanted for a longer period. Some properties expecting to be sold in 2024/25 did not sell due to weak property market. There were delays to Auckland Transport projects and eighty properties were not in the budget for the year. Additional income was received due to rental income increases, improvements in recovery of costs from tenants and extra parking revenue at Waterfront car parks.
Monthly average occupancy rate for tenantable properties - LTP performance measure	Commercial 97.1% Residential 98.2%	Commercial 90% Residential 95%	Commercial 97.0% Residential 98.5%	Met Target	Both commercial and residential occupancy targets have been achieved and are at similarly high levels to last year.
Percentage of marina customers surveyed who are satisfied with marina facilities and services	93%	88%	94%	Met Target	A strong performance in the customer satisfaction survey where 94% of 512 respondents rated Westhaven Marina five or above on a seven-point scale.

Performance measure (unaudited results)	Previous year result	Target	Q4 Actual	Status	Commentary
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.	Methodology adopted, tested and applied. Performance measure developed.	Met Target	The performance measure has been tested and approved for application in capital projects. The Project Emissions Estimation Tool (PEET) has been adopted to assess carbon impacts of future capital projects. This tool is also used and supported by Auckland Transport.
Sector leadership					
Creating positive outcomes for Māori Deliver ongoing or new initiatives that support Māori Outcomes	59	40	44	Met Target	44 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 and work with iwi to re-scope the Iwi Investment Grant.
Enhancing the relationship between Eke Panuku and mana whenua Increasing the percentage of satisfaction with the support they receive from Eke Panuku	60%	Maintain or improve on previous year	75%	Met Target	Mana whenua who participated in this research and provided a rating, feel positively about engagement support provided by Eke Panuku and the Māori Outcomes Team.
Percentage of complaints received by Eke Panuku resolved within 10 working days	85%	80%	100%	Met Target	A total of 8 complaints were received and they were all resolved within 10 working days.

Financials – Eke Panuku Cash Flows

	Full Year Budget	Q4 Actuals	Q4 Budget	Variance	
Capital Inflows					
Selling Council's surplus property	60.0	8.8	60.0	(51.2)	The property market has been 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 the year sales achieved \$8.8m.
Selling or long leasing property to reinvest in our urban regeneration locations	16.0	1.3	16.0	(14.7)	The developer for the planned sale of the Lysaght building pulled out of the deal due to uncertainty from the CCO review as the major tenant is Tataki. \$1.3m in super profit was received in June from a property in the Wynyard Quarter.
Third party capital contributions	3.8	3.2	3.8	(0.6)	
Capital Outflows					
Investing in council group assets to support regeneration and asset renewals	98.9	91.2	98.9	7.7	Capital spend in year was \$7.7m behind budget, largely due to savings of \$8m due to supplier pricing in a competitive construction market.
Operational Inflows					
Revenue from property interests for Council group	66.7	78.8	66.7	12.1	Revenue was favourable to 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 \$3.5m. A change in Auckland Transport project timing has resulted in additional revenue for their properties as tenanted when expected to be vacant \$2.4m. \$0.7m of back rent negotiated with a rental increase. Expenditure recovery from tenants is \$1.8m ahead of budget. In addition a property in Northcote has been long leased to Kainga Ora 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.
Operational Outflows					
Managing council group properties	19.6	19.3	19.6	0.3	
Utilities and leases for council group owned assets we manage	6.7	6.1	6.7	0.6	
Rates on council group owned assets	7.7	8.0	7.7	(0.3)	
Maintenance of council properties	12.3	12.6	12.3	(0.3)	
Consultation, negotiation and sales processes to sell council property	4.3	3.2	4.3	1.1	Savings in year due to staff vacancies.
Leading regeneration of town centres, city centre and waterfront.	23.8	23.3	23.8	0.5	

Financials – Eke Panuku company

Overall, the operating performance of Eke Panuku was favourable to budget, and the drawdown of funding from Council for Eke Panuku was \$4.9m less than budgeted.

A: The increase in direct revenue is due to recharge revenue tracking ahead of budget. Staff utilisation on projects was higher than budgeted.

B: Employee benefits – was favourable to budget, due to higher-than-expected vacancies, staff turnover and uncertainty in CCO reforms. The cost of change for the CCO Reform has been accounted for in FY25.

C: Other direct expenditure, mainly consultancy, audit and directors' costs were favourable to budget, there has also been a delay on some expenditure while the CCO reforms process was underway.

D: The full year operating grant was \$4.9m favourable to budget in line with how it tracked throughout the year, due to increase in other revenue and expenditure tracking behind budget.

Direct operating performance					
\$ million					
	Notes	FY 25 Quarter 4 Full Year			FY 25
		Actual	Annual Plan	Variance	Annual Plan
Net direct revenue		(19.2)	(24.1)	4.9	(24.1)
Direct revenue		21.0	19.6	1.4	19.6
Fees and user charges		0	0	0.0	-
Operating grants and subsidies		0	0	0	-
Other direct revenue	A	21.0	19.6	1.4	19.6
Direct expenditure		40.3	43.7	3.5	43.7
Employee benefits	B	34.8	36.3	1.5	36.3
Grants, contributions and sponsorship		0.0	0.1	0.1	0.1
Cost of goods and services		0.0	0.0	0.0	-
Repairs and maintenance		0.2	0.2	0.0	0.2
Outsourced works and services		0.1	0.0	(0.1)	-
Other direct expenditure	C	5.2	7.1	1.9	7.1
Other key operating lines					
Operating grants and subsidies intercompany	D	19.2	24.1	(4.9)	24.1
Depreciation and amortisation		0.3	0.3	(0.0)	0.3

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 \$3.7m which was \$3.1m favourable to budget. In addition, a \$7.3m, dividend has been paid to Council's Waste Solutions team from the Waste Disposal Services investment, managed by Eke Panuku.

A: Fees and user charges revenue was favourable to budget due to more income from Jellicoe St and Z Pier car parks than budgeted, after a change in fees and management company.

B: Other direct revenue is \$8.7m ahead of budget, a property in Northcote was long leased for 125 years and settlement has been made by the purchaser. Financial control asked us to recognise the entirety of the lease revenue in FY25 and not spread it over the term of the lease as per budget, this \$3.2m of revenue was recognised in July. There is also additional rental received for a small number of properties that were not budgeted in year as they were expected to be sold \$3.5m. In April \$0.7m of back rent was received for a property in Northcote where a rental increase dating back to 2021 has been successfully negotiated. Additional expenditure recoveries in year \$1.8m. This has been offset by a decrease in Marina revenue in year \$0.4m.

C: Other direct expenditure has been impacted by accounting advice received from PWC that has confirmed 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. This has been partially offset by under spends in several expenditure categories within the Commercial Property Portfolio.

Direct operating performance					
\$ million	Notes	FY 25			FY 25 Annual Plan
		Quarter	4	Full Year	
		Actual	Annual Plan	Variance	
Net direct revenue		8.9	0.9	8.1	0.9
Direct revenue		61.9	52.3	9.6	52.3
Fees and user charges	A	2.7	1.7	0.9	1.7
Operating grants and subsidies		-	-	-	-
Other direct revenue	B	59.3	50.6	8.7	50.6
Direct expenditure		53.0	51.5	- 1.5	51.5
Employee benefits		0.1	0.0	- 0.1	0.0
Grants, contributions and sponsorship		-	-	-	-
Cost of goods and services		-	-	-	-
Repairs and maintenance		11.9	11.3	- 0.5	11.3
Outsourced works and services		0.2	0.1	- 0.1	0.1
Other direct expenditure	C	40.8	40.0	- 0.8	40.0
Other key operating lines					
Depreciation and amortisation		27.3	25.5	- 1.8	25.5
Finance Revenue		-	-	-	-

Financial breakdown by key activities

Operating expenditure

Urban regeneration

	Notes	Previous year Actual	Actual	2024/25 YTD Budget	Variance
Transform and Unlock Locations					
Net direct expenditure	1	11.0	10.8	12.9	2.1

Capital expenditure

	Notes	Previous year Actual	Actual	2024/25 YTD Budget	Variance
Property renewals		6.2	19.9	12.3	(7.6)
Transform and Unlock Locations					
<i>Isthmus</i>		5.6	7.3	14.8	7.5
<i>North</i>		5.5	3.8	2.8	(1.0)
<i>South</i>		10.5	16.2	21.1	4.9
<i>West</i>		2.1	14.8	18.5	3.7
<i>Waterfront</i>		25.4	18.5	18.7	0.1
Regional		3.8	10.8	10.8	0
Total	2	59.1	91.2	98.9	7.7

Asset sales and long-term leases

	Notes	Previous year	2024/25 YTD		
		Actual	Actual	Budget	Variance
General Asset sales for the group		158.9	8.8	60.0	(51.2)
Reinvestment - Transform and Unlock		2.5	0	16.0	(16.0)
Total	3	161.4	8.8	76.0	(67.2)
Waterfront long leases		0	1.3	0	1.3

Property and marina management

	Notes	Previous year	2024/25 YTD		
		Actual	Actual	Budget	Variance
Auckland Council Properties					
Direct revenue		38.0	40.1	32.7	7.4
Direct expenditure		14.1	13.5	15.1	1.6
Net direct expenditure		23.9	26.6	17.6	9.0
Waterfront Public Space					
Direct revenue		0.6	0.3	0.5	(0.2)
Direct expenditure		7.1	8.4	6.2	(2.2)
Net direct expenditure		(6.5)	(8.1)	(5.7)	(2.4)
Marina Operations					
Direct revenue		16.4	16.7	17.1	(0.4)
Direct expenditure		6.8	7.2	7.1	(0.1)
Net direct expenditure		9.6	9.4	9.9	(0.5)

		Previous year	2024/25 YTD		
	Notes	Actual	Actual	Budget	Variance
Marina Trusts					
Direct revenue		7.1	7.6	7.6	0
Direct expenditure		6.6	8.3	7.6	(0.8)
Net direct expenditure	4	0.5	(0.8)	0	(0.8)
Auckland Transport Properties					
Direct revenue		6.9	6.3	3.9	2.4
Direct expenditure		3.9	2.7	3.4	0.7
Net direct expenditure	5	3.0	3.7	0.6	3.1
Business Interests					
Direct revenue (includes share of JV Profit)		7.4	7.7	7.8	(0.1)
Direct expenditure		0.6	0.5	0.8	0.3
Net direct expenditure		6.8	7.2	7.0	0.2

Activity based financials commentary:

1. A Haumaru property was long leased in Northcote for 125 years and all the revenue for that lease has been recognised in year \$3.2m. This was partially offset by the transfer of costs to opex expenditure from capital expenditure for historic costs that could not be capitalised, the net expense was \$2.1m favourable to budget.
2. Capital spend in year was \$91.2m, this is \$7.7m under budget. A contributing factor to the underspend relates to supplier pricing in a competitive construction market, which provided savings in year of \$8.0m. There have also been delays with works starting on two projects, adding an additional circa \$5m to the underspend. Panmure's Lagoon Edge project has experienced delays due to consenting and Waterfront's Te Ara Tukutuku land decontamination has taken longer than expected. The underspend is offset by the approved Eke Panuku Board additional spend in the renewals programme for the Wynyard Crossing Bridge and the opportunity to bring forward some remediation work on Queens Wharf.
3. Asset sales in year were (\$67.2m) unfavourable to budget, the challenging economic environment and slow property market, and low demand, has resulted in low asset sales this year. The settlement of a site to the value of \$40m has been delayed to December 2025 and we continued to take development sites to the market to test market appetite throughout the year, but there was no improvement in market sentiment. Once the market improves, sales are still expected to occur but will be rephased to subsequent years.
4. 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. At the end of FY25 the Trusts are in deficit (\$0.8m), this intentionally reflects the draw down of retained earnings from prior years and use of the refurbishment fund to cover the renewals of K&L piers.
5. Transport direct revenue is ahead of budget \$2.4m due to a delay in timing of Transport projects and properties still being available to rent out.