

Panuku Development Auckland
Quarterly Report
Quarter ended 30 September 2017

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1. Executive summary

The Quarter 1 report shows that Panuku is making good progress on achieving its financial and non-financial performance targets in the SOI.

The activities happening in the next three quarters of the year will have the potential to enhance Panuku's ability to deliver on its objectives at scale and speed. These include the opportunity to work closely with Central Government on key strategic issues such as housing and securing certainty of funding for Transform and Unlock projects through the LTP process.

2. Strategic issues and focus areas

Long Term Plan 2018-2028

The 2015-25 LTP was adopted before the establishment of Panuku in November 2015. It did not contain any funding for Panuku's regeneration and redevelopment locations apart from the Waterfront. Panuku has put forward a proposal for the new 2018-28 LTP for funding its Transform and Unlock development programme covering its locations, excluding America's Cup budget. The proposed Panuku LTP budget will have a significant impact on the extent and speed of achieving Council's regeneration and redevelopment objectives.

Panuku is currently part of the Council LTP process which includes other CCOs. In September, Panuku facilitated a workshop for the Finance and Performance Committee on investment in locations. Panuku also participated at the LTP infrastructure work stream presentation to the Councillors on the Council group LTP capital programme and borrowing requirements.

Working with the Crown

After the recent change in government, Panuku is looking at opportunities to further evolve its partnership with the crown and collaborative approach, ensuring that we contribute to the government's housing supply plans in an effective way.

Panuku is currently working with the Crown at some of its Transform and Unlock locations. This involves, as appropriate, joint planning (Framework, Master Planning or Town Centre Planning) and exchange/sale of sites to the crown for housing development. Hard and soft infrastructure planning is critical to accommodate for growth.

Changes in the Property Market

Recent property data has shown that the residential property market has experienced a change in dynamics. Sales volumes are down by a third and available listings are higher than they have been for some time. Property's time on the market has moved

out, before a sale is secured. Values have yet to reflect the changed dynamic with little change to values being achieved.

Demand is subdued, as the main trading banks are becoming increasingly conservative in their approach to lending. This trend looks likely to continue for some time. Panuku will continue to monitor the property market changes and its impact on its projects and business activities.

3. Highlights

Key highlights are:

- The opportunity to revitalise Avondale has been given the green light in November with the approval of the over-arching plan for its regeneration by the Council's Planning Committee. The vision for Avondale will be enabled through a number of key moves. Panuku will work closely with the local board and community to implement a retail strategy that attracts new businesses, increasing diversity of products and services. The train station, upgraded bus network and new cycleways offer great transport options and we will continue to strengthen connections between these activity hubs and the town. A focus for the regeneration of Avondale is working with developers to build quality residential neighbourhoods that offer a mix of housing types, including terraces and apartments. A number of significant developments are already underway in the area.
- The Council's planning committee voted in September to advance the City Centre and Waterfront refresh plan to the next stage which focuses on unlocking the city's public transport potential, improving cycle and pedestrian flows and making the waterfront more accessible. A package of proposed potential projects will help cater for the increasing number of people arriving into Auckland including plans for a new ferry terminal and new public space along the water's edge. Options for delivery and funding of the proposed projects will be explored as the council works through its 10-year LTP. Panuku will also work with council family and the crown on America's Cup location options.
- The Innovation Precinct in Wynyard Quarter has expanded with the newly opened five-floor building at 12 Madden Street. The purpose-built home for entrepreneurs offers the latest in flexible co-working spaces. This milestone marks two years since the GridAKL initiative was launched by ATEED, partnering with Panuku and Precinct Properties to develop the commercial space to house ambitious companies and connecting technologists, designers, digital content makers, product designers and start-ups.
- Panuku staff settled into a refurbished office at 82 Wyndham Street in early September, moving from Pier 21 in Westhaven. The new location is closer to the main council offices, as well as many other stakeholder locations and has been designed to meet the needs of Panuku.
- The Devonport-Takapuna Local Board resolved to progress with a 20 year lease for the Takapuna Beach Holiday Park after a Reserves Act consultation process, hearings and a set of recommendations from an independent commissioner. The holiday park has been in existence since the 1930s, and years of community

conversation shows there is a desire to retain the holiday park. Panuku is undertaking a two stage process to find development and operator partners to undertake a redevelopment and management of the holiday park. The aim is to have a confirmed operator by April 2018.

- In early August a plan to develop 40 new homes for older people in Henderson was given the go ahead with resource consent for the project granted. The new development at 33 Henderson Valley Road (previously known as Wilsher Village). This forms part of a wider remit Panuku has to redevelop the network of HFOP villages to better meet the needs of tenants. Detailed design is now underway, with construction due to start in mid-2018 and the first tenants expected to move in by late 2019.

4. Future outlook



Future outlook for the next quarter include:

- America's Cup (AC36) creates a great opportunity for the continued revitalisation of Auckland's waterfront and a catalyst for innovation and development in the city. Panuku has setup an America's Cup project team to provide planning and technical advice. The location analysis is underway and includes consideration of location options and infrastructure costs. A short list has been developed based on current assumptions and a resource consent strategy has been developed. Engagement is underway with key stakeholders, including Emirates Team NZ and Mana Whenua. The timeline for Auckland Council decision making on the location and funding is the Governing Body meeting 23 November 2017. Timing for the Government decision is likely to be early 2018.
- Public consultation has been completed and the Hearings Committee has recommended a change of use for the Anzac Car Park in Takapuna. Panuku plans for a mixed use development emphasising housing, as well as public amenity. This recommendation was presented to the council's planning committee in November. The committee decided to defer making a decision on the change of use, to give Panuku more time to consult with the local board. Panuku will then report back to the planning committee on the recommendations. The vision for the Anzac Street car park is to create a mix of homes, businesses and well-designed public spaces, with laneways linking to Hurstmere Road, Hurstmere Green and the beach.
- Panuku has adopted a requirement of at least 6 Homestar rating for houses built across its Transform, Unlock and Support locations to deliver healthier, more energy efficient homes for Auckland. Homestar is New Zealand's rating tool for residential sustainability, with above Building Code standards for insulation, ventilation, warmth and efficiency.
- Panuku is leading an ATEED-Panuku-The Southern Initiative co design Incubator Kitchen programme which will be launched in Auckland at the end of November 2017. The programme delivers low cost commercial kitchen space for product




development and a three year curriculum that supports business establishment and growth. These businesses are start-ups that have ideas and desire, but lack the know-how and support to succeed. The programme is initially aimed at businesses or individuals in the Henderson and Manukau areas with a view to expand into other areas if successful.

5. Key deliverables

The key projects currently being delivered are:

Deliverable	\$'000 YTD CAPEX/ OPEX Actual	Completed/ carry over to next quarter/ deferred	Status	Comments
TRANSFORM				
<i>Transform Manukau</i>	\$260k (OPEX) \$42.5k (CAPEX)	carry over to next quarter		<ul style="list-style-type: none"> Tenders closed on the Barrowcliffe Place housing development proposal at end of September. A recommendation as to a preferred party will be made to the Panuku Board prior to a Development Agreement being entered into. Discussions with the Crown on development of an inter-agency strategic business case, focussed on Manukau, are continuing. Putney Way Street improvements are being tendered by AT, on behalf of Panuku.
<i>Transform Onehunga</i>	\$197k (OPEX)	carry over to next quarter		<ul style="list-style-type: none"> Framework Planning and Programme Business case process is underway. MOU agreement have been approved for negotiation of terms for 3 Paynes Lane and 45 Waller Street (a co-design agreement). Negotiations to acquire the Onehunga wharf land are ongoing. A project that considers future development options of the wharf has commenced.

Transform Wynyard Quarter – (Public Projects)	\$923k (CAPEX)	carry over to next quarter	●	<ul style="list-style-type: none"> The Karanga Plaza kiosk/project lumens is scheduled for completion in December 2017. Madden/Pakenham St upgrade project was completed September 2017. Vos shed Stage 1 will commence in the New Year. Promenade Stage 2 procurement for design and delivery is underway Improving the Gateway, the project to remove parking for Te Wero Island has commenced, with delivery planned for FY19.
Transform Wynyard Quarter – (Capital Projects)		carry over to next quarter	●	<ul style="list-style-type: none"> Westhaven marine centre leasing has been slow, and a decision on proceeding or not proceeding with the project is planned this quarter.
Transform Tamaki – Panmure Town Centre	\$35k (OPEX)	Carry over to next quarter	●	<ul style="list-style-type: none"> Work has commenced on planning for Panmure Town Centre in partnership with Tamaki Regeneration Company. (High level project plan preparation).
UNLOCK				
Takapuna	\$142k (OPEX) \$19k (CAPEX)	carry over to next quarter	●	<ul style="list-style-type: none"> The Anzac Street carpark site has been through statutory consultation to change its use, and the hearing committee has recommended the change. The Gasometer carpark funding has been approved and project is progressing.
Hobsonville	\$1,501k (CAPEX)	carry over to next quarter	●	<ul style="list-style-type: none"> The first houses (43 out of a total of 102 homes) in the AV Jennings development area are currently under construction.

Northcote	\$223k (OPEX)	carry over to next quarter		<ul style="list-style-type: none"> The refresh of the Awataha Greenway masterplan is complete. This was shared with the public at an open day on 28 October 2017. The refresh of the Northcote town centre masterplan is close to completion. Negotiations for the acquisition of strategic leasehold interests in the town centre are ongoing. Two more strategic leasehold interests have been acquired recently, 7 out of 32 leasehold interests are now owned by council.
Ormiston Town Centre <i>(Partner: Todd Property)</i>	\$26k (CAPEX)	carry over to next quarter		<ul style="list-style-type: none"> Construction due to commence on residential and medical block in October. Civil works have started on two Blocks to prepare for 66 terraced homes. Once complete, this will take the total number of completed homes in the project area to 129.
Papatoetoe Town Centre	\$994k (CAPEX)	carry over to next quarter		<ul style="list-style-type: none"> Shopping mall – the Papatoetoe Mall refurbishment is continuing. This is a two stage project with completion targeted for March 2018. Tavern Lane – project scope is to create approximately 80 residential units. Negotiations continuing with potential development partners.

5.1 Key deliverables for next quarter

Deliverable	Comments
TRANSFORM	
<i>Transform Manukau</i>	<ul style="list-style-type: none"> A development agreement for 20 Barrowcliffe Place, if terms can be agreed. Putney Way street improvements in conjunction with the new bus station is targeted for completion by May 2018 when the bus station opens. Progress on work with the Crown on a Strategic Business case to evaluate the merits and form of a geographically coordinated approach to investment and service delivery.

	<ul style="list-style-type: none"> • Progress on discussions with Scentre Group to explore how this shopping mall's future development could relate to and interface with the balance of the town centre. • Project commencement for Public realm projects including Puhinui Stream and Barrowcliffe Bridge, and minor capital improvements around Manukau Town Centre
<i>Transform Onehunga</i>	<ul style="list-style-type: none"> • Progress on co-design and commercial terms - 3 Paynes Lane and 45 Waller Street, two sites in Onehunga Town Centre redevelopment . • Agree a comprehensive Parking Management Plan (CPMP) with Auckland Transport. • Progress work on the future development of Onehunga Wharf
<i>Transform Wynyard Quarter</i>	<ul style="list-style-type: none"> • Completion of Karanga plaza/kiosk/project lumens. • Decision on Westhaven Marine Centre (based on lease threshold) • Vos Shed project commencement • America's Cup base location decision
UNLOCK	
<i>Takapuna</i>	<ul style="list-style-type: none"> • Commencement of the sale process for the Gasometer development site. • Commencement of carpark design for Gasometer site.
<i>Hobsonville</i>	<ul style="list-style-type: none"> • Continue construction of key infrastructure (Roads in the Avanda and mixed use area) to enable further subdivision.
<i>Northcote</i>	<ul style="list-style-type: none"> • Completion of town centre masterplan and Indicative Business Case for redevelopment targeted for completion December 2017. • Continue with acquisition of strategic leasehold interests in the town centre.
<i>Ormiston Town Centre</i> <i>(Partner: Todd Property)</i>	<ul style="list-style-type: none"> • Todd Property to commence with construction of Retail Blocks and complete acquisition of the site from Panuku.
<i>Papatoetoe Town Centre</i>	<ul style="list-style-type: none"> • The first stage of the Papatoetoe Mall refurbishment is targeted for completion by end of next quarter. • Tavern Lane site (residential) is anticipated to become unconditional later this year.

6. Development budget and Strategic Development Fund

6.1 Development budget

Annually council approves a budget (before deferrals) sourced from property sale proceeds to cover investigatory activities and value-adding capital works on properties prior to development or sale. The 2017/18 budget has been split between \$7.3m for operational expenditure (includes inflation) and \$4.0m for capital expenditure.

\$000	Full year Budget	Forecast	*Committed to projects	Actual Expenditure	
Development Expenditure					RAG *
Development capital expenditure	3,987	3,740	3,740	181	
Development operating expenditure	7,344	7,151	7,151	1,081	

The committed capital expenditure of \$3.74m relates to value add activities for 16 projects. These include site decontamination, building demolition, subdivision, preliminary design, vendor due diligence and infrastructure such as water reticulation. The under spend to date mainly relates to timing differences from the carpark project in Avondale (\$1.5m) expecting to start January/February 2018 and Unlock Takapuna (\$1m) starting in March 2018.

Committed operating expenditure to date relates to 26 projects and includes High Level Project Plans and Framework plans work which is not capitalisable.

6.2 Strategic Development Fund

\$000	Full year Budget	Actual YTD	Comments	
Strategic Development Fund				RAG *
Development capital expenditure	36,764	1,251	The Panuku Board approved the acquisition of strategic properties / sites in Northcote and Avondale that will contribute to the activation of the areas and support regeneration of the town centres.	

The Strategic Development Fund is available for land acquisition and capital improvements for sites which will benefit from short to medium term investment and return both financial and non-financial outcomes.

7. Financial performance

The following tables and section provides an overall financial summary covering all Panuku Development Auckland's activities.

7.1 Operational

For the quarter ended 30 September 2017

\$'m	Budget YTD	Actuals YTD	Variance YTD	Full year budget	Full year forecast	Variance
Operational						RAG*
Revenue/External funding	9.4	8.7	(0.7)	38.4	38.4	-
AC funding	7.6	5.8	(1.8)	44.1	41.9	(2.2)
Expenditure excluding depreciation	14.0	11.6	2.4	50.8	47.0	3.8
Fair value decrease / (increase) on investment property	-	-	-	-	-	-
Depreciation	2.8	1.9	0.9	11.1	11.1	-
Tax	-	-	-	-	-	-
Net Surplus/(Deficit) After Tax	0.2	1.0	0.8	20.6	22.2	1.6

*RAG Status:

- Green** - Performance on target or better
- Amber** - Target may not be met, corrective action taken
- Red** - Target may not be met, action required

The Net Surplus After Tax is \$0.8m higher than budget year to date.

Revenue and External funding was (\$0.7m) behind budget due to the following;

- a. (\$0.8m) less in recharges of Panuku staff to capital budgets, acquisitions and disposals of Council properties and development opportunities. There are a number of budgeted positions currently vacant.
- b. Marina income ahead of budget \$0.1m due to additional occupancy and an increase in rates.

AC funding is (\$1.8m) unfavourable compared to budget. This is due to a number of capital projects being behind budget resulting in a slower than anticipated draw down of funding from Council.

Expenditure excluding depreciation is \$2.4m favourable compared to budget due to the following;

- a. \$0.9m saving in interest expense Council undertook a debt for equity swap in June 2017 and we repaid all outstanding debt, this is not reflected in the budget. At this stage of the year interest has been reforecast close to zero.
- b. \$0.3m saving in consultancy cost, this is a timing difference and will be corrected by year end.
- c. \$0.5m saving in people costs, there are a number of vacancies that have either been recruited in the last month or there is still ongoing recruitment.
- d. \$0.6m saving in repairs and maintenance costs, this is a timing difference and will be corrected by year end
- e. \$0.3m saving in marketing and communications, this is a timing difference and will be corrected by year end.
- f. (\$0.2m) additional rates expense we are currently querying the change of land use on one site where rates have increased 350% at a cost of \$0.2m.

Depreciation is \$0.9m favourable compared to budget; this is due to slower than anticipated capitalisation of assets from both the prior and current years.

7.2 Capital

For the quarter ended 30 September 2017

\$'m	Budget YTD	Actuals YTD	Variance YTD	Full year budget	Full year forecast	Variance
Capital						
Expenditure	4.7	2.1	2.6	43.4	41.2	2.2
AC funding	3.1	1.3	1.8	26.2	24	2.2
External funding	1.6	0.8	0.8	17.2	17.2	0

Year to date capital spend was \$2.6m behind budget due to the following:

- a. AC Funded spend was \$1.8m behind budget, the major AC Funded (Public) project in the year is the Madden and Pakenham street upgrade. It is currently

\$0.7m behind phased budget, the project is nearing completion and it is anticipated that a \$1.8m saving will be made compared to budget.

Other points to note are the Tiramarama Way project which started construction in September has also had its cost reforecast with a saving of \$0.4m now expected. There are a number of projects where there are currently timing differences to phased budget, examples of these projects are Westhaven Promenade Stage 2 \$0.4m, Public Space Renewals \$0.4m, Headland Park \$0.1m, Kiosk upgrade \$0.1m.


- b. External funded/commercial projects is currently \$0.8m behind phased budget. \$0.7m is in relation to Contamination costs paid to Development Partners in the Wynyard central sites (Willis Bond and Precinct), these payments are made when requested by the developer after decontamination work is completed and depend on the construction progress on their sites.

Vos Shed restoration \$0.1m, this project will now get underway in the next quarter as the Heritage funds have been released to Panuku in October to complete stage 1.

8. Key performance measures

The table below shows the result of Panuku's key SOI performance measures for the quarter.

Measure	Year-end target	Achieved? (RAG Status)	Last Actual
13. Written evidence that opportunities have been identified and assessed, to be progressed or not.	At least 100 opportunities identified and assessed		10 opportunities have been assessed to date.
14. The net surplus on the property portfolio achieves the annual budget agreed with Council.	Net Surplus achieves budget for 2017/18		A net surplus of \$3.5 million was achieved to the end of September (\$1.08m ahead of YTD budget).
16. For those properties available for rent: The rolling average over a 12 month period, of % occupancy at each month end (LTP).	The average of monthly % occupancy for the year is 95% or more.		Achieved 98% occupancy at the end of September (against target 95%).
19. List of properties recommended for disposal submitted to	A list of recommended properties with a total		\$21 million of recommended

Measure	Year-end target	Achieved? (RAG Status)	Last Actual
Council. The disposal target for the next financial period will be agreed with Council in the current financial period.	value agreed by the Board the prior year totalling \$60 million gross value will be submitted to Council seeking approval to dispose for 2017/18 financial period.		properties have been presented to date (on track to meet annual target).
20. Achieve total forecast net sales for the financial year through unconditional agreements.	Meet or exceed financial forecast Property disposal target of \$100 million (net value of unconditional sales).		\$2.85 million net property disposals have been achieved to date.

9. Annual performance measures

The table below details Panuku's other SOI performance measures that are reported annually at the end of the financial period.

Measure	Year-end target	Last Actual
1. Achieve ten key deliverables in the Board approved Master programme.	Master programme deliverables completed within the Board approved timeline.	Annual Target
2. Number of net new dwelling units is calculated in accordance with agreed criteria.	Projected number of net new dwelling units is approved by the Board at least annually.	Annual Target
3. Development agreements are submitted to the Panuku Chief Executive, Board and/or Council for approval	Three year target Twenty six development agreements with partners including community housing organisations to be entered into.	Annual Target
4. On completion of the project or each key stage of the project, the project achieves the financial and non-financial outturn in the business cases. (Housing and urban regeneration combined)	All projects completed this year achieve business case financial and non-financial outturn	Annual Target

Measure	Year-end target	Last Actual
5. Percentage of visitors surveyed satisfied with their experience of the public spaces on the city centre waterfront (LTP)	75%	Annual Target
6. Percentage of Aucklanders surveyed who have visited the city centre waterfront in the past year (LTP)	73%	Annual Target
7. Percentage of attendees surveyed satisfied with key Waterfront place programmes and activities	84%	Annual Target
8. Number of event days per year at the Waterfront	350 days	Annual Target
9. Number of visitors per year at the Waterfront	1.9 million	Annual Target
10. Percentage of customers surveyed satisfied overall with marina facilities and services (LTP)	74%	Annual Target
11. Number of significant Māori initiatives implemented or active per annum (LTP)	47	Annual Target
12. % Mana whenua groups satisfied with quality of engagement	Maintain or Improve	Annual Target
15. Improvement in gross rental income on those properties that are available for rent and have been held in the portfolio for at least two years prior to the end of the reporting period.	The annualised % movement in gross rental income of properties with rent reviews during the financial period is equal to or greater than the CPI movement.	Annual Target
17. Maintain or improve the baseline established at the end of the 2012/13 financial year. ROI on properties on a like for like basis (LTP). Panuku is committed to continuously review and improve the ROI target over the term of the SOI.	Greater than or equal to 2.2%	Annual Target
18. Return on Equity on commercial assets and services (LTP) at Waterfront.	8.4%	Annual Target
21. Acquisitions are delivered within the timeline agreed with Auckland Council.	80% satisfaction against agreed service performance measure	Annual Target

10. Contribution to Māori outcomes

The table below shows Panuku's progress on SOI projects and initiatives contributing to Māori outcomes.

Key project and initiatives	Description	Progress
1. Achieving better outcomes for and with Māori	<p>Support and develop initiatives which create strong relationships with Māori, including engagement opportunities through governance forums and with kaitiaki.</p> <p>Include KPIs and appropriate measures to identify progress across the organisation in delivering positive outcomes for Māori.</p> <p>Undertake engagement with Māori to increase understanding of priority outcomes, agree shared strategic objectives, and develop a way forward.</p>	<p>Panuku continues to engage with Mana Whenua on identifying priority outcomes including promotion of te reo, Te Aranga outcomes, design and naming opportunities.</p> <p>Engagement with mana whenua on the Westhaven Marina reclamation has highlighted priority issues that need to be addressed at a council level. This forms ongoing discussions with mana whenua around opportunities from the city centre and waterfront programme.</p> <p>Panuku has also initiated an engagement review with mana whenua to identify how processes can be improved and shared outcomes prioritised.</p>
2. Enabling Māori commercial development opportunities	<p>Understand and develop the spectrum of Māori commercial development opportunities available across the organisation.</p> <p>Working in partnership with Māori to enable investment in commercial and housing opportunities.</p>	<p>Panuku have a clearer understanding of the spectrum of commercial opportunities across the business of Panuku.</p> <p>Iwi participation in two commercial tender opportunities commenced in the quarter and the outcomes will be reported once these processes are completed.</p>
3. Celebrating the Māori cultural footprint in design, the natural and urban environment, and broader	<p>Facilitate Māori identity innovations through priority location and public realm projects.</p> <p>Foster Māori identity and te reo Māori through initiatives such as naming new streets, laneways, buildings, signage, communications, art and</p>	<p>The progress of projects into delivery and implementation are starting to offer a number of tangible opportunities to deliver Māori identity outcomes. The team leading the Henderson Haumaru Housing development has been working closely with Mana Whenua on the</p>

Key project and initiatives	Description	Progress
social outcomes	landscaping. Placemaking will work from a kaupapa Māori foundation to deliver positive outcomes for Māori across the region.	design of the buildings and is strongly influenced on the twin streams cultural narrative. Mana Whenua are also providing input into the design outcomes for the Westhaven marine village, and work is progressing on the greenway in Northcote. Panuku is also implementing professional development opportunities for Mana Whenua around urban design, placemaking and development. This will support Mana Whenua to provide responsive and informed direction on projects and design outcomes. The Wynyard Quarter team continues to support Māori art work installations and te reo naming of laneways.

Initiative	How it contributes to Maori outcomes	Spend to date \$000	Full Year Budget \$000
Maori engagement	Improves public space and activities through input from Iwi	\$13	\$ 93
Maori technical/specialist advice	Ensures that public spaces and developments respect and reflect Maori culture and history.	\$119	\$ 341
Development Projects	Maori related expenditure spent on Panuku's development projects	\$31	
Maori koha		-	\$ 5
Commercial Advisory Fund		-	\$100
Total		\$163	\$539

11. Key Local Board issues

Local Board Plans

The Local Board Plan consultation period has now closed. Local Boards are analysing feedback from their communities. The local boards we have worked closely with in our Transform and Unlock locations are sharing some of the information with us. This information is very valuable as it serves as another way to validate our planning work as we head into delivery. The transparency and willingness to share this information is more evidence of a maturing and genuine relationship with our Local Board partners.

Panuku as Lead Agency

The role of Panuku as “lead council agency” and how that fits with Local Board decision-making across our work programme continues to be a live conversation. The issue becomes more focused as we head into delivery.

Despite the perceived ambiguity with regard to allocated decision making on some key areas of our mandate, we have managed to maintain momentum across the priority location work programme. This governance issue has not halted progress due to our collaborative approach to working individually with each local board and the deliberate investment of time early on to build trust and confidence with Panuku staff.

A proactive ‘whole of council’ approach is being applied to this issue so we can work through it positively. Local board Services, Panuku and CCO monitoring will meet in November to ensure appropriate accountability systems and support are in place to enable effective governance across our Transform, Unlock and Support locations.

12. Risk management

The programme and project risk management awareness is increasing as the risk management discipline improves, project managers improve their content quality in the risk registers and as we embed risk management disciplines into the business units.

We are beginning to see the influences of the new government as the strategies and policies are released, especially regarding economic housing supply. The 3-year programme that Panuku has in place for economic housing in development areas compliments the government’s comments.

We continue to improve our risk management alignment to our business objectives, to ensure we have clear line of sight of risks related to each business unit.