

# Board Report

**P u b l i c**

**Date**  
Friday,  
26 April 2019

**Time**  
2.30 pm

**Venue**  
Panuku  
Development  
Auckland  
82 Wyndham St



# Board Agenda

**Where:** 82 Wyndham Street, Auckland

**When:** Friday, 26 April 2019 | 9.30 am – 3.30 pm

**Board Members:** Adrienne Young-Cooper – Chair  
David Kennedy – Director  
Richard Leggat – Director  
Dr Susan Macken – Director  
Paul Majurey – Director  
Mike Pohio – Director  
Martin Udale – Director  
Paul Brown – Intern

**In attendance:** Roger MacDonald – Chief Executive  
Monica Ayers – Director People and Culture  
Jenni Carden – Executive Officer / Company Secretary  
Angelika Cutler – Director Corporate Affairs  
Carl Gosbee – Director Corporate Services  
Rod Marler – Director Design and Place  
David Rankin – Chief Operating Officer  
Brenna Waghorn – Director Strategy  
Ian Wheeler – Director Portfolio Management  
Allan Young – Director Development

<b>Confidential meeting</b>	
<b>1.</b>	<p><b>Procedural Motion to Exclude the Public</b></p> <p>Put the motion that, pursuant to clause 12.3 of the Panuku Constitution, the public be excluded from the following proceedings of this meeting, so that commercially sensitive issues can be discussed in confidential session.</p>
<b>2.</b>	<p><b>Confidential governance matters</b></p> <p>2.1 Apologies</p> <p>2.2 Directors' interests <i>Withheld from the public under S7(2)(h) of the LGOIMA</i></p> <p>2.3 Minutes of 29 March 2019 Board meeting <i>Withheld from the public under S7(2)(h) of the LGOIMA</i></p> <p>2.4 Board action list <i>Withheld from the public under S7(2)(h) of the LGOIMA</i></p> <p>2.5 Board forward work programme <i>Withheld from the public under S7(2)(h) of the LGOIMA</i></p> <p>2.6 Verbal update from Audit and Risk Committee 9 April 2019</p>
<b>3.</b>	<p><b>Confidential Chief Executive's report</b></p> <p><i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i></p>
<b>4.</b>	<p><b>Health and Safety report</b></p> <p><i>Withheld from the public under S7(2)(h) of the LGOIMA</i></p>

<b>5.</b>	<b>Confidential strategic discussion</b> 5.1 Proposed transfer of waterfront assets update <i>Withheld from the public under S7(2)(h), S7(2)(b)(ii) and S7(2)(g) of the LGOIMA</i>
<b>6.</b>	<b>Confidential strategic papers (papers which are fully confidential)</b> 6.1 Enabling commercial opportunities for Māori <i>Withheld from the public under S7(2)(h) and S7(2)(f)(i) of the LGOIMA</i>
<b>7.</b>	<b>Confidential decision papers (papers which are fully confidential)</b> 7.1 Transform Manukau – joint crown/council programme business case and proposed development strategy <i>Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA</i> 7.2 Civic Administration Building <i>Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA</i> 7.3 Transform Waterfront – Superyacht infrastructure funding <i>Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA</i> 7.4 Transform Waterfront – Silo Park extension <i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i> 7.5 13 Aeronautic Road, Takanini <i>Withheld from the public under S7(2)(h) and S7(2)(i) of the LGOIMA</i>
<b>8.</b>	<b>Confidential information papers</b> 8.1 Opportunities to improve council group property functions <i>Withheld from the public under S7(2)(h) of the LGOIMA</i>
<b>9.</b>	<b>General Business</b>

### Opening of Public Meeting 2.30 pm

Public meeting	
<b>10.</b>	<b>Opening of Public Meeting</b> 10.1 Apologies 10.2 Health and safety moment 10.3 Directors' interests 10.4 Directors' Board meeting attendance register 10.5 Minutes of the 29 March 2019 Board meeting (public) 10.6 Public deputation
<b>11.</b>	<b>Chief Executive's report</b>
<b>12.</b>	<b>Health and Safety report</b>
<b>13.</b>	<b>Decision papers</b> 13.1 Disposals programme and SOI targets 13.2 Audit engagement letter

# Local Government Official Information and Meetings Act 1987.

## 7 Other reasons for withholding official information

(1) Where this section applies, good reason for withholding official information exists, for the purpose of [section 5](#), unless, in the circumstances of the particular case, the withholding of that information is outweighed by other considerations which render it desirable, in the public interest, to make that information available.

(2) Subject to [sections 6, 8, and 17](#), this section applies if, and only if, the withholding of the information is necessary to—

(a) protect the privacy of natural persons, including that of deceased natural persons; or

(b) protect information where the making available of the information—

(i) would disclose a trade secret; or

(ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information; or

(ba) in the case only of an application for a resource consent, or water conservation order, or a requirement for a designation or heritage order, under the [Resource Management Act 1991](#), to avoid serious offence to tikanga Maori, or to avoid the disclosure of the location of waahi tapu; or

(c) protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information—

(i) would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied; or

(ii) would be likely otherwise to damage the public interest; or

(d) avoid prejudice to measures protecting the health or safety of members of the public; or

(e) avoid prejudice to measures that prevent or mitigate material loss to members of the public; or

(f) maintain the effective conduct of public affairs through—

(i) the free and frank expression of opinions by or between or to members or officers or employees of any local authority, or any persons to whom [section 2\(5\)](#) applies, in the course of their duty; or

(ii) the protection of such members, officers, employees, and persons from improper pressure or harassment; or

(g) maintain legal professional privilege; or

(h) enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities; or

(i) enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or

(j) prevent the disclosure or use of official information for improper gain or improper advantage.

## Directors' Interests as at 29 March 2019

Member	Interest	Company / Entity	Conflicts pre-identified?
<b>Adrienne YOUNG-COOPER</b>	Chair	Panuku Development Auckland Limited	
	Chair	Housing New Zealand Corporation	
	Chair	Housing New Zealand Limited	
	Chair	Housing New Zealand Build Limited	
	Director	Cornwall Park Trust Board Incorporated	
	Director	HLC Limited	
	Director	Queenstown Airport Corporation Limited	
	Director	SeaLink New Zealand Limited and related companies	Yes
	Director	Sir John Logan Campbell Residury Trust	
Director	Sir John Logan Campbell Medical Trust Incorporated		
<b>Dr Susan C. MACKEN</b>	Deputy Chair	Panuku Development Auckland Limited	
	Chair	Kiwibank	
	Chair	Spa Electrics Ltd (Aust.)	
	Deputy Chair	Tāmaki Redevelopment Company Ltd	Possible
	Director	Blossom Bear Ltd	
	Director	STG Ltd	

Member	Interest	Company / Entity	Conflicts pre-identified?
<b>David I. KENNEDY</b>	Director	Panuku Development Auckland Limited	
	Director	525 Blenheim Road Limited	
	Director	Cathedral Property Limited	
	Director	Good General Practice Limited	
	Director	Grantley Holdings Limited	
	Director	Hobsonville Development GP Limited	
	Director	New Ground Living (Hobsonville Point) Limited	
	Director	Ngāi Tahu Justice Holdings Limited	
	Director	Ngāi Tahu Property (CCC-JV) Limited	
	Director	Ngāi Tahu Property Joint Ventures Limited	Possible, Unlock Northcote
	Director	Ngāi Tahu Property Joint Ventures (No.2) Limited	
	Director	Ngāi Tahu Real Estate Limited	
	Director	NTP Development Holdings Limited	
	Director	NTP Investment Holdings Limited	
	Director	NTP Investment Property Group Limited	
Director	Prestons Road Limited		
<b>Richard I. LEGGAT</b>	Director	Panuku Development Auckland Limited	
	Chairman	NZ Cycle Trail Incorporated	
	Executive Chair	Kiwis for kiwi	
	Director	Cycling NZ	
	Director	Hamilton Waikato Tourism	
	Director	Mortleg Ltd	
	Director	Snowsports NZ	
	Director	Trophy Metropolitan Ltd	
	Director	Warren and Mahoney	
	Director	Winter Games New Zealand	
	Panel Member	NZ Markets Disciplinary Tribunal	
	Member	Union Cycliste Internationale Ethics Commission	

Member	Interest	Company / Entity	Conflicts pre-identified?
<b>Paul F. MAJUREY</b>	Director	Panuku Development Auckland Limited	
	Chair	Hauraki Collective (12 iwi collective)	
	Chair	Impact Enterprise Fund	
	Chair	Mana Whenua & Crown Working Group (proposed Hauraki Gulf / Tikapa Moana Recreational Fishing Park)	
	Chair	Marutūāhu Rōpū General Partner Ltd	
	Chair	Marutūāhu Collective (5 iwi collective)	
	Chair	Puhinui Park Limited	
	Chair	Tāmaki Makaurau Community Housing Ltd	
	Chair	Te Pūia Tāpapa	
	Chair	Tūpuna Maunga o Tāmaki Makaurau Authority	
	Chair	Whenuapai Housing General Partner Ltd	
	Co-Chair	Sea Change Marine Spatial Plan Project	
	Director	Arcus Property Limited	
	Director	Atkins Holm Majurey Ltd	
	Director	Ngāti Maru Ltd	
	Director	Pare Hauraki Asset Holdings Ltd	
	Director	Pouarua Farm General Partner Ltd	
	Director	Tikapa Moana Enterprises Ltd	
	Trustee	Crown Forestry Rental Trust	
	Trustee	Hauraki Fishing Group	
Mana Whenua Representative	Hauraki Gulf Forum		

Member	Interest	Company / Entity	Conflicts pre-identified?
<b>Michael E. POHIO</b>	Director	Panuku Development Auckland Limited	
	Chairman	BNZ Partners Waikato	
	Director	Argosy	
	Director	KiwiRail Ltd	
	Director	National Institute of Water & Atmospheric Research Ltd	
	Director	NIWA Vessel Management Ltd	
	Director	Ospri New Zealand Ltd	
	Director	<ul style="list-style-type: none"> <li>National Animal Identification and Tracing Ltd</li> </ul>	
	Director	TBFree	
	Director	Te Atiawa Iwi Holdings	
	Director	Te Atiawa (Taranaki) Holdings Ltd	
	Director	The Rees Management Limited	
	<b>C. Martin UDALE</b>	Director	Panuku Development Auckland Limited
Director		Accessible Properties New Zealand Limited	
Director		Cardinal Trustees Ltd	
Director		Essentia Consulting Group Ltd	
Director		Fleming Urban Ltd	
Director		Forest Group Ltd	
Director		Hobsonville Development GP Ltd	
Director		New Ground Living (Hobsonville Point) Ltd	
Director		Tall Wood Ltd	
Director		Tallwood Assembly Limited	
Director		Tallwood Design Limited	
Director		Tallwood Holdings Limited	
Director		Tallwood Projects Limited	
Director		Tāmaki Redevelopment Company Ltd	Possible
Director		Tāmaki Regeneration Ltd	
Director		THA GP Limited	
Director		TW Twenty Twenty Ltd	
Member		Kiwi Rail Property Committee	



MINUTES OF THE MEETING OF DIRECTORS OF PANUKU DEVELOPMENT AUCKLAND LIMITED, HELD IN **CONFIDENTIAL** SESSION AT 82 WYNDHAM ST, AUCKLAND ON FRIDAY 29 MARCH 2019 COMMENCING AT 9.00 AM.

<b>ATTENDING</b>		<p><b>Board:</b> Adrienne Young-Cooper (Chair), David Kennedy, Richard Leggat, Dr Susan Macken, Paul Majurey, Mike Pohio and Martin Udale.</p> <p><b>Board Intern:</b> Paul Brown</p> <p><b>Executive:</b> Roger MacDonald – Chief Executive, David Rankin – Chief Operating Officer, Monica Ayers – Director People and Culture, Angelika Cutler – Director Corporate Affairs, Carl Gosbee – Director Corporate Services, Rod Marler – Director Design and Place, Brenna Waghorn – Director Strategy, Ian Wheeler – Director Portfolio Management, Allan Young – Director Development, Jenni Carden – Company Secretary.</p>								
<b>1 PROCEDURAL MOTION TO EXCLUDE THE PUBLIC</b>	1 03/19	<p>The Panuku Board agreed that, pursuant to clause 12.3 of the Panuku Constitution and the provisions of Section 48(1)(a) of the Local Government Official Information &amp; Meetings Act 1987, the public be excluded from the meeting for the following proceeding, the subject matter, the reasons and specific grounds for exclusions being set out below:</p> <table border="1" data-bbox="683 922 1391 1182"> <thead> <tr> <th data-bbox="683 922 1034 1003">General subject of matters to be considered</th> <th data-bbox="1034 922 1391 1003">Grounds under Section 48(1) for considering in private</th> </tr> </thead> <tbody> <tr> <td data-bbox="683 1003 1034 1066">Governance; Committee report</td> <td data-bbox="1034 1003 1391 1066">Commercially sensitive issues</td> </tr> <tr> <td data-bbox="683 1066 1034 1128">Finance and Risk</td> <td data-bbox="1034 1066 1391 1128">Commercially sensitive issues</td> </tr> <tr> <td data-bbox="683 1128 1034 1182">Management and operations</td> <td data-bbox="1034 1128 1391 1182">Commercially sensitive issues</td> </tr> </tbody> </table>	General subject of matters to be considered	Grounds under Section 48(1) for considering in private	Governance; Committee report	Commercially sensitive issues	Finance and Risk	Commercially sensitive issues	Management and operations	Commercially sensitive issues
General subject of matters to be considered	Grounds under Section 48(1) for considering in private									
Governance; Committee report	Commercially sensitive issues									
Finance and Risk	Commercially sensitive issues									
Management and operations	Commercially sensitive issues									
<b>2.0 OPENING REMARKS</b>	2 03/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>								
<b>2.1 APOLOGIES</b>	3 03/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>								
<b>2.2 DIRECTORS' INTERESTS</b>	4 03/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>								
<b>2.3 MINUTES OF 28 FEBRUARY 2019 BOARD MEETING CONFIDENTIAL GOVERNANCE MATTER</b>	5 03/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>								
<b>2.4 BOARD ACTION LIST CONFIDENTIAL GOVERNANCE MATTER</b>	6 03/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>								
<b>2.5 BOARD FORWARD WORK PROGRAMME CONFIDENTIAL GOVERNANCE MATTER</b>	7 03/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>								
<b>2.6 VERBAL UPDATE FROM GOVERNING BODY WORKSHOP 26 MARCH 2019</b>	8 03/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>								

<b>2.7 BOARD DELEGATED AUTHORITY POLICY</b>	9 03/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>
<b>2.8 COMMITTEE STRUCTURE, MEMBERSHIP AND TERMS OF REFERENCE</b>	10 03/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>
<b>3.1 WORKING WITH MĀORI CONFIDENTIAL STRATEGY DISCUSSION</b>	11 03/19	<i>Withheld from the public under S7(2)(h) and S7(2)(f)(i) of the LGOIMA</i>
<b>4 CONFIDENTIAL CHIEF EXECUTIVE'S REPORT</b>	12 03/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
<b>5 HEALTH AND SAFETY REPORT CONFIDENTIAL INFORMATION PAPER</b>	13 03/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>
<b>BOARD ONLY TIME</b>	14 03/19	<i>Withheld from the public under S7(2)(h) and S7(2)(f)(i) of the LGOIMA</i>
<b>6.1 TRANSFER OF ASSETS OWNED BY PANUKU TO AUCKLAND COUNCIL CONFIDENTIAL STRATEGY PAPER</b>	15 03/19	<i>Withheld from the public under S7(2)(h), S7(2)(b)(ii) and S7(2)(g) of the LGOIMA</i>
<b>6.2 WATERFRONT PLANNING UPDATE CONFIDENTIAL STRATEGY PAPER</b>	16 03/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>
<b>6.3 FY20 ANNUAL BUDGET CONFIDENTIAL STRATEGY PAPER</b>	17 03/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>
<b>6.4 UNLOCK NORTHCOTE – UPDATE ON THE ACQUISITION OF PROPERTY AND LEASEHOLD INTERESTS IN THE TOWN CENTRE CONFIDENTIAL STRATEGY PAPER</b>	18 03/19	<i>Withheld from the public under S7(2)(h) and S7(2)(i) of the LGOIMA</i>
<b>7.1 WYNYARD CROSSING BUSINESS CASE CONFIDENTIAL DECISION PAPER</b>	19 03/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>
<b>7.2 QUEENS WHARF LEGAL DELEGATION</b>	20 03/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>

<b>CONFIDENTIAL DECISION PAPER</b>		
<b>7.3 TAVERN LANE DEVELOPMENT CONFIDENTIAL DECISION PAPER</b>	21 03/19	<i>Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA</i>
<b>7.4 UNLOCK HENDERSON – C40 REINVENTING CITIES CONFIDENTIAL DECISION PAPER</b>	22 03/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>
<b>7.5 132 GREENLANE EAST, GREENLANE CONFIDENTIAL DECISION PAPER</b>	23 03/19	<i>Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA</i>
<b>7.6 TAKAPUNA HOLIDAY PARK CONFIDENTIAL DECISION PAPER</b>	24 03/19	<i>Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA</i>
<b>8.1 BOARD STRATEGY DAY OUTCOMES CONFIDENTIAL INFORMATION PAPER</b>	25 03/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>
<b>8.2 PROPOSED DEVELOPMENT OF AUCKLAND TRANSPORT MANAGED PARK AND RIDE SITES CONFIDENTIAL INFORMATION PAPER</b>	26 03/19	<i>Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA</i>
<b>8.3 PROPERTY MARKET UPDATE CONFIDENTIAL INFORMATION PAPER</b>	27 03/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>
<b>9 GENERAL BUSINESS</b>	28 03/19	<i>Withheld from the public under S7(2)(h) of the LGOIMA</i>

MINUTES OF THE MEETING OF DIRECTORS OF PANUKU DEVELOPMENT AUCKLAND LIMITED,  
HELD IN **PUBLIC** SESSION AT 82 WYNDHAM ST, AUCKLAND ON FRIDAY 29 MARCH 2019  
COMMENCING AT 3.00 PM.

<b>10.1 APOLOGIES</b>	19 03/19	Martin Udale, Mike Pohio
<b>10.2 HEALTH AND SAFETY MOMENT</b>	20 03/19	Due to timing constraints, the health and safety moment was not discussed.
<b>10.3 DIRECTORS' INTERESTS</b>	21 03/19	The Panuku Board reviewed and received the Register of Directors' Interests noting amendments for Richard Leggat and Paul Majurey.
<b>10.4 DIRECTORS' BOARD MEETING ATTENDANCE REGISTER</b>	22 03/19	The Panuku Board noted the Board Attendance Register.
<b>10.5 MINUTES OF THE 28 FEBRUARY 2019 BOARD MEETING</b>	23 03/19	The Panuku Board reviewed and approved the Minutes of the Board Meeting of 28 February 2019, with confidential information redacted, as a true and accurate record of the meeting.
<b>11 CHIEF EXECUTIVE'S REPORT PUBLIC INFORMATION PAPER</b>	24 03/19	The Chief Executive spoke to the public matters in the report. The Panuku Board received the public report, with confidential information redacted.
<b>12 HEALTH AND SAFETY REPORT PUBLIC INFORMATION PAPER</b>	25 03/19	David Rankin, Chief Operating Officer, introduced the report. The Panuku Board received the report.
<b>13.1 UNLOCK PUKEKOHE PUBLIC STRATEGY PAPER</b>	26 03/19	David Rankin, Chief Operating Officer, introduced the report. Following the conclusion of discussions, the Panuku Board received the report.
<b>14.1 AMALGAMATION OF PANUKU AND DOWNTOWN MARINAS LIMITED PUBLIC DECISION PAPER</b>	27 03/19	Ian Wheeler, Director – Portfolio Management, introduced the report. The board received the report. Following the conclusion of discussions, the Panuku Board approved: <ol style="list-style-type: none"> <li>1. The Amalgamation to take effect on and from 30 April 2019.</li> <li>2. The shares in Downtown Marinas Limited will be cancelled without payment or other consideration.</li> <li>3. The constitution of the Amalgamated Company will be the same as the constitution of Panuku Development Auckland Limited before the Amalgamation.</li> <li>4. The board of directors of Panuku Development Auckland Limited is satisfied on reasonable grounds that the Amalgamated Company will, immediately after the Amalgamation becomes effective, satisfy the solvency test as defined in section 4 of the Act.</li> <li>5. Adrienne Young-Cooper, Susan Macken, David Kennedy, Richard Leggat, Paul Majurey, Michael Pohio and Christopher Udale will be the directors of the Amalgamated Company.</li> </ol>

		6. Each Director will sign documents required to give effect to this amalgamation.
<b>14.2 DIRECTOR APPOINTMENT WESTHAVEN MARINA LIMITED PUBLIC DECISION PAPER</b>	28 03/19	<p>Ian Wheeler, Director – Portfolio Management, introduced the report. The board received the report.</p> <p>Following the conclusion of discussions, the Panuku Board:</p> <ol style="list-style-type: none"> <li>1. approved the appointment of Adrienne Young-Cooper as a Director of Westhaven Marina Limited from 1 April 2019 until 31 October 2021.</li> <li>2. approved Stephen Mills QC being reappointed as a Director of Westhaven Marina Limited until 31 August 2020.</li> </ol> <p>Adrienne Young-Cooper did not cast a vote when the Panuku Board considered the recommendation.</p>
<b>14.3 AUCKLAND COUNCIL ENTITY DISCLOSURE PUBLIC DECISION PAPER</b>	29 03/19	<p>Carl Gosbee, Director – Corporate Services, introduced the report. The board received the report.</p> <p>Following the conclusion of discussions, the Panuku Board:</p> <ol style="list-style-type: none"> <li>1. Approves the six-monthly confirmation of Panuku compliance with the Auckland Council Disclosure Policy.</li> <li>2. Delegates to the Chair of Risk and Audit Committee, or the Board Chair, to provide written confirmation to the Disclosure Committee that Panuku is complying with these processes before 31 March 2019.</li> </ol>
<b>15.1 MT WELLINGTON SITE – 39B TAINUI ROAD – KART TRACK PUBLIC INFORMATION PAPER</b>	30 03/19	<p>Ian Wheeler, Director – Portfolio Management, introduced the report.</p> <p>The Panuku Board received the report.</p> <p>David Kennedy departed at 4.03pm. Susan Macken departed at 4.06pm.</p>
<b>15.2 PANUKU QUARTER TWO REPORT TO AUCKLAND COUNCIL PUBLIC INFORMATION PAPER</b>	31 03/19	<p>Brenna Waghorn, Director – Strategy, introduced the report.</p> <p>Following the conclusion of discussions, the Panuku Board received the report.</p>
<b>CLOSE OF BOARD MEETING</b>	32 03/19	The meeting closed at 4.12pm.

READ AND CONFIRMED

\_\_\_\_\_ Chair

\_\_\_\_\_ Date

# Chief Executive's Report

<b>Document Author</b>	Roger MacDonald – Chief Executive
<b>Contributors</b>	David Rankin – Chief Operating Officer Monica Ayers – Director People and Culture Jenni Carden – Executive Officer/Company Secretary Angelika Cutler – Director Corporate Affairs Carl Gosbee – Director Corporate Services Rod Marler – Director Place and Design Brenna Waghorn – Director Strategy Ian Wheeler – Director Portfolio Management Allan Young – Director Development
<b>Date</b>	19 April 2019

## 1. Overview

This report provides the board with a summarised overview of the opportunities and the issues facing the organisation.

This report is a public report, however confidential information is redacted. Information that has been redacted is indicated in **blue font**. Where redacted information exists, a reference to the section of the Local Government Official Information and Meetings Act 1987 (LGOIMA) will be cited in the publicly available version of the report.

## 2. Key issues

This section outlines issues that are not otherwise covered by a Decision or Information Paper elsewhere in the agenda and are either:

- Strategically significant issues;
- Emerging and/or developing issues; or
- Project updates.

### 2.1 Strategically significant issues

#### 2.1.1 America's Cup 36

*Withheld from the public under S7(2)(b)(ii), S7(2)(h) and S7(2)(i) of the LGOIMA*

#### 2.1.2 Mana Whenua engagement update

Work continues under each of our three strategic commitments to work with Māori:

## **Working towards shared strategic objectives**

We have had a number of workshops with Mana Whenua to better understand what aspirations they have in relation to governance, economic, social, cultural and enhanced wellbeing for Māori here in Tāmaki Makaurau. The sessions have been unique and offer incredible insight into what Mana Whenua's vision is for the future. Panuku will now spend some time working through what detailed activity is required to support the delivery of the aspirations. We are aiming to have a comprehensive Implementation Plan ready by late May.

## **Enabling Commercial Outcomes**

A board working party attended a hui led by EY-Tahi in early April to explore what practical next steps Panuku could undertake to enable commercial opportunities for Māori across our work programme. The korero was aspirational as we looked at what levers we could use to get some credible runs on the board. The board will consider a report by EY-Tahi at this month's meeting. In the meantime, work continues to enable opportunities across the spectrum as we continue negotiations with iwi on a large scale development, supporting Māori SME businesses, right down to the individual level through procurement of Māori artists and designers. We have recently streamlined a number of our business as usual processes as well to enhance the commercial interface we have with iwi on an ongoing basis.

## **Celebrating Māori Culture and Identity**

The Design and Place Directorate and the Māori outcomes team are exploring ways to refine how we deliver on this pillar. We are mindful that as we evolve, and our identity takes root it is very important we ensure a Te Ao Māori perspective is integrated into our approach, as it is with our Placemaking kaupapa, rather than a 'bolt on'. We are looking at innovative and consistent ways to ensure that a Māori lens is embedded over and into our corporate DNA at the policy level so that we have the best opportunity to see it applied at a project level.

## **2.2 Emerging and/or developing issues/initiatives**

### **2.2.1 Civic Administration Building**

*Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA*

## **2.3 Priority location project updates**

### **Transform**

#### **2.3.1 Manukau**

*Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA*

A formal site blessing of 52-54 Manukau Station Road took place on Friday 4 April. Representatives from MIT, the crown, Hayden & Rollett, Mana Whenua and Panuku attended.

Panuku is working closely with Healthy Waters to plan the regeneration of the Puhinui Stream. In conjunction with the two Local Boards. A Steering Group has been established to provide direction and harness community stakeholder interest and involvement - it consists of local board members and Mana Whenua.

Panuku, Healthy Waters and Community Facilities are working together to develop a plan for the improvement of Hayman Park.

### **2.3.2 Onehunga**

Construction is practically complete for the first Onehunga public realm improvement project at Laneway 7, adjacent to the Police Station, the opening will occur over the weekend of 13 April. Public consultation is also underway for the next three planned laneways within the town centre.

*Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA*

Preliminary work is underway on the Onehunga Port masterplan which will form the basis of the statutory plan change for the site. Works are also underway on the Port deferred maintenance including electrical services, building repairs and currently the scoping of the dredging requirement.

### **2.3.3 Waterfront**

#### **Vos Shed Restoration**

Construction progress has been affected by finalising the revised asbestos remediation plan; however, this has been resolved and Legacy is scheduled to commence scaffolding/wrapping late April.

*Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA*

The scheduled construction completion is the end of December 2019.

The Vos Trust has been updated on the asbestos remediation progress and the project manager will continue to work with the Trust on the relocation the Vos Skiff once it's been decontaminated. The skiff will remain with the Trust for the duration of construction for safekeeping.

#### **Queens Wharf – Cruise Berth Upgrade (Mooring Dolphins)**

The hearings for Queens Wharf resource consent are complete. A decision from the commissioners, has been delayed and is anticipated at the end of April.

*Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA*

#### **Wynyard Bridge Crossing**

On the 3 April, Panuku publicly announced the Wynyard Crossing Bridge replacement project. This replacement bridge, a double leaf bascule with counterweights on the same alignment as the current bridge will be delivered prior to AC36 pre-events.

A number of stakeholder briefings have been held. Three public drop-in sessions have been undertaken. The media response has predominately been positive.

*Withheld from the public under S7(2)(h) of the LGOIMA*

#### **30 Madden Street (West 1 Site)**

*Withheld from the public under S7(2)(b)(ii) of the LGOIMA*

A second presentation to, and briefing session for, the shortlisted Mana Whenua artists and Mana Whenua forum for the 30 Madden façade treatment is taking place on 29 April 2019.

## **10 Madden Street**

Construction works remain slightly ahead of programme. The crane has been erected and tanking installation for the one level basement is currently underway. *Withheld from the public under S7(2)(b)(ii) of the LGOIMA.*

## **Westhaven Marine Village**

*Withheld from the public under S7(2)(b)(ii), S7(2)(h) and S7(2)(i) of the LGOIMA*

## **Westhaven Pile Mooring Redevelopment**

*Withheld from the public under S7(2)(b)(ii) and S7(2)(h) of the LGOIMA*

## **Dockline Tram reinstatement**

The project is running on time. Productive meetings have been held with Puneet Dhall representing the wider Tram group. We expect to progress procurement subject to the completion and approval of the business case in May. Assuming this proceeds to the current programme, it will result in the commencement of the half loop in time for Wynyard Quarter birthday celebrations in early August. The full loop, which requires completion of the AT works, is anticipated to be up and running early in the new year.

## **Site 18**

*Withheld from the public under S7(2)(b)(ii) and S7(2)(h) of the LGOIMA*

## **Park Hyatt**

The Park Hyatt Hotel remains on schedule. *Withheld from the public under S7(2)(b)(ii) and S7(2)(h) of the LGOIMA*

## **Unlock**

### **2.3.4 City Centre**

#### **Civic Administration Building**

A separate report is on the agenda in relation to this location. Refer agenda item 7.2.

### **2.3.5 Henderson**

Development funding has now received from Auckland Transport for their \$1.5m contribution to the Opanuku Link. The Henderson-Massey Local Board approved the new concept plans for the Opanuku Link project calling for a "Felled tree" design connecting the Opanuku Reserve, Henderson Valley Road (300m) and the cyclist bridge to Corban's Estate Arts Centre.

The preferred sound artist has been selected for the Sounds of Henderson.

The C40 project is progressing with the Request for Proposals phase closing on 29 March 2019. *Withheld from the public under S7(2)(b)(ii), S7(2)(h) and S7(2)(i) of the LGOIMA.* Panuku are working with AT to explore options for enhancing the Edmonton/Alderman roundabout.

### **2.3.6 Hobsonville**

#### **Airfields Stage 3 Employment Precinct**

*Withheld from the public under S7(2)(b)(ii) and S7(2)(h) of the LGOIMA*

### **2.3.7 Northcote**

*Withheld from the public under S7(2)(b)(ii), S7(2)(h) and S7(2)(i) of the LGOIMA*

On 15 April Panuku shared its vision for the urban renewal of the town centre when the Northcote Town Centre Benchmark masterplan was made available. A copy of the Benchmark Masterplan was published in the town centre kiosk, at the Kaipātiki Local Board office, and on the Panuku website. The benchmark masterplan has been generally well received by partners and stakeholders in the Northcote community, including the Northcote Business Association. We are anticipating and have communications prepared for further discussion on the Benchmark Masterplan in the weeks to come.

*Withheld from the public under S7(2)(h) of the LGOIMA*

### **2.3.8 Ormiston & Flat Bush**

Ormiston Town Centre and 66 Flat Bush School Road projects are progressing with Todd Group, under a development agreement. Completion of the town centre is due end 2020.

*Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA*

### **2.3.9 Panmure**

#### **3 Mountwell Crescent**

*Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA*

### **2.3.10 Papatoetoe**

Significant progress to the upgrade to the Old Papatoetoe town centre has been made with the new supermarket and upgraded town centre car park formally opening on the 26 March. The development of the adjoining civic space which is a joint venture between Foodstuffs and Panuku is also open to the public, however the raised planters are yet to be completed. *Withheld from the public under S7(2)(h) and S7(2)(i) of the LGOIMA*

### **2.3.11 Pukekohe**

Monthly local board meetings and working group meetings have been progressing well. The Franklin Local Board endorsed the draft HLPP on 16 April.

Comprehensive Parking Management Plan has been completed by Auckland Transport and is informing the planning process for Panuku.

High Level Project Plan is in progress which is targeting governance approvals by June 2019.

### **2.3.12 Takapuna**

Construction commenced for the Gasometer car park in October 2018 *Withheld from the public under S7(2)(h) of the LGOIMA*. Two Māori artists are working with the architects to create artwork for the lift lobby walls at each end of the building. This will create an amazing piece of cultural art for the building. Civil works to relocate services from the site to the road corridor commenced in January 2019.

CBRE is marketing the development opportunities at 40 Anzac Street and 30-34 Hurstmere Road. The marketing process started 2 March 2019. EOI process will close early May, *Withheld from the public under S7(2)(h) of the LGOIMA*

*Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA*

Demolition of 38 Hurstmere Road is complete. The site is being used to create and test temporary public space to guide the final design of the public space for this site and part of 40 Anzac Street. The business association used the space for the Asian Food Festival in March and table tennis tables have been on site from 25 March. The site will be used for the TBBA Easter Carnival, by the Navy during ANZAC week and by Massey University during its graduation ceremony.

### **2.3.13 Haumaru**

#### **21 Henderson Valley Road**

*Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA*

#### **33 Henderson Valley Road, Henderson - 40 unit apartment development**

Alaska Construction is making good progress on site and achieved critical milestone of completing third level structure and roof framing, and roofing installation commenced in April 2019. Internal timber wall framing, plumbing, electrical, insulation, fire sprinklers, windows, and GIB installation are progressing to schedule for the lower three levels. The building is on schedule to be completed by July with one month allowance for final defect inspections, site demobilisation and clean up, CCC application processing. Tenant move-in is anticipated to be in August, subject to Council issuing final CCC.

On 2 April, Panuku and Haumaru jointly presented at the Henderson-Massey Local Board workshop to provide an update on construction progress, Haumaru Housing tenant services, and upcoming project milestones. The local board expressed positive excitement about the progress made to date and the project team will work together with the local board to prepare upcoming mana whenua blessing and village opening ceremony.



### **2.3.14 Supports**

#### **198 Dominion Valley Road, Mt Eden**

The resource consent appeal process is now going to a full court hearing scheduled either mid-July or mid-August, to be confirmed.

**84 Morrin Road, St Johns**

*Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA*

**78 Merton Road, St Johns**

*Withheld from the public under S7(2)(h) of the LGOIMA*

**132 Green Lane East**

*Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA*

### **3. Quarter Three reporting**

Comprehensive reporting on the third quarter of 2018/2019 has been included this month.

#### **3.1 Monthly performance dashboard**

*Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA*

The monthly performance dashboard is attached as Attachment A which is withheld from the public under S7(2)(b)(ii) of the LGOIMA

#### **3.2 Financial Update**

The comprehensive report covering Q3 is attached as Attachment B which is withheld from the public under S7(2)(b)(ii) of the LGOIMA.

#### **3.3 SOI initiative Update**

The comprehensive report covering Q3 is attached as Attachment C which is withheld from the public under S7(2)(b)(ii) of the LGOIMA.

#### **3.4 Risk Management Update**

The comprehensive report covering Q3 is attached as Attachment D which is withheld from the public under S7(2)(b)(ii) of the LGOIMA.

#### **3.5 Priority Location Portfolio Update**

The comprehensive report covering Q3 is attached as Attachment E which is withheld from the public under S7(2)(b)(ii) of the LGOIMA.

#### **3.6 Property Management Portfolio Update**

The comprehensive report covering Q3 is attached as Attachment F which is withheld from the public under S7(2)(b)(ii) of the LGOIMA.

### 3.7 Marina Update

The comprehensive report covering Q3 is attached as Attachment G which is withheld from the public under S7(2)(b)(ii) of the LGOIMA.

## 4. Portfolio Management

### 4.1 Lease approved under delegation - 63-65 St George Street, Papatoetoe

In accordance with the Panuku Development Auckland delegations all new property leases over \$500k are required to be reported to the board. Please find below details of a property lease which has been negotiated.

#### **63-65 St George Street, Papatoetoe**

The property at 63-65 St George Street Papatoetoe is held as part of the Unlock Papatoetoe project. The mall has been redeveloped and leased out on the open market.

*Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA*

### 4.2 Lease approved under delegation - Viaduct Events Centre (VEC), Halsey Wharf

The VEC is a building owned and operated by Regional Facilities Auckland (RFA) on behalf of Auckland Council. The building stands on Halsey Wharf, which is owned by Panuku. The lease agreed provides for the building to sit on the wharf i.e. the lease is of the wharf space.

*Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA*

### 4.3 Execution of Agreement to lease under delegation - Board Notification – Takapuna Campground forming part 22 The Promenade, Takapuna

Takapuna Campground forms part of the Takapuna Beach Reserve. The Panuku Board have previously been advised on the complex history of this site and the process with the Devonport Takapuna Local Board (DTLB) confirming the future use of the site as a

*Withheld from the public under S7(2)(h) and S7(2)(b)(ii) of the LGOIMA.*

*Withheld from the public under S7(2)(h), S7(2)(i) and S7(2)(b)(ii) of the LGOIMA*

### 4.4 Acquisitions and Disposals Summary

The Acquisitions Summary is attached as Attachment I and the Disposals Summary is attached as Attachment J. Both of these reports are withheld from the public under S7(2)(b)(ii) of the LGOIMA.

## 5. Organisational Summary

### 5.1 Chief Executive's Networks

Since the Board met on 29 March, the Chief Executive has continued to build relationships with stakeholders, mana whenua and the local community, within both the political and community arenas.

He has also attended various Auckland Council meetings, including the City Centre and Waterfront Executive's Steering Group, CCO CEO's regular catch-up with Stephen Town and regular AC36 JCEG (Joint Chief Executive Group) meetings.

*Withheld from the public under S7(2)(b)(ii) of the LGOIMA*

## 5.2 Media and digital summary

A stunning video and images to announce the proposed new bridge to replace Wynyard Crossing made a splash across Stuff's digital channels (website and Facebook) and in the 6 April Weekend Herald as part of a feature on redevelopment happening as the city prepares for 2021. The story was also picked up by interest.co.nz and the Greater Auckland blog and shared widely on Twitter, with endorsement from NZ Herald Auckland senior writer Simon Wilson and urban regeneration enthusiast and former paperboy editor Jeremy Hansen among others. Public information sessions to inform and engage with the public on the proposed new structure and underway and continue to be well attended and well received by people of all ages from across Auckland.

Unlock Avondale was championed in an interview by NZ Herald with Ockham Residential co-founder Mark Todd who said the area is set for big things with regeneration led by Panuku at the centre of it.

*Withheld from the public under S7(2)(b)(ii) of the LGOIMA*

Panuku is working proactively with the North Shore Times to share the next milestone in the redevelopment of Northcote, where our property portfolio team has now approached town centre building owners about the purchase of their property and a new masterplan outlining the next steps for regeneration has been shared with the community. An OurAuckland story will be published online about the next phase in the project at midday on 17 April and following that, shared via social media by Panuku and the Kaipātiki Local Board.

A call to developers to revamp 40 Anzac Street in Takapuna generated some good headlines on Stuff ('Call for developers to turn a carpark into the Takapuna town centre') and from the NZ Herald ('Big changes in little Takapuna'). The stories were supported by positive comments about the project made by Terence Harpur, chief executive of Takapuna Beach Business Association. The Devonport Flagstaff ran a piece focused on a community's group's fears that the town square could be narrow and shady but provided balance to the story by including a response from Panuku that stated the design of the town square is not yet finalised.

In response to the tragic shooting in Christchurch, The Māori Kitchen on Queens Wharf donated proceeds from a day's sales to the victims of the attack, attracting a slew of media attention across a number of news outlets and across social channels. The most recent food truck to join the Queens Wharf village, their arrival on the waterfront has also been reported by Stuff, Denizen, Radio New Zealand and international publication Time Out as a 'must visit' spot in Auckland.

Another letter sent to Auckland Mayor Phil Goff and Auckland councillors by protest group Stop Stealing Our Harbour about new signatories added to an online petition opposing new infrastructure to cater for larger cruise ships on Queens Wharf (the mooring dolphin) resulted in a single story on the business pages of Stuff and no further coverage. A decision about the dolphin is expected to be announced by the independent commissioners' hearing on 23 April and is anticipated to create a new wave of interest from media.

# Health and Safety Monthly Reporting – March 2019

<b>Document Author(s)</b>	Blair McMichael – Health and Safety Manager
<b>Approver</b>	David Rankin – Chief Operating Officer
<b>Date</b>	10 April 2019

## 1. Purpose

This paper is a comprehensive quarterly update to the board on progress against key health and safety objectives from our Health and Safety Plan 2018/19, recent incidents, the monitoring and management of risks, and staff wellbeing and training.

## 2. Executive summary

This report includes a year to date summary of all our lead and lag key performance indicators reflecting incidents, hazards, monitoring, and competency programmes underway.

During the month our Marina team reported a lost time injury with a fractured finger. This result impacted in a marginal increase in our overall total incident frequency rate, year to date. Incident frequency results are compared to both the New Zealand Health and Safety Business Forum and the Auckland Council lost time injury frequency rate which indicate that the business is tracking to plan.

We completed critical risk reviews across all our quarry and landfill operations which are among our higher risk activities. We have commenced a compliance review of our contract management framework, used to manage health and safety across project delivery.

Training commenced for our people leaders in partnership with Auckland Council, and our project managers began the first of a series of competency assessments using the tool ConstructSafe.

We continue to track to our health and safety plan 2018/2019 and plan to undertake further work in the review and communication of our critical health and safety risks across the business.

Work continued improving our health and safety reporting, including the safety analytics for our board and executive leadership team. We are also preparing to go to selected vendors for information around a potential health and safety software package aligned to our business needs with contractor management and incorporating other aspects of risk, beyond health and safety. We are doing this jointly with the Panuku risk manager.

# Figure 1: Health and Safety Overview (1 Apr 2018 - 31 Mar 2019)

## 1. Events: Recorded Incidents and Near Misses (1 Apr 2018 - 31 Mar 2019)

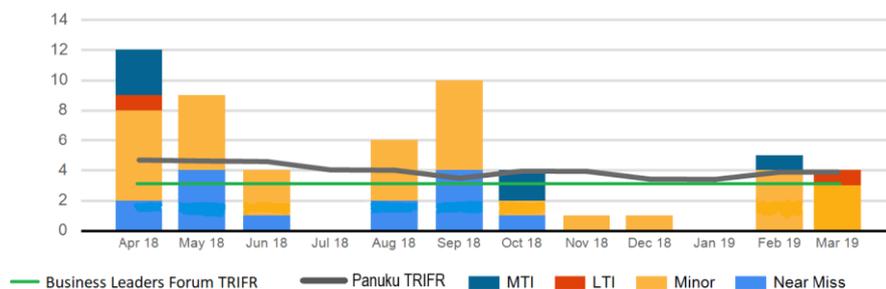
Incidents  
**42**

Near Miss  
**14**

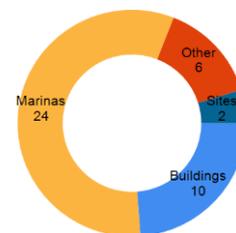
Rolling TRIFR  
(Mar 2019 200,000 hrs)  
**3.90**

Rolling LTIFR  
(Mar 2019 200,000 hrs)  
**0.97**  
(LTIFR Benchmark <1.6)  
Source: Auckland Council

Incident and Near Miss Time Series (including TRIFR)



Incidents by Group



TRIFR = Total Recordable Incident Freq. Rate - MTI = Medical Treatment Injury - LTI = Lost Time Injury

## 2. Risks and Hazards

### Top Hazards Related to Incidents



## 3. Audits: Continuing Improvement through Monitoring and Review

Audits Created  
**98**

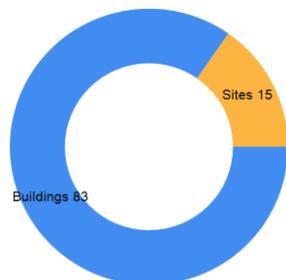
Audits Closed  
**9**

Audits Remaining Open  
**89\***

\* reflects Scheduled and In Progress

\*Sites relate to open spaces, quarries, landfills

Audits Created



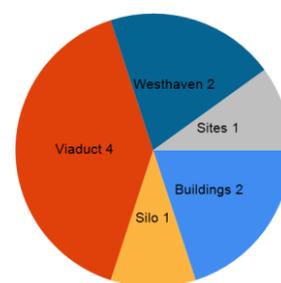
## 4. Corrective Actions: related to incidents

Total Created Incident Actions  
**13**

Incident Actions Closed  
**10**

Incident Actions in Progress  
and Scheduled or Overdue  
**3**

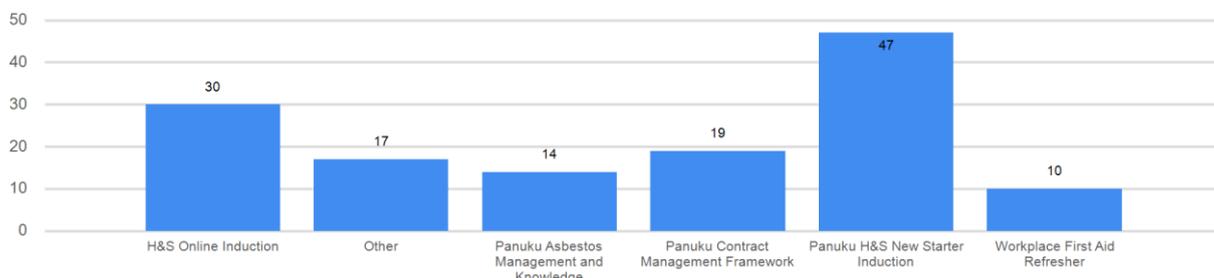
Incident Actions Completed



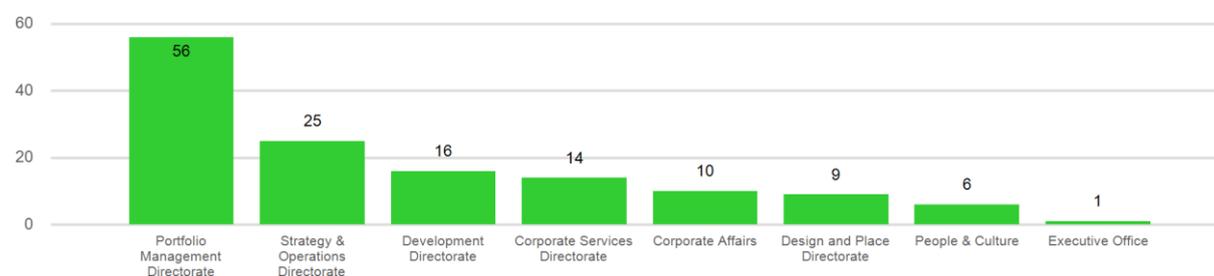
## 5. Training: Competent and Engaged People (1 Apr 2018 - 31 Mar 2019)

Training completed **137**

Trainings by Course



Trainings



### 3. Health and safety overview (year to date)

Following a discussion with the board last month regarding reporting, we have included our key performance indicators (KPIs) in health and safety as requested – Figure 1. These are represented by each of the tables listed below.

The KPIs were initially requested earlier this year and published in the September quarterly report.

These are referenced as ‘Incidents and Near Misses, Hazards and Risks, Monitoring and Review, Corrective actions, and Competent and Engaged People’.

#### 3.1 Incidents and near misses

Panuku’s Total Recordable Incident Frequency Rate (TRIFR) at 3.9 rose slightly over the last quarter when compared against the NZ Business Leaders Health and Safety Forum TRIFR at 3.1. The TRIFR is a lag indicator and a frequency rate. We have consolidated our employee incidents with contractor incidents where we directly manage contracts. Separation of the data would make the results less meaningful and acknowledges where Panuku manage tracking of the project performance. Our projects within delivery/execution phase, are listed in Appendix A.

We also track lost time injury frequency rate against the Auckland Council benchmark of 1.6, Panuku track below this rate at 0.97 with two lost time injuries this year.

There have been three minor incidents and one lost time injury reported this month. All three minor incidents resulted in first aid treatment. The lost time injury reported involved a marina staff member working night shift who under poor lighting tripped on a trolley wheel, fell and fractured a finger. The employee was off work for three days. Security lighting has been installed to avoid a similar incident.

#### 3.2 Risks and hazards

The hazards identified relate directly to incidents recorded during the year. Most relate to manual handling within our marina’s work such as hand injuries when assisting with mooring vessels. Each hazard has been addressed with specific hierarchy of controls.

The hazards identified are not the critical health and safety risks for the business. Our critical risks are based on equivalent industry risks within the property management and development industry, however these will be subject to appraisal and agreement by our executive leadership team. Current critical risks listed are those known in our industry/business which may affect our staff but have not necessarily resulted in an incident. Each risk has direct controls applied to the risk and is part of a work stream to manage the risk.

#### 3.3 Monitoring and review, and corrective actions

‘Monitoring and review’ represent lead indicators across our property and development portfolio. Mentioned later in this report is the critical risk activity review for quarries and landfills. Eighty-nine audits remain open due to ongoing monitoring activities directly associated with asbestos management plans. It is anticipated that these will be closed in the forthcoming quarter. Asbestos Management Plans are now accessible to our contractors and tenants, through our health and safety software, for each commercially managed property. This month monitoring was completed on the Hoporata – Waiheke Island; Blackwell – Great Barrier Island; and Whitford quarries. Monitoring was also completed across the Tamaki and Whitford Landfills. None of the health and safety monitoring identified any significant issues, with minor corrective actions implemented at the time of the reviews. Further quarterly reviews are scheduled in July.

Corrective actions are linked directly to our incidents where planned intervention and improvement is required. Most corrective actions are reflected in the follow up actions from our marina's teams. The marina's operations represent our most active physical health and safety risks but also represent a high level of engagement and reporting by the marina's teams.

### **3.4 Competent and engaged people**

As previously referenced in last months board reporting, existing training reported during the month is based on risk and includes asbestos awareness, the contract management framework and new starter training. Other training refers to risk associated with threats from the public referred to as situational confrontational training. Training commenced this month, known as Managing Safely. It recognises that our people leaders have a strong influence over the behaviours of their staff and, working in partnership with Auckland Council, we have begun coordinating people leaders to attend with completion scheduled in late June. The course content is intended to equip our managers with the tools and information needed to support and lead their people. It covers: why we do health & safety, safety leadership, risk assessment and management, incident investigation, measuring performance, and safety indicators.

ConstructSafe – Tier 1 competency assessment also started and will be rolled out to all project managers. ConstructSafe is the assessment tool provided by CHASNZ, Construction Health and Safety New Zealand. The Tier 1 assessment is an entry level competency for construction sites. In 2019/2020 we will progress the assessment to include Tier 5 which reflects the needs of 'Client' organisations such as Panuku. However, this 'tier' is not yet ready to be used.

## **4. Emerging issues and trends**

### **4.1 Due diligence compliance review**

As we enter the next phase in our health and safety planning for 2019/2020, we are preparing to implement the internal assessment tool Safe365. This product is a new internal compliance tool, separate from our health and safety reporting software. Safe365 is intended to enable our people leaders to assess, improve and monitor their teams and directorate health, safety and well-being capability, culture, performance, and engagement. The Council is using this product and has found it useful for self-assessment and benchmarking.

An initial review of Safe365 was completed in March with the testing, communications, and training for managers to be scheduled post June. The tool is not part of our intended health and safety incident reporting software, rather an analytical stand-alone tool.

### **4.2 Stakeholder engagement and associated risk**

Earlier this year several of our staff were the subject of verbal abuse and threatened physical violence. These behaviours were particularly prevalent in public forums and local body stakeholder engagements such as 'Unlock Takapuna'. Steps were taken on a case-by-case basis. During the year we continued to review this risk and consider how we might best mitigate against perceived or actual physical or psychological risks.

As a result, a decision paper has been provided to our executive leadership team together with an operating procedure, drafted with the involvement of our stakeholder engagement staff. Once finalised we consider that our approach to stakeholder engagement and key health and safety risks will be systematically managed through planned training, development, mentoring, staff resilience reviews, and clear guidance linked to our staff 'onboarding' and refresher programmes.

### 4.3 Contract Management Framework (CMF) – compliance review

In April we will be reviewing a selection of projects in delivery/execution phase. The purpose of the review is to ensure we are working to our approach in contract management and identify what gaps may exist between the existing framework and staff understanding of its use. Findings from the review will feed into the CMF to continually improve its use.

### 4.4 Health and safety reporting software solutions

As a follow-up to last month's reporting, Panuku still intends to go the market in a Request for Information (RFI) around a software solution. The aim is to achieve better alignment to our business requirements and executive and board reporting expectations. This work is subject to discussions with Auckland Council whose preference is that we work with its existing system, Risk Manager. In considering the RFI, and based on the objective that integration with our existing systems such as our procurement and project management systems is essential, we have included 'risk' within the scoping.

## 5. Progress against the health and safety work plan

PROGRAMME OF WORK	ON TRACK	KEY DELIVERABLES
Corporate Priority - Complete review of Panuku's alignment with Auckland Council H&S Management Framework including the manual (March 2019)		Alignment to Council's overarching policy has been agreed and completed. Panuku will continue to engage in other interrelated work programs.
Develop H&S Communications Plan for direction & alignment with key H&S initiatives (November 2018)		Work continues communicating safety and health related material particularly using our internal newsletter, Korero.
Corporate Priority - Review training. Inductions planned for December 2018. Complete report to ELT (June 19)		ConstructSafe (Tier 1) competency assessments began in March
Draft H&S Annual Plan 2019/2020 with staff involvement and ELT approval (BAU) (June 2019)		Drafting of the 2019/2020 Health and safety plan has begun and will obtain feedback from our health and safety representatives before wider consultation
Manage delivery of People Leader H&S training using the Council training 'Managing Safely' (March 2019)		Managing safely training commenced in March
Corporate Priority - Complete Programme of Board and ELT legislative update / training (May 2019)		An update around the legislation has been provided to both the Board and ELT with the February Deep Dive.
Agree with Panuku Risk Manager - clear communication of hierarchy of risk registers & links by March 2019		The Panuku Risk Manager is working through a draft risk framework following on from the March risk workshop held with the executive leadership team.
Implement Contracts Management Framework in Facilities management, Marinas and Design and Place by December 2018		This work is progressing following a risk review specific to events management.
Corporate Priority - Undertake review of Contracts Management Framework compliance with ELT report (April)		Scheduled for April

Review implementation of H&S within the PMF & apply gateways (May)		Planned for May
Agree with Panuku H&S Representatives & COO the terms of reference for Panuku H&S Committee (June)		Ratified by our H & S Committee during the March meeting.
Agree Focus topics for ELT led discussions in H&S (November 2018)		Agreed and delivered to plan with deep dive completed across the ELT and Board for the CMF
Agree drug and alcohol and safety sensitive role improvements. ELT sign-off and Board communications (April)		An ELT decision paper is to be drafted with involvement from our People & Culture team, scheduled in April.
Corporate Priority - Implement Phase 2: Risk Manager software which incorporates Contractor Management module by June 2019		ELT decision paper approved with the recommendation of going to market with a Request for Information (RFI) around a software solution which aligns to the business requirements of Panuku
Review Risk Manager privacy settings & business rules and communicating to People Leaders by January 2019.		Completed. No further action required by Panuku as privacy recommendations sit with the software contract owners, Auckland Council for implementation.

## Appendix A: CMF On-Site Works - Panuku's Involvement (Influence and Control)

Project	Panuku's Contractual Relationship	Contractor	Consultant / Developer / Principal	Monthly H & S Report Required	Notifiable Incidents
Madden Plaza	Participating	Hawkins Infrast. (Downers)	Developer: Fu Wah	No	0
Daldy Street linear park	Participating	Downers	Principal: Auckland Transport	No	0
AC 36 (various)	Providing	Wynyard Edge Alliance	Principal: Auckland Council	No	0
Park Hyatt Hotel	Managing	China Hawkins Construction	Developer: Fu Wah	No – Development Agreements	0
132 Halsey Street	Managing	Haydn & Rollett	Developer: Willis Bond	No – Development Agreements	0
30 Madden Street	Managing	Lt McGuinness	Developer: Willis Bond	No – Development Agreements	0
VOS shed	Managing	Legacy Construction	Consultancy Services: Coffey	Yes	0
Henderson HfOP	Managing	Alaska	Consultancy Services: RCP	Yes	0
Takapuna Gasometer	Managing	Argon	Consultancy Services: Bluewater	Yes	0
Vector upgrades	Doing	Hawkins	Panuku	Yes	0
Shed 11 - Shrink wrap	Doing	TBC	Panuku	Yes	0

### Glossary

**Doing** – represents projects in which Panuku contracts the work directly with another party;

**Managing** – represents either an instance where Panuku contracts a professional consultancy to manage the work on our behalf, or where we have entered into a development agreement;

**Participating** – indicates projects where Panuku isn't completing the work, rather we may influence the final product. An example of this may include a road project completed by Auckland Transport within the Wynyard Quarter where we require modifications to align with the design of the area;

**Providing**- refers to instances where Panuku is providing access to land or buildings such as a tenancy agreement or where another Party such as ATEED wishes to hold a public event.

# Decision Paper: Disposals Programme and SOI targets

<b>Document Author(s)</b>	Letitia Edwards, Team Leader Portfolio Review Marian Webb, Manager Portfolio Strategy and Business Development
<b>Reviewer(s)</b>	David Rankin, Chief Operating Officer
<b>Date</b>	4 April 2019

## 1. Purpose

The purpose of this paper is to:

- update the board at a programme level on the current activities related to the portfolio review, the property clearance process, optimisation and the development and disposals programme
- report on progress to date against the 2018-19 'recommended for sale' and 'net unconditional sales' SOI targets
- recommend aligning the 'recommended for sale' target with the 'net unconditional sales' target and the Auckland Council 10 Year Budget (Long-Term Plan) 2018-28.

## 2. Executive summary

As part of Panuku's SOI for 2018-19, council approved a 'recommended for sale' target of \$30 million and a 'net unconditional sales' target of \$72 million for FY2018-21 for general disposals, or \$24 million for this financial year. This \$72 million excludes sites which fall within the reinvestment policy framework across our locations.

To date, the Portfolio Strategy team has achieved \$9.4 million against the \$30 million recommended for sale SOI target. The Portfolio Strategy team is currently planning on recommending an additional [REDACTED] of properties for sale this financial year and is on track to meet the recommended for sale SOI target this financial year. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

The Development and Disposals teams have achieved net unconditional sales of \$42 million to date against its \$72 million net unconditional sales target for FY2018-21.

There have been no sales this financial year to date within the Transform and Unlock reinvestment programme. The Development team is progressing work on the Transform and Unlock projects, with [REDACTED] of the [REDACTED] sales anticipated within the approved project business cases for the FY2018-19. The development team is also progressing a single high value site in Henderson worth [REDACTED], it is anticipated that this development agreement will go unconditional in the first quarter of next financial year.

The Portfolio Strategy team continues to progress the optimisation concept with various local boards with progression and investigation of a number of optimisation projects. This includes working in partnership with Auckland Transport to progress development opportunities on transport service sites. [REDACTED]

[REDACTED]

[REDACTED]

### 3. Recommendations

It is **recommended** that the Panuku Board

- a. **Agrees** [REDACTED] recommended for sale SOI target of [REDACTED]

### 4. Discussion

#### 4.1. Portfolio Review

For FY2018-19, Panuku has a \$30 million 'recommended for sale' SOI target. To date, the Portfolio Strategy team has recommended 12 properties for sale with a total value of \$9.4 million. Nine (9) of these properties were approved for sale by the Finance and Performance Committee and the decision was made to defer two surplus carparking sites in Papakura to allow for further planning to occur.

The Strategy and Operations directorate is working towards recommending a further [REDACTED] of properties through the pipeline to meet the FY2018-19 recommended for sale SOI target and contribute towards the pipeline for future financial years.

[REDACTED]



[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[Redacted text block]

**4.3. Optimisation**

The optimisation of service property policy is a development approach and funding model, approved in 2015, which aims to enable the upgrade of community assets at no cost to the ratepayer while also releasing sites for development and delivering town centre outcomes.

[Redacted text block]

**4.4. Property Disposal Overview**

For FY2018-21, Panuku’s SOI target for net unconditional sales for general disposals is of \$72 million, or \$24 million per financial year. This target does not include sales within the Transform and Unlock reinvestment programme.

The Development and Disposals teams have achieved net unconditional sales of \$42 million to date. The Development and Disposals team are continuing to progress work on an additional \$28 million of property which will contribute further to the FY2018-21 net unconditional sales target.

In addition to ongoing work on the net unconditional sales SOI, the Development and Disposals teams will also be transacting the individual properties which were approved for sale as part of the Corporate Accommodation strategy. The proceeds of sales from these properties will be reinvested by council into its Corporate Accommodation network. As such, these sales do not form part of our sales targets. 35 Graham Street, Auckland [REDACTED] [REDACTED] are the first two properties to be transacted. These are currently under negotiation.

There have been no sales this financial year to date within the Transform and Unlock reinvestment programme. The Development team is progressing work on the Transform and Unlock projects, with [REDACTED] of the [REDACTED] sales anticipated within the approved project business cases for the FY2018/19. The development team is also progressing a single high value site in Henderson worth [REDACTED], it is anticipated that this development agreement will go unconditional in the first quarter of next financial year.

### **LGOIMA Status**

Information contained in sections of this report that should be treated as confidential, as releasing it would prejudice the commercial position of Panuku or Auckland Council. In terms to Section 7 of the Local Government Official Information and Meetings Act 1987, Auckland Council Property Limited is entitled to withhold information where making available the information:

- i) would affect the commercial interest of a third party s7(2)(b)(ii); and
- ii) would be likely to prejudice or disadvantage the commercial position of council s7(2)(h).

# Decision Paper: Audit Engagement Letter

<b>Document Author</b>	Michele Harpham, Finance Manager
<b>Reviewer</b>	Carl Gosbee, Director of Corporate Services
<b>Date</b>	9 April 2019

## 1. Purpose

The purpose of this paper is to approve the engagement letter from Audit New Zealand for the annual audit of the financial statements and performance information of Panuku, for the year ending 30 June 2019.

## 2. Executive summary

Panuku is required, both by the Local Government Act 2002 and the Companies Act 1993, to produce an annual report each year. An audit is required on the financial statements and performance information contained therein. The Auditor-General is the statutory auditor of Panuku and is responsible for the audits of all public entities. The Auditor-General appoints auditors to act on their behalf for all audits but can choose to personally sign an audit report.

David Walker from Audit NZ was the appointed auditor for Waterfront Auckland commencing 1 November 2010. He should have been rotated off after the 30 June 2016 audit but the Auditor-General appointed him for a further two years to keep continuity after the amalgamation of Waterfront Auckland and Auckland Council Property.

The Auditor-General has appointed Karen MacKenzie from Audit NZ for the financial year ending 30 June 2019. This aligns with the original audit proposal letter which is for the period covering 30 June 2017, 2018 and 2019.

We require a new audit engagement letter between Panuku and Karen MacKenzie for the 30 June 2019 audit. The engagement letter is included as **attachment A** for approval. It is a standard letter that covers the responsibilities of the board and the appointed auditors.

The Audit and Risk Committee has approved the letter and recommended it to the Panuku Board for signature by the Chair.

## 3. Recommendations

The Audit and Risk Committee recommend the Panuku Board approve the letter of engagement with Audit New Zealand for 30 June 2019 and authorise the Chair to sign.

#### 4. Prior Board and Council engagement and decisions

Previous Board / Council engagement and decisions		
Date and meeting	Document	Decision / Outcome
28 June 2017 Panuku Board	Audit New Zealand Proposal	It was RESOLVED THAT the Board approve, and authorise the Chair to sign, the proposal from Audit New Zealand.

#### Document Sign-off

Role	Name	Sign-off Date	Signature
Director Corporate Services	Carl Gosbee	11 April 2019	
Chief Executive	Roger MacDonald	11 April 2019	

23 January 2019

Adrienne Young-Cooper  
Chair  
Panuku Development Auckland Limited  
PO Box 90343  
Auckland Mail Centre  
Auckland 1142

Dear Adrienne

### **Audit Engagement Letter**

This audit engagement letter is sent to you on behalf of the Auditor-General who is the auditor of all “public entities”, including Panuku Development Auckland Limited (Panuku), under section 14 of the Public Audit Act 2001 (the Act). The Auditor-General has appointed me, Karen MacKenzie, using the staff and resources of Audit New Zealand, under sections 32 and 33 of the Act, to carry out the annual audit of Panuku’s financial statements and performance information, on the Auditor-General’s behalf, for the year ending 30 June 2019.

This letter outlines:

- the terms of the audit engagement and the nature, and limitations, of the annual audit; and
- the respective responsibilities of the Board and me, as the Appointed Auditor, for the financial statements and performance information.

The objectives of the annual audit are:

- to provide an independent opinion on Panuku’s financial statements and performance information; and
- to report on other matters that come to our attention as part of the annual audit (typically those matters will relate to issues of financial management and accountability).

We will carry out the audit in accordance with the Auditor-General’s Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board (collectively the Auditing Standards). The Auditing Standards require that we comply with ethical requirements, and plan and perform the annual audit to obtain reasonable assurance about whether Panuku’s financial statements and performance information are free from material misstatement. The Auditing Standards also require that we remain alert to issues of concern to the Auditor-General. Such issues tend to relate to matters of financial management and accountability.

## The Board's responsibilities

Our audit will be carried out on the basis that the Board, as the governing body, acknowledges that it has responsibility for:

- preparing the financial statements and performance information in accordance with any applicable legal requirements and financial reporting standards;
- having such internal control as determined necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error; and
- providing us with:
  - access to all information relevant to preparing the financial statements and performance information such as records, documentation, and other information;
  - all other information, in addition to the financial statements and performance information, to be included in the annual report;
  - additional information that we may request from Panuku for the purpose of the audit;
  - unrestricted access to Board members and employees that we consider necessary; and
  - written confirmation concerning representations made to us in connection with the audit.

The Board's responsibilities extend to all resources, activities, and entities under its control. We expect that the Board will ensure:

- the resources, activities, and entities under its control have been operating effectively and efficiently;
- it has complied with its statutory obligations including laws, regulations, and contractual requirements;
- it has carried out its decisions and actions with due regard to minimising waste;
- it has met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector in that it has carried out its decisions and actions with due regard to probity; and
- its decisions and actions have been taken with due regard to financial prudence.

We expect the Board and/or the individuals within Panuku with delegated authority, to immediately inform us of any suspected fraud, where there is a reasonable basis that suspected fraud has occurred – regardless of the amount involved. Suspected fraud also includes instances of bribery and/or corruption.

The Board has certain responsibilities relating to the preparation of the financial statements and performance information and in respect of financial management and accountability matters. These specific responsibilities are set out in Appendix 1. Appendix 2 contains some additional responsibilities relating to the health and safety of audit staff. We expect members of the Board to be familiar with those responsibilities and, where necessary, have obtained advice about them.

The Board should have documented policies and procedures to support its responsibilities. It should also regularly monitor performance against its objectives.

## **Our responsibilities**

### ***Carrying out the audit***

We are responsible for forming an independent opinion on whether the financial statements of Panuku:

- present fairly, in all material respects:
  - its financial position; and
  - its financial performance and cash flows for the financial year; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards.

We are also responsible for forming an independent opinion on whether the performance information of Panuku presents fairly, in all material respects, the company's actual performance as compared with the performance targets and other measures by which performance is judged in relation to the company's objectives.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements and performance information. How we obtain this information depends on our judgement, including our assessment of the risks of material misstatement of the financial statements and performance information, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements and performance information.

We do not examine every transaction, nor do we guarantee complete accuracy of the financial statements and performance information. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with the Auditing Standards.

During the audit, we obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Panuku's internal controls. However, we will communicate to you in writing about any significant deficiencies in internal control relevant to the audit of the financial statements and performance information that we identify during the audit.

During the audit, the audit team will:

- be alert for issues of effectiveness and efficiency – in particular, how the Board and Panuku have carried out their activities;
- consider laws and regulations relevant to the audit;
- be alert for issues of waste – in particular, whether the Board obtained and applied the resources of Panuku in an economical manner, and whether any resources are being wasted;
- be alert for issues of a lack of probity – in particular, whether the Board and Panuku have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector; and
- be alert for issues of a lack of financial prudence.

### ***Our independence***

It is essential that the audit team and Audit New Zealand remain both economically and attitudinally independent of Panuku; including being independent of management personnel and members of the Board). This involves being, and appearing to be, free of any interest that might be regarded, whatever its actual effect, as being incompatible with the objectivity of the audit team and the Audit New Zealand.

To protect our independence, specific limitations are placed on us in accepting engagements with the Board other than the annual audit. We may accept certain types of other engagements, subject to the requirements of the Auditing Standards. Any other engagements must be the subject of a separate written arrangement between the Board and me or Audit New Zealand.

### ***Reporting***

We will issue an independent audit report that will be attached to the financial statements and performance information. This report contains our opinion on the fair presentation of the financial statements and performance information and whether they comply with the applicable reporting requirements. The audit report may also include comment on other financial management and accountability matters that we consider may be of interest to the addressee of the audit report.

We will also issue a report to the Board. This report communicates any matters that come to our attention during the audit that, in our opinion, are relevant to the Board. Typically, those matters will relate to issues of financial management and accountability. We may also provide other reports to Panuku from time to time. We will inform the Board of any other reports we have issued.

Please note that the Auditor-General may publicly report matters that are identified in the annual audit, in keeping with section 21 of the Public Audit Act 2001.

**Next steps**

Please acknowledge receipt of this letter and the terms of the audit engagement by signing the letter in the space provided and returning a copy to me. The terms will remain effective until a new Audit Engagement Letter is issued.

If you have any questions about the audit generally, or have any concerns about the quality of the audit, you should contact me as soon as possible. If, after contacting me, you still have concerns, you should contact the Director of Auditor Appointments at the Office of the Auditor-General on (04) 917 1500.

If you require any further information, or wish to discuss the terms of the audit engagement further before replying, please do not hesitate to contact me.

Yours sincerely

Karen MacKenzie  
Director  
On behalf of the Auditor-General

I acknowledge the terms of this engagement and that I have the required authority on behalf of the Board.

Signed: .....  
Adrienne Young-Cooper  
Chair

Date: .....

# Appendix 1: Respective specific responsibilities of the Board (the governing body) and the Appointed Auditor

Responsibilities of the Board	Responsibility of the Appointed Auditor
<b>Responsibilities for the financial statements and performance information</b>	
<p>You are required by legislation to prepare financial statements and performance information in accordance with legal requirements and financial reporting standards.</p> <p>You must also ensure that any accompanying information in the annual report is consistent with that reported in the audited financial statements and performance information.</p> <p>You are required by legislation to prepare the financial statements and performance information and provide that information to us before the statutory reporting deadline. It is normal practice for you to set your own timetable to comply with statutory reporting deadlines. To meet the reporting deadlines, we are dependent on receiving the financial statements and performance information ready for audit and in enough time to enable the audit to be completed. "Ready for audit" means that the financial statements and performance information have been prepared in accordance with legal requirements and financial reporting standards, and are supported by proper accounting records and complete evidential documentation.</p>	<p>We are responsible for carrying out an annual audit, on behalf of the Auditor-General. We are responsible for forming an independent opinion on whether the financial statements:</p> <ul style="list-style-type: none"> <li>• present fairly, in all material respects: <ul style="list-style-type: none"> <li>○ the financial position; and</li> <li>○ the financial performance and cash flows for the financial year; and</li> </ul> </li> <li>• comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards.</li> </ul> <p>We are also responsible for forming an independent opinion on whether the performance information of Panuku presents fairly, in all material respects, the company's actual performance as compared with the performance targets and other measures by which performance is judged in relation to the company's objectives.</p> <p>We will also read the other information accompanying the financial statements and performance information and consider whether there are material inconsistencies with the audited financial statements and performance information.</p> <p>Materiality is one of the main factors affecting our judgement on the areas to be tested and on the timing, nature, and extent of the tests and procedures performed during the audit. In planning and performing the annual audit, we aim to obtain reasonable assurance that the financial statements and performance information do not have material misstatements caused by either fraud or error. Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence the audit report addressee's overall understanding of the financial statements and performance information.</p>

Responsibilities of the Board	Responsibility of the Appointed Auditor
	<p>If we find material misstatements that are not corrected, they will be referred to in the audit opinion. The Auditor-General's preference is for you to correct any material misstatements and avoid the need for them to be referred to in the audit opinion.</p> <p>An audit also involves evaluating:</p> <ul style="list-style-type: none"> <li>• the appropriateness of accounting policies used and whether they have been consistently applied;</li> <li>• the reasonableness of the significant accounting estimates and judgements made by those charged with governance;</li> <li>• the appropriateness of the content and measures in any performance information;</li> <li>• the adequacy of the disclosures in the financial statements and performance information; and</li> <li>• the overall presentation of the financial statements and performance information.</li> </ul> <p>We will ask you for written confirmation of representations made about the financial statements and performance information. In particular, we will seek confirmation that:</p> <ul style="list-style-type: none"> <li>• the adoption of the going concern basis of accounting is appropriate;</li> <li>• all material transactions have been recorded and are reflected in the financial statements and performance information;</li> <li>• all instances of non-compliance or suspected non-compliance with laws and regulations have been disclosed to us; and</li> <li>• uncorrected misstatements noted during the audit are immaterial to the financial statements and performance information.</li> </ul> <p>Any representation made does not in any way reduce our responsibility to perform appropriate audit procedures and enquiries.</p> <p>We will ensure that the annual audit is completed by the reporting deadline or, if that is not practicable because of the non-receipt or condition of the financial statements and performance information, or for some other reason beyond our control, as soon as possible after that.</p>

Responsibilities of the Board	Responsibility of the Appointed Auditor
	The work papers that we produce in carrying out the audit are the property of the Auditor-General. Work papers are confidential to the Auditor-General and subject to the disclosure provisions in section 30 of the Public Audit Act 2001.
<b>Responsibilities for the accounting records</b>	
<p>You are responsible for maintaining accounting and other records that:</p> <ul style="list-style-type: none"> <li>• correctly record and explain the transactions of Panuku;</li> <li>• enable you to monitor the resources, activities, and entities under your control;</li> <li>• enable Panuku's financial position to be determined with reasonable accuracy at any time;</li> <li>• enable you to prepare financial statements and performance information that comply with legislation (and that allow the financial statements and performance information to be readily and properly audited); and</li> <li>• are in keeping with the requirements of the Commissioner of Inland Revenue.</li> </ul>	<p>We will perform sufficient tests to obtain reasonable assurance as to whether the underlying records are reliable and adequate as a basis for preparing the financial statements and performance information.</p> <p>If, in our opinion, the records are not reliable or accurate enough to enable the preparation of the financial statements and performance information and the necessary evidence cannot be obtained by other means, we will need to consider the effect on the audit opinion.</p>
<b>Responsibilities for accounting and internal control systems</b>	
<p>You are responsible for establishing and maintaining accounting and internal control systems (appropriate to the size of Panuku), supported by written policies and procedures, designed to provide reasonable assurance as to the integrity and reliability of financial and performance information reporting.</p>	<p>The annual audit is not designed to identify all significant weaknesses in your accounting and internal control systems. We will review the accounting and internal control systems only to the extent required to express an opinion on the financial statements and performance information.</p> <p>We will report to you separately, on any significant weaknesses in the accounting and internal control systems that come to our notice and that we consider may be relevant to you. Any such report will provide constructive recommendations to assist you to address those weaknesses.</p>

Responsibilities of the Board	Responsibility of the Appointed Auditor
<b>Responsibilities for preventing and detecting fraud and error</b>	
<p>The responsibility for the prevention and detection of fraud and error rests with you, through the implementation and continued operation of adequate internal control systems (appropriate to the size of Panuku) supported by written policies and procedures.</p> <p>We expect you to formally address the matter of fraud, and formulate an appropriate policy on how to minimise it and (if it occurs) how it will be dealt with. Fraud also includes bribery and corruption.</p> <p>We expect you to consider reporting all instances of actual, suspected, or alleged fraud to the appropriate law enforcement agency, which will decide whether proceedings for a criminal offence should be instituted. We expect you to immediately inform us of any suspected fraud where you, and/or any individuals within Panuku with delegated authority have a reasonable basis that suspected fraud has occurred – regardless of the amount involved.</p>	<p>We design our audit to obtain reasonable, but not absolute, assurance of detecting fraud or error that would have a material effect on the financial statements and performance information. We will review the accounting and internal control systems only to the extent required for them to express an opinion on the financial statements and performance information, but we will:</p> <ul style="list-style-type: none"> <li>• obtain an understanding of internal control and assess its ability for preventing and detecting material fraud and error; and</li> <li>• report to you any significant weaknesses in internal control that come to our notice.</li> </ul> <p>We are required to immediately advise the Office of the Auditor-General of all instances of actual, suspected, or alleged fraud.</p> <p>As part of the audit, you will be asked for written confirmation that you have disclosed all known instances of actual, suspected, or alleged fraud to us.</p> <p>If we become aware of the possible existence of fraud, whether through applying audit procedures, advice from you, or management, or by any other means, we will communicate this to you with the expectation that you will consider whether it is appropriate to report the fraud to the appropriate law enforcement agency. In the event that you do not report the fraud to the appropriate law enforcement agency, the Auditor-General will consider doing so, if it is appropriate for the purposes of protecting the interests of the public.</p>

Responsibilities of the Board	Responsibility of the Appointed Auditor
<b>Responsibilities for compliance with laws and regulations</b>	
<p>You are responsible for ensuring that Panuku has systems, policies, and procedures (appropriate to the size of Panuku) to ensure that all applicable legislative, regulatory, and contractual requirements that apply to the activities and functions of Panuku are complied with. Such systems, policies, and procedures should be documented.</p>	<p>We will obtain an understanding of the systems, policies, and procedures put in place for the purpose of ensuring compliance with those legislative and regulatory requirements that are relevant to the audit. Our consideration of specific laws and regulations will depend on a number of factors, including:</p> <ul style="list-style-type: none"> <li>• the relevance of the law or regulation to the audit;</li> <li>• our assessment of the risk of non-compliance;</li> <li>• the impact of non-compliance for the addressee of the audit report</li> </ul> <p>The way in which we will report instances of non-compliance that come to our attention will depend on considerations of materiality or significance. We will report to you and to the Auditor-General all material and significant instances of non-compliance.</p> <p>We will also report to you any significant weaknesses that we observe in internal control systems, policies, and procedures for monitoring compliance with laws and regulations.</p>
<b>Responsibilities to establish and maintain appropriate standards of conduct and personal integrity</b>	
<p>You should at all times take all practicable steps to ensure that your members and employees maintain high standards of conduct and personal integrity. You should document your expected standards of conduct and personal integrity in a “Code of Conduct” and, where applicable, support the “Code of Conduct” with policies and procedures.</p> <p>The expected standards of conduct and personal integrity should be determined by reference to accepted “Codes of Conduct” that apply to the public sector.</p>	<p>We will have regard to whether you maintain high standards of conduct and personal integrity – particularly in matters relating to financial management and accountability. Specifically, we will be alert for significant instances where members and employees of Panuku may not have acted in accordance with the standards of conduct and personal integrity expected of them.</p> <p>The way in which we will report instances that come to our attention will depend on significance. We will report to you and to the Auditor-General all significant departures from expected standards of conduct and personal integrity that come to our attention during the audit.</p>

<b>Responsibilities of the Board</b>	<b>Responsibility of the Appointed Auditor</b>
	<p>The Auditor-General, on receiving a report from us, may, at his discretion and with consideration of its significance, decide to conduct a performance audit of, or an inquiry into, the matters raised. The performance audit or inquiry will be subject to specific terms of reference, in consultation with you. Alternatively, the Auditor-General may decide to publicly report the matter without carrying out a performance audit or inquiry.</p>
<b>Responsibilities for conflicts of interest and related parties</b>	
<p>You should have policies and procedures to ensure that your members and employees carry out their duties free from bias.</p> <p>You should maintain a full and complete record of related parties and their interests. It is your responsibility to record and disclose related-party transactions in the financial statements and performance information in accordance with generally accepted accounting practice.</p>	<p>To help determine whether your members and employees have carried out their duties free from bias, we will review information provided by you that identifies related parties, and will be alert for other material related-party transactions. Depending on the circumstances, we may enquire whether you have complied with any statutory requirements for conflicts of interest and whether these transactions have been properly recorded and disclosed in the financial statements and performance information.</p>
<b>Responsibilities for publishing the audited financial statements on a website</b>	
<p>You are responsible for the electronic presentation of the financial statements and performance information on Panuku’s website. This includes ensuring that there are enough security and controls over information on the website to maintain the integrity of the data presented.</p> <p>If the audit report is reproduced in any medium, you should present the complete financial statements, including notes, accounting policies, and any other accountability statements.</p>	<p>Examining the controls over the electronic presentation of audited financial statements and performance information, and the associated audit report, on your website is beyond the scope of the annual audit.</p>

## **Appendix 2: Health and safety of audit staff**

The Auditor-General and Audit New Zealand take seriously their responsibility to provide a safe working environment for audit staff. Under the Health and Safety at Work Act 2015 we need to make arrangements with you to keep our audit staff safe while they are working at your premises. We expect you to provide a safe work environment for our audit staff. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment, where required. We also expect you to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.