

ekepanuku

Statement of Intent

2023-26

Me Mihi

E ngā mana whenua, e ngā iwi e noho haumaruru ana ki raro i ngā maunga whakahii o Tāmaki Makaurau, tēnā koutou kātoa. Mo te oranga o ngā iwi kātoa, me kaha tātou ki te mahi tahi hei tūtuki i ngā wawata o tēnei wāhi whānui.

To the people of the land and those residing under the sacred Tūpuna Maunga of Auckland, greetings to you all. Let us all work together to fulfil our dreams so that we may all prosper in this beautiful city.

Our name

Tame Te Rangi, a representative of Te Rūnanga o Ngāti Whātua, gifted us the name Eke Panuku. 'Eke Panuku' is derived from the whakataukī (proverb) 'Eke Panuku, Eke Tangaroa!', which acknowledges the unseen energies of the land and sea. In te ao Māori, Māori mihi to Tangaroa (Atua of the sea) to inspire success, excellence, and progress. We have a role in supporting mana whenua as the kaitiaki [guardians] of Tāmaki Makaurau.

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Message from the Chair and Chief Executive

He Kupu nā te Kaihautū me te Tumu Whakarae

The Eke Panuku Statement of Intent 2023-26 responds to the expectations set by Auckland Council as the council group responds to significant financial and other challenges, such as building the city's climate resilience.

Eke Panuku is committed to making savings and prioritising our capital programme in a way that continues to deliver outcomes for our communities.

Urban regeneration is the process of revitalising and improving urban areas to enhance their economic, social, cultural and environmental conditions. Our urban regeneration programmes incorporate new sustainable homes, greenspaces and support public and active transport. By creating vibrant public spaces, community facilities and recreational areas, we foster social interactions, a sense of community and improved health and wellbeing. Our programmes attract investment by others, creating employment opportunities and boosting local businesses. Working with mana whenua and through our wider community placemaking, we support local arts and culture and integrate cultural elements to strengthen the local sense of place and identity.

We will continue to deliver the urban regeneration programmes for the city centre, Manukau and the suburban town centres. This includes projects that help mitigate the effects of climate change in our neighbourhoods, including the next phase of Te Ara Awataha in Northcote and progressing Te Whakaoranga o te Puhinui in Manukau. Our programmes across the region will be more focused to deliver local outcomes.

The property market continues to slow and may weaken further in the next year. This means it may take longer to secure development partners and purchasers for our development sites. We will take a responsive and flexible approach in the way we work with our development partners on issues affecting sales.

In 2023/2024 we will advance the new town centre in Northcote by taking the site to the market. We will progress the development of Avondale central with our development partner, start works on Huron and Northcroft Streetscapes in Takapuna and start construction of Lagoon Edge Reserve Enhancement in Panmure. We will also commence some infrastructure upgrades at the waterfront that will improve resilience, safety and amenity.

Eke Panuku will support the council group to develop conceptual plans for the future of the Port land. We are passionate about connecting Aucklanders with the water and look forward to bringing our expertise to this project.

Delivering value for Aucklanders and providing a return to Auckland Council through its property portfolio is a key part of what we do. We will continue to bring financial returns to the council. We support other activity led by council to find savings, including implementation of shared service changes and reviewing the way council group property services are delivered.

To support the council's savings targets, we will defer capital spending in 2023/2024 in addition to the savings in 2022/23. This, along with other operating budget reductions which will reduce the scope and speed of our overall programme, will support us reducing our operational spend by the agreed \$5m per annum. We are taking a longer view working with Auckland Council on the future of the urban regeneration programme and how this will be funded.

Paul Majurey, Chair

David Rankin, Chief Executive

Part 1 – Strategic overview

Te tirohanga whānui ā-rautaki

Role and mandate

Te Tūranga me te mana whakahaere

Eke Panuku Development Auckland is the urban regeneration agency for Auckland Council. It leads the redevelopment of town centres and manages a significant property portfolio.

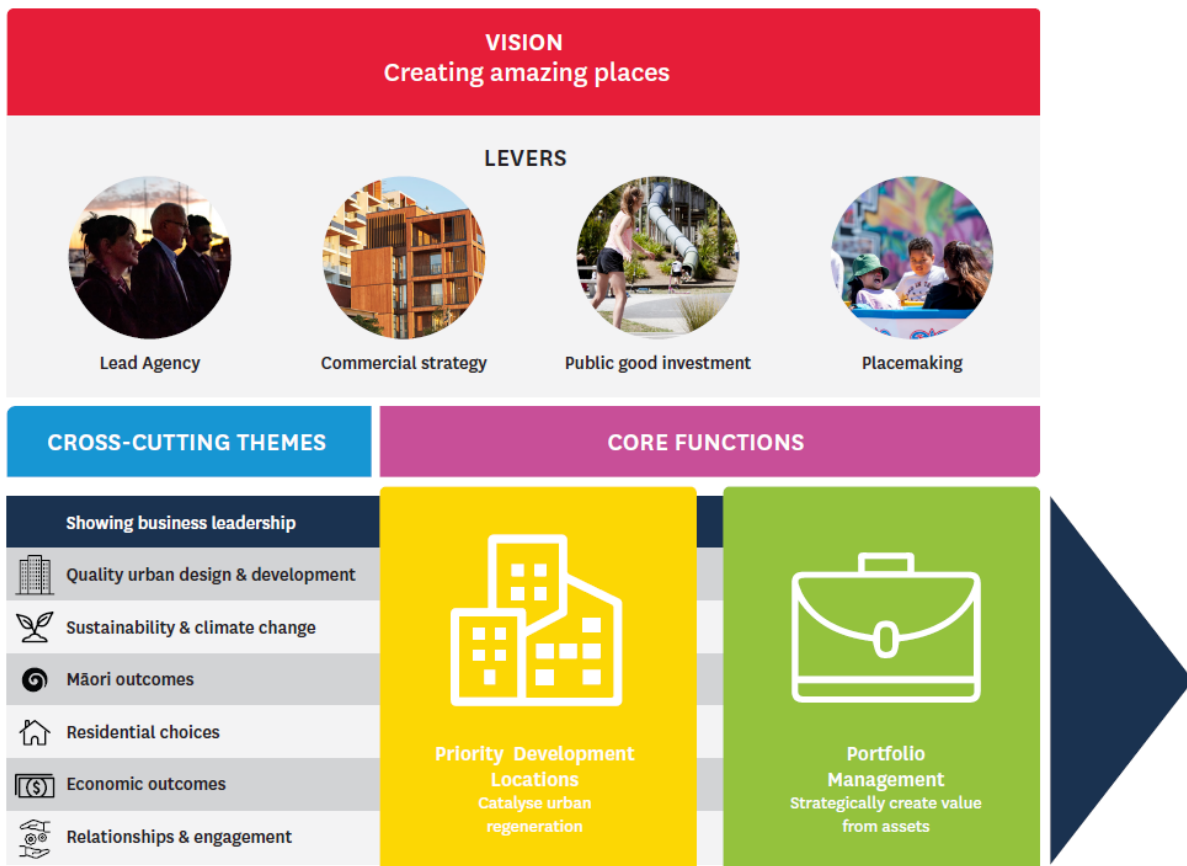
This Statement of Intent (SOI) was adopted by the Eke Panuku Board in July 2023.

Eke Panuku has two core functions:

1. Our urban regeneration programmes across Tāmaki Makaurau / Auckland, with a focus on town centres and locations agreed with Auckland Council.
2. Our property portfolio, where we manage \$2.36 billion of council’s non-service properties and provide property-related services to the council group.

Our activities help support sustainable and well-functioning urban environments and thriving, resilient communities. We seek to achieve an overall balance of commercial and public interest outcomes in carrying out our functions.

Our vision is creating amazing places.



Our four levers and approach to urban regeneration and portfolio management including our key activities, are presented throughout this document.

Responses to council's objectives and outcomes

Te Urupare ki ngā Whāinga Rautaki a te Kaunihera

The Statement of Intent (SOI)

The annual SOI is required by the Local Government Act 2002 and publicly states our activities and intentions for the next three years, and how they will contribute to the council's objectives. Our SOI provides an opportunity for the council to influence the direction of Eke Panuku and provides a basis for the accountability of performance.

Response to Letter of Expectation (LOE)

The Mayor's Letter of Expectation (21 December 2022) sets out the council's priorities and expectations to inform the preparation of this SOI. It sets out common expectations across all council-controlled organisations (CCOs), and expectations specific to Eke Panuku.

A **copy of the LOE is published** on our website www.ekepanuku.co.nz

The **general expectations** of all CCOs including Eke Panuku are:

- having a concise and informative SOI with timely and meaningful performance measures
- being transparent and accountable in our approach working with other CCOs, the council and the community
- implementing the shared services initiative to eliminate duplication and achieve efficiencies
- providing the Mayor, Councillors and council's Chief Executive timely and meaningful information about our activities, especially any matters that are potentially contentious or of high public interest
- providing financial and other information by significant activities, cost centres or assets according to the nature of our operation.

We will work with the council group, council staff, and Eke Panuku Lead Councillor to implement these requirements.

Specific expectations were included in the LOE relating to our company and our response to these are:

- **Port land** – we will work with the council and Ports of Auckland Limited (POAL) on conceptual plans, based on staged release of land to be integrated into the waterfront and wider city urban fabric. A preliminary framework plan will be prepared by December 2023.
- **Continuing the urban regeneration programme** – we will continue to deliver the current regeneration programmes across the priority locations in line with the High-Level Project Plans and budgets agreed with the council. We will focus on projects that deliver tangible public benefit, have a high level of local ownership and support regeneration outcomes. Eke Panuku has agreed with the council the need to refresh the current urban regeneration programmes, roughly every five years to reconfirm the outcomes and to support the council's investment decisions. We will put in place a programme to commence a rolling review.
- **Future regeneration programme** – we will work with the council to define options for the future medium to long-term urban regeneration programme, including how this is funded. This work will form part of decision-making in the next 10-year budget process. There are many town centres that have strong urban regeneration potential, but work will only progress in line with the council direction and budget priorities.

- **Model for internal local project oversight groups** – we have an effective engagement programme with local boards, mana whenua, local communities and stakeholders. We will continue to explore models to ensure that local communities are involved in our work, and we understand their needs and priorities. We acknowledge the role and delegations of local boards as elected representatives in their communities.
- **Management of non-service properties** – we will endeavour to deliver an improved commercial return on the portion of the portfolio that can be leased commercially. We will support the council to develop principles governing its property ownership and assess the case for consolidating management of group property functions.
- **Budget savings** – we will implement initiatives to achieve the required savings and reduce our organisational size and corporate spend. We have assessed the impact of budget reduction and described the impact on our projects and programmes in Part 2 of the SOI.
- **Objective performance measures and refresh of programmes** – a recent independent review by KPMG of performance measures for substantive CCOs confirmed that Eke Panuku performance measures cover our core and material activities at an organisational level. We will continue to engage with the council on ongoing improvements to our performance measures and reporting.


Our contribution to the Auckland Plan and council strategies






Te āpitihanga ki te Mahere a Tāmaki Makaurau me ngā rautaki a te kaunihera

The *Auckland Plan 2050*, is Auckland Council’s vision for a world class city. It is the long-term spatial plan for Tāmaki Makaurau Auckland, that promotes quality compact urban form.

Facilitating brownfield redevelopment is critical to achieving this. Vibrant, low carbon town centres with frequent transport services and great walking and cycling access, that offer housing choices and amenities, is at the heart of the Auckland Plan.

Eke Panuku plays a critical part in delivering on plan outcomes, actions and targets as outlined below.

Auckland Plan Outcomes	Our outcomes	How Eke Panuku contributes
 Belonging and Participation	Supportive community	<ul style="list-style-type: none"> • Placemaking ensures local people play a strong collaborative role in the building of their public places. This helps create the kinds of places where people feel a strong relationship and commitment to their communities. • Improving town centres to create a heart for a local community that is vibrant, attractive and accessible to all (via design, planning and project delivery). • Partnering with Community Facilities to deliver accessible, multi-functional community facilities for the future. • Engaging local communities on local projects and urban change (increasing participation and sense of pride).

 Homes and Places	Urban living – residential choices & high-quality urban development	<ul style="list-style-type: none"> • Leading urban regeneration and facilitating quality urban development in town centres, to support a compact urban form and more sustainable transport modes. • Implementing the Thriving Town Centres Guidance, endorsed by the council (illustrated on page 11). • Creating quality public spaces that are inclusive, accessible and contribute to urban living and civic life. • Facilitating new, well designed, sustainable homes that meet changing needs and preferences, through selling sites and working with private developers, Kāinga Ora, iwi groups, and community housing providers (CHPs).
 Māori Identity and Wellbeing	Partnership with mana whenua and Māori outcomes	<ul style="list-style-type: none"> • Enabling commercial opportunities and capacity building for iwi. • Reflecting mana whenua mātauranga and Māori design principles in public realm projects to showcase Māori identity. • Providing placemaking opportunities to celebrate and showcase vibrant Māori culture including working with rangatahi. • Enabling environmental outcomes to restore and enhance the mauri of Tāmaki Makaurau through our projects. • Supporting te reo Māori to flourish.
 Transport and Access	Integrated transport	<ul style="list-style-type: none"> • Facilitating low carbon transit-oriented development by bringing people and housing closer to transport networks, to leverage the existing investment and provide increased transport choices. • Partnering with Auckland Transport, Waka Kotahi (NZTA) and others (e.g. CRL, local boards) to improve connectivity and transport choices.
 Environment and Cultural Heritage	Healthy natural environment and unique identity	<ul style="list-style-type: none"> • Facilitating energy and water efficient homes, and waste minimisation in developments and events. • Partnering with others to restore environments, to facilitate stream and open space enhancements and the objectives of the Urban Ngahere Strategy. • Ensuring new development reflects the character and indigenous stories of an area or place, through place-led design.
 Opportunity and Prosperity	Prosperous & robust local economy & revenue for council's LTP	<ul style="list-style-type: none"> • Partnering with Tātaki Auckland Unlimited to integrate economic outcomes and provide opportunities for business and employment growth in the regeneration of town centres. • Providing opportunities for Māori and Pasifika businesses and social enterprises through sustainable procurement. • Creating commercial and strategic value from the council surplus sites. • Providing funding for the LTP through the operating surplus from the property portfolio and marinas.

Māori Outcomes

Eke Panuku will implement the **Achieving Mana Whenua Outcomes (AMWO) plan**, developed with mana whenua. This plan responds to the council group **Kia Ora Tāmaki Makaurau**, the Māori outcomes performance measurement framework. Kia Ora Tāmaki Makaurau identifies ten strategic priorities to create positive outcomes for Māori collectively known as mana outcomes.

Eke Panuku will specifically contribute to five of the ten mana outcomes:

1. **Kia ora te Hononga** – we engage with mana whenua every week to get their input into our programmes. This enables mana whenua to influence the project outcomes and supports mana whenua to give names and cultural narratives to our projects.
2. **Kia Hāngai te Kaunihera** – we provide appropriate development and support for our staff to lift their collective cultural capability. This work enables us to support our te Tiriti-based obligations to Māori and become a culturally confident organisation.
3. **Kia ora te Ahurea** – we facilitate engagement between mana whenua and private sector development companies to ensure that the spaces we are building reflect mana whenua culture and identity. We also invite mana whenua to partner with us on the delivery of public spaces.
4. **Kia ora te Umanga** – we provide mana whenua with advance notice of properties we are intending to sell. If it is a development site, we have adopted a weighted criteria that supports Māori outcomes. If it is a disposal site to be sold with no required outcomes, we engage directly with mana whenua to determine interest in purchasing the sites before selling sites on the market. We also work with mana whenua to achieve social procurement outcomes within our commercial developments.
5. **Kia ora te Taiao** – we partner with mana whenua on our public realm sites to ensure that our work enhances the natural environment. Often, mana whenua applies Take Mauri Take Hono (a cultural health monitoring tool) to our projects to measure the cultural and environmental outcomes of our work.

Eke Panuku adopts a bespoke engagement process with mataawaka partners recognising that the Māori landscape varies significantly across Tāmaki Makaurau. When appropriate, and remaining mindful of our mana whenua relationships, Eke Panuku engages with Māori developers, suppliers, businesses, and communities.

Eke Panuku recognises the role of the Independent Māori Statutory Board (IMSB) to assist Auckland Council to promote the cultural economic, environmental, and social outcomes significant to mana whenua and mataawaka. Eke Panuku engages with the IMSB both at the board and management levels. Eke Panuku values IMSB input on significant decisions within our work programmes. The Achieving Mana Whenua Outcomes (AMWO) plan is strategically aligned against the IMSB Issues of Significance. As we deliver our three-year programme to achieve positive outcomes for Māori, we'll also be assisting the IMSB to realise their aspirations.

Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan

Eke Panuku will contribute to Auckland Council group's emissions reduction target of 50 per cent by 2030 and net zero emissions by 2050. We have a Climate Change Strategy which responds to the direction and targets of Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan.

Delivering well designed, intensive mixed-use developments, integrating land use and transport, and incorporating sustainable building approaches is a critical contribution to reducing emissions and the transition to a low carbon city.

Our developments must meet minimum design standards (Homestar 6/7 and Greenstar 5 ratings by the New Zealand Green Building Council) and we use low-impact design and regenerative approaches to better manage the effects of storm events and increase resilience.

In our master planning we consider future climate impacts, risks, vulnerabilities and responses for our locations.

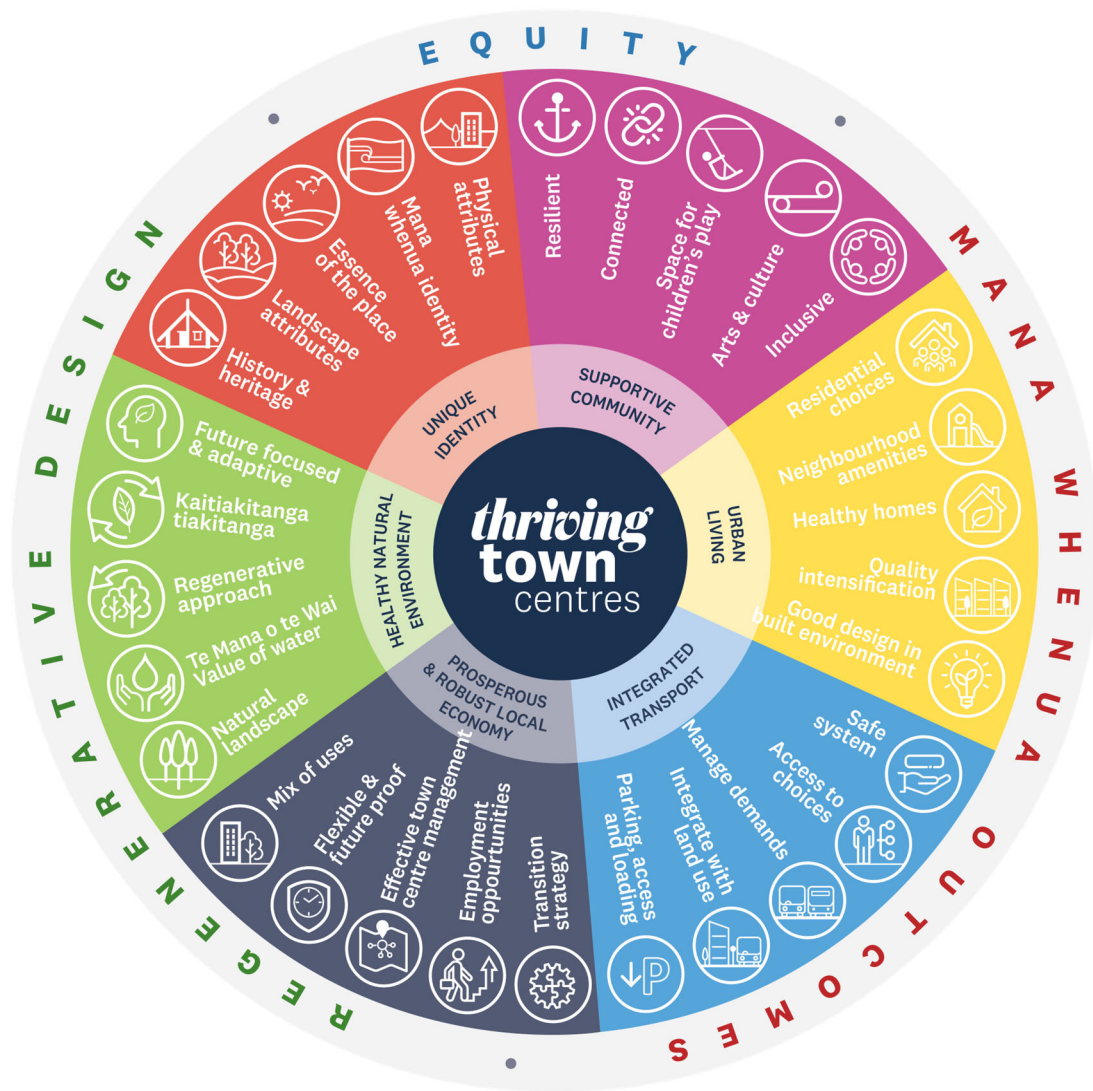
We also seek to provide leadership by:

- adopting and implementing deconstruction methods to facilitate the reuse of materials and reduce landfill waste
- measuring and reducing our corporate emissions
- working with the council group improve understanding, visibility and management of climate risks across the group and to undertake climate disclosure reporting
- expanding our measurement of scope 3 greenhouse gas emissions and development of actions to reduce emissions, consistent with the Auckland Council group approach.

Contribution to other council strategies and plans

The table below shows how we give effect or align with council plans and strategies. We are committed to working with the council to translate these and other council-led strategies into meaningful action, including to identify, align and prioritise actions that can be resourced.

Council Plan or Strategy	How we give effect and align to council plans and strategies
City Centre Masterplan	Leading the council group to agree an action plan and priorities, coordinating council group work and engagement with stakeholders. Leading key development projects in the city centre and waterfront.
Economic Development Action Plan	Contributing to the “Local Tāmaki Makaurau” focus area, through implementing our <i>Thriving town centres: Guidance for urban regeneration in Tāmaki Makaurau / Auckland</i> . Strong, thriving and resilient local economies will provide the foundations to ensure that Auckland’s sub-regional economies and regional economy become more resilient, enabling greater economic prosperity.
Waste Management and Minimisation Plan 2018	Working towards zero waste events, reducing construction and demolition waste, and supporting sustainable procurement.
Auckland’s Urban Ngahere (Forest) Strategy 2019	Exploring opportunities to increase access for residents to open space, enhance or create ecological corridors and connections, protect mature, healthy trees and manage urban forest on council land.
Auckland Water Strategy 2022-2050	Supporting regenerative water infrastructure, access to water for recreation and amenity, and the protection, restoration and enhancement of green and blue spaces. We promote water efficient homes, buildings, and places.
Future Development Strategy and Infrastructure Strategy	Working collaboratively with the council group to efficiently plan for and prioritise growth and intensification.
Thriving Communities Strategy	Growing access and participation, community and intercultural connection and community resilience through our placemaking and projects.



Thriving Town Centres: Guidance for urban regeneration in Tamaki Makaurau Auckland, was prepared by Eke Panuku in early 2022.

Nature and scope of activities

Te āhua me te whānui o ngā mahi

We deliver urban regeneration across the city. We also manage and maintain approximately \$2.36 billion of the council's non-service properties and provide property disposal and acquisition services.

Urban Regeneration in the Priority Locations

The map below illustrates the locations where Eke Panuku is leading urban regeneration.

Map of Eke Panuku town centres – Te Mahere o ngā Pokapū Tāone o Eke Panuku



How do we undertake urban regeneration?

Our aspirations for thriving town centres are set out in our Thriving Town Centres Guidance, endorsed by the council in 2021. We use the four levers, illustrated on page 5, to implement the urban regeneration plans for each location.

Coordinating action – Lead agency lever

Eke Panuku facilitates support for a shared vision and urban regeneration plan for each location, leading an integrated council group response, coordinating stakeholder and community input and driving implementation.

Urban regeneration programmes are long-term by nature (10-25 years) and benefit from place-based and focused effort. As lead agency, Eke Panuku ensures integrated outcomes are achieved through successful collaboration and medium and long-term projects are advanced simultaneously to build momentum.

With a clear vision and masterplan, a programme of investment to improve amenity and by facilitating development, we incentivise and catalyse other parties to invest and participate.

We pride ourselves on the quality of our design and development, led by ourselves or our development partners. We ensure that our projects are functional, beautiful and in many cases, award winning.

New housing choices and commercial development – Commercial Lever

Eke Panuku uses poorly performing and underutilised council-owned property assets to deliver residential and commercial development that supports the regeneration plans. This involves site sales, acquisitions, amalgamation and other activities to unlock opportunities for the market.

We work with a range of development partners including the private sector (such as residential, retail and commercial developers and investors, landowners and businesses), Iwi, Community Housing Providers and Kāinga Ora.

Our development agreements with our partners set out our expectations. They ensure that we achieve high quality intensification and development including sustainable design and opportunities for mana whenua.

In progressing a commercial strategy for each location, we monitor and adapt to changes in the property market. As part of the commercial strategy, we seek to create value from council-owned land. We use statutory and planning tools to unlock land for development. We reclassify reserves, undertake plan changes, acquire and consolidate land. We create new infrastructure or remove contamination. This enables higher quality development and increases yields.

Eke Panuku has recently formed an investment partnership with the NZ Superfund to accelerate the regeneration of town centres. The partnership will make funding available to acquire sites, up-scale development plans and over time widen our footprint. The NZ Superfund is looking for large-scale climate friendly property opportunities. The partnership is focused on development opportunities in Eke Panuku locations such as Northcote, Panmure and in the Eastern Busway Corridor.

Improving amenity – Public realm lever

Eke Panuku identifies opportunities to improve the amenity, attractiveness, connectivity and resilience of town centres as places to live and work, visit and do business, building confidence for others to invest.

We deliver capital projects such as new town squares and laneways, greenspaces, parks and playgrounds and improvements to the streets, walkaways and cycle networks. Eke Panuku generally works with council partners such as Healthy Waters, Auckland Transport and local boards to enable and deliver these projects. We work in partnership on significant long term environmental and amenity projects such as Te Puhinui Regeneration in Manukau and Te Ara Awataha in Northcote.

As well as improving the look and feel of the town centre, these projects often have multiple benefits – such as managing stormwater and reducing flood risk, increasing shade and shelter, reducing trips and carbon emissions, enabling recreation and healthy lifestyles and improving safety.

Connecting people and place – Placemaking lever

Each community is unique. Through our placemaking programme we:

- support communities undergoing significant change
- build trust and knowledge through relationships to ensure that our regeneration supports the local identity and sense of place
- test design options and gather community feedback
- build community capacity, supporting social and economic outcomes.

Partnerships and relationships

Collaboration is critical to successful urban regeneration. We value partnerships and relationships with the people in our neighbourhoods, stakeholders and within the council group.

We do not take a ‘one-size fits all’ approach but recognise there are many ways to engage with our diverse communities. We consider appropriate channels and tools for each opportunity, from community surveys to more interactive tools such as Social Pin-Point, to face-to-face opportunities. Engagement provides us with meaningful insights and information to support sustainable decision-making.

We continue to focus on strengthening our relationship within the council group, ensuring we are efficient, aligned and working towards shared objectives.

Urban regeneration: Regional Programmes

Outside the of the town centres and city centre, Eke Panuku leads a number of other programmes that support urban regeneration across Auckland and bring in revenue for the council.

Once approved for sale by the council, Eke Panuku takes the sites that are no longer needed for a council use to the market setting out essential design outcomes to be achieved. This is the “support sites” programme. It provides revenue to the council as well as quality developments such as new homes and commercial spaces.

Eke Panuku is working with Auckland Council’s Customer and Community Services team and local boards to identify opportunities to optimise the council service properties through reconfiguring the use of the properties and introducing, where suitable, new uses. This is under the “Service Property Optimisation Framework”. Proposals to sell service properties, to reconfigure how services are delivered and to upgrade some properties must be cost neutral and the decision to proceed is made by the local board.

Eke Panuku has partnered with Auckland Transport and the Eastern Busway Alliance to ensure that leftover property in neighbourhoods along the route between Pakuranga and Burswood that is not needed for the infrastructure is developed successfully. Enabling residential and commercial development of the remaining sites will maximise the benefits of the Eastern Busway investment, both in terms of revenue and growing the catchment for passenger transport usage.

Haumarū Housing is a limited partnership between the Auckland Council and The Selwyn Foundation, providing social rental housing for older people. The sixty-two villages have around 1400 units. Eke Panuku has delegated authority from the council to grow and develop the portfolio.

Auckland Council and the Selwyn Foundation have recently initiated a joint review of the Haumarū Housing funding and financing options for future development of the portfolio. Eke Panuku has developed a conceptual development pipeline for the delivery of new housing across the portfolio. We will continue to work with the council to consider future financing and development options and agree next steps.

By delivering these programmes the council through Eke Panuku is ‘leading by example’ ensuring development is high quality, optimising infrastructure and investment and seeking to deliver multiple benefits.

Property and Marina Management

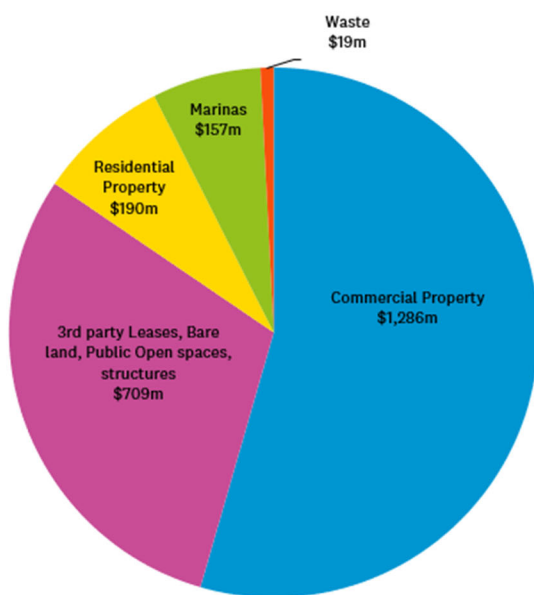
Our portfolio management role includes the management of more than 1,100 properties and land that are not currently being used to deliver services to the community. We work closely with the council group to develop shared objectives for the management of these properties.

The properties are located across the region. The types of properties include commercial, retail and residential properties including hospitality, homes, landfills, quarries and forestry. Some properties leased are held for future transport or infrastructure projects such as the Eastern Busway, others are surplus to council requirements and are awaiting sale. Some sites are within Eke Panuku locations and will be developed in the medium term to support urban regeneration, such as the Northcote town centre. Some are held for heritage protection, and some are not revenue producing property. We also manage and operate the three council-owned marinas in the city centre.

The following diagrams illustrate the value and types of properties in the property portfolio.

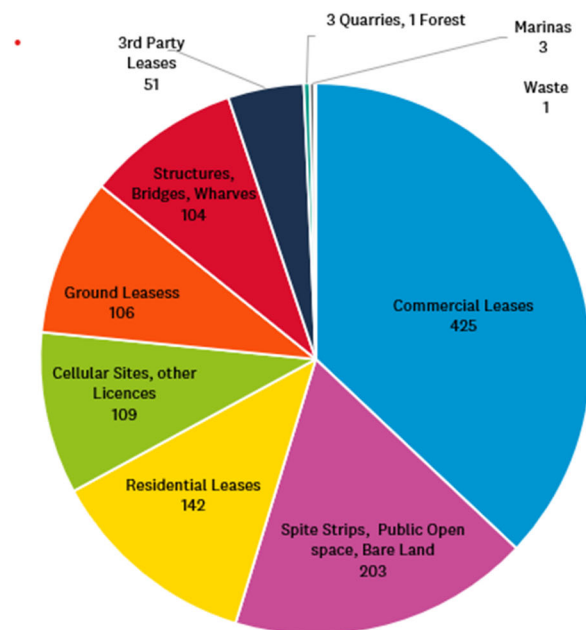
Property Portfolio Profile – Portfolio value and leases

\$2.36bn Property Portfolio (includes Marinas)



Value of the portfolio, by category

1,148 Physical Properties and Leases



Types of property in the portfolio

Our role is to drive strategic and optimal value from council group property assets in order to provide revenue for council. We optimise the returns from the property portfolio and maintain the properties to be fit-for-purpose in alignment with council group’s wider objectives. We provide tenancy management, assets and facility management, property maintenance and renewals, and marina management.

We will endeavour to deliver an improved commercial return on the portion of the portfolio that can be leased commercially. In FY24 we will maintain high occupancy of properties and deliver the SOI financial return targets.

The city centre marinas provide world-class facilities for recreational boating, fishing, tourism and the marine industry. The marinas also enable the public to enjoy access and views along the water's edge. Our goal is to optimise the returns from the marinas, provide quality infrastructure and continue to improve marina customer experience. Our activities include leasing of berths, repair and renewal of assets and new developments. We also co-host national and international marine events.

Our operating environment – risks, challenges and opportunities

Ngā tūraru, ngā wero me ngā huarahi wātea

There are many factors that impact on the delivery of Eke Panuku programmes and achievement of performance targets. We will update the shareholder on the status of the issues, risks, and opportunities in our quarterly shareholder reporting.

- **Property market** – the economic outlook for New Zealand is uncertain. With increased interest rates, rising construction costs, and tighter lending requirements the property market is subdued. This increases the time to find development partners and complete site sales, increases conditional agreement periods, and impacts strategic outcomes and sales revenue. *We will continue to monitor changes in the property market and construction sector. We will seek to maintain momentum in site sales where it is prudent and there is partner interest.*
- **Construction sector** – our ability to deliver capital projects including public realm improvements and renewals continues to be affected by materials availability, labour shortages, and escalating prices in the wider construction sector. Failure of construction firms or contractors is starting to emerge as an issue. This also impacts the ability of our partners to meet development milestones. *We will consider the use of alternative materials for capital works and we will carry out due diligence as part of contractor or development partner selection.*
- **Talent retention and staff wellbeing** – there is competition in the market for specialist skills in urban regeneration, planning and design, development and project management. Organisational change arising from reduced funding across the council group creates uncertainty and high workloads. *We will implement our people strategy to support the retention and attraction of skilled staff, which is key to our delivery performance, and monitor staff engagement.*
- **Climate change** – there is need to reduce carbon emissions and adapt to the changing climate which is already impacting communities, infrastructure and property. *We will continue to work with council to better understand climate risks and continue to plan and support low carbon and resilient communities.*
- **Dependencies** – our programme delivery is impacted by development partner, existing tenant, and council group dependencies, often out of our control. Examples include the timing of development staging by a private partner linked to market pre-sales, the preparation of a community needs assessments, and the release and vacating of a council property for renewal or development. *We will continue to align our planning with the council group, be more conservative in our project planning, and communicate risks to projects associated with dependencies that are out of our control.*

About us

Ngā kōrero mō mātou

Working in partnership with the council group

Auckland Council works in partnership with its CCOs. The agreed approach to governance is outlined within the CCO Accountability Policy and the *Auckland Council: Statement of Expectations of substantive council-controlled organisations*, July 2021.

Key engagement and reporting includes:

- CCO Direction and Oversight Committee – Statement of Intent, performance, opportunities and risks through the quarterly reporting.
- Planning, Environment and Parks Committee – direction on urban regeneration planning and strategic outcomes.
- Governing Body – decisions on asset recycling and mandate.
- Transport and Infrastructure Committee – projects and programmes that have a significant impact on the region’s transport strategies or infrastructure.
- Local boards – direction and input on projects and programmes that have impact on their local areas and communities, through regular engagement and joint CCO quarterly reporting.

Eke Panuku Board composition and responsibilities

Eke Panuku Board has seven directors who bring a broad range of experience, for example, in property development, urban regeneration, design, and health and safety.

The Board Charter sets out the principles of corporate governance that assist the board in performing its duties. It outlines the various roles, responsibilities, and authorities of the board of directors, both individually and collectively, in setting the direction, the management and the control of the business.

The board’s core responsibilities are:

- negotiate the Statements of Intent with the council
- act consistently with the guidelines provided in the Statement of Expectations
- actively review and direct the overall strategy, policies and delegations
- obtain full and timely information to discharge its obligations
- identify, evaluate and mitigate identifiable risk factors
- manage and monitor the Chief Executive’s Performance
- provide leadership in relation to key stakeholders.

The Eke Panuku Board is supported by an Audit and Risk Committee.

The Eke Panuku Board has a regular programme of meeting with local boards in the locations where we work to discuss their aspirations and how we work together. The board visits the locations to see the projects first hand and discuss the local urban regeneration challenges and opportunities.

The Eke Panuku Board also meets with other CCO boards and the Independent Māori Statutory Board to ensure integration and work towards shared objectives. Regular engagement with mana whenua is supported by a bi-annual Rangatira hui.

Board directors have a keen interest in the Eke Panuku team – supporting the executive’s focus on leadership, engagement, development, wellbeing and culture. The board undertakes health and safety audits visiting construction activity and business interests and supports the overall health and safety culture.

The Eke Panuku Board approves all projects and site sales through application of a project management framework that is directly linked to board delegations; including programme business cases, development outcomes and “go to market” strategies.

Board meetings

Ngā hui a te poari

Eke Panuku is required to **hold two public meetings** a year under the Local Government, Auckland Council Act 2009.

Meeting purpose	Date	Form of Public Notification
Consider shareholder comments on draft SOI	July 2023	Advertisement in NZ Herald at least two weeks prior to meeting and on Eke Panuku website five working days prior.
Consider performance against SOI targets	October 2024	

All Eke Panuku board meetings are open to the public. Members of the public wishing to be heard on issues relevant to Eke Panuku, can email their request in advance of each meeting via the Eke Panuku website. A public-excluded session will be held at each meeting to discuss confidential matters.

Agendas and board papers (with confidential information redacted) are posted on the Eke Panuku website (ekepanuku.co.nz) three working days prior to each meeting.

Mana whenua iwi are individually invited to present to the Board about any matters of interest. From time-to-time board meetings are held at various locations around Auckland to enable the Eke Panuku Board to meet with local boards.

Making more information available

There is an expectation for all Council-Controlled Organisations (CCOs) to be more transparent with the shareholder and the community. Eke Panuku is committed to being an accountable and transparent organisation. To this end, we readily make information available to our shareholder, our stakeholders, and the public.

Eke Panuku publishes corporate information on its website to ensure the public understands our organisation and the work we do.

Eke Panuku undertakes to increase the amount of high public interest information on its website, to strengthen trust and confidence, and to improve community engagement.

Publicly available information includes Eke Panuku board reports, quarterly reports, engagement strategies, stakeholder and community insights, corporate costs, and up-to-date project information.

Part 2 – Statement of performance expectation 2023/24

He tauākī mō ngā whāinga e pā ana ki te whakatutuki i ngā mahi

How we deliver – three-year programmes 2023-26

Tā mātou e whakatutuki ai – Ngā tau e toru e tū mai nei

This Statement of Performance Expectation section sets out the key initiatives and projects that will be delivered across the programmes during the period 2023-2026.

To make the required capital and operational savings requested by council we have had to make adjustments to our programmes. We have reviewed our programmes through the application of our prioritisation framework to reduce the regeneration capital expenditure in FY24. The process considered a number of factors including meeting our contractual and compliance requirements, aligning with partners and optimising opportunities to leverage our investment. We have ensured that we continue to maintain a level of activity across all the current priority locations and that we continue to plan and build a pipeline of projects for the future.

The reduced capex funding has deferred approximately 20 projects in priority locations across the regeneration programmes. This affects primarily the level of investment in new public space and amenity. The projects will occur a few years later or may be rescope in collaboration with local boards and relevant stakeholders. We will continue to undertake the work related to advancing major development sites to achieve revenue for council and development outcomes. These will progress to market, subject to the prevailing market conditions.

A significant reduction in the budget for local placemaking in town centres means that some activities will be reduced. This includes Matariki festivals, children’s workshops, community walks, Christmas, and ethnic new year celebrations. The level of communication engagement with local boards and stakeholders will also need to be adjusted. However, our Priority Location Directors together with the community and stakeholder relations and place making teams will endeavour to ensure relationships are maintained, information is shared, and the role of local boards is supported.

Overall our programme will slow down and reduce in scope and scale over the next period. This approach has enabled us to achieve the required \$5m opex savings in the FY24 Annual Plan and beyond.

Urban Regeneration Programmes by location

Te Hōtaka Whakarauora I ngā Wāhi o te Tāone

Detailed below are some of the significant projects in our programmes over the next three years. There are a number of risks associated with the timely delivery of these projects and programmes, outlined in Part 1.

NORTH		
NORTHCOTE		
Staged redevelopment of town centre delivering shops, eateries, new homes and an extended community hub and improved roading connections.		
Link: https://www.ekepanuku.co.nz/neighbourhoods/northcote/		
2023/2024 project delivery		Indicative programme benefits
Northcote town centre development – creating new homes, upgrading retail offering public space.	Taking 115 Lake Rd, a central site, to market. Completing necessary works for subdivision, consents, and titles.	570 new homes
Northcote town centre streets – extending Ernie Mays Street a key part of the road network.	Final business case, developed design and resource consent approved.	2800 sqm streetscape
Northcote community hub – refurbishing and extending the Mitchell Building to a multi-purpose community hub (currently home to Northcote Library).	Concept design approved (in collaboration with council’s community facilities department).	Refurbished building and 600sqm of new space
Cadness Reserve upgrade – including a new playground, an area for events, a covered outdoor space and better integration with the community hub.	Progress the reserve upgrade integrating with the Northcote community hub.	5000 sqm public space
Jesse Tonar Scout Reserve – including stream enhancement and landscaping.	Construction completed.	375 sqm public space
2024-2026 project delivery (following 2 years)		
<ul style="list-style-type: none"> Northcote town centre development and streets – progress town centre development sites and infrastructure with selected development partner/s. Northcote community hub – continue to progress delivery. Te Ara Awataha greenway and stormwater infrastructure – complete work (Healthy Waters partnership). Take College Road development sites to market to secure development partner. 		
TAKAPUNA		
New public spaces and street upgrades to improve amenity. Sale of development sites to enable high-density residential developments, retail and commercial space.		
Link: https://www.ekepanuku.co.nz/neighbourhoods/takapuna/		
2023/2024 project delivery		Indicative programme benefits
Waiwharariki Anzac Square – including a water feature, planters and Whare.	Construction completed.	3,200 sqm public space (2000 sqm – stage 3)
Huron and Northcroft streetscapes –improve connections, planting and lighting.	Complete construction of Northcroft Street and concept design for Huron Street.	11,000 sqm streetscape (5500 sqm Northcroft St)
Auburn Street development site – high-density high-rise residential and commercial outcomes.	Progress site sale to unconditional stage.	300 new homes 1,500 sqm commercial
2024-2026 project delivery (following 2 years)		
<ul style="list-style-type: none"> Anzac Street/Hurstmere Road development site – progress development of the first of five development blocks with developer Willis Bond. Progress the staged sale and development of remaining sites, closely monitoring achievement of development outcomes. 78 and 72A Hurstmere Rd development – complete sale to the adjoining owner for a mixed-use project. 		

CENTRAL

CITY CENTRE

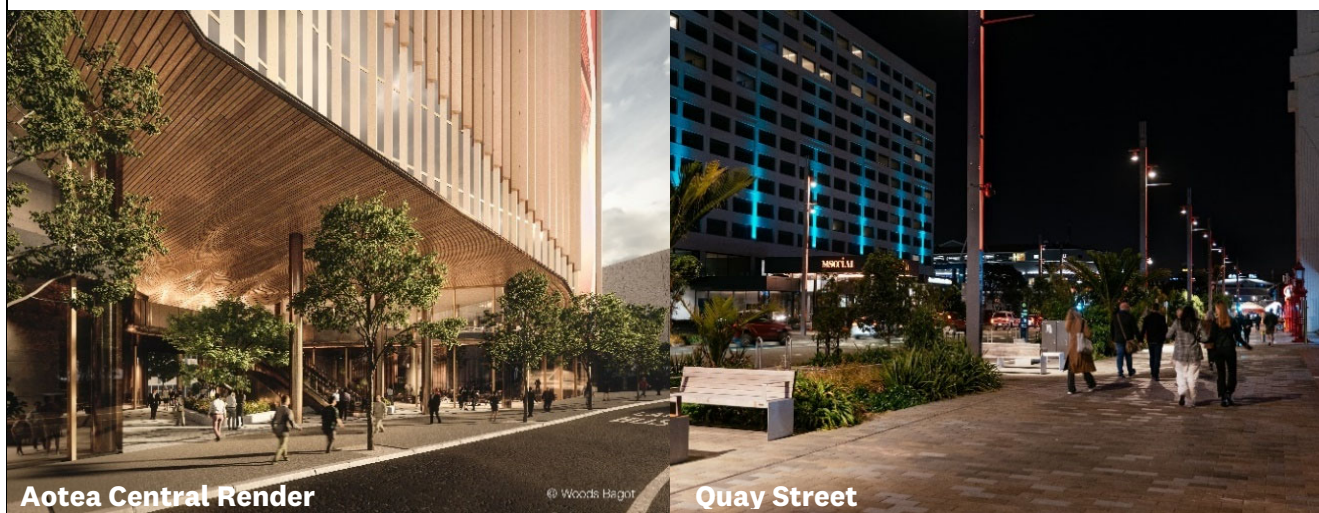
Our role is to lead the council group by supporting the existing work programmes to deliver on immediate priorities, develop an action plan for the next 10 years and implement the City Centre Masterplan.

Link: <https://www.ekepanuku.co.nz/neighbourhoods/city-centre/>

2023/2024 project delivery		Indicative programme benefits
City Centre Action Plan – guides the council group’s investment and programme of activity.	Complete action plan, input into 2024 LTP process, and progress action plan priorities.	City Centre Action Plan
Existing city centre programmes – support programmes and projects led by other agencies (including below).	Deliver on immediate priorities and contribute to the realisation of the City Centre Masterplan.	Key milestones achieved
Midtown Programme – providing transport and public realm improvements in conjunction with City Rail Link (CRL).	Deliver on the midtown suite of projects (led by Auckland Council).	Key milestones achieved
Karanga-a-hape station neighbourhood and bus improvements – supporting the design and delivery of safer streets and public spaces.	Deliver the station neighbourhood and bus improvement projects (led by Auckland Transport).	Key milestones achieved
Port Precinct Future Development – planning for staging development of land and wharves as they are released from port purposes.	Working with the council group to complete the framework plan.	Port Precinct Future Development Plan
Place Management – working with partners to support visitor attraction, business activity and city centre recovery.	Continue to lead and coordinate a cross agency team focused on place management.	Place management programme

2024-2026 project delivery (following 2 years)

- Work with our development partner on the **Symphony Centre**, the over-station development at Te Waihorotiu station, to build a mixed-use building upon the completion of the CRL station.
- Achieve an unconditional agreement on the sale of **Downtown Carpark** to deliver a high-quality, sustainable and mixed-use development that contributes positively to Auckland’s cityscape.



Aotea Central Render

© Woods Bagot

Quay Street

WATERFRONT		
<p>Continue to progress the delivery of public realm projects, monitor the delivery of development outcomes by our development partners and take a new development site to the market. In Wynyard Quarter, we will lead on design with mana whenua on the public open space guided by the Te Ara Tukutuku Plan.</p> <p>Link: https://www.ekepanuku.co.nz/neighbourhoods/wynyard-quarter/</p> <p>Link: https://www.ekepanuku.co.nz/neighbourhoods/westhaven/</p>		
2023/2024 project delivery		Indicative programme benefits
Precinct Stage 3 development – This includes three commercial buildings with a 5 Greenstar rating, basement carparks, public open space and public laneway.	Work with Precinct properties to remediate contamination of the site as part of the development agreement.	18,500 sqm commercial 750 sqm of new public realm
North Wharf development site – mixed-use development on the waterfront.	Take the site to the market and achieve a conditional long-term lease agreement.	3,300sqm development site
Lysaght building – creating an income stream from this special character commercial building.	Progress long-term lease.	1,815 sqm commercial space
Te Ara Tukutuku (Wynyard Point) design – this covers five hectares of open space, laneways, stormwater, utilities, landscaping, lighting and seawall raising.	Developed design for the project is approved.	50,000 sqm public realm
Westhaven Seawall Upgrade – providing protection from wave overtopping during storm events and prevention of damage to property.	Progress resource consent and design for staged delivery.	300m of seawall
Water Edge Response Works – ensures that spaces across the key wharves in the waterfront precinct are accessible and safe for public and marine uses.	Complete appropriate water edge design treatment and capital works.	2900 sqm public space (860m of new balustrades on wharf edges)
Pile Berth Redevelopment – Complete the staged construction of new public promenade space, pier access and carparking to support the marina new berths.	Complete the staged construction and open for public use.	2000 sqm public space and car park
<p>2024-2026 project delivery (following 2 years)</p> <ul style="list-style-type: none"> • Progress Te Ara Tukutuku project. • Secure a development partner the North Wharf site. Monitor development outcomes delivered by other development partners at the Wynyard Quarter. • Complete Westhaven Seawall Upgrade and other funded capital projects. • Commence design and engagement for public realm improvements along Eastern viaduct and Te Wero Island. • Continue to activate the AC36 legacy spaces to support of major events. 		
WEST		
AVONDALE		
<p>Working with partners, stakeholders, Kāinga Ora and the council family to create new high quality residential neighbourhoods, public spaces and a purpose-built community facility.</p> <p>Link: https://www.ekepanuku.co.nz/neighbourhoods/avondale/</p>		
2023/2024 project delivery		Indicative programme benefits
Avondale Central development – is a significant, sustainable, mixed-use residential development staged over six years.	Progress the implementation of the development agreement with Marutūāhu Ockham Group including design and consent of the cycle and pedestrian link.	600 new homes 400 sqm public space
10 Racecourse Parade development site – Kāinga Ora manages 42 existing homes on the site.	Complete acquisition of property from Kāinga Ora to enable development of Avondale Central.	Complete acquisition and clear site

<p>Te Hono - Avondale community hub and town square – integrating the town square with the Auckland Council-led Avondale community hub.</p>	<p>Complete developed design for the town square.</p>	<p>5,000 sqm</p>
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2024-2026 project delivery (following 2 years)

- Continue supporting and monitoring outcomes delivered by development partners alongside progressing **Te Hono** community hub and the **Avondale town square**.



HENDERSON

Investment of public realm projects will improve connectivity within the town centre to enable walking, cycling and more amenities. We will work with development partners undertaking residential development in Henderson Valley Road and Laidlaw College which acquired parts of the former Waitakere City council site.

Link: <https://www.ekepanuku.co.nz/neighbourhoods/henderson/>

2023/2024 project delivery		Indicative programme benefits
<p>Opanuku Link – includes a new bridge for walking and cycling, a new playground and a shared cycleway.</p>	<p>Complete design and commence construction of Opanuku Link.</p>	<p>650 sqm public space</p>
<p>Wai Horotiu Henderson connection (formerly Oratia Link cycleway) – including a bridge over Oratia Street and elevated connection in Newey’s Reserve.</p>	<p>Complete developed design and final business case for stage one of the project.</p>	<p>Stage one is approximately 2,600m2</p>
<p>Catherine Plaza – to enhance connections, activation, outdoor dining space, landscaping.</p>	<p>Lodge resource consent.</p>	<p>900 sqm public space</p>

2024-2026 project delivery (following 2 years)

- Progress the construction of Opanuku Link and Catherine Plaza.



ISTHMUS		
<p>ONEHUNGA</p> <p>Creating a series of new public spaces with great design, facilitating new retail and housing choices and enhancing connectivity in the town centre.</p> <p>Link: https://www.ekepanuku.co.nz/neighbourhoods/onehunga/</p>		
2023/2024 project delivery		Indicative programme benefits
Paynes Lane streetscape enhancement – enabling a key east-west pedestrian friendly corridor.	Lodge resource consent.	1800 sqm public space
Waiapu precinct – mixed-use residential, commercial developments and new public space including a playground and connections across the town centre.	Finalise design and submit consents required for stage one subdivision and enabling works.	Estimated 10,140 sqm public space 7,900 sqm Commercial 120 Residential
1 Waiapu Lane and 61-65 Selwyn Street – new supermarket development.	Progress the sale.	Supermarket of approximately 4,000 sqm
Onehunga Mall site acquisitions – properties are in a strategic location adjacent to land that the council owns.	Conditional sale and purchase development agreement achieved.	Acquisition of sites totalling approximately 1,130 sqm
<p>2024-2026 project delivery (following 2 years)</p> <ul style="list-style-type: none"> • Paynes Lane streetscape enhancement – finalise design and submit all consents. • Waiapu Lane precinct development site – commence construction of stage 1 subdivision and enabling works. • 1 Waiapu Lane and 61-65 Selwyn Street – complete unconditional sale to facilitate the new supermarket. • Onehunga Mall site acquisitions – complete remaining transactions. 		
<p>PANMURE</p> <p>Public realm investment will create a well-connected network of urban spaces in the centre that enhances visitor experience and supports future residential growth. Development sites will be taken to the market to enable mixed-use development, increasing the vibrancy of the town centre and economic activity.</p> <p>Link: https://www.ekepanuku.co.nz/neighbourhoods/panmure/</p>		
2023/2024 project delivery		Indicative programme benefits
Lagoon Edge Reserve Enhancement – creating an urban waterfront park adjacent to the existing Lagoon Pools.	Complete design and obtain all consents for the non-coastal components.	4,500 sqm public space
535 Ellerslie Panmure Highway site – to enable a mixed-use development.	Conditional development agreement reached.	7,500 sqm commercial
<p>2024-2026 project delivery (following 2 years)</p> <ul style="list-style-type: none"> • Complete construction of stage 1 of non-coastal components of Lagoon Edge Reserve Enhancement. • Reach a conditional development agreement for 3 Kings Road to enable a residential development of up to 36 sustainable dwellings. 		
<p>MAUNGAWHAU</p> <p>Commence a market process to seek private sector partners and investment. Work with Kāinga Ora to deliver new homes surrounding the emerging rapid transport network (City Rail Link).</p> <p>Link: https://www.ekepanuku.co.nz/neighbourhoods/maungawhau-and-karanga-a-hape/</p>		
<p>2023/2024 project delivery</p> <ul style="list-style-type: none"> • Commence marketing of development sites surrounding Maungawhau Station. <p>2024-2026 project delivery (following 2 years)</p> <ul style="list-style-type: none"> • Negotiations and conclusions of development agreement(s) with development partners for sites surrounding Maungawhau Station. 		

SOUTH

MANUKAU

Implementing projects that support the Te Whakaoranga o Te Puhinui – The Puhinui Regeneration Strategy that aims to regenerate the Puhinui stream. We will continue to invest in public realm improvements increasing access, connectivity, safety and amenity, and prioritise property development projects that enliven Manukau’s city centre.

Link: <https://www.ekepanuku.co.nz/neighbourhoods/manukau/>

2023/2024 project delivery		Indicative programme benefits
Puhinui Regeneration Strategy initiatives – construction of new walkway and cycleway along stream corridor connecting central Manukau to the Botanic Gardens.	Progress land acquisitions and the design of a new walkway and cycleway.	7.6ha of new open space
Osterley Way Civic Streetscape Works – includes streetscape upgrades (two intersections) with landscaping, new surfacing, lighting, wayfinding and separated cycleway.	Detailed design commenced and resource consent lodged. Approval obtained from Auckland Transport.	2,200 sqm streetscape
Cavendish Drive & Sharkey Street AUT Link – upgraded streetscape and new cycleway.	Preferred concept confirmed internally and with Auckland Transport.	11,300 sqm streetscape 390 sqm cycleway
14 Davies Avenue – to enable residential and commercial development.	Progress subdivision consenting and Auckland Transport release for sale.	5,500 sqm development site
10 Putney Way, 9 Osterley Way and 33 Manukau Station Road sites – to enable commercial, mixed-use and residential development in the town centre.	Progress sale of sites.	8,700 sqm for three development sites
Hayman Park wetlands – capital works to help manage stormwater during significant weather events.	Complete design and lodge resource consent.	Planting 1,400 sqm Pathway/boardwalks 4,000 sqm

2024-2026 project delivery (following 2 years)

- Progress design and construction of public realm upgrades including walking and cycling connections and streetscape upgrades in collaboration with Auckland Transport and Auckland Council.
- Progress site sales and monitor development partner progress with development sites.



Hayman Park, Manukau



Puhinui Stream, Manukau

PAPATOETOE

Develop new housing choices around the completed commercial developments of a shopping mall, supermarket and carpark to enable the centre to flourish and the community to thrive.

Link: <https://www.ekepanuku.co.nz/neighbourhoods/old-papatoetoe/>

2023/2024 project delivery		Indicative programme benefits
Cambridge Terrace extension and car park – includes upgraded streetscape, laneways and shared path / cycleway.	Design completed, consents obtained, and procurement in preparation for commencement of construction.	780 sqm streetscape 950 sqm shared path /cycleway

Stadium Reserve Capital Works and Chambers laneway upgrades – provides high-quality amenity to adjoining property redevelopments.	Complete developed design and lodge resource consent.	5380 sqm public space and laneway
St George Street residential development – new homes built over the next 18 months.	Continue to support and facilitate construction progress.	82 new homes (first stage)
2024-2026 project delivery (following 2 years)		
<ul style="list-style-type: none"> Complete the Cambridge Terrace extension and carpark, Stadium Reserve Capital Works and Chambers Laneway enabling further redevelopment to occur. 		
PUKEKOHE		
Support Pukekohe’s vibrancy, growth potential and unique character and identity by progressing site sales, new project investigations, design and completing a public realm upgrade. Link: https://www.ekepanuku.co.nz/neighbourhoods/pukekohe/		
2023/2024 project delivery		Indicative programme benefits
Roulston Park Upgrade – a new all-age-friendly play opportunity in the park and pedestrian crossing on Stadium Drive.	Design completed, consents obtained, and contractor tender underway.	4600 sqm public space
Market Precinct – a flagship development which will attract and catalyse new life in and around the town square and add vibrancy to the centre.	Complete developed design and commence consenting for stage one of the project.	450 sqm GFA commercial space 3,500 sqm streetscape upgrade 2,500 sqm public realm upgrade (town square)
Edinburgh superblock – consolidate ownership of large central development site.	Progress feasibility and go to market strategy.	20,000 sqm
9 Hall St and 174-184 Manukau Rd site sales	Complete the sale.	9 Hall Street – 890 sqm site 174-182 Manukau Road 4,090 sqm site
Double traffic light upgrade at East, King, Manukau and Massey roads	Support Auckland Transport in commencing construction.	6,000 sqm of streetscape
2024-2026 project delivery (following 2 years)		
<ul style="list-style-type: none"> Roulston Park upgrade construction completed. Market Precinct stage one construction completed. Edinburgh superblock go-to-market completed, and development partner secured. 		
URBAN REGENERATION		
REGIONAL PROGRAMMES		
Over the next three years:		
<ul style="list-style-type: none"> Commence work on the Eastern Busway Urban Regeneration programme in neighbourhoods along the route of the Busway between Pakuranga and Burswood. Continue to progress the sale of various single sites that make up the ‘support’ development category and the general asset portfolio approved for sale and development by the council. Continue to work with local boards to deliver service property optimisation which is a development approach targeting sub-optimal council service assets. Work with Auckland Council and Haumaru Housing to develop a sustainable funding model that will enable the delivery of a development pipeline and viable partnership via the joint venture. Link: https://www.ekepanuku.co.nz/neighbourhoods/housing-for-older-people/ Continue to review the portfolio to develop a proposed pipeline of properties that feed into future development sites and contribute to the next LTP funding. 		

2023/2024 project delivery		Indicative programme benefits
Own Your Own Home portfolio – this is a housing scheme for older people which consists of 150 residential units over 14 village locations, 52 units are owned by council.	Progress sale.	
198 Dominion Road, Mount Eden – this is a mixed-use development of sustainable dwellings and commercial space.	Progress sale.	92 new homes 600 sqm commercial
65 Hadington Drive, Ormiston – a residential development site.	Go to market to find a development partner.	30 new homes

PROPERTY & ASSET RENEWAL PROGRAMME

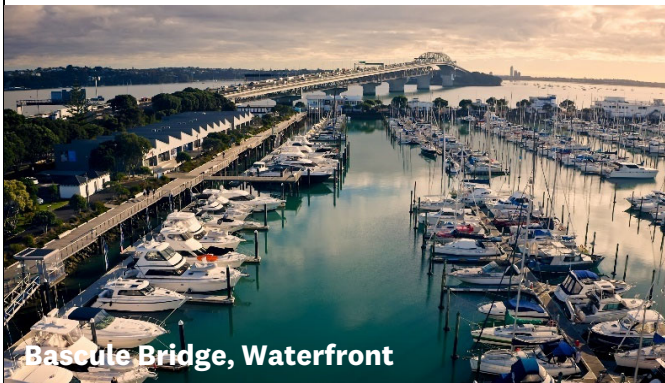
PROPERTY AND MARINA MANAGEMENT

We manage council’s non-service properties that includes commercial, residential, and waterfront public assets. We optimise return to the council and service to the public. The focus is **on asset management planning, new projects, asset renewals and planned maintenance**, that includes maintaining levels of service for property management and marina and accommodate for marina growth.

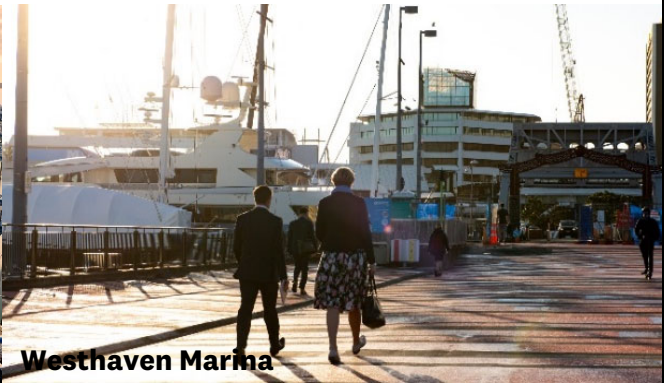
2023/2024 project delivery		Indicative programme benefits
21 Princes Street Commercial Property, Auckland City – this heritage building will undergo refurbishment enabling it to be re-leased.	Commence construction.	470 sqm heritage building
Westhaven Marina Fire Alarm System upgrades – to current standards and separate the fire alarm system from the building and the marina piers.	Complete construction.	Alarm system upgraded
Bascule bridge Waterfront – health & safety renewal works.	Complete construction.	Health & Safety works
Manukau Harbour/Wairopa Channel Works – renewal of channel navigational markers to meet NZ Maritime and international standards.	Complete construction.	Beacon, Channel Marker and Buoy

2024-2026 project delivery (following 2 years)

- We will continue to implement our leasing strategies to gain more revenue for the Council and maintain condition of assets and properties with our asset renewals and maintenance programmes.



Bascule Bridge, Waterfront



Westhaven Marina

Performance measures and targets

Ngā ine me ngā pae whāinga

Eke Panuku has an agreed set of performance measures and targets which form the basis of accountability for delivering on the council's strategic direction and priorities. Eke Panuku's significant and material performance measures relates to the value it creates through its two core business activities, urban regeneration and property portfolio management. These are reported to the shareholder on a quarterly basis.

The performance measures and targets are as follows:

Key Performance Indicator		Actual 21/22	Annual Plan	Targets		
			22/23	23/24	24/25	25/26
Urban regeneration programmes and projects						
1	Net new dwellings (housing units) ¹ – LTP performance measure	Achieved 404 net new dwelling units	200	60	290	330
2	Commercial/Retail gross floor area (GFA) or net lettable area (square meter) ² – LTP performance measure	The timing of construction projects meant no projects were planned for the year.	Nil	Nil	Nil	Nil
3	Public realm – square meters ³	Achieved 23,226 sqm	7,000 sqm	7,000 sqm	15,000 sqm	27,000 sqm
4	The percentage of significant capital project milestones approved by the board achieved – LTP performance measure ⁴	Achieved 81% We completed 13 of the 16 milestone targets set for FY22.	80%	80%	80%	80%
5	Achieve board approved Transform and Unlock (T&U) sales for the financial year through unconditional agreements ⁵	Achieved \$51.3m	\$21.7m	\$40m	Annual approved target	Annual approved target
6	The asset recycling target agreed with the Auckland Council ⁶	Not Achieved \$35m	\$70m	\$115m	Agreed target	Agreed target
Property Portfolio and Marina Management						
7	Annual property portfolio net operating budget result agreed with the council achieved ⁷ – LTP performance measure	Achieved \$27.1m Net operating budget result is \$5.2m ahead of target	\$19.4m	\$17.3m	\$16.7m	\$16.2 m
8	The monthly average occupancy rate for tenantable properties ⁸ – LTP performance measure	Achieved Commercial 93.4% Residential 97.9%	Commercial 85% Residential 95%	Commercial 90% Residential 95%	Commercial 90% Residential 95%	Commercial 90% Residential 95%
9	The percentage of marina customers surveyed who are satisfied with marina facilities and services ⁹	Achieved 90%	85%	88%	88%	88%
Sector Leadership						
10	Creating positive outcomes for Māori	Achieved 51 completed this year	50	40	40	40

Key Performance Indicator		Actual 21/22	Annual Plan	Targets		
			22/23	23/24	24/25	25/26
	Deliver a number of ongoing or new initiatives that support Māori Outcomes ¹⁰					
11	Enhancing the relationship between Eke Panuku and mana whenua. Increasing the percentage of satisfaction with the support they receive from Eke Panuku ¹¹	Achieved A baseline survey has been set 50% satisfaction was achieved	5% increase on previous year	5% increase on previous year	5% increase on previous year	5% increase on previous year
12	The percentage of complaints received by Eke Panuku are resolved within 10 working days.	Not Achieved 34%	80%	80%	80%	80%

¹ Eke Panuku enters into development agreements with partners on the sale or long-term lease of council land and monitors the outcome of dwelling units built after the sale. Dwelling units are recognised when construction is completed by development partners. The LTP target for FY24 has reduced from 350 to 60 dwelling units due to presale and construction of dwelling units by development partners being affected by the slower property market and worsening economic conditions. To manage risk, a certain level of presales needs to be achieved before development goes ahead and development partners have adjusted the timing of their construction starting.

² Eke Panuku sells or leases properties long term to development partners across locations to achieve retail or commercial outcomes. LTP planned GFA was 29,000 sqm for FY24, this is now targeted for future years. The economic environment has changed significantly since the LTP was adopted, retail and office space demand are lower than we projected. We will be discontinuing this measure in the next LTP process because these projects are irregular, and the quantum of new commercial space is quite small.

³ The public realm measure represents the areas in town centres that have been improved, renewed, or enhanced through capital projects. Improving the quality of the place also helps attract new investment. Types of projects include town squares, cycleways, footpaths, roads/laneways, playgrounds and other. In FY24 the target reduced from 57,000 to 7000 sqm due to external dependencies affecting project delivery, such as cancellation of the Northern Pathway and works contingent on land acquisition from a third party.

⁴ This measure demonstrates the different types of capital delivery projects within our pipeline of work. The projects reflect tangible milestones in project lifecycles and are included to illustrate projects at different phases such as construction start/finish, design, consent, and approval by key stakeholders.

⁵ This measure relates to total value of properties sold unconditionally or leased long term in T&U locations during the financial year. The property sales help fund reinvestment in the T&U locations and town centres.

⁶ This measures the total value of properties sold unconditionally or leased long term (excluding sales in T&U locations). The asset recycle target is agreed with Auckland Council during the annual plan or LTP planning process and contributes to council funding. The asset recycle target is calculated like the T&U sale target.

⁷ This measure demonstrates that Eke Panuku optimises return on properties it manages for the council group. The properties are sometimes held for projects in the short to medium term, so we cannot maximise the rental income. The property portfolio budgeted net direct income (direct revenue less direct expense) is agreed with the council as part of the annual plan, the 12-month actual result is compared to budget.

⁸ This measures a rolling 12-month average occupancy of tenantable properties over the 12 months of the financial year.

⁹ The marina satisfaction survey is carried out by independent service provider.

¹⁰ Eke Panuku supports Māori outcomes through implementation of the Achieving Māori Outcomes (AMO) plan. Initiatives may relate to culture and identity, governance, economic, wellbeing or te taiao (the natural environment). Initiatives are wide ranging including events and placemaking, art, design, cultural narratives, landscaping, te reo naming, commercial development opportunities and organisational development. The number of initiatives has been reduced in FY24 from 50 to 40 to recognise the reduction or delay to projects from the budget savings.

¹¹ The Mana Whenua satisfaction survey is carried out by independent service provider.

FY24 – Capital Project Milestones

Ngā Pae i Taea mō ngā Kaupapa ā-Haupū Rawa

This list of capital project milestones relates to performance measure 4 of the SOI. More details on the projects are contained in the regeneration programmes in Part 2 of the SOI.

Location and Programme		Project	Deliverable milestone	Indicative Development results
Isthmus	Onehunga	1. Paynes Lane, Onehunga Streetscape Enhancement	Lodge resource consent	1800 sqm public space
	Panmure	2. Lagoon Edge Reserve enhancement works	Lodge resource consent	4,500 sqm public space
North	Northcote	3. Jesse Tonar Scout Reserve upgrade	Complete construction	375 sqm public space
	Takapuna	4. Waiwharariki Anzac Square	Complete construction	2000 sqm public space (stage 3)
		5. Northcroft streetscapes	Complete construction	5500 sqm streetscape
Renewals		6. 21 Princes Street, Auckland City heritage building refurbishment	Commence construction	470 sqm heritage building
		7. Westhaven Marina fire alarm system upgrade	Complete construction	Alarm system upgraded
		8. Bascule Bridge health & safety works	Complete construction	Health & Safety works
South	Manukau	9. Hayman Park wetlands	Lodge resource consent	4000 sqm pathway/boardwalks
	Papatoetoe	10. Cambridge Terrace extension and car park	Lodge resource consent	780 sqm streetscape 950 sqm shared path/cycleway
		11. Stadium Reserve capital works	Lodge resource consent	5380 sqm public space and laneway
	Pukekohe	12. Roulston Park upgrade of public amenities	Lodge resource consent	4600 sqm public space
Waterfront		13. Wynyard Quarter – Waters edge response works	Complete construction of balustrades for AC36 bases G, F, E and C and open up to the public.	2900 sqm public space (860m of new balustrades on wharf edges)
		14. Pile berth redevelopment	Complete the staged construction of new public promenade space, pier access and carparking to support marina use.	2000 sqm public space and car park
West	Henderson	15. Catherine Plaza	Lodge resource consent	900 sqm public space

Financial statements

Ngā tauākī ā-pūtea

Eke Panuku financial statements are presented as follows:

- Summary of capital and operational revenue and expenditure – this is a summary of inflows and outflows which demonstrates the contribution Eke Panuku makes to the Council Group.
- Eke Panuku company budgets – set out as required by legislation and in alignment with the Auckland Council Annual Plan.
- “Managed on behalf budgets” relating to properties we manage on behalf of the council group.
- Significant business activities – as requested by the Council, a summary of activity-level budgets for urban regeneration including asset sales, and property management.
- Other financial information including the forecast financial statements and accounting policies of Eke Panuku.

Summary of capital and operational revenue and expenditure – inflows and outflows

The table below depicts the operational income and expenditure flows from Eke Panuku operations in a consolidated format, joining assets managed on behalf of Auckland Council, Auckland Transport and Eke Panuku. We have eliminated inter entity transactions which are included in the operating budgets in the Eke Panuku company budgets and managed on behalf budgets sections below, which duplicates some costs and income. Capital inflows are based on when projected unconditional sales agreements are reached. This presentation style was introduced for incoming councillors in October 2022.

\$millions	FY 23/24	FY 24/25	FY 25/26
Capital Inflows			
Selling Council's surplus property	115.0	70.0	70.0
Selling or long leasing property to reinvest in our urban regeneration locations	40.0	74.7	69.8
Third party capital contributions	3.8		
Total capital inflows	158.8	144.7	139.8
Capital Outflows			
Investing in council group assets to support regeneration and asset renewals	76.7	79.9	95.8
Net Capital	82.1	64.8	44.0
Operational Inflows			
Revenue from property interests for Council group	68.7	61.4	61.6
Operational Outflows			
Managing council group properties	26.6	25.9	26.9
Utilities and leases for council group owned assets we manage	6.3	4.9	5.0
Rates on council group owned assets	7.9	7.0	7.2
Maintenance of council properties	13.0	10.5	10.6
Consultation, negotiation and sales processes to sell council property	3.5	3.6	3.7
Leading regeneration of town centres, city centre and waterfront	17.4	19.2	19.9
Net Operational	(6.0)	(9.7)	(11.7)

Eke Panuku company budgets

This section outlines the 2023/2024 budget that is aligned to Council's 2023/2024 Annual Plan. This excludes the activities that Eke Panuku manages on behalf of the council, which are outlined separately in the next section.

Operating budgets - \$millions	21/22 Actual	22/23 Budget	23/24 Budget	24/25* Budget	25/26* Budget
Net direct expenditure/(income)	17.9	24.1	24.2	25.0	25.7
Direct revenue	16.3	17.2	17.6	18.0	18.4
Fees & user charges	0.0	0.0	0.0	0.0	0.0
Operating grants and subsidies (external)	0.0	0.0	0.0	0.0	0.0
Other direct revenue**	16.3	17.2	17.6	18.0	18.4
Direct expenditure	34.2	41.3	41.8	43.0	44.1
Employee benefits	28.6	32.6	33.3	34.4	35.3
Grants, contributions & sponsorship	0.0	0.0	0.1	0.1	0.1
Other direct expenditure	5.6	8.7	8.4	8.5	8.7
Other key operating lines					
AC operating funding	(18.3)	(24.1)	(24.5)	(25.3)	(26.0)
Depreciation and amortisation	0.4	0.0	0.3	0.3	0.3

* The FY25 and FY26 budget numbers represent the 2021/2031 LTP adjusted for flow on impact from the 2023/2024 Annual Plan process. Numbers are subject to Council approval as part of upcoming LTP process.

** Other revenue comprises recharges to the council for consultancy costs related to acquisition as well as staff time recharged to the council for marina activities and priority location operating expenditure projects. Other expenditure include director's fees, audit fees, consultancy, corporate communication, office and administration costs.

Property managed on behalf of Auckland Council

He rawa wāhi e whakahaerehia ana mā Te Kaunihera o Tāmaki Makaurau

This section outlines the budgets for Auckland Council activities which are managed by Eke Panuku, as contained in the council's approved adjusted LTP budgets for the next three years. The commercial property portfolio includes non-service properties owned by the council throughout the Auckland region and Westhaven, Silo and Viaduct marinas.

Operating budgets - \$millions	2021/22 Actual	2022/23 Budget	2023/24 Budget	2024/25* Budget	2025/26* Budget
Net direct expenditure/(income)	(4.7)	0.4	(1.1)	(1.0)	(0.2)
Direct revenue	46.1	43.1	45.3	41.3	41.2
Fees & user charges	1.3	1.2	1.9	1.9	1.1
Operating grants and subsidies (external)	0.0	0.0	0.0	0.0	0.0
Other direct revenue**	44.8	41.9	43.4	39.4	40.1
Direct expenditure	41.4	43.5	44.2	40.3	41.0
Employee benefits	0.1	0.1	0.0	0.0	0.0
Grants, contributions & sponsorship	0.0	0.0	0.0	0.0	0.0
Other direct expenditure	41.3	43.4	44.2	40.3	41.0
Other key operating lines					
Non-direct revenue	0.0	0.0	(3.8)	0.0	0.0
Depreciation and amortisation	19.9	21.1	23.0	24.3	25.8
Net finance revenue	(0.1)	(0.0)	(0.1)	0.0	0.0
Tax expense					

* The FY25 and FY26 budget numbers represent the 2021/2031 LTP adjusted for flow on impact from the 2023/2024 Annual Plan process. Numbers are subject to Council approval as part of upcoming LTP process.

** Other direct revenue includes rental and berthage income. Other direct expenditure includes repairs and maintenance, rates and utilities plus staff costs recharged by Eke Panuku to the council for marina activities.

Financials information for significant business activities

Eke Panuku has two significant workstreams included in the Property Managed on behalf of Auckland Council, property management and regeneration.

Property Management

Activity-level Budgets

The numbers in the tables below do not reconcile with the Eke Panuku Managed Activities net surplus in the operating budget tables above, as the numbers do not include consolidation entries between Council entities.

\$ millions	FY 23/24	FY 24/25	FY 25/26
Direct Revenue	56.5	51.8	51.9
Auckland Council Properties	33.0	27.8	27.3
Business Interests	0.4	0.2	0.2
Waterfront Public Space	0.3	0.5	0.5
Marina Operations	16.1	16.8	17.2
Marina Trusts	6.8	6.6	6.8
Direct Expenditure	35.5	31.0	31.4
Auckland Council Properties	16.3	12.5	12.5
Business Interests	0.7	0.3	0.3
Waterfront Public Space	5.0	4.6	4.7
Marina Operations	6.5	6.7	6.9
Marina Trusts	6.9	6.9	7.1
Net Direct Expenditure	21.2	20.9	20.5
Auckland Council Properties ¹	16.7	15.3	14.8
Business Interests ²	(0.3)	(0.1)	(0.1)
Waterfront Public Space ³	(4.7)	(4.1)	(4.2)
Marina Operations ⁴	9.6	10.1	10.3
Marina Trusts ⁵	(0.1)	(0.3)	(0.3)

1. Eke Panuku manages Council property Assets which are not used to provide a Council service. This includes commercial, residential properties, 3rd party leases and many assets which do not generate revenue.
2. Business interests include the Joint Venture with Waste Disposal Systems, at Whitford and East Tamaki Transfer Stations, forestry interests and three quarries managed by third party operators. In addition to the direct revenue shown above there is a \$8.2m share of profit from the Waste Disposal Services joint venture is not shown as direct revenue, due to accounting treatment of dividend payments.
3. Eke Panuku manages the public space in the Wynyard Quarter that was previously managed by Waterfront Auckland. This includes costs for rates, security, maintenance, rubbish, lighting and water.
4. Marina Operations includes three Marinas – Westhaven, Silo and Viaduct and is the management and rental of berths owned by Auckland Council.
5. Marina Trusts, Eke Panuku manages two trusts in Westhaven which include berth entitlements owned by members of the public and Auckland Council.

Auckland Transport properties include residential and commercial properties that were acquired and are held for future roading projects. These are managed on its behalf by Eke Panuku. The net revenue generated from the optimisation of the sites, before they are demolished, or subdivided and sold, is transferred to Auckland Transport on a monthly basis. We have separated this activity out from the ones above as the net surplus is included in Auckland Transport's operating budgets.

\$ millions	FY 23/24	FY 24/25	FY 25/26
Direct Revenue	6.4	5.3	5.4
Auckland Transport Properties	6.4	5.3	5.4
Direct Expenditure	5.8	3.9	3.9
Auckland Transport Properties	5.8	3.9	3.9
Net Direct Expenditure	(0.6)	(1.4)	(1.5)
Auckland Transport Properties	(0.6)	(1.4)	(1.5)

Capital Budgets – Property Renewals

\$millions	FY 23/24	FY 24/25	FY 25/26
Property renewals	8.0	10.0	10.0

Asset Sales on behalf of the Council Group

\$millions	FY 23/24	FY 24/25	FY 25/26
General Asset sales ⁶	115.0	To be agreed	To be agreed

6. Auckland Council has sites in a wide range of locations that in many cases are no longer needed or are underutilised. Once approved for sale by council, Eke Panuku takes these sites to the market with essential design outcomes to be achieved. This provides revenue to council as well as quality developments, often providing new homes and commercial spaces.

Urban Regeneration

Operating Budgets

\$ millions	FY 23/24	FY 24/25	FY 25/26
Direct Revenue	0.7	0.1	0.1
Regeneration in priority locations ¹	0.7	0.1	0.1
Direct Expenditure	12.5	13.1	13.4
Regeneration in priority locations ¹	12.5	13.1	13.4
Net Direct Expenditure	11.8	13.0	13.3
Regeneration in priority locations ¹	11.8	13.0	13.3

1. This includes the cost of Eke Panuku staff working on these programmes, such as leading integrated master planning, place making, community and stakeholder communications and engagement and the pre design and due diligence work to get a capital project to a business case.

Capital Budgets for Urban Regeneration

\$millions	FY 23/24	FY 24/25	FY 25/26
Isthmus	3.8	14.1	22.7
North	6.8	5.8	9.7
South	13.7	23.5	20.1
West	15.6	8.0	12.0
Maungawhau	0.1	0.0	0.0
Waterfront	15.8	13.2	18.0
Transform and Unlock Locations²	55.8	64.6	82.5
Regional ³	13.0	5.3	3.3
Total	68.8	69.9	85.8

2. Improving amenity and infrastructure in town centres to attract investors, residents and visitors. Includes street or open space upgrades, town square, cycling and walking connections.
3. Regional programmes include the Eastern Busway, Haumaru, property optimisation, Ormiston, Hobsonville and sales in other locations with development outcomes attached that are not in Transform and Unlock locations.

Asset Sales and Long Leases

\$millions	FY 23/24	FY 24/25	FY 25/26
Reinvestment – Transform and Unlock ⁴	20.0	40.9	49.7
Waterfront long leases ⁵	20.0	33.8	20.1
Strategic Development Fund Repayments ⁶	0.0	7.0	10.0
Total Asset Sales	40.0	81.7	79.8

- Unconditional Sales made in our Transform and Unlock locations of surplus council land, the proceeds of which are reinvested in the urban regeneration of our Transform and Unlock locations.
- Pre-paid long leases in the Waterfront location are typically for 120 years and provide a cash inflow to council.
- The strategic development fund is a \$100m revolving fund which enables the purchase of property which through agglomeration adds to the strategic outcomes or values of existing council owned sites with transform and unlock locations. When properties purchased are sold the sales receipts are recycled back into the fund.

Other financial information

Ētahi atu pārongo ā-pūtea

The "other financial information" around shareholder equity is unchanged from previous years.

Current value of assets	The projected value of Eke Panuku total assets as at 30 June 2023 is \$18m	
Shareholder equity ratio	The projected shareholder equity ratio for Eke Panuku as at 30 June 2023 is 65%	
Accounting policies	Eke Panuku Development Auckland's accounting policies are consistent with those of the Auckland Council group policies	
Financial reporting	Eke Panuku Development Auckland's financial reporting will be in accordance with requirements of the CCO Accountability Policy and Statement of Expectations	
LTP general asset/ asset recycling sales (\$ million)	2021/22 Actual	\$35m
	2022/23 Annual Plan	\$70m asset recycling target agreed with the council
	2023/24 LTP	\$115m asset recycling target agreed with the council
	2024/25 LTP	Achieve asset recycling target agreed with the council

Forecast Financial Statements

These forecast financial statements have been prepared for inclusion in the Statement of Intent 2023-2026 for Eke Panuku Development Auckland Limited. The information may not be appropriate for any other purposes. Actual financial results achieved for the periods covered are likely to vary from the information presented, and the variations may be material. It is not anticipated that there will be any factors that may lead to a material difference between information in the forecast financial statements and the actual financial results prepared in future reporting periods.

The forecast financial statements have been authorised for issue by the Board of Directors on 13 December 2023. The Board of Directors is responsible for the forecast financial statements presented, including the appropriateness of the assumptions underlying the forecast financial statements and all other required disclosures. The forecast financial statements have been prepared using the actual financial position as at 30 June 2023 as a starting point. It is not intended that these forecast financial statements will be updated after they have been authorised for issue.

Significant Assumptions

The forecast financial statements for 23/24 have been prepared using the operating revenue and expenditure budgets for Eke Panuku approved by the shareholder, Auckland Council. The forecast financial statements for 24/25 and 25/26 have been prepared using the expected operating revenue and expenditure budgets for those years, however those budgets are subject to approval by the shareholder, Auckland Council, prior to the start of the respective financial years.

Forecast statement of comprehensive revenue and expense

(\$million)	23/24 Budget	24/25 Budget	25/26 Budget
Revenue			
Revenue	42.1	43.3	44.4
Total Revenue	42.1	43.3	44.4
Expenditure			
Personnel costs	33.3	34.4	35.2
Depreciation	0.3	0.3	0.3
Other operating expenses	8.5	8.6	8.8
Total Expenditure	42.1	43.3	44.4
Surplus/(deficit) before income tax	0.0	(0.0)	(0.0)
Income tax expense / (benefit)	(0.1)	(0.1)	(0.1)
Surplus/(deficit) after income tax	0.1	0.1	0.1
Other comprehensive revenue and expense			
Gains / (losses) on revaluation of property, plant and equipment	0.0	0.0	0.0
Tax on revaluation (gains) / losses	0.0	0.0	0.0
Total other comprehensive revenue and expense	0.0	0.0	0.0
Total comprehensive revenue and expense	0.1	0.1	0.1
<u>Surplus is attributable to:</u>			
Auckland Council	0.1	0.1	0.1
<u>Total comprehensive revenue and expense is attributable to:</u>			
Auckland Council	0.0	0.0	0.0

Forecast statement of changes in equity

(\$million)	23/24 Budget	24/25 Budget	25/26 Budget
Equity at the beginning of the year	11.0	11.1	11.2
Total comprehensive revenue and expense			
Surplus / (deficit) for the year	0.1	0.1	0.1
Other comprehensive revenue and expense	0.0	0.0	0.0
Total comprehensive revenue and expense	0.1	0.1	0.1
Equity at the end of the year	11.1	11.2	11.3

Forecast statement of financial position

(\$million)	23/24 Budget	24/25 Budget	25/26 Budget
ASSETS			
Current assets			
Cash and cash equivalents	1.0	1.0	1.0
Debtors and other receivables	7.7	8.1	8.5
Total current assets	8.7	9.1	9.5
Non-current assets			
Property, plant and equipment	9.1	8.8	8.5
Total non-current assets	9.1	8.8	8.5
Total assets	17.8	17.9	18.0
LIABILITIES			
Current liabilities			
Creditors and other payables	1.8	1.8	1.9
Employee entitlements	2.7	2.7	2.8
Provisions	0.1	0.1	0.1
Total current liabilities	4.5	4.6	4.7
Non-current liabilities			
Deferred tax liabilities	2.2	2.1	2.0
Total non-current liabilities	2.2	2.1	2.0
Total liabilities	6.7	6.7	6.8
Net assets	11.1	11.2	11.3
EQUITY			
Contributed equity	1.8	1.8	1.8
Accumulated funds	2.0	2.1	2.2
Asset revaluation reserve	7.3	7.3	7.3
Total equity	11.1	11.2	11.3

Forecast statement of cash flows

(\$million)	23/24 Budget	24/25 Budget	25/26 Budget
Cash flows from operating activities			
Receipts from customers (inclusive of GST)	17.7	18.0	18.4
Operating expenditure funding from Auckland Council	24.1	25.2	25.9
Payments to suppliers and employees (inclusive of GST)	(41.2)	(42.9)	(43.9)
Net cash from operating activities	0.5	0.3	0.3
Cash flows from financing activities			
Advances from Auckland Council (net movement)	(0.5)	(0.3)	(0.3)
Net cash from financing activities	(0.5)	(0.3)	(0.3)
Net increase / (decrease) in cash and cash equivalents	0.0	0.0	0.0
Cash and cash equivalents at the beginning of the year	1.0	1.0	1.0
Cash and cash equivalents at the end of the year	1.0	1.0	1.0

Note to the Forecast Financial Statements

Significant Accounting Policies

The forecast financial statements have been prepared in accordance with the accounting policies expected to be used in the future for reporting historical general purpose financial statements.

a) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities are recognised in the Statement of Comprehensive Revenue and Expense.

b) Property, plant and equipment

Property, plant and equipment consists of marinas.

i) Measurement

Marinas are measured at fair value. Property, plant, and equipment is shown at valuation, less accumulated depreciation and impairment losses, if any.

ii) Revaluation

Marinas are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every 3 years. Each year, Eke Panuku considers whether the carrying value reflects fair value. If there is a material difference, then the asset classes are revalued off-cycle.

Revaluations of property, plant and equipment are accounted for on a class of asset basis.

Net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of assets. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit in the Statement of Comprehensive Revenue and Expense. If a revaluation increase reverses a decrease previously recognised in the surplus or deficit in the Statement of Comprehensive Revenue and Expense, the increase is recognised first in the surplus or deficit in the Statement of Comprehensive Revenue and Expense to reverse previous decreases. Any residual increase is then recognised in other comprehensive income.

iii) Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Eke Panuku and the cost of the item can be measured reliably.

Property, plant and equipment is initially recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

iv) Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit in the Statement of Comprehensive Revenue and Expense. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

v) *Depreciation*

Depreciation on all property, plant and equipment is provided on a straight line basis at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The residual value and remaining useful life of an asset is reviewed, and adjusted if applicable, at each financial period end. The useful lives of major classes of assets have been estimated as follows.

Asset class	Estimated useful life
Marina	35 years

c) Impairment of non-financial assets

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment, the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the service potential of the asset is not primarily dependent on the asset's ability to generate net cash inflows and where Eke Panuku would, if deprived of the asset, replace its remaining service potential. The value in use for cash-generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit in the Statement of Comprehensive Revenue and Expense.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit in the Statement of Comprehensive Revenue and Expense, a reversal of the impairment loss is also recognised in the surplus or deficit in the Statement of Comprehensive Revenue and Expense.

For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit in the Statement of Comprehensive Revenue and Expense. For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit in the Statement of Comprehensive Revenue and Expense.

d) Financial assets

Financial assets are initially measured at fair value plus transaction costs.

Purchases and sales of financial assets are recognised at trade date, this being the date on which Eke Panuku commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Eke Panuku has transferred substantially all the risks and rewards of ownership.

The financial assets of Eke Panuku are classified as financial assets at amortised cost. After initial recognition, these are carried at amortised cost less provision for impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit in the Statement of Comprehensive Revenue and Expense.

e) Impairment of financial assets

The provision for impairment of receivables is determined based on the expected loss credit model. In assessing credit losses for receivables, Eke Panuku applies the simplified approach and records lifetime expected credit losses on receivables. Eke Panuku uses the provision matrix based on historical credit loss experience upon initial recognition of the receivable, based on reasonable and available information on the debtor. Expected loss is established by taking into account factors affecting the ability of the debtors to settle their debt.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the surplus or deficit in the Statement of Comprehensive Revenue and Expense.

f) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held on call with financial institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value, and bank overdrafts.

g) Debtors and other receivables

Debtors are amounts due from customers. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

When a receivable for which the provision for impairment has been recognised becomes uncollectable in a subsequent period, it is written off against the provision for impairment of receivables. Subsequent recoveries of amounts previously written off are credited to 'other income' in the surplus or deficit in the Statement of Comprehensive Revenue and Expense.

h) Creditors and other payables

Creditors and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method.

i) Current and deferred income tax

Income tax expense comprises both current tax and deferred tax, and is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by balance date. Income tax expense is charged or credited to the surplus or deficit in the Statement of Comprehensive Revenue and Expense, except when it relates to items charged or credited directly to equity or other comprehensive income.

Current tax is the amount of income tax payable based on the taxable surplus for the current period, plus any adjustments to income tax payable in respect of prior periods.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable surplus.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which Eke Panuku expect to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surplus will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting surplus nor taxable surplus.

j) Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for debtors and other receivables and creditors and other payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related expense or asset.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

k) Personnel costs and Employee entitlements

i) Short-term employee entitlements

Employee benefits that Eke Panuku expects to be settled wholly before 12 months after the end of the reporting period in which the employees render the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken, at balance date, and sick leave.

ii) Long-term employee entitlements

Employee benefits that are not expected to be settled wholly before 12 months after the end of the reporting period in which the employees render the related service, such as long service leave, have been calculated on an actuarial basis. These calculations are based on:

- likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood the employees will reach the point of entitlement, and contractual entitlement information; and
- the present value of estimated future cash flows.

iii) Presentation of employee entitlements

Sick leave, annual leave, and vested long service leave are classified as current liabilities. Non-vested long service leave expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

l) Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. The specific accounting policies for significant revenue items are explained below:

i) Other income

Income from provision of services is recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

ii) Service income

Income from the rendering of services to Auckland Council group entities is recognised when the service is provided. These services include Eke Panuku staff time on urban regeneration projects and marina operations, as well as council group property acquisitions and disposals. The income from services provided is calculated based on direct costs and staff time incurred or allocated to specific projects.

iii) Funding from Auckland Council

Funding is recognised as revenue upon entitlement based on the eligibility of expenditure in accordance with the Statement of Intent between Eke Panuku and Auckland Council.

m) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the surplus or deficit in the Statement of Comprehensive Revenue and Expense on a straight line basis over the period of the lease.

Breakdown of forecast revenue

(\$million)	2-Jan-00	2.1	2.2
Other income	1.1	1.2	1.3
Service income from Auckland Council group	16.5	16.8	17.1
Funding from Auckland Council	24.5	25.3	26.0
Total revenue	42.1	43.3	44.4

Breakdown of forecast other operating expenses

(\$million)	23/24 Budget	24/25 Budget	25/26 Budget
Directors' fees and expenses	0.6	0.6	0.6
Lease payments under operating leases	1.9	1.9	1.9
Grants, contributions & sponsorship	0.1	0.1	0.1
Professional services	2.7	2.9	2.9
Repairs and maintenance	0.2	0.3	0.3
Utilities and occupancy	0.3	0.3	0.3
Other operating expenses	2.7	2.5	2.6
Total operating expenses	8.5	8.6	8.8