

Tāmaki Regeneration



Statement Of Intent
April 2013

Who is Tāmaki?

I am the maunga, the awa, the land and the sea
I am an ageing Rangatira and a warrior to be
I am a scarred war veteran and a new born babe
I am the Matai of the village and Taupo o le ainga
I am a Rhodes scholar and a patched gang member
I am 'Ulumotu'a of the family and the local cop
I am a teacher, caregiver and Manaiakalani student
I am a solo mum of five and a lost teenage boy
I am a spiritual leader and a person of faith
I am the tears of despair, of hope and of joy
I am Aotearoa, Niu Sila, Aukilani, our home

Together, we are Tāmaki

Preface



Te pai me te whai-rawa o Tāmaki The luxury and wealth of Tāmaki

The tides of Tāmaki River have sustained human life for almost a thousand years, bearing waka to the fishing grounds of the Waitemata harbour and beyond.

On the river's western shore, Māori pioneers would have encountered a mature subtropical forest covering today's suburbs of Pt. England, Glen Innes and Panmure.

The area was highly prized for its fertile soil and its food basket of trees, birds, and seafood.

Gardens of kumara, taro and yams, and oceans of snapper, stingray, flounder, and shellfish provided sustenance for forty generations of human existence.

The abundance of food was so apparent in early years, Tāmaki people could harvest oysters clinging to mangroves.

Early European settlers were also taken with the area. In 1840, Surveyor-General Felton Matthew recommended that Panmure be the nation's new capital.

Today, Tāmaki's outstanding natural environment is overshadowed by its run-down built environment, and life in recent years has got harder for many of its people.

Their social and economic challenges are well known.

But, there remains plenty of pride and aspiration. As one resident at Ruapotaka Marae said recently, "people feel a strong sense of attachment and a real sense of identity with Tāmaki."

With a strong sense of history and community, the area's 18,000 residents are ready to create a better future for themselves and generations to come.

Tāmaki is ready.



A Message from Tāmaki Redevelopment Company

We are pleased to present the *Statement of Intent (SOI)* for Tāmaki Redevelopment Company Limited (TRC).

This SOI is submitted by the Board of Directors of the Tāmaki Redevelopment Company Limited pursuant to Schedule One of the TRC Constitution. It sets out the objectives and intentions of TRC. The period covered by this SOI ends at the end of Stage One or 30 June 2014, whichever date that is earlier.

As requested by Shareholders, our SOI reflects the development and delivery of:

- TRC's prioritised objectives
- TRC's purpose and operating principles
- a compelling Tāmaki Vision
- identification of catalyst (capital and community development) projects
- the Strategic Framework and its compliance with Article 3.3 of the Heads of Agreement
- the Business case
- input in to the draft Auckland Unitary Plan to deliver the Strategic Framework
- how TRC proposes to engage with stakeholders, particularly the Tāmaki community
- a strong assurance and risk framework

TRC has a strong sense of community purpose. Our SOI demonstrates our desire and intention to work with iwi to achieve the aspirations of Tāmaki's mana whenua and acknowledges its responsibility under the Treaty of Waitangi.

Due to the significant momentum of our strategic issues, we welcome the continued and pragmatic engagement with officials and with shareholders. We would also like to reassure shareholders that our planning, particularly around the Strategic Framework and Business case, will reflect Shareholders' expectations.

We are looking forward to working with Shareholders and the community to deliver the TRC regeneration objects.

Martin Udale
Chair
Tamaki Redevelopment Company

Table of Contents

A Message from Tāmaki Redevelopment Company.....	4
Table of Contents.....	5
1. Introduction	7
1.1. Purpose and Scope of SOI	7
1.2. Background	7
1.3. Shareholders Purpose of the Company	8
1.4. Key Board Decisions.....	9
1.5. Area of Influence.....	10
1.6. Operating Environment	10
2. Nature and Scope of Activities.....	12
2.1. Expected Outcome.....	12
2.2. Progression	12
2.3. Timetable	13
2.4. Contents of Tāmaki Regeneration Documents	14
2.5. Working & Operating Principles	17
2.6. Engagement with Stakeholders	17
2.7. Unitary Plan.....	20
2.8. Identification and Support of Catalyst Projects	20
2.9. Shareholder Relationships	21
2.10. Key Terms.....	22
3. Financial Forecast	23
3.1. Forecast Financial Statements	23
3.2. Statement of Accounting Policies	26
4. Statement of Current and Forecast Service Performance.....	27
4.1. Output Class One: Finance.....	27
4.2. Output Class Two: Operations	27
5. General.....	29
5.1. Board Approach to Governance	29
5.2. Representation and Commitment Statement	29
5.3. Relationships.....	30
6. Organisational Health, Capability and Risk Management	32
6.1. Assurance Framework.....	32
6.2. Organisational Resilience.....	32

6.3. Good Employer	33
6.4. Health and Safety.....	33
Directory	34
Supporting Definitions	35
Appendix One: Tāmaki Regeneration Area of Interest.....	37
Appendix Two: Tāmaki Way of Working.....	38
Appendix Three: Tāmaki Regeneration Accountability Framework....	Error! Bookmark not defined.
Appendix Four: Proposed Stage 1 Assurance Hierarchy	39

1. Introduction

1.1. Purpose and Scope of SOI

This Statement of Intent (SOI) is presented by the Tāmaki Redevelopment Company (the Company or TRC) in accordance with the requirements of the Heads of Agreement (HOA), Constitution, and more recently the draft Letter of Expectations (LOE). The SOI covers the Company's Stage 1 activities through to the end of Stage One or 30 June 2014, whichever date occurs first.

The purpose of this SOI is to promote public accountability for the Company by:

- enabling the Shareholders to participate in the process of setting the Company's Stage 1 activities;
- setting out for the Shareholders those activities; and
- providing a base against which the Company's actual performance can later be assessed.

The Company's establishment and activities will be carried out in two stages:

- Stage 1: The first stage of the establishment and activities of TRC which involves the delivery of the Tamaki Vision, Strategic Framework and Business Case for shareholders decision
- Stage 2: The second stage of the establishment and activities of TRC will commence if the shareholders agree to proceed to Stage 2.

The Company will undergo a significant amount of change in order to deliver Stage 2 in relation to its functions and capabilities. The strategic future of the Stage 2 organisation will be influenced by the Strategic Framework and Business Case defined in Stage 1. This will require additional financial resourcing, people and governance structures which will be identified in the Business Case.

1.2. Background

The Company was incorporated on 6 August 2012 by the Shareholders (Minister of Housing, Minister of Finance, and the Mayor of Auckland). The Crown and Council agreed to establish the Company to support the regeneration of Tāmaki. There are four regeneration objectives captured in the Tāmaki Heads of Agreement that was signed by the Crown and Council on 24 July 2012, as follows:

- **Social:** Supporting Tāmaki residents and families to get the skills, knowledge and employment opportunities to progress in their lives;
- **Economic:** Strengthening the local economy and unlocking the potential of the Tāmaki area to enable a prosperous community and deliver better value for money to the Crown (with a focus on increasing the return on investment and realising the potential value from state and council-owned housing);
- **Spatial:** Creating safe and connected neighbourhoods that support the social and economic development of Tāmaki and its community; and
- **Housing resources:** Optimising the use of land and existing housing stock to effectively support and deliver social and economic results, including progressing private housing development and better public housing options for Tāmaki.

When the Company was incorporated an Advisory Board provided oversight for the company until the formal Board commenced its tenure. Both the Advisory and Current Board were integral in the set-up of the company's organisational structure and systems. A transition team was established and led by Lee Mathias as Caretaker Director.

The Chief Executive, Debra Lawson started in early September 2012. The transition team organised the leasing of offices in Glen Innes and began establishing the necessary systems and structures for operational effectiveness. The first three months had a focus on engagement with key stakeholders and the recruitment to nine key positions to ensure the Company had the necessary skills and capabilities to deliver on the objectives identified in Stage 1.

The formal Board was appointed on 20 December 2012 and their induction and first Board meeting occurred on 15 February 2013.

1.3. Shareholders Purpose of the Company

The overarching purpose of the Company is to pursue the Objectives in accordance with the Heads of Agreement, the Letter of Expectation and (once formally approved by the Shareholders) the Strategic Framework. The Company will pursue the Objectives by:

- Leading and integrating a programme of activities (with involvement of public, private and non-government organisations) to transform Tāmaki, including planning and preparatory activities;
- Procuring and/or influencing physical and spatial development, including with regard to housing, infrastructure and amenities; and
- Facilitating alignment and the design and delivery of place-based social and economic projects to lift prosperity and well-being in Tāmaki.

The Shareholders' primary purpose for the Company during the period covered by this SOI, (Stage 1), is to produce the Tāmaki Regeneration Documents*.¹

The Auckland Council explicitly supports the regeneration of Tāmaki in its Auckland Plan. As part of the Auckland Plan Development Strategy the Council has identified Tāmaki as one of nine priority areas for growth for the first three years. In practice this means that the Council's infrastructure investment will be more significant in Tāmaki than in other non-priority areas.

For the Government, the Tāmaki regeneration is about challenging government agencies to think differently and act boldly to develop new ways of working together that deliver better outcomes and better value.

With a focus on social, economic, housing and spatial initiatives - and building on the work that has already been undertaken over recent years - the Programme presents an exciting opportunity to bring together a wide range of public and private partners and regeneration initiatives under one entity.

¹ * Tāmaki Regeneration Documents include the Draft Tāmaki Vision (to be contained within the Strategic Framework), Strategic Framework and the Business Case, and are further defined in section 2.

1.4. Key Board Decisions

The Interim Board, Caretaker Director and current Board have made a number of key decisions in the development of TRC. Some of these are:

Establishment of TRC:

- Establish the TRC office in the heart of Glen Innes
- Opening of Company Bank Accounts, Company incorporation and registration, appointment of the sole director and chief executive of the company, company shares, the company's auditor, and appointment of solicitors
- Establishment of All of Government Contracts for Recruitment, IT Support, IT and phone Installation, legal and travel
- Media Policy
- Establishment tasks and initial organisational structure
- Formal planning programme to keep focus on delivery of key objectives
- Transformation Brief outlining a base line of information about the Tāmaki area
- Delegations Policy and Treasury Policy

Unitary Plan:

- Input on the Unitary Plan to support the engagement with the Council on the Unitary Plan in the early stages, prior to statutory notification.

Catalyst Projects:

Community Development projects - selection criteria determined and endorsement received to support four key projects

- Manaiakalani Education Trust
- Financial Literacy Programme
- Tāmaki Learning Champions (Early Childhood)
- Community Safety Initiatives, Neighbourhood Policing Team

Capital Development projects – TRC is targeting two start-up projects which will demonstrate both the regeneration approach and build environment quality that TRC is committed to. They also will be the opportunity to capture the best practice work done on innovative procurement practices that support the local economy. A paper went to the Board in April 2013, where the Board approved the investigation of five candidate sites to determine which two would offer the best opportunity for Tāmaki residents.

Engagement:

Engagement with key stakeholders to introduce TRC, our objectives, priorities and the Chief Executive

- Feedback and endorsement of the TRC Vision and Outcomes
- The establishment and implementation of the Cultural Mapping project
- Draft Communications and Stakeholder Engagement Framework

- Economic Development Forum
- Accountability and Engagement Framework
- Stakeholder Engagement Strategy
- Formal blessing of the TRC office
- Powhiri to welcome the Chief Executive and transition team (31 October 2013)
- Glen Innes Carnival day (10 November 2012)
- Powhiri to welcome new permanent staff and Board Chair (23 January 2013)
- Kids in Family day (23 March 2013)

1.5. Area of Influence

Located in Glen Innes, the TRC office is located in the heart of the regeneration area (referred to as Tāmaki in this document). The area includes the suburbs of Glen Innes, Pt. England and parts of Panmure, as outlined in the attached map (Appendix One). Shareholders have acknowledged that this outline is indicative only and is not a statutory boundary.

The Company will provide advice on any adjustments to the indicative boundary as part of its Stage 1 activities.

The Advisory Board has updated the indicative boundary to include the sports grounds, Ngahui Reserve and the AMETI Connection, and this has been formally endorsed by Board decision. These areas were included due to their strategic importance, either in

- opportunities for economic development associated with the Panmure TOD and improved transport connections; or
- due to the opportunity to provide a broad range of open space and recreational activities which will increase the recreational prospects for Tamaki residents and surrounding areas.

The current area of influence has been updated by the Council's Geographic Information System (GIS) and is now included in all public documentation, including the Council's website.

1.6. Operating Environment

Tāmaki has some opportunities and key assets, including:

- *A range of natural advantages:* coastal boundaries and green spaces
- *Location and Accessibility advantages:* 15 minutes by train to the city and adjacent to major commercial, education and property developments with substantial future infrastructure investment planned (for example, transport)
- *People:* estimated population of 18,150 in June 2011. Culturally diverse community, 23% Māori, 45% Pacific Island, as well as a young population with 29% of people under the age of 15 (compared to 19% in wider Auckland).
- *Identity:* The area is also characterised by a strong community identity and sense of place within Auckland.

However, the population of Tāmaki is also faced with a range of challenging socio-economic trends in the areas of health, education, welfare, and crime, among others. Key challenges within the environment include:

- *Concentration of socio-economic disadvantage:* The Tāmaki community is characterised by relatively high levels of deprivation, low levels of education, a high percentage of young parents, low income and a high dependency on benefits.
- *Poor capital asset efficiency* due to high proportion of separate dwellings.
- *Slow rate of housing growth:* Housing New Zealand Corporation (HNZC) has increased the stock by only 52 dwellings over the last five years, and an average of only 20 consents have been issued per year by the Council to the private sector.
- *Negative views and perceptions among potential investors:* Evidence suggests private investors are deterred from investing in the area due to insufficient financial incentives and a lack of certainty around resource consents.
- *Lack of alignment between key partners due to the wide range and large number of public and private projects being delivered in the area.*

In addition to the opportunities and challenges above, TRC itself represents both opportunities and challenges as the first urban regeneration company of its kind in New Zealand.

2. Nature and Scope of Activities

2.1. Expected Outcome

At the end of the SOI period the Company is required to deliver the following documents to the Shareholders:

- Draft Tāmaki Vision (to be contained within the Strategic Framework)
- Strategic Framework
- Business Case

These are referred to collectively as the "**Tāmaki Regeneration Documents**". These documents will cover the delivery phase of the regeneration in Tāmaki (Stage 2).

Catalyst projects

- **Community Development projects:** Selection criteria defined for Community Development projects. Potential projects identified and support for four Community Development projects is underway.
- **Capital Development projects:** potential capital development projects have been identified to the Board for investigation and feasibility assessment.

Unitary plan: Input and engagement with the Council on the Unitary Plan prior to statutory notification. Special provisions for regeneration in Tāmaki considered and included in the Unitary Plan.

2.2. Progression

The Company will progress the Tāmaki Regeneration Documents in accordance with the criteria, principles and timeframes prescribed under the HOA by carrying out the activities in this Section 2, "Nature and Scope of Activities".

2.3. Timetable

The Company is required to produce the Tāmaki Regeneration Documents in accordance with the following timetable:

Deliverable	Delivered by:
Progress Report on the Business Case	30 March 2013
Draft Statement of Intent (SOI)	30 April 2013
Draft Tāmaki Vision	30 April 2013
Final Statement of Intent	15 May 2013
Draft Strategic Framework	30 June 2013
Progress Report on the Business Case	30 June 2013
Report on annual 2013/13 operations for year ended 30 June 2013	31 July 2013
Final Tāmaki Vision	30 September 2013
Final Strategic Framework	30 September 2013
Final Business Case	30 September 2013
Proposed Initial Development Plan	30 September 2013
Proposed Initial Business Plan	30 September 2013
First Quarter Report for period ended 30 September 2013	31 October 2013

2.4. Contents of Tāmaki Regeneration Documents

Document	Purpose	Time Frame/ Scope	Prime Audience	Key Terms
Vision Statement	To provide the enduring high level framework from which all other planning flows.	For the life of TRC	Everyone who is involved in Tāmaki transformation.	<ul style="list-style-type: none"> • Compelling picture of the future • Key outcomes with measures • Stakeholder buy-in
Strategic Framework	To describe how the vision and outcomes will be achieved.	For the life of TRC	Everyone who is involved in Tāmaki transformation.	<ul style="list-style-type: none"> • Areas of intervention • Key strategies/programmes • Standards • Sequencing • High level spatial assumptions
Development Plans (locality plans)	To provide detailed plans specifying how the Strategic Framework will be delivered on the ground.	1 year > <5 years By locality	Those engaged in the development and delivery of specific projects.	<ul style="list-style-type: none"> • Spatial plan • Projects • Investment • Partners
Business Case	To seek investment by the shareholders in Tāmaki transformation.	Life of the investment	Shareholders, key political constituencies, TRC Board and management.	<ul style="list-style-type: none"> • Strategic • Economic • Commercial • Financial • Management
Business Plan	To manage the day to day operations of the TRC business.	3 year rolling Revised annually	TRC Board, management and staff	<ul style="list-style-type: none"> • TRC Outputs • Resource allocation • Financial • Risk management
Statement of Intent	To agree key ownership terms between TRC board and its shareholders.	3 year rolling Revised annually	TRC Board, shareholders, partners, parliament and the public	<p>TRC outputs linked to key outcomes</p> <ul style="list-style-type: none"> • 3 year targets • High level strategies to achieve targets • 3 year high level financials • Key policies • Risk management

2.4.1. Development and Finalisation of the Tāmaki Vision

The Tāmaki Vision and Outcomes were developed to synthesise much of the work developed by the Tāmaki Transformation Programme prior to the setup of TRC and in respect to the legacy work undertaken. One of the key deliverables for TRC was to build on the work already undertaken within Tāmaki. The Tāmaki vision was developed

by the community and has been refined with input from the TRC team and the Interim Board. In addition the TRC team have added two new Key Result areas – Natural Environment and Happy Healthy Children.

TĀMAKI'S VISION

Tāmaki is a strong and welcoming community, where people thrive and prosper, celebrated for its distinct history and vibrant future

END OUTCOMES

More Tāmaki residents have good sustainable employment

Connected, safe, attractive and well-used spaces

Tāmaki's people and children are engaged, healthy and safe

KEY RESULT AREAS

TALENT, INNOVATION AND ECONOMIC WELLBEING

EDUCATION AND SKILLS

A talented and employable workforce, including young people that are equipped with the knowledge, skills and values to be successful in the 21st Century

EMPLOYMENT

Opportunities for employment, building career paths, local employment and connection to other employment areas. Access to regional employment industries and skills

ECONOMIC DEVELOPMENT

More productive, high-value, sustainable and connected businesses that offer quality employment opportunities and increase the area's economic growth

INNOVATION

New ways of working that deliver efficiency, collaboration and different solutions to address complex problems

PLACES AND NEIGHBOURHOODS

HOUSING

More and better homes that are affordable and reflect current and future demand for housing

URBAN ENVIRONMENT

Attractive, safe, connected, and valued spaces that support a variety of urban lifestyles

NATURAL ENVIRONMENT

Looking after and caring for the Maunga, water, open space and air. Natural environment to be healthy and resilient, to support diverse lifestyles

TRANSPORT

An innovative and efficient local transport network that champions a variety of low-energy public transport options. Local services that link the periphery to the centre, and to the regional network (spoke and hub)

LIFESTYLE

HEALTH, ACTIVITY AND RECREATION

People lead happy, healthy, active lives and participate in civic, sports, arts, and recreational activities at all ages

HAPPY HEALTHY CHILDREN

Thriving children who have nutritious food, a warm safe home, medical attention if they are sick, a good education and fun, safe places to hang out and play,

SAFETY AND SECURITY

A safe place to live, work and visit, with high levels of trust and feelings of safety

CULTURAL IDENTITY

Tāmaki is a community where cultural diversity, social inclusiveness, creativity and heritage are celebrated and leveraged as strengths

'TĀMAKI WAY OF WORKING'

The Tāmaki Transformation Programme provides a benchmark for public service delivery in New Zealand, clearly demonstrating the benefits of a partnership approach between national and local government, business, and community

TRC's vision for Tāmaki will be achieved through the delivery of programmes in alignment with the outcomes in the HOA, and wider Government, Council and Local Board objectives. Regeneration in Tāmaki is about taking an integrated and “whole of community” approach to challenges by delivering lasting improvements in economic, physical, social and environmental conditions.

2.4.2. Preparation of the Strategic Framework

The Company will prepare a 20-25 year Strategic Framework for all of Stage 2 of the regeneration in Tāmaki and meet the expectations outlined in the LOE to continue to engage with the community and offer short term deliverables that meet the wider Strategic Framework.

TRC developed the Draft Strategic Framework and delivered a first iteration to Shareholders on 15 April 2013 for Crown and Council feedback.

The Draft Strategic Framework has been developed to:

- reflect the objectives and Crown or Council goals for the regeneration in Tāmaki advised to the Company;
- include all matters specified in the initial SOI for inclusion in the Strategic Framework;
- reflect and refine the draft Tāmaki Vision;
- cover all of Stage 2 of the regeneration in Tāmaki, not just the specific activities to be performed by the Company;
- take into account previous public consultation on Tāmaki plans, including the Auckland City Council Future Planning Framework Tāmaki Area Plan.

TRC is yet to complete the identification of deliverable and measurable targets for Programme outputs, covering all Regeneration objectives. These will be defined in the final Strategic Framework.

During formulation of the Strategic Framework the Company will continue to actively engage with stakeholders and engage in appropriate public consultation. As part of this engagement, the Company will release the Draft Strategic Framework for stakeholder comment in June/July 2013.

Section 2.6.2 further outlines stakeholder engagement on the Strategic Framework.

2.4.3. Preparation of Business Case(s) and Preferred Business Model(s)

In parallel with preparing the Strategic Plan, the Company will prepare a Business Case (or cases) for Stage 2 that will use the five components: Strategic, Economic, Commercial, Financial, and Management to cover:

- implementation of the Strategic Framework by the Company;
- the preferred business model(s) to be adopted (including matters relating to capitalisation, asset transfers, shareholder contributions, and indicative precinct plan commercial methodologies);
- leading spatial alignment along with other key coordinating agencies;
- options to partner with third sector housing providers and leverage private capital towards regeneration outcomes, including, but not limited to:
 - A future role as a competing social housing provider, and
 - Approaching regeneration in a staged manner that provides a ‘proof of concept’.

To the extent applicable, the Business Case(s) will be prepared using the Crown “Better Business Case” process.

2.5. Working & Operating Principles

The ‘Tāmaki Way of Working’ model (Appendix Two) will continue to underpin the way that the Company operates. In support of this, TRC will conduct business through sound operating principles that include:

- Developing and operating Human Resources policies that complies with the principle of being a Good Employer;
- Exhibiting a sense of social and environmental responsibility;
- Establishing and maintaining processes for community engagement regarding its activities; and
- Exhibiting sound business practice, including responsible and transparent financial management, procurement integrity, sound regeneration principles and practice, and a “no surprises” communication policy.

2.6. Engagement with Stakeholders

The ‘Tāmaki Way of Working’ was developed in conjunction with the Tamaki community and will guide the Company’s engagement activities. The community engagement programme which covers the period of this SOI will build on the significant consultation work undertaken by the former Tāmaki Transformation Programme. It will be adapted and improved following input from community leaders and will continue to be improved as the Stage 1 consultative exercise continues.

The primary aim of the Stage 1 community engagement is to “check back in” with the Tāmaki community and other key stakeholders and provide feedback to inform the Shareholders decision regarding Stage 2. Feedback from stakeholders during the period of this SOI will help shape and influence key programmes and initiatives.

Shareholders, via their Letter of Expectations, have reaffirmed their expectation around real and authentic engagement with the community. The Company will take a broad approach that will ensure TRC engages in a way that will work with the diverse community we service. We will align our work with the community’s views and aspirations.

TRC will participate in two way communication with our stakeholders with the view to gaining community support and participation throughout the life of the regeneration in Tāmaki. Whilst a number of feedback channels will be established, TRC also acknowledges that for the community of Tāmaki, kanohi ki te kanohi (face to face), remains the communication and feedback channel of choice.

2.6.1. Process for Active Engagement with Stakeholders on the Strategic Framework

The Tāmaki Regeneration Programme’s ambition is to become a benchmark for stakeholder and community engagement. The company will establish a process which demonstrates the tangible benefits of partnership and collaboration between business, national and local government, and the communities that they serve.

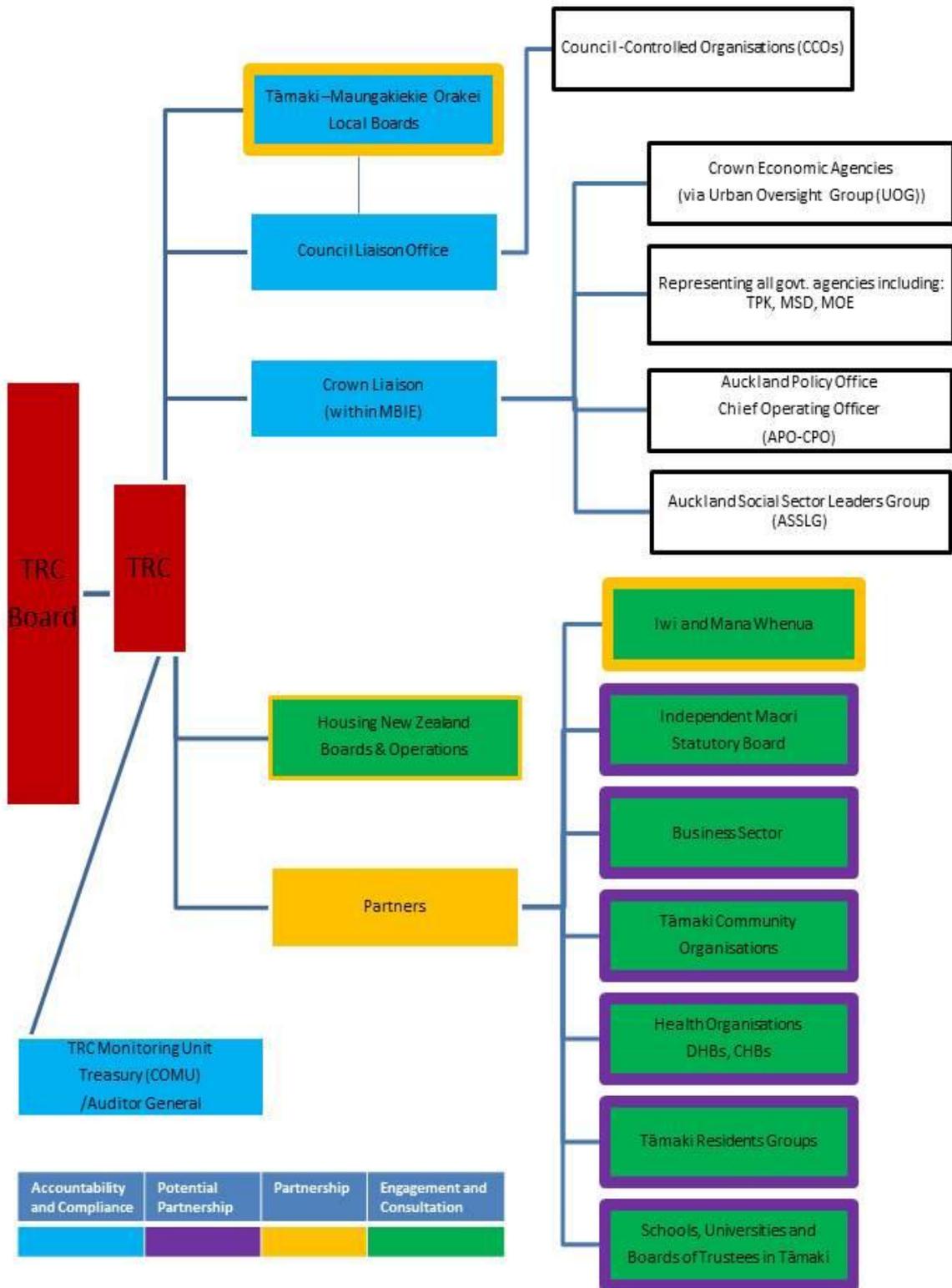
During the development of the Strategic Framework the Company will actively engage with stakeholders, including through an appropriate formal public engagement period. As part of this engagement, the Company will release the Draft Strategic Framework for stakeholder comment by July 2013 at the latest. Stakeholders will include (but are not limited to):

- The community of Tāmaki
- Local Iwi and groups representing Pacific peoples in Tāmaki
- Government agencies and entities (including housing, health, education, social development, transport etc.)
- Council, its Local Board, and its departments and CCOs
- Independent Maori Statutory Board
- District Health Boards, Community Health Boards, and Public Health Authorities
- Education providers (Early Childhood Education, primary through to tertiary, including New Zealand Skills, Te Wānanga o Aotearoa, private tertiary education providers, polytechnics.
- NGOs and social services / community organisations
- Private sector (including local businesses, developers, construction firms)

The Company will not release the Draft Strategic Framework for stakeholder feedback without the Shareholders' prior consent. The Company will take into account stakeholder feedback and update the Draft Strategic Framework for final Shareholders approval by September 2013, or earlier if possible.

A framework for engagement with government agencies and Council on the Strategic Framework and Business Case has been established. This framework includes a Working Group and Steering Committee established to oversee the Strategic Framework and Business Case, provide advice and to recommend to the Board and Shareholders, not to make decisions.

Tāmaki Transformation Programme Stakeholder Engagement Model



2.7. Unitary Plan

The Unitary Plan will set the statutory planning framework for Tāmaki for the time period of the regeneration programme. TRC will work with Council to assist in developing a Unitary Plan which recognises the unique regeneration programme for Tāmaki, and provides an enabling regulatory environment for quality development. The Unitary Plan should provide for significant intensification, a range of housing typologies, mixed use town centres, and extensive opportunities for community and economic development initiatives. The Unitary Plan should be flexible and recognise the significant change that will occur in Tāmaki over the life of the Plan.

The TRC role is as an advocate for enabling provisions within the Plan. It is working collaboratively with the Council to help identify the planning mechanisms and approach which will deliver the regeneration programme. TRC and the Council have agreed to create a special overlay for Tamaki which recognises regeneration of the area. We are currently working through the planning provisions which will promote high quality intensive development and a range of activities that support the Tamaki regeneration objectives.

2.8. Identification and Support of Catalyst Projects

The Company cannot achieve the outcomes identified in the Heads of Agreement in isolation of the community or without the support of partners. A number of projects that are already underway have been designed to create long term sustainable change and are catalyst projects in their own right. Where these projects are aligned to the Heads of Agreement and where they have the capacity to deliver more with some additional support, they will be considered for partnership support by the Company.

Supporting these projects will have several benefits, namely:

- It enables the Company to establish working relationships with key community stakeholders and organisations from the outset.
- It creates a platform on which future projects can be scaled up and new projects developed.
- It recognises and builds on the valuable and effective work that is already underway in the community.
- It creates a multiplier effect and value for a relatively small investment due to the ability of community partners to leverage additional support from philanthropic organisations and other agencies.

The Company will implement a programme of projects aimed at catalysing long term sustainable change. These projects will form the core of the Regeneration Programme. They can be differentiated in the following way.

Community Development Projects	Projects that support a ground up approach in enabling communities work with the company to find innovative solutions to many of the issues facing the Tamaki Community. These initiatives will help to transform the current socio economic profile of Tamaki to one that matches or exceeds Auckland or national averages.
Capital Development Projects	Urban redevelopment initiatives including housing redevelopment, open space environmental and infrastructure development.

Potential Catalyst Projects have been identified during the Strategic Framework and Business Case development process and reported accordingly. These projects will form an integrated programme to be implemented in association with the community.

The projects will be fully evaluated to ensure they deliver the outcomes identified. A letter of agreement which clearly identifies the TRC activity, cost and deliverables will be developed in conjunction with each project owner, ensuring appropriate and transparent use of all funds. This is in the process of being developed with the Manaiakalani Education Trust, which has strong support from the Ministry of Education and eleven Tāmaki schools, as our first Community Development Project. It will be replicated with other catalyst projects as they are implemented following Board Approval.

2.8.1. Cultural Mapping

TRC are supporting the development of a “cultural mapping” project which will identify “sites of significance” within the Tāmaki area (including wahi tapu, archaeological, historic and geological). Cultural mapping has two initial goals:

- To work with Mana Whenua Iwi to produce a narrative about their spiritual, cultural or traditional associations with the natural environment within the Tāmaki Area; and
- Develop a map of sites of significance that relates to the narrative above.

These will form the first part of what is hoped to be an extensive documentation of the area recognising that there are layers of interest dating back approximately 1000 years through to the present day and many groups have connections with the site.

2.9. Shareholder Relationships

2.9.1. Consultation

The Company will adopt a “no surprises” approach, and as such will inform the Shareholders of any material or significant events or set of circumstances, whether positive or negative, that could be considered contentious, attract wide public attention, and/ or affect the financial position of the Company. Any information that is provided by the Company to any Shareholder must be provided to all other Shareholders at the same time.

Due to the complex Stage 2 purpose of the Company, collaboration is necessary for its success. Officials will provide input in TRC’s development of the Strategic Framework and Business Case.

During formulation of the Strategic Framework the Company will agree a draft of the Strategic Framework with Shareholders for consultation with stakeholders. The Company will then actively engage in appropriate public engagement. As part of this engagement, the Company will by July 2013 (or earlier if possible) release the Draft Strategic Framework for stakeholder comment.

2.9.2. Engagement with Auckland Council CCOs

A formal monthly TRC-Auckland Council Liaison Meeting takes place which is chaired by the Head of the City Transformation Team of Council. There is also an open engagement with CCOs who may have an interest in the Tāmaki regeneration programme, which includes but not limited to, Auckland Transport, Auckland Council Property Limited, Watercare Services and Auckland Waterfront.

2.9.3. Reporting

The Company has adopted 30 June as its balance date.

- **Statement of Intent** – Subsequent to this initial SOI, by the 28th of February each year the Company will prepare and deliver a draft SOI to the Shareholders that covers the coming three financial years.
- **Quarterly Report** – The Company will deliver a report on its operations by 31 July 2013 for the financial year end 2012/13 (and thereafter on an annual basis). From 30 September 2013 onwards, the Company will deliver (no later than one month after the end of the first and third quarters of each financial year) to the Shareholders a report on its operations during that period. The report will include the information required to be included by the SOI.
- **Annual Report** - At the end of each financial year, a report on the affairs of the Company will be prepared, presented and published in accordance with sections 150 and 151 of the Crown Entities Act. This demonstrates openness and transparency in regards to TCR's performance. The Company will provide year-end audited financial information which will meet the timing requirements for reporting to its shareholders being the Auckland Council, Minister of Housing and Minister of Finance.

In addition to the above, the Company will report on the Service Performance as outlined in section 4. This will include identifying key Operational and Financial risks associated with the respective output class .

2.10. Key Terms

The key terms are listed in Schedule 2 of the Heads of Agreement. These terms are indicative only and are intended as a starting point for review and agreement on Stage 2 and, in the interim, to guide the Company's, Crown's and Council's activities during Stage 1.

The Company will have regard to the Key Terms.

3. Financial Forecast

3.1. Forecast Financial Statements

Tamaki Redevelopment Company Limited

Financial Statement of Earnings

for the period 6 August 2012 to 30 June 2013 and 1 July 2013 to 30 June 2014 respectively.

	FY 13	FY 14	TOTAL
Interest Revenue	\$ 140	\$ 42	\$ 182
Total Revenue	<u>\$ 140</u>	<u>\$ 42</u>	<u>\$ 182</u>
Operating Expenditure			
Total Remuneration staffing	\$ 894	\$ 1,796	\$ 2,690
Professional Services - Legal	\$ 77	\$ 278	\$ 354
Professional Services - Audit & Insurance	\$ 51	\$ 70	\$ 121
Consultants	\$ 1,042	\$ 225	\$ 1,267
Contractors and Temporary staff	\$ 784	\$ 452	\$ 1,236
Total Professional Fees and Consultants	<u>\$ 1,954</u>	<u>\$ 1,025</u>	<u>\$ 2,978</u>
Total Management & Governance Costs	\$ 887	\$ 1,096	\$ 1,984
Total Operational Costs	<u>\$ 3,735</u>	<u>\$ 3,917</u>	<u>\$ 7,652</u>
Depreciation	\$ 71	\$ 188	\$ 259
Operating Income (Loss) Before Tax	<u>\$ 3,805</u>	<u>\$ 4,105</u>	<u>\$ 7,911</u>
Income Tax	\$ -	\$ -	\$ -
Net Earnings(Loss) after Tax	<u>(\$3,665)</u>	<u>(\$4,064)</u>	<u>(\$7,729)</u>

Tamaki Redevelopment Company Limited

Cashflow Statement

from Operations as at 30 June

	30 June 2013		30 June 2014		Cash Movement Stage 1
Opening Cash Position	\$	8,500	\$	4,109	\$ 8,500
Net Income		(\$3,665)		(\$4,064)	(\$7,729)
Add back Depreciation	\$	71	\$	188	\$ 259
Net Cash from Operations		(\$3,594)		(\$3,876)	(\$7,470)
Capital Expenditure	\$	797	\$	67	\$ 864
Closing Cash Position	\$	4,109	\$	166	\$ 166

Tamaki Redevelopment Company Limited
Balance Sheet
as at 30 June

	30 June 2013	30 June 2014
Assets		
Cash	\$ 4,109	\$ 166
Office Equipment	\$ 119	\$ 129
Leasehold Fittings	\$ 472	\$ 507
Computer Hardware	\$ 82	\$ 96
Software and licenses	\$ 125	\$ 133
	\$ 797	\$ 864
Less Accumulated Depreciation		
Office Equipment	\$ 14	\$ 40
Leasehold Fittings	\$ 31	\$ 131
Computer Hardware	\$ 15	\$ 52
Software and licenses	\$ 9	\$ 35
	\$ 70	\$ 258
Total Assets	\$ 4,836	\$ 772
Shareholders' Equity		
Auckland Council	\$ 3,500	\$ 3,500
Crown -- Ministry of Housing	\$ 2,500	\$ 2,500
Crown -- Ministry of Finance	\$ 2,500	\$ 2,500
Less Accumulated Reserves (Loss)	(\$3,664)	(\$7,728)
Total Equity	\$ 4,836	\$ 772

Key expenditure throughout Stage 1 has been on

- Operating expenses – covering items such as Board fees and governance, office lease and facilities, communications, marketing and catalyst projects.
- Salaries – covering 12 permanent staff and 2 fixed term contracts in year one. Year two forecasts are based on 13 permanent staff and 2 fixed term contracts.
- Consultants and Contractors – engaged during year one to assist in developing the Tāmaki Regeneration Documents (including legal services). Year two forecasts have taken into consideration the appointment of permanent roles.

3.1.1. Statement of Underlying Assumptions

- The financial statements are prepared in New Zealand Dollars and all values are rounded to the nearest thousand (\$000)

- The financial statements have been prepared on a historical cost basis.
- The financial statements have been prepared under the assumption that the company is a going concern
- Figures within the financial statements exclude GST and provide for all known actual costs incurred to 31 March 2013 and forecast expenditure to 30 June 2014.
- Financial year end is June 30th for each period.

3.2. Statement of Accounting Policies

TRC is a limited liability company and was incorporated on 6th August 2012 under the Companies Act 1993. It is a Crown and Auckland Council owned Company, where the Crown is the majority shareholder. The company is listed under Schedule 4 of the Public Finance Act 1989 and accordingly is subject to certain provisions of the Crown Entities Act 2004. The Company is conceived as a public benefit entity for the purposes of financial reporting standards and maintains accounting records in accordance with the Companies Act 1993 and has adopted accounting standards promulgated by the New Zealand Institute of Chartered Accountants. The company will provide year end audited financial report to shareholders. The company will develop a full statement of accounting policies by June 2013.

4. Statement of Current and Forecast Service Performance

The Statement of Service Performance outlines the measures used to assess the Company's performance in delivering the outputs.

There are two output classes for Stage 1: Operations and Finance.

4.1. Output Class One: Finance

4.1.1. Scope

Service performance for Finance refers to the expected revenue that will be earned and proposed expenses that will be incurred.

4.1.2. Performance Indicators

The Company's criteria for the financial requirements are that the company carries out its operations within budget.

4.1.3. Performance Target/ Measures

Expectations for the period 1 August 2012 to June 2014.

	Target Year ending 30 June 2013 (\$ in 000's)	Target Year ending 30 June 2014 (\$ in 000's)	Target 2 years ending 30 June 2014 (\$ in 000's)
Starting Cash	8,500	4,110	8,500
Revenue	141	48	189
Expenses Incurred	3,803	4,142	7,945
Capital Expenditure	797	67	864
Less Depreciation	(69)	(207)	(276)
Net Cash position at EOY	\$ 4,110	\$ 156	\$ 156

4.2. Output Class Two: Operations

4.2.1. Scope

Service performance for Operations refers to the delivery of all requirements that draw together the Tāmaki Regeneration Documents.

4.2.2. Performance Indicators

The Company's criteria for the requirements relating to the Tāmaki Regeneration Documents are that the documents are delivered within the expected timeframe.

4.2.3. Performance Target/ Measures

Expectations for the period 1 August 2012 to June 2014

Deliverable	Measurement Standard	Target: Delivered by:	Delivered By
Community Development Projects: identification and support	Selection criteria established	5 October 2012	✓
	4 projects identified	15 February 2013	✓
Catalyst Projects identification and support	Early Start: 6 identified to the Board for further investigation and feasibility	19 April 2013	✓
Engagement on the draft Unitary plan	Formal Stakeholder Engagement	7 December 2012	✓
Progress Report on the Business Case	Achieved	30 March 2013	✓ Agreed to align with Draft Strategic Framework timeframe
Draft Statement of Intent (SOI)	Achieved	30 April 2013	1 May 2013
Draft Tāmaki Vision	Achieved	30 April 2013	✓
Final Statement of Intent	Achieved	15 May 2013	
Draft Strategic Framework	Achieved	30 June 2013	15 April 2013
Progress Report on the Business Case	Achieved	30 June 2013	15 April 2013
Report on annual 2013/13 operations for year ended 30 June 2013	Achieved	31 July 2013	
Final Tāmaki Vision	Achieved	30 September 2013	
Final Strategic Framework	Achieved	30 September 2013	
Final Business Case	Achieved	30 September 2013	
Proposed Initial Development Plan	Achieved	30 September 2013	
Proposed Initial Business Plan	Achieved	30 September 2013	
First Quarter Report for period ended 30 September 2013	Achieved	31 October 2013	

5. General

5.1. Board Approach to Governance

The Company's Board is committed to high standards of governance and business behaviour. The Board will continue to monitor developments in corporate and public sector governance to ensure that the Company implements the highest standards of governance at all times.

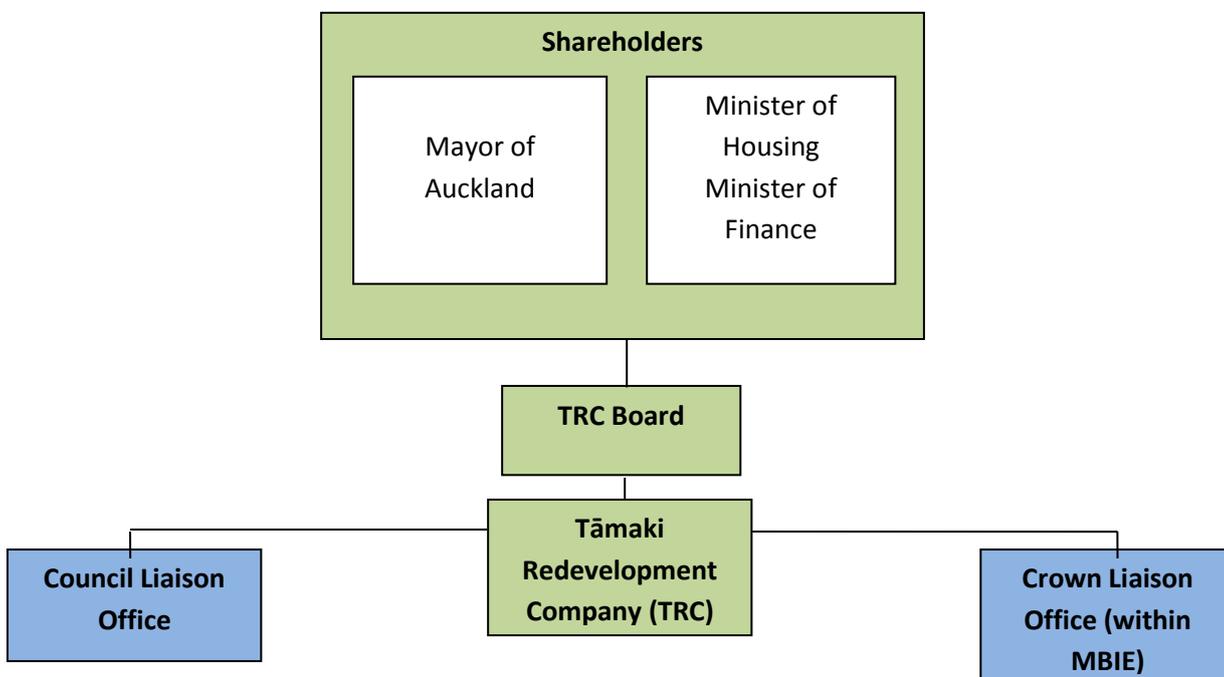
In undertaking its activities, the Company will exhibit and ensure:

- Sound business practice in keeping with its business objectives;
- Sustainable business practice;
- Prudent, ethical and appropriate behaviour in dealing with all parties;
- An open and transparent approach to decision-making, while respecting the need for commercially sensitive information to be protected; and
- An active partnership approach with the Shareholders.

The whole Board will act as the Audit and Risk Committee during Stage 1.

Figure 5.1 below demonstrates the Accountability Framework signed off by the Advisory Board with respect to the governance required with having two Shareholders.

Figure 5.1 Tāmaki Regeneration Accountability Framework



5.2. Representation and Commitment Statement

The Board is accountable to the Shareholders to ensure that the Company:

- Performs its functions;
- Acts in accordance with relevant legislation including the Companies Act 1993, the Public Finance Act 1989 and the Crown Entities Act 2004;
- Acts in accordance with the Tāmaki Way of Working;
- Gives effect to and achieves the goals, business objectives, performance targets and other measures set out in this SOI.

The Board will:

- Obtain appropriate and timely information necessary to discharge its obligations effectively;
- Actively review and direct the overall strategy of the Company;
- Regularly review its policies and delegations;
- Negotiate and agree the Company's SOI with the Shareholders;
- Actively review the Company to ensure it is an effective results oriented organisation with core competencies and appropriate systems and controls necessary to carry out its functions;
- Manage and monitor the performance of the Chief Executive;
- Declare all interests in the Interests Register;
- Ensure indemnity insurance will be in place;
- Establish remuneration policies and practices, set and review the remuneration for the Chief Executive;
- Provide leadership with key stakeholders; and
- Maintain a risk management strategy.

5.3. Relationships

The Company will maintain an effective working and operational relationship with the Shareholders including a pro-active communication and engagement policy, adopting a “no-surprises” policy. The Chair and the Chief Executive will conduct regular briefing meetings with the Shareholders.

Given the integral involvement of Government Agencies and Auckland Council, the Company will also maintain an effective working and operational relationship with the following:

- The Tāmaki-Maungakiekie Local Board;
- The Independent Māori Statutory Board;
- Auckland Transport;
- Auckland Tourism, Events and Economic Development;
- Watercare Services;
- Auckland Council Property Limited;
- Ministry of Culture and Heritage;

- Department of Internal Affairs (Ethnic Affairs);
- Ministry of Social Development;
- Ministry of Education;
- Ministry of Business Innovation and Employment;
- Ministry for the Environment;
- Housing New Zealand Corporation;
- Ministry of Transport;
- Ministry of Health and Ministry of Justice (Police);
- Te Puni Kōkiri (Ministry of Māori Development);
- Ministry of Pacific Island Affairs; and
- Ministry of Finance (Treasury).

6. Organisational Health, Capability and Risk Management

The Company is committed to building and maintaining an enduring and resilient organisation. For the period covered by this SOI, the Company has recruited a skilled team that has the capabilities required for regeneration. Where a further specialist skill is identified and required, the Company will continue to use consultants.

Greater certainty will be provided when Shareholders consider the Strategic Framework and Business Case. Until this happens there remains risk and uncertainty in the context of the organisational health.

6.1. Assurance Framework

An outline of TRC's approach to Assurance was presented to and approved by the Board in April 2013. A comprehensive Assurance Framework will be further developed and implemented to provide greater assurance that TRC is being managed with integrity and that risks are mitigated. The Assurance Framework within TRC will:

- Provide assurance that our Heads of Agreement objectives are being achieved
- Ensure a proactive approach to managing risk, compliance and quality
- Provide assurance that we are effectively managing risks and meeting compliance obligations
- Enable TRC to report to the community in an open and transparent way and to be accountable for what we do

The Assurance Framework will link:

- The achievement of the business objectives, with
- The management of risk (where risk is the chance or probability, that key objectives will not be met), and
- Internal control design will contribute towards the management of those risks, which include financial, operational, and compliance controls

The proposed Stage 1 Assurance Hierarchy is located in (Appendix Four)

6.2. Organisational Resilience

Our ability to identify and manage risks affects our ability to achieve our goals. We will mitigate risks effectively by developing organisational resilience, ensuring strong governance structures for our activities and establishing an effective risk management policy and framework, which will include:

- Organisational Structure (skills and expertise)
- Risk Management and related policies, procedures and underlying processes
- Establishment of controls and testing methods
- A review schedule for known risks
- Independent auditing
- Health and Safety
- All of Government contracts that support and mitigate Procurement risk

6.3. Good Employer

The Company will operate a human resources framework that adopts the Good Employer requirements of the Crown Entities Act and aspires further to become best practice.

6.4. Health and Safety

Health and Safety is an important priority for the Company and TRC is committed to a high standard of observance and practice. An appropriate policy is in place.

Directory

Shareholders

Her Majesty the Queen in Right of New Zealand acting through her Minister of Finance and Minister of Housing (“Crown”)

Auckland Council, the unitary local authority for Auckland established under section 6 of the Local Government (Auckland Council) Act 2009 (“Council”)

Registered Office:

SIMPSON GRIERSON: 88 Shortland Street, Auckland Central, Auckland, 1010, New Zealand

Contact Address:

PO Box 18070
Glen Innes
Auckland
1743

Email: info@Tāmakitransformation.co.nz
Web: www.Tāmakitransformation.co.nz
Phone: 09 521 5221
Outside Auckland: 0800 521 555

Auditor

Audit New Zealand

Solicitor

Simpson Grierson
Chapman Tripp
Buddle Findlay

Bankers

Bank of New Zealand

Advisory Board Members (6/8/12 to 19/12/12)

Lesley Longstone
Brendan Boyle
David Smol
Nigel Bickle
Lesley McTurk
Doug McKay
Roger Blakeley
Martin Udale
Dr Lee Mathias
George Kahi

Current Board Members(From 20/12/12)

Martin Udale (Chairman)
Brian Donnelly (Deputy Chairman)
Anne Candy QSO
Eru Lyndon
Susan Macken
Soana Pamaka
John Sax

Supporting Definitions

“Advisory Board” means the governing body of the company from the date of company incorporation through until the current Board commenced their tenure.

“Board” means the current formal governing body of the company

"Company" means **“Tāmaki Redevelopment Company Limited”** or **“TRC”**.

"Constitution" means the constitution for the Company as registered at the Companies Office.

“Good Employer” has the meaning as defined and described in section 118 of the Crown Entities Act 2004;

“HOA” or **“Heads of Agreement”** means the Heads of Agreement between Her Majesty the Queen in Right of New Zealand acting by and through Her Minister of Finance and Minister of Housing and Auckland Council dated July 2012.

“LOE” or **“Letter of Expectations”** means the Letter of Expectations from the Shareholders to Tāmaki Redevelopment Company Limited.

"Operating Principles" means the operating principles that are reflected in this SOI and which are set out in paragraph 4 of Schedule 1 to the Constitution.

"Shareholders" means the Minister of Finance, the Minister of Housing and Auckland Council.

"Stage 1" means the period defined as Stage 1 in clause 3.1(a) of the Constitution.

"Stage 2" means the period defined as Stage 2 in clause 3.1(b) of the Constitution.

“SOI” or **“Statement of Intent”** means the statement of intent to be completed by the Company in accordance with Schedule 1.

“Strategic Framework” means the overarching “strategic framework” for the Transformation Programme as defined in Article 3.3 of the Heads of Agreement.

“Tāmaki” or **"Tāmaki Area"** means the Tāmaki geographic area of Auckland, encompassing approximately 600 hectares of Glen Innes, Point England and parts of Panmure as more particularly described in the Heads of Agreement.

“Tāmaki Redevelopment Company” means the **“Company”** or **“TRC”**

“Tāmaki Vision” has the meaning as defined in Article 3.2 of the Heads of Agreement.

"Tāmaki Way of Working" has the meaning given to that in the HOA.

“Transformation Objects” means the following four objects for the transformation of Tāmaki:

- a) Social: Supporting Tāmaki residents and families to get the skills, knowledge and employment opportunities to progress in their lives.

- b) Economic: Strengthening the local economy and unlocking the potential of the Tāmaki area to enable a prosperous community and deliver better value for money to the Crown (with a focus on increasing the return on investment and realizing the potential value from state and council owned housing).
- c) Spatial: Creating safe and connected neighbourhoods that support the social and economic development of Tāmaki and its community.
- d) Housing resources: Optimising the use of land and existing housing stock to effectively support and deliver social and economic results, Constitution of Tāmaki Redevelopment Company Limited Page 4 including progressing private housing development and better public housing options for Tāmaki.

“TRC” means the **“Tāmaki Redevelopment Company”**, or the **“Company”**.

“We” means **“TRC”** or **“Tāmaki Redevelopment Company”**, or the **“Company”**.

Appendix One: Tāmaki Regeneration Area of Interest

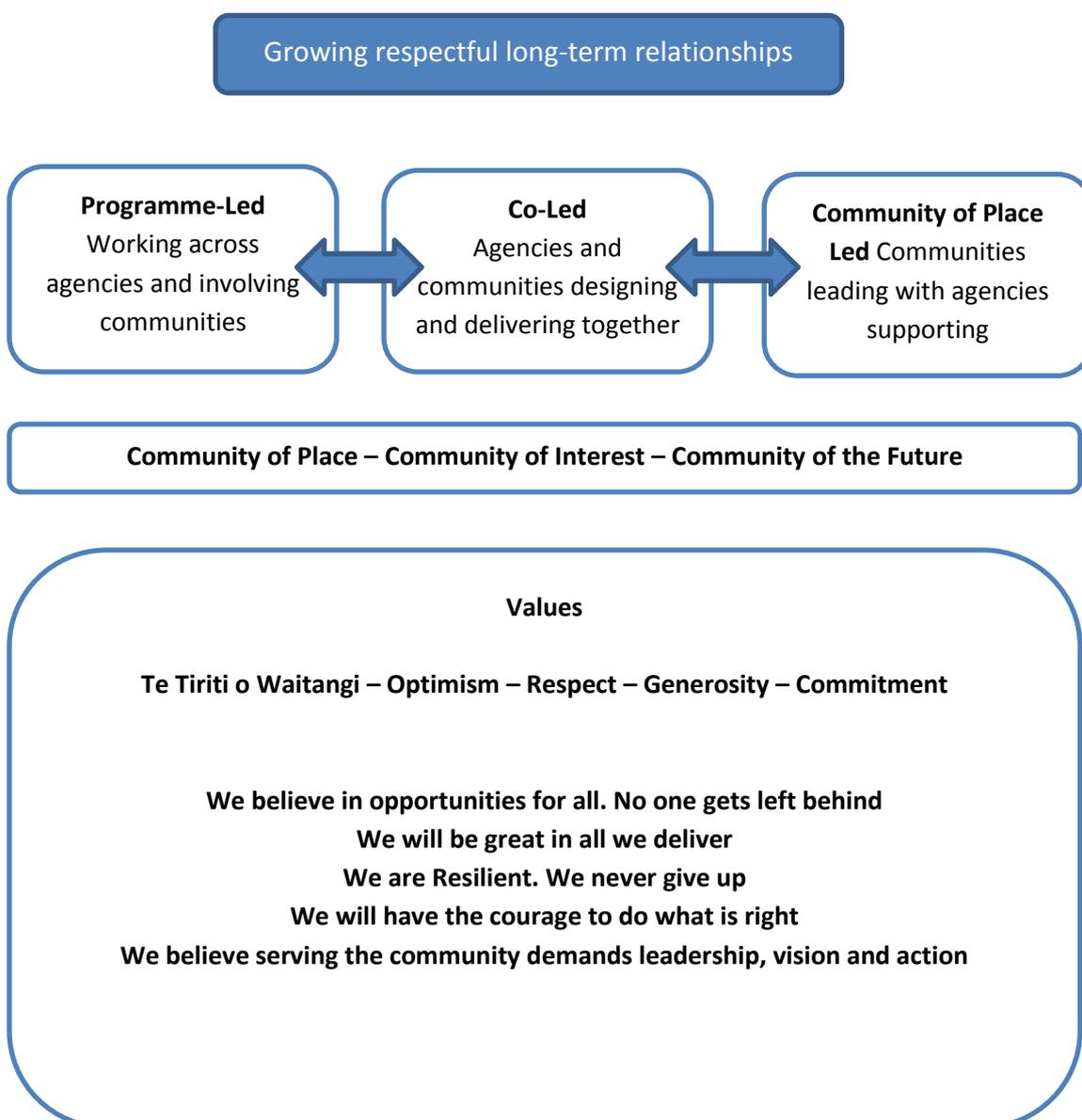


Appendix Two: Tāmaki Way of Working

Values and Working Principles:

- Sustainability (environmental, social and economic)
- Collaboration
- Respectful consultation
- Tikanga
- Intergenerational/lifecycle thinking
- Cross ‘silo’ assessment of Programme benefits
- Evidence-based decision making
- Innovation
- Needs based thinking
- Transparency

The “Tāmaki Way of Working” model:



Appendix Three: Proposed Stage 1 Assurance Hierarchy

