



STATEMENT OF INTENT

2018-2022

Tāmaki is an awesome place
to live



TABLE OF CONTENTS

Statement of Responsibility	3
Purpose of Statement of Intent	3
About Tāmaki Redevelopment Company	4
Our Operating Environment	6
Our Strategic Framework	9
STRATEGIC PRIORITY – Housing Resources	10
STRATEGIC PRIORITY – Social Transformation	12
STRATEGIC PRIORITY – Economic Development	14
STRATEGIC PRIORITY – Placemaking	16
Financial Summary	18
Functions and Operations	20
Risk Management	23

STATEMENT OF RESPONSIBILITY

In accordance with the Public Finance Act 1989 and the Crown Entities Act 2004, this Statement of Intent (SOI) publicly states the activities and intentions of Tāmaki Redevelopment Company Limited (referred to as either “the company” or “TRC” interchangeably) and its subsidiaries for the next four years, and the objectives that those activities will contribute to.

This SOI has had shareholder input, allowing our responsible Ministers and Auckland Council to participate in setting the direction for the company over the next four years, and includes performance measures and targets as the basis of organisational accountability.

The Board of TRC is responsible for the statements contained in this SOI and for the appropriateness of the assumptions as well as the relevant disclosures made in them.

The Board has the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.



Evan Davies
Chair

27 November 2018
Date



Dr. Susan Macken
Deputy Chair

27 November 2018
Date

PURPOSE OF STATEMENT OF INTENT

This document is TRC’s Statement of Intent 2018-2022¹. It describes our organisation and our operating environment. While our vision – *Tāmaki is an Awesome Place to Live* – holds steadfast, this Statement of Intent outlines why our operating environment is changing and how we are responding.

Our SOI defines our four strategic priority areas. Within each strategic priority area, it outlines the initiatives that link to our objectives and the long-term outcomes we contribute to, and how we will measure success in the medium-term.

The SOI is a four-year strategic document, covering the financial years 2018/19 to 2021/22. Our accompanying Statement of Performance Expectations 2018-2019 has a different purpose – it describes the nature of our day-to-day functions and short-term measures and milestones in greater detail than this document.

¹ In March 2018, the Minister of Housing and Urban Development granted TRC an extension for the provision of a new Statement of Intent, in accordance with sections 139B(1) and 139B(2) of the Crown Entities Act 2004. Per the extension, the revised timeframe for TRC to submit a Draft Statement of Intent 2018-2022 was 1 October 2018, to cover the period from 1 July 2018 to 30 June 2022.

ABOUT TĀMAKI REDEVELOPMENT COMPANY

Tāmaki is an area which stands out for its wealth of potential; both of people and of place. It is made up of three East Auckland suburbs: Glen Innes, Point England and Panmure and is located only 12 kilometres from the central business district.

The area has a rich cultural history. It was an important settlement for many iwi in pre-European times and the Tāmaki River was used as a highway to travel between the east and west coast. These days, the area is characterised by an outstanding natural environment and a youthful and inclusive community where generations of Māori and Pasifika families live alongside more recent migrants. Tāmaki has two large town centres, Sylvia Park Shopping Centre on its doorstep, and safe swimming beaches nearby.

There are, however, significant challenges within the area, including many people seeking work and a high number of residents receiving support from the government. It is also home to a significant number of state houses, mostly built in the 1940s and 1950s, that are cold and damp and no longer serving our families well.

Tāmaki is ready for change and, through its shareholders, the New Zealand Government and Auckland Council, the Tāmaki Regeneration Company (“TRC”)², is mandated to lead a first-of-its-kind urban regeneration programme in Tāmaki.

As requested by the Crown this year, we will partner with a new master developer to deliver housing developments in Tāmaki. HLC (2017) Limited (“HLC”), a subsidiary company of Housing New Zealand Corporation, will now be responsible for the delivery of new warm and dry homes in Tāmaki. This redevelopment programme will see 2,500 of the existing state houses replaced with at least 7,500 state, affordable, KiwiBuild, and private market houses over the next 20 years. TRC and HLC’s shared objectives of delivering regeneration through high-quality urban design and placemaking will be strengthened through this partnership. It will also enable development expertise to be consolidated within the Crown.

Regeneration is, however, about more than just building new homes. We are building communities where the residents of Tāmaki will take opportunities to thrive, creating a platform to transform their lives now and for generations to come.

We will achieve this and support the housing delivery programme by:

- Working in partnership with the community, public agencies, and the private sector to create jobs for local people, reducing the need for Government support;
- Providing shared ownership and affordable rental housing models. These initiatives support the Government’s commitment to deliver innovative home ownership models within the state and broader community housing programmes;
- Supporting the Ministry of Education to develop the Tāmaki Education Strategy. This long-term plan will improve education outcomes in Tāmaki and attract new families to the area;
- Implementing our marketing strategy to attract investment, positioning Tāmaki as a location of choice and a thriving hub of enterprise, with two bustling town centres; and
- Utilising our tenancy management services arm, the Tāmaki Housing Association Limited Partnership³, to connect with tenants and residents, taking a personalised approach and spending time getting to know state housing whānau, understanding their needs and working with them to achieve their aspirations.

² Tāmaki Regeneration Company is the brand or trading name of Tāmaki Redevelopment Company Limited.

³ The Tāmaki Housing Association Limited Partnership is a registered community housing provider that is a wholly-owned subsidiary of Tāmaki Redevelopment Company Limited.

It is important to acknowledge that this holistic approach to regeneration would not be the same as if undertaken by a private company, which would seek to maximise the financial return from housing developments. It is recognised that the commercial relationship with HLC and our mandate to maximise the economic and social returns for Tāmaki will require trading off some financial return for TRC.

This trade off will be identified and measured. We will use best practice insights to inform the strategic deliverables and measurements of outcomes, both fiscal and social. Through delivering effective social, economic, and environmental benefits for the Tāmaki community, TRC will become a world leader of regeneration: an organisation that will learn, grow, and share its knowledge.

That journey has already begun. TRC has collaborated with the Tāmaki community, Crown, and Auckland Council to produce a single set of outcomes for Tāmaki. Collectively, these outcomes provide a clear vision for the area, a vision that we will realise through partnership by agreeing priorities, working together, and aligning the delivery of social services to best meet the needs of Tāmaki families.

Last year, we established the Tāmaki Response, alongside the Auckland District Health Board and Oranga Tamariki. This collaborative initiative aims to create more effective and efficient decision-making about social services within Tāmaki and provides a platform for change across New Zealand.

By making the most of what's already great about Tāmaki and ensuring that families have the opportunities they need to thrive, Tāmaki's regeneration will create an awesome place to live.

OUR OPERATING ENVIRONMENT

Setting our direction requires us to understand the key factors influencing our operating environment and how these will change the way we will operate into the future. The Government has set out an ambitious housing programme, focussed on addressing the housing crisis in Auckland and transforming the housing and urban development sector.

The delivery of affordable housing for first home buyers through the KiwiBuild programme will be complemented by significant boosts to state housing supply, the development of government-sponsored shared equity models, improvements to rental housing standards, and policies to reduce homelessness.

There is also strong alignment between the priorities and outcomes of the Tāmaki regeneration programme and the Government's policy agenda to improve living standards and wellbeing for New Zealanders. The Government is committed to major investments in housing, health, education, and infrastructure, all of which are critical to, and supported by, the regeneration programme in Tāmaki.

Contribution to the Government's Policy Programme

Our contribution to the Government's commitment to address Auckland's housing challenges is unique. Over the next 20 years, the Tāmaki regeneration programme will transform 170 hectares of suburban land to deliver 2,500 new state houses, alongside an additional 5,000 affordable, KiwiBuild, and private market houses, improved infrastructure, and enhanced community amenities. We will hold HLC to account for their delivery of quality new housing in Tāmaki, ensuring that the redeveloped homes and neighbourhoods enable the broader regeneration objectives of the Crown and our community.

The housing programme will be achieved via:

- **driving the supply of diverse housing stock to the Auckland market**, including state, affordable, KiwiBuild, and private market homes;
- **delivering new warm, dry, and healthy state houses** that will meet the new regulatory standards for rental properties in insulation, heating, ventilation, draught stopping, and drainage, ensuring a healthy living environment for state housing tenants;
- **delivering a range of bespoke affordable housing products**, such as shared ownership and affordable rental models, that respond to the challenge of delivering affordable housing to a diverse range of buyers in a city-fringe suburb; and
- **creating thriving mixed-tenure neighbourhoods**, where state housing tenants will live within a diverse community of private renters, new home owners (through affordable housing products), and more established families, leaving behind the stigma of living in a state house.

We will continue to hold overall responsibility for the regeneration of Tāmaki. In addition to the new, warm dry homes that will be delivered by HLC through the redevelopment programme, we are working with central and local government partners to ensure the provision of excellent social infrastructure, efficient transport connections, and quality neighbourhoods that will support Tāmaki's growing population.

The Government's priorities to raise living standards and wellbeing for families and significantly reduce child poverty are aligned with the integrated package of initiatives that we are facilitating or leading in Tāmaki. To improve outcomes for Tāmaki whānau, our programme draws on a strong network of relationships with central and local government agencies, NGOs, and in the community. This work aims to achieve a step change in the lives of Tāmaki whānau by:

- **creating system-wide change to ensure more efficient and effective collective decision-making about social services in Tāmaki** through the work of the Tāmaki Response, which we have established with our partners as an exemplar of cross-agency collaboration;
- **providing system stewardship through the Tāmaki Response** and working with the community and our partners to develop sustainable strategies in education, health, and social services, delivering for community and the Crown and feeding into regional and national planning;
- **ensuring that Tāmaki people have strong educational foundations, career skills, financial capability, knowledge, and employment opportunities**, to enable and empower them to progress their lives and achieve their aspirations; and
- **directly supporting Tāmaki people into employment, training, and business opportunities through our jobs and skills hub and social enterprise programme**, thereby increasing human and social capital in the area and creating a thriving local economy in Tāmaki.

Contribution to the Mayoral vision for Auckland to be a world class city where talent wants to live

Our work to regenerate Tāmaki and make it an awesome place to live complements the Mayoral vision for Auckland to be a world class city where talent wants to live. In contributing to the Mayoral vision for Auckland, the regeneration programme is delivering outcomes aligned to the six key outcomes areas in The Auckland Plan 2050, as set out below.

- **Belonging and participation:** We worked with community to develop a ‘neighbourhood approach’ to regeneration. The approach is underpinned by ongoing community involvement and participation and is committed to delivering outcomes based on community needs and aspirations.
- **Māori identity and wellbeing:** Over the past few years, we have deepened our relationships with mana whenua, establishing strategic partnerships with three local iwi. We continue to work closely with the Ruapotaka Marae, who sit at the heart of our Māori community, to enhance the well-being of whānau in Tāmaki.
- **Homes and places:** Over the next 20 years, the regeneration programme will see 2,500 existing state houses transformed into at least 7,500 new, warm, dry, and healthy state, affordable, KiwiBuild, and private market homes, as part of thriving mixed tenure communities in Tāmaki.
- **Transport and access:** We advocate for high-quality public transport infrastructure and services in Tāmaki, as the success of the transport linkages within Tāmaki, as well as between Tāmaki and other parts of the region, will contribute directly to the success of TRC’s broad regeneration programme.
- **Environment and cultural heritage:** We participate in the annual Omaru Creek Restorative Action Programme in conjunction with the community, bringing focus to the ways in which regeneration can improve environmental and biodiversity outcomes. We have also been working closely with Auckland Council to prepare a comprehensive Stormwater Management Plan for Tāmaki, with the aim of improving water quality and environmental outcomes.
- **Opportunity and prosperity:** Through our Jobs and Skills Hub, we are enabling Tāmaki people to enter the workforce, helping them gain driver licences, access education and training opportunities, and supporting them into sustainable employment. We are also supporting local social enterprises that trade goods and services to achieve social, environmental, economic, and cultural outcomes.

We work collaboratively with the Auckland Council family and Maungakiekie-Tāmaki Local Board on a range of issues relating to the regeneration programme, including infrastructure planning and delivery, town centre revitalisation projects for Glen Innes and Panmure, and urban activations and events throughout the area.

OUR STRATEGIC FRAMEWORK

Our long-term vision is that “Tāmaki is an awesome place to live”, and our work is guided by four long-term strategic priorities for the regeneration programme. This section defines those strategic priorities, with our objectives and work programme within each strategic priority area, and the results we are aiming for over the next four years, described in the following sections.

Our Strategic Priorities

TRC has been mandated by its shareholders, the Government and Auckland Council, to lead on urban regeneration activity in Tāmaki focused on four strategic priorities outlined in our Constitution:

HOUSING RESOURCES: Optimising the use of land and existing housing stock to effectively support and deliver social and economic results, including better public housing options for Tāmaki;

SOCIAL TRANSFORMATION: Supporting Tāmaki residents and families to gain the skills, knowledge and employment opportunities to progress their lives;

ECONOMIC DEVELOPMENT: 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); and

PLACEMAKING: Creating safe and connected neighbourhoods that support the social and economic development of Tāmaki and its community.

These four strategic priorities contribute to Crown and Auckland Council strategic goals, the wider social and economic objectives for the region, and the Tāmaki Outcomes Framework. The Tāmaki Outcomes Framework defines the long-term outcomes for Tāmaki that our work contributes to and was agreed with the Crown, Auckland Council, and the community in 2016.

STRATEGIC PRIORITY – HOUSING RESOURCES

Optimising the use of land and existing housing stock to effectively support and deliver social and economic results, including better public housing options for Tāmaki

Vision

Our vision is that Tāmaki provides an exemplar for the future of Auckland. Each year, the new houses that are built test and stretch thinking for how to deliver well-designed, affordable, sustainable homes that people love to live in. International study groups frequently walk the streets, identifying best practice examples of medium to high density housing, neighbourhood creation, and urban design to adapt for their own countries.

Our foundational work early in the programme to transform the education landscape in Tāmaki, develop programmes to enable and empower Tāmaki whānau to achieve their aspirations, and corral the public and private sector to revitalise town centres and create a thriving local economy has supported the delivery of housing by promoting Tāmaki as an awesome place to live in, work in, and invest in.

Tāmaki attracts people from all different worlds, from professionals and young families to empty nesters and retirees, but most describe being drawn to the appeal of living in one of Auckland's greenest communities, with 'eco' homes, fantastic public transport, cycle ways, and garden streets.

Tāmaki's focus on creating affordable homes means that, despite its massive growth in popularity, renting or owning a home here is not out of reach. People reach out, seeking strong ties with their neighbours, community, and schools, knowing that this is a place where you can lay down roots.

Our Work

We are the second largest public landlord in New Zealand and we are driven to deliver excellent tenancy and asset management services in Tāmaki. The Tāmaki Housing Association Limited Partnership ("THA"), our tenancy management services arm, delivers an innovative tenancy management service to state housing whānau in Tāmaki, based on supporting successful tenancies and being responsive to each whānau's needs. The THA's philosophy and service delivery are based on a deep understanding of the barriers, enablers, and drivers of change for tenants and their families. By working with state housing whānau in a compassionate and flexible way, we help them to achieve their aspirations. This includes our work with tenants through the rehousing process when we plan to redevelop the houses they live in.

This holistic approach to tenancy management extends to the management of our significant asset base. Our ability to successfully manage our tenancies is linked to our efficiency and effectiveness as an asset manager, ensuring that our tenants live in quality state housing. Through a strategic approach to asset management, we will ensure that we are maximising both financial and non-financial (social) dividends for the Crown and community over the long-term, all while adhering to the overarching principles of the regeneration programme. The overall quality of our portfolio will be significantly improved over time via both the housing redevelopment programme and our planned and reactive maintenance of our existing properties.

Our management of public housing assets and tenancies in Tāmaki is underpinned by a long-term housing redevelopment programme, which will see the quality of the state housing stock significantly improve over time as we purchase new warm and dry state houses. These new houses will provide state housing whānau with the right platform to progress their lives. We also want to ensure that there is a diverse supply of housing across the continuum that allows this unique slice of Auckland to thrive. To this end, we will continue to work with our partners to develop innovative affordable housing options that work in a Tāmaki context.

As requested by the Crown, HLC is now accountable for the delivery of new warm and dry homes in Tāmaki. The housing redevelopment programme will see approximately 2,500 of the existing state houses replaced with at least 7,500 state, affordable, KiwiBuild, and private market houses over the next 20 years. HLC share our objectives of delivering regeneration through high-quality urban design and placemaking and we will hold them to account for their delivery of quality new housing in Tāmaki, ensuring that the redeveloped homes and neighbourhoods enable the broader regeneration objectives of the Crown and our community to be achieved. This is a long-term partnership and we will work collaboratively with HLC to ensure that it is a partnership based on strong foundations.

We are cognisant that providing housing is more than just building new dwellings – neighbourhoods that are well designed and built lead to other outcomes that TRC is accountable for, such as improved social cohesion, increased perceptions of safety, and greater provision and uptake of social and community services. With this in mind, we will continue to work closely with HLC through the design process to ensure the quality of housing and regeneration neighbourhoods being delivered in Tāmaki is upheld. Whether we are regenerating Tāmaki neighbourhoods or managing our assets and tenancies, our focus is on creating conditions where Tāmaki whanau can thrive.

HOUSING RESOURCES INITIATIVES

Initiative	Description
HLC Development Agreement	Sign a development agreement with HLC that includes a clear allocation of responsibilities, funding arrangements, and a decision-making process for addressing situations where there may be tension between regeneration objectives and redevelopment objectives.
Tāmaki Precinct Masterplan	Deliver the Tāmaki Precinct Masterplan, which will be the overarching framework providing for the consistent and coherent urban design approach to the development of Tāmaki. The masterplan will build on the existing Tāmaki Reference Plan, Tāmaki's unique characteristics, and determine spatial design that will continue to shape Tāmaki and enhance its community identity.
Supply Agreement with Crown	As required, update contractual arrangements between the THA and the Crown, which will guide the provision of state housing and Income-Related Rent Subsidy payments in Tāmaki.

HOUSING RESOURCES RESULTS

Long-Term Indicators of Success	Target for June 2022
Portfolio Average Property Condition	As we build new state houses and carry out planned and reactive maintenance of existing stock, the standard of state housing in Tāmaki will be improved, over time.
STAR Customer Satisfaction Score	80%

STRATEGIC PRIORITY – SOCIAL TRANSFORMATION

Tāmaki residents and families have the skills, knowledge and employment opportunities to progress their lives

Vision

Our vision is that Tāmaki prides itself as being a place of wellbeing and nurture. The Tāmaki values of being welcoming, inclusive, and supportive are well-known across Auckland and throughout New Zealand. There is an acceptance within the community that people come from all walks of life, and people take pleasure in reaching out to support others in small, practical ways whenever they can.

With their everyday needs met, those living in Tāmaki can invest in themselves. Tāmaki is a place of growth, where people can meet their potential. Skills training and education, along with active job placement and mentoring, has generated numerous success stories of people finding work, providing for their families, and regaining their pride.

Children thrive in Tāmaki. Playgrounds, swimming centres, libraries, and community halls are buzzing with parents singing, dancing, playing, and reading with their children, and making new friendships with other families. A diverse range of early child education centres cater to Tāmaki's mixed tenure, multicultural communities. Students at the local colleges see a future of unlimited opportunity.

This dynamic local education ecosystem is one of the area's most attractive features, with many young families settling in Tāmaki based on its educational reputation. A focus on excellence and a rich cultural life equip students to succeed, whatever their pursuits. With strong ties and pride in their community, former students regularly return to encourage, inspire, and mentor the next generation.

Our Work

We engage with the community and undertake research to deeply understand the needs of Tāmaki whānau. Based on this understanding, we galvanise and catalyse the efforts of public sector, private sector, and community partners to co-design transformational social and economic programmes for Tāmaki whānau. While these programmes are already delivering benefits for the community and the Crown, the social dividends that will be realised through these programmes will be significantly increased over time.

We have established the Tāmaki Response with our partners, which aims to create system-wide change to ensure more effective and efficient collective decision-making about social services within Tāmaki. Our priorities over the next four years are to support the delivery of the Tāmaki Education Strategy across the Manaiakalani Community of Learning, Ministry of Education, and Auckland District Health Board; continue delivering employment outcomes for residents through our jobs and skills initiatives; develop and deliver an early years' support system for young families; and implement an intensive support service to help families with high needs via the rehousing process.

This work will feed directly into strategic planning at a regional and national level by the Auckland District Health Board, Oranga Tamariki, and the Crown's Social Investment Board, to help ensure support services are designed based on a deep understanding of community needs and enablers. Our collaborative way of working with government agencies and sharing information means that we are ensuring the Tāmaki Response model can be replicated in other parts of New Zealand.

SOCIAL TRANSFORMATION INITIATIVES

Initiative	Description
Intensive Support Services	Engage with partners to deliver support services for hard to reach families identified through the rehousing process.
Affordable Housing Programme	Develop and supply affordable housing options in Tāmaki in line with the approved Business Case. This includes affordable rental and shared equity products that are tailored to the needs of Tāmaki whānau.
Tāmaki Education Strategy	Finalise the Tāmaki Education Strategy and support the delivery of the Strategy across the Manaiaakalani Community of Learning, Ministry of Education, and the Auckland District Health Board.
Tāmaki-wide Strategic Framework Update	Update the Strategic Framework for Tāmaki that sits across Crown agencies, Auckland Council, Non-Government Organisations and Community, and align key moves to the Tāmaki Outcomes Framework.
Jobs and Skills Hub	Continue leveraging the regeneration programme and linking people to upskilling and employment opportunities via the Jobs and Skills Hub. Co-design and implement pathways to employment for people parenting on their own in Tāmaki. Co-design and implement pathways to employment for working age beneficiaries in Tāmaki.
Tāmaki Contribution	Ensure that contracted suppliers and partners of TRC make a contribution to the Tāmaki area – often in the form of employment, training opportunities, mentoring, or services being delivered directly to local community groups or residents.
Early Years Hub Delivery	Work with the Ministry of Education, Tāmaki Primary School, community, and an investment partner to deliver an Early Childhood Education centre with additional space for use by community and a range of social service providers.
Tāmaki Renal Dialysis Unit	Working with the Auckland District Health Board and philanthropic partners, TRC will continue to facilitate the development of a temporary renal dialysis facility in Glen Innes to deliver renal dialysis services, due to high need locally.

SOCIAL TRANSFORMATION RESULTS

Long-Term Indicator of Success	Target for June 2022
Number of Tāmaki people who are employed through TRC initiatives	770

STRATEGIC PRIORITY – ECONOMIC DEVELOPMENT

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

Vision

In our vision, Tāmaki is a thriving hub of enterprise, with two bustling town centres. A strong ‘shop local’ culture, coupled with a pool of talented local entrepreneurs and food artisans, has resulted in a colourful collection of shops that draw people from all over Auckland.

The revitalisation of Glen Innes and Panmure was signalled early in the regeneration programme, allowing people to lay their roots down in Tāmaki confident in the knowledge that regeneration was well thought out and that the increasing population would be matched by quality retail and commercial offerings.

The industrial zone west of the rail line works in concert with the revitalised town centres, with a wide range of business activities taking place. It is known as a hub of innovation, where captains of industry and local entrepreneurs test new ideas and capitalise on the opportunities created through regeneration. There are now numerous employment opportunities in Tāmaki, beyond those in the thriving retail and hospitality sectors.

The redevelopment has grown an army of skilled tradespeople, technicians, and entrepreneurs, with many setting up their own businesses and passing their skills on to the next generation. With this growth, there is also a healthy local industry of support services in accountancy, information technology, and project management.

Our Work

Economic development is an integral part of the regeneration programme. TRC’s role is to partner with central and local government partners to facilitate the delivery of improved transport connectivity and community infrastructure to enable local industry and the local economy to thrive. Early markers within this strategic priority area will be the projects to redevelop the Glen Innes and Panmure town centres, delivered in partnership with the Maungakiekie-Tāmaki Local Board and the Auckland Council family. We will work closely with Panuku Development Auckland to support their delivery of the Unlock Panmure project to revitalise the Panmure town centre.

These projects will create thriving, attractive, and sustainable town centres that encourage investment in retail and commercial space, making Glen Innes and Panmure destinations of choice in Auckland’s eastern suburbs. The physical transformation of the town centres will be complemented by a destination brand project, positioning Tāmaki as an attractive investment opportunity for individual, commercial, and institutional investors.

We are also partnering with Auckland Tourism, Events and Economic Development (ATEED) to deliver an Employment Precinct⁴ Strategy, allowing us to engage with property and business owners to capture the economic opportunity the regeneration project provides. Using our networks and relationships, we will work to grow not only the number of Tāmaki residents in employment, but the number of businesses and jobs in Tāmaki itself.

Our Social Enterprise Programme has already established community businesses that reinvest in Tāmaki, and we will continue to support new organisations that trade goods and services to achieve social, environmental, economic, and cultural outcomes, thereby providing jobs and benefit to Tāmaki whānau and the local economy.

⁴ The employment precinct has been defined as the industrial and mixed-use(business) zoned land west of the railway line in Tāmaki, excluding the Glen Innes and Panmure town centres where revitalisation projects are already underway.

ECONOMIC DEVELOPMENT INITIATIVES

Initiative	Description
Glen Innes Town Centre Revitalisation Project	Work with the Auckland Council family to catalyse revitalisation and private sector investment in the Glen Innes Town Centre. We will also work with community groups to activate and re-energise public space in the town centre.
Employment Precinct Strategy	Partner with ATEED to produce a strategy that provides key moves for encouraging investment and development in Tāmaki's employment precinct.
Panmure Town Centre Redevelopment Plan	Partner with Panuku Development Auckland to deliver their Panmure Town Centre Redevelopment initiatives.
Social Enterprise	Support local business by working with community to establish sustainable social enterprises within Tāmaki that employ locals.
Tāmaki Destination Brand Project	Deliver the Tāmaki Destination Brand Strategy, positioning Tāmaki to attract investment. The brand marketing programme will support and promote the initiatives coming out of the masterplan delivery plan, attracting new investment in infrastructure, commercial, retail, and industrial land.

ECONOMIC DEVELOPMENT RESULTS

Long-Term Indicator of Success	Target for June 2022
Perception of Tāmaki as a destination	Through our initiatives, the perceptions and desirability of Tāmaki will be improved, translating into increased investment in the area, over time.

STRATEGIC PRIORITY – PLACEMAKING

Creating safe and connected neighbourhoods that support the social and economic development of Tāmaki and its community

Vision

Our vision is that the Omaru Creek courses through Tāmaki with health and vitality before flowing out to the Tāmaki River at Point England Reserve. Its banks are crowded with people every weekend, walking, cycling, and enjoying one of Auckland's best inner-city nature reserves.

With playgrounds, communal gardens, and beautiful parks dotted throughout its well-laid out collection of streets, Tāmaki is a place of people, not cars. Tāmaki has great neighbourhoods that are connected by a quality open space network, which supports healthy lifestyles.

Energy and wellbeing are evident throughout the community and regularly showcased by the large number of young people living here. Tāmaki is the cultural hub for young, upcoming talent in dance and music, with Te Oro's festival programme one of the highlights of the Auckland arts calendar.

Through these events and the quality of the built environment in Tāmaki, whānau are connected in their community and have a sense of belonging that is the envy of other parts of the Auckland isthmus. New residents often remark about how the community spirit in Tāmaki quickly fosters in them a strength of loyalty and pride in the area.

Our Work

We want Tāmaki to be a safe and welcoming community for everyone – whether you've lived here your whole life or are visiting the Tāmaki Estuary or Point England Reserve for the day. Regenerated neighbourhoods in Tāmaki will demonstrate best practice in urban design and efficiency, creating cohesive communities that are linked through a quality open space network, supported by social infrastructure that meets the needs of Tāmaki's changing population.

To achieve this vision, over the next four years we will work with HLC and the Auckland Council family to provide playgrounds, communal gardens, and beautiful parks dotted throughout neighbourhoods connected by streets, paths and cycle ways, allowing residents to go about their lives easily without relying on a car. The delivery of social infrastructure and community amenities will ensure that Tāmaki residents have everything they need to maximise their wellbeing and explore their recreational and cultural interests.

The Tāmaki Precinct Masterplan will define the key moves to make Tāmaki a safe, sustainable, and connected community through creating or upgrading: parks, reserves, street networks, and walkways. The Placemaking Strategy will complement these physical moves by setting out how TRC and partners will deliver activations, events, and other activities to bring these spaces to life. This work will help to create a vibrant and socially cohesive community that brings people together.

The new physical amenities will not only make Tāmaki more attractive to current and future residents, but will also ensure that everyone will have opportunities to mix with their neighbours and form lasting relationships, regardless of socioeconomic status. To help achieve this, we will hold community events and activities to activate our parks and town centres, putting emphasis on the people who live, work, and play in Tāmaki – not just the place.

PLACEMAKING INITIATIVES

Initiative	Description
Placemaking Strategy	Develop a Placemaking Strategy that sets out TRC's approach to using events and activation to promote community interaction and galvanise the Tāmaki community.
Residents' Association Framework	Develop a framework for establishing Residents' Associations in newly developed neighbourhoods. The first phase of this includes development of a placement policy for higher density environments and agreeing our approach to involvement in body corporates.
Maybury Green Project	Remove housing from TRC land on Taniwha Street that borders Maybury Reserve, ultimately vesting this land in Auckland Council as park land and extending the existing reserve. This move will open the reserve up to Taniwha Street, thereby creating a safer and more accessible open space for Tāmaki residents to enjoy.

PLACEMAKING RESULTS

Long-Term Indicator of Success	Target for June 2022
Percentage of neighbourhood designs that meet the agreed minimum standard under the Quality Neighbourhood Framework	100%

FINANCIAL SUMMARY

The following summary of financials supports delivery of the strategic objectives and performance targets.

Tāmaki Redevelopment Company Limited Legal Group				
Forecast Profit and Loss for the year ending 30 June				
	2019	2020	2021	2022
Housing Operations				
Rental revenue	60,340	64,266	66,144	68,445
Repairs and maintenance expenses	(21,079)	(20,003)	(21,705)	(23,512)
Healthy Homes expenditure	(48,508)	–	–	–
Personnel costs, consultants and legal expenses	(4,483)	(4,258)	(4,333)	(4,410)
Rates, water rates and insurance	(10,156)	(10,495)	(10,747)	(11,098)
Other expenses	(10,340)	(10,341)	(10,343)	(10,345)
Total Housing Operations	(34,226)	19,169	19,016	19,080
Business Support and Management	(8,190)	(5,580)	(5,701)	(4,489)
Social and Economic Regeneration	(3,886)	(2,977)	(2,893)	(2,923)
Development				
Sales	5,895	28,381	48,746	26,886
COGS and inventory write down expenses	(37,818)	(71,559)	(79,088)	(61,461)
Service fee to HLC (land transfer)	(3,531)	(20,187)	(32,737)	(17,095)
Personnel costs, consultants and legal expenses	(621)	(61)	(52)	(52)
Total Development	(36,075)	(63,426)	(63,131)	(51,722)
EBITDA	(82,377)	(52,814)	(52,709)	70,802
Depreciation & Amortisation	43,325	40,424	35,906	30,682
Interest and Funding costs	4,788	1,122	2,062	2,089
Surplus / (Deficit) for the year	(130,490)	(94,360)	(90,677)	38,031

Tāmaki Redevelopment Company Limited Legal Group				
Forecast Balance Sheets as at 30 June				
	2019	2020	2021	2022
Cash	52,551	(98,785)	(94,327)	(97,015)
Receivables	6,487	2,253	2,253	2,253
Inventory	8,831	14,921	10,407	6,287
Property, plant and equipment and intangible as	1,851,964	1,832,484	1,783,817	1,794,259
Total assets	1,919,833	1,750,873	1,702,150	1,705,784
Payables and provisions	55,887	(97,594)	(113,602)	(129,609)
Tax liabilities	–	(3,789)	(2,241)	(1,855)
Crown loan	–	–	–	–
Bank debt	–	19,362	19,362	19,362
Total Liabilities	55,887	(82,021)	(96,481)	(131,464)
Net assets	1,863,946	1,832,894	1,798,631	1,837,248
Ordinary shares	8,500	8,500	8,500	8,500
Preference shares	1,704,853	1,768,161	1,824,574	1,916,654
Revaluation reserve	468,672	468,672	468,672	468,672
Retained earnings	(318,079)	(412,439)	(503,115)	(575,941)
Total equity	1,863,946	1,832,894	1,798,631	1,817,885

Tāmaki Redevelopment Company Limited Legal Group

Forecast Cash flows for the year ending 30 June

	2019	2020	2021	2022
Housing Operations				
Rent revenue	60,260	64,185	66,064	68,365
Personnel costs	(2,890)	(2,948)	(3,007)	(3,067)
Repairs and maintenance expenses	(21,079)	(20,003)	(21,705)	(23,512)
Healthy Homes expenditure	–	(16,493)	(16,008)	(16,008)
Supplier payments	(26,039)	(21,172)	(20,788)	(22,320)
Total Cash flow from Housing Operations	10,252	3,569	4,556	3,458
Business Support and Management	(8,190)	(5,580)	(5,701)	(4,489)
Social and Economic Regeneration	(3,886)	(2,977)	(2,893)	(2,923)
Total operating cash flows	(1,824)	(4,988)	(4,038)	(3,954)
Development				
Development sales receipt	5,895	28,381	48,746	26,886
Development and land improvement expenditure	2,508	(45,638)	(51,399)	(27,464)
WIP payment - HLC	46,275			
State and Affordable House Buy-back	(45,779)	(73,142)	(43,151)	(88,096)
Other Supplier payments	(620)	(61)	(51)	(52)
Total investing cash flows	8,279	(90,460)	(45,855)	(88,726)
Crown loan	(26,500)	–	–	–
Funding costs	(4,788)	(1,122)	(2,062)	(2,090)
Crown equity - preference shares	73,692	63,308	56,413	92,080
Bank Funding	–	19,362	–	–
Total financial cash flows	42,404	81,548	54,351	89,990
Net cash flows	48,859	(13,900)	4,458	(2,690)
Opening cash balance	3,691	52,551	38,652	43,111
Closing cash balance	52,550	38,651	43,110	40,421

FUNCTIONS AND OPERATIONS

TRC has a broad range of responsibilities and functions including but not limited to the following:

1.1 Commercial

The finance functions maintain the commercial and financial risk management functions of the business ensuring integrity and control. The finance function also supports commercial decision making and long-term financial planning.

1.2 Health and Safety

Health and Safety is first and foremost to all planning and operational activities undertaken by TRC. We ensure health and safety plans are in place internally and with our external partners, we have dedicated health and safety officers, we discuss health and safety at team meetings, and we encourage employee engagement with health and safety reporting systems. The outcome that we strive for is that everyone goes home safe.

1.3 Procurement

TRC is subject to, and adheres to, the government rules of sourcing for all its procurements, as per TRC's procurement policy. TRC follows a fit for purpose procurement framework that underpins planning for great results, being fair to all suppliers, getting the right supplier, achieving the best deal for everyone, best value for money, fairness, and transparency of process.

1.4 Human Resources

TRC operates a human resources framework that adopts the Good Employer requirements of the Crown Entities Act and aspires further to best practice. We strive to provide our employees with opportunities for both personal and professional development, with a focus on physical and mental health and wellbeing. The outcome that we strive for is that our people are happy, healthy, and enabled to achieve their personal and professional aspirations.

1.5 Governance

TRC is governed pursuant to the terms of its constitution and the Shareholders' Agreement entered into between the shareholders, and Strategic Framework (August 2013).

Tāmaki Redevelopment Company Limited's shares are owned as to 41% by Auckland Council and 29.50% each by the Minister of Finance and the Minister of Housing and Urban Development. As a majority Crown-owned entity, TRC is listed under Schedule 4A of the Public Finance Act 1989 (PFA), and Part 2 of Schedule 1 of the Ombudsmen Act 1975 (OA). TRC has obligations under all Acts and regulations that apply to TRC:

- by explicit reference to TRC; or
- by reference to companies listed under Schedule 4A of the PFA; or
- by reference to organisations listed under Part 2 of Schedule 1 of the OA.

TRC is not a Council-Controlled Organisation (as defined in section 6 of the Local Government Act 2002).

The business and affairs of TRC are managed by, or under the direction or supervision of, the Board.

The role of a Director is to assist TRC to meet its corporate purpose and any other requirements in the Statement of Intent. The Board may exercise all the powers of TRC, which are not required, either by the Companies Act 1993 or its constitution, to be exercised by the shareholders. The Board may delegate to a committee of Directors, a Director, an

employee of TRC, or to any other person, any one or more of its powers, other than a power set out in the second schedule to the Companies Act 1993. The Board remains responsible at all times for any delegated powers.

1.6 Audit

The TRC Audit and Risk Committee is a sub-committee of the TRC Board of Directors. The Committee assists the Board in fulfilling its responsibilities in relation to TRC's financial reporting, internal controls, risk management, health and safety, and external audit function. Quality Assurance services are provided by KPMG (internal audit) and Audit New Zealand (external audit).

1.7 Engagement

Community engagement will be fit for purpose.

Urban regeneration is more than bricks and mortar. It is taking an integrated whole of community and resource approach by delivering long-lasting improvements in the economic, physical, social and environmental conditions.

TRC's delivery of its projects (housing resources, social transformation, economic development, and placemaking) is based on collaboration and partnership. There are projects in which the company will lead; however, with most initiatives TRC will act as an enabler, facilitator, connector, and implementer. TRC is physically located in the community, led by people connected to the community and the private sector, and will be measured by its success in delivering on the regeneration promise as outlined in the Tāmaki Strategic Framework.

To leverage the current goodwill and commitment of the community for change, it is critical that significant progress is made on all regeneration objectives within the next four years. The SOI has identified important social, placemaking, and economic projects to support the delivery of the housing programme over the next four years, ensuring a planned and phased approach to regeneration is taken.

Clear spatial, public infrastructure, and amenity plans will be shared with the community once the Tāmaki Precinct Masterplan has been completed, linked to place-based strategy which articulates the uniqueness of the place.

TRC is leveraging its role with other key stakeholder groups such as the private sector, Crown departments, Council entities, iwi, local board, and local community groups. Shareholders require an entity that can provide simple and yet long-lasting solutions and ensure that all relevant stakeholders are committed to delivering on one action plan for the area.

There are a range of ways and mechanisms with which TRC engages with various groups from surveys, meetings, newsletters, information sessions, social media, and face-to-face meetings. TRC is a member of most community groups in Tāmaki, so engages with the community via those avenues. TRC is also fortunate to have an established group of local leaders that are contributing to the regeneration programme by providing us with continuous feedback from a community perspective. Where appropriate, TRC will work collaboratively with the Local Board to engage with the community.

With the establishment of TRC, the Crown and Auckland Council have recognised that whilst collaboration will be important, having a single entity to drive the vision and regeneration outcomes is critical. The people of Tāmaki have endorsed the need for an enabling and place shaping entity to ensure that resources in the area are targeted to the most in need and make a real difference on the ground.

1.8 Iwi Engagement

In respect of engagement with mana whenua iwi, TRC will:

- Engage with the 19 iwi (settled and yet to settle), so that they are kept up to date on our public plans and are aware of any opportunities to formally participate in any procurement process;

- Have regard to the customary interests of iwi in land during processes involving sale or disposal, including giving iwi with strong customary interest appropriate opportunities to participate in that process; and
- Alert responsible shareholding Ministers and relevant oversight agencies to any issues regarding iwi or Māori interests in land arising from proposed sales or disposal of land.

TRC recognises that mana whenua and iwi organisations do not represent all Māori in the Tāmaki area. It is important therefore that TRC engages with the whole Māori community including with Ruapotaka Marae through the successful implementation of its Māori Engagement Strategy.

1.9 Social Responsibility

The Tāmaki Way of Working will continue to underpin the way that TRC operates. In support of this, TRC will conduct business through sound operating principles that include:

- Exhibiting a sense of social and environmental responsibility; and
- Exhibiting sound business practice, including responsible and transparent financial management, procurement integrity, sound regeneration principles and practice, and a “no surprises” communication policy.

1.10 Sources of funding and other activities

In order for TRC and its subsidiaries to fund and otherwise undertake the housing resources initiatives and other activities outlined in this SOL, the following sources of funding may be obtained by TRC and, in obtaining such funding, TRC and its subsidiaries may carry out any of the restricted activities in clause 13.1 of TRC’s constitution (subject only to obtaining any required statutory approvals required under the Public Finance Act 1989 and the Crown Entities Act 2004):

- \$1.6 billion advanced by the Crown to TRC’s subsidiary Tāmaki Regeneration Limited (TRL) in 2016 by way of subscription for convertible preference shares under a 2016 subscription agreement;
- up to \$300 million to be advanced by the Crown to TRL by way of further subscription for convertible preference shares under a new subscription agreement;
- amounts advanced by the Crown to TRC under a \$200 million loan facility agreement dated 22 December 2015 (intended to be repaid from the proceeds of the new subscription agreement described above);
- amounts to be advanced by TRL to TRC under an intercompany loan agreement (intended to be funded by way of on-lending certain proceeds of the new subscription agreement described above);
- amounts to be advanced by a third-party debt provider to TRL;
- amounts borrowed and loaned between HLC and TRL; and
- where land is transferred by TRL to developers/builders, and payment for that land by developers/builders to TRL is deferred, the amount of any such deferred payment.

TRC (and/or its subsidiaries) may enter into and amend an agreement with HLC (2017) Limited and agreements with developers and builders relating to development of the relevant land (including catalysts) and TRC’s (and/or its subsidiaries’) purchase of public houses that would result in the entity carrying out any of the restricted activities in clause 13.1 of TRC’s constitution subject only to obtaining any required statutory approvals required under the Public Finance Act 1989 and the Crown Entities Act 2004; and

TRC (and/or its subsidiaries) may enter into a shared equity programme that would result in the entity carrying out any of the restricted activities in clause 13.1 of TRC’s constitution subject only to obtaining any required statutory approvals required under the Public Finance Act 1989 and the Crown Entities Act 2004.

RISK MANAGEMENT

2.1 Overview

Effective risk management supports TRC in achieving its strategic and business objectives. It creates a robust control environment and supports informed risk-taking that promotes business growth. It does this by maximising opportunities, reducing the likelihood of business loss and reputation and effectively managing exposure to risks.

TRC has implanted a robust Risk Management framework that is overseen by the Chief Financial Officer and the Board's Audit and Risk Committee. The Risk Management Framework is comprised of a Risk Policy, a Risk Organisational Structure, the Risk Management Lifecycle, and Risk Assurance.