

25 May 2023

Wayne Donnelly
Chair
Auckland Transport

By email: waynedonnelly@xtra.co.nz

Tēnā koe Wayne

Shareholder comments on the draft Auckland Transport Statement of Intent 2023-2026

Thank you for providing the draft Statement of Intent 2023 – 2026 (SOI) for Auckland Transport (AT). The Transport and Infrastructure Committee considered it at its 18 May 2023 meeting. As context for this discussion a copy of the full report can be found here:

https://infocouncil.aucklandcouncil.govt.nz/Open/2023/05/20230518_TICCC_AGN_11398_WEB.htm

Below are shareholder comments common to all CCOs and those specific to your CCO.

I would like to thank you for the hard work that you and your organisation have put in producing the draft SOI. It is a step in the right direction and we appreciate the acknowledgement of a fundamental change in your approach. We also acknowledge that the environment the council group is operating in remains a very challenging one and appreciate your support as we navigate this.

General shareholder comments to all CCOs

1. Financial and non-financial performance

Final SOIs should reflect the council's final decisions on the 2023/24 annual budget. Financial statements should be fully populated and agreed with council's Financial Planning staff. Officers note that the financial information for final SOIs will be finalised through the annual budget process and decisions are being made 8 June 2023.

The draft SOIs do not clearly explain the impacts on CCO activities of the requested cost reductions in the Mayoral proposal. Final SOIs should include a clear view of any impacts on activities from budget reductions.

AT was also asked to explore revenue options from parking, the use of road space by private contractors and working with council to advocate for increases in infringement fees. We would like to be assured that these are being prioritised in your work programme.

Council wants to receive more meaningful information about the activities of each CCO. Activity based financial information should be provided in the financial statements of final SOIs and reported quarterly.

Given the scale of AT's capital programme we would also like to see a summary table of your capital programme included in the final SOI.

2. Independent Māori Statutory Board

Final SOIs should outline the CCOs' relationships with the Independent Māori Statutory Board and refer to the IMSB's Māori Plan or Schedule of Issues of Significance. This was missing across all CCO draft SOIs.

3. Transparency and accountability

Council is pleased to see commitments in the SOIs to operating openly and holding meetings in public. Council is still concerned that too much of the CCO board's business is conducted in confidential meetings and not made available to the public. We believe CCOs should do better and we will be scrutinising your performance in this regard.

Council also acknowledges the importance of facilitating opportunities for direct Governing Body and CCO board engagement and relationship building. We will work with your board over the coming months to establish these.

Specific shareholder comments

4. Meaningful performance measures, transparency and accountability

AT's SOI is a key accountability document. We note that AT have substantially modified their performance measures, with 11 of the 17 measures proposed being either new or refined. Nine of these measures have no targets or a baseline. This makes assessment of Auckland Transport's performance on a quarterly basis very challenging and we expect AT to work with council staff to better understand and agree the final measures, methodology and targets.

It is also difficult to assess AT's performance against a number of the deliverables/actions outlined in Part 2. We would expect to see in the final SOI milestones and implementation or completion dates assigned to these deliverables. Progress towards implementing these actions should be reported on through the quarterly reporting process.

There are a number of measures missing, which we would expect to see. These include:

- The CCO review recommended that CCO's regularly report on the nature of the complaints they received and how long they take to resolve them. We would like AT to reinstate the previous SOI complaint measure and target (Percentage of formal complaints that are resolved within 20 working days) and include in the quarterly reporting detail on how the process for how these are being recorded and responded to. Greater transparency is required around AT's performance in this area to help restore customers confidence and to provide confidence to council that AT is responsive to complaints.
- a measure demonstrating how AT is contributing to Māori outcomes
- the agreed measure "adherence to the service level agreement with council (10 working days or agreed timeframe) for AT to provide specialist input into the resource consents"
- a measure relating to the trialing of traffic management measures, and the reduction in road cones and compliance costs as a result
- a measure on progress towards improving rural road maintenance and renewals
- a measure, like network coverage, that demonstrates progress towards implementation of the Regional Public Transport Plan aspirations and the suggested Public Transport Recovery Plan.

5. Part 1 – Roles and responsibilities

AT's legislative purpose is to "contribute to an effective, efficient, and safe Auckland land transport system in the public interest." We would expect to see this addressed up front in this section. As currently worded, this section has no reference to safety.

6. Part 1.3. Strategic Alignment

The forthcoming revised Future Development Strategy is a legislative requirement and impacts on all parts of the council group, whose activities relate to growth and development. It provides Auckland-wide direction and integration of the council's approach to growth and development and guides subsequent strategies, operational plans, programmes of work and investment decisions. AT has a key role in implementing the Future Development Strategy and we expect in the final SOI that the importance of AT's role and of collaborating with the council group, and council's growth and strategy teams, to advance the strategy will be highlighted.

There are some other key strategies where we expect AT to strengthen the linkages in their final SOI. These being the Transport Emissions Reduction Plan (TERP), the Regional Land Transport Plan (RLTP) and Kia Ora Tāmaki Makaurau.

The TERP was developed by Auckland Council and AT to deliver the required transport sector emissions reduction to achieve Te Tāruke-ā-Tāwhiri. TERP was jointly agreed to by the AT Board and council and has a number of actions that are low cost and that were agreed by the Environment and Climate Change Committee in December 2021 (ECC/2021/45) which could be progressed. We would expect to see greater recognition of TERP in AT's SOI, including being given consideration as part of AT's prioritisation framework mentioned on pages 5 and 20 of the draft SOI, and in the final work programme.

The next RLTP (2024-2034) will be developed over the forthcoming year. Currently, there is little commentary in the draft SOI about this work programme. To give effect to the Governing Body CCO Review resolution on this matter (GB/2020/89), and enable council staff to better assess the document's alignment with key council priorities, it is important that members of the council's Transport Strategy Team play a more prominent role through the RLTP's development. Council and AT staff will need to work closely to facilitate this more active involvement. We expect the final SOI to include commentary on how this collaboration will work and recognise the co-development of the RLTP. This could require secondments and co-location to facilitate this collaboration, as well as information sharing.

AT's activities have potential to improve Māori wellbeing and to influence the achievement of the Auckland Plan and Kia Ora Tāmaki Makaurau. AT should make more explicit reference to its Achieving Māori Outcomes (AMO) plan and how this contributes to Kia Ora Tāmaki Makaurau. Specific wording suggestions will be provided to AT.

7. Part 2.2 Getting the basics right and fundamental change

The framework for prioritising AT's work programme and how this will be implemented and reported on needs further clarity. For example, it is unclear how principles for considering programme changes detailed in the Chair's Foreword (p 5) align with AT's operating principles and the reprioritisation statements made on page 20. Currently the frameworks proposed do not recognise safety or climate priorities.

There is a need to respond more directly to the current challenges and constraints outlined in Section 1.4, such as public transport workforce shortages and disruption to the rail network, and significant events.

We encourage AT to build capability in its approach to risk management with regard to disruptive events, such as the recent storm events. The focus should not only be on investing in more resilient infrastructure, it should be on ensuring the process and systems are in place to respond to significant adverse events.

We would like AT to prioritise the recovery of public transport. The development of a Public Transport Network Recovery Plan is recommended, that looks to restore and increase passenger transport numbers and services from pre-Covid-19 levels. We are encouraged that AT will leverage the existing network to optimise the bus network, but we would like to see more detail on when dynamic lanes will be introduced and on what routes, and this could form part of the recovery plan.

Improving customer experience of the transport system and engagement should be a core component of AT's programme. It is critical to the successful delivery of transport services, infrastructure and information, and for maintaining positive and constructive relationships with all parties, including local boards, transport users, and the wider community. We expect AT to place the customer at the centre of your programme, especially the public transport service programme, and would like to see stronger emphasis on this in the final SOI.

Equally important is ensuring that communication with Aucklanders on public transport services is timely and clear. A communications plan that supports the Public Transport Recovery plan is warranted to encourage public transport use, as well as to improve communications about disruptions. This plan should make use of extensive use of targeted, community-based campaigns and delivery across a range of media to potential public transport users.

The Letter of Expectation asked AT to deliver a works programme that delivers timely, lower cost interventions in the road corridor including but not limited to, enhancing traffic flow, mode share and project delivery. We expect to see in the final SOI that these deliverables have meaningful dates/milestones for project / programme implementation.

The Letter of Expectation also encouraged AT to trial more innovation and undertake project pilots to deliver 'more with less'. We encourage AT to adopt this approach to road maintenance and renewal program. This includes improvements to the rural road maintenance and sealing program. While whole of life costs are critical, there are other factors like environmental impacts, which should also be considered.

Related to this and reflecting lessons learnt from the recent storm events, we would like AT to address the impact of the transport network on stormwater generation and stormwater quality. The reform of the water sector will have an impact on how stormwater is managed and we encourage AT to start planning for this now and to keep council informed on any issues arising in this space.

8. Take direction from Auckland Council

Auckland Transport is requested to accelerate its contribution to the group shared services programme. The programme is important to deliver efficiencies across the group and AT's collaboration is essential to its success. We expect commitment to shared services to be highlighted in the final SOI.

Council staff will work closely with yours to ensure these shareholder comments are clear, and to relay any feedback from the 18 May 2023 committee meeting that relates to performance or operational issues, or issues of detail or wording.

I look forward to receiving the final SOI by 31 July 2023.

Yours sincerely,



Wayne Brown
MAYOR OF AUCKLAND

*Copy to: Deputy Mayor, Desley Simpson
Councillor Watson, Chair Transport and Infrastructure Committee
Councillor Fletcher, Deputy Chair Transport and Infrastructure Committee
Jim Stabback, Chief Executive, Auckland Council
Dean Kimpton, Chief Executive, Auckland Transport*