

30 April 2019

Dr Lester Levy
Chair
Auckland Transport

BY EMAIL

Tēnā koe Lester

RE: Shareholder comments on Auckland Transport's draft Statement of Intent 2019-2022

Thank you for providing Auckland Transport's draft Statement of Intent 2019 – 2022 (SOI) to Auckland Council. The Finance and Performance Committee considered the SOI at its 16 April 2019 meeting and acknowledged the good work Auckland Transport is doing around improving passenger transport boardings.

The draft document is well set out and reflects the agreed strategic priorities. It has a logical flow from strategic context through the work programme and into the measures. It responds well to the letter of expectations and this letter largely concerns some issue of detail, as well as two areas for continued discussion with council.

At the meeting, you will be aware that there was significant governing body discussion about Auckland Transport. This was focussed on encouraging Auckland Transport to take a more proactive approach to engagement and communication with council, residents and ratepayers and businesses. Councillors acknowledged the special status Auckland Transport has under legislation, and the significant achievements Auckland Transport has been responsible. However, given the importance and visibility of the transport system for all Aucklanders, council wishes to see Auckland Transport play a much closer role in the council group and with the community.

The Committee resolved several general comments that relate to each CCO and more specific resolutions for Auckland Transport (refer Attachment A). Staff from Auckland Transport should work with council staff to ensure that these resolutions and any minor editorial changes are reflected in your final SOI.

Specific shareholder comments

In some areas of the SOI, we would like to see additional detail. In particular:

- ensure that the work programme tables include a general sense of what's planned for years 2 and 3 of the SOI timeframe, probably by adding an additional column
- ensure that work programme items provide information about the scale or extent of planned works, and if known, priority locations. This is particularly the case for the first year of the work programme.
- ensure that the scale and location of interventions for the safety programme, the integrated corridors work (indicate what progress is expected in the coming year), and the walking and cycling programme.

As noted above, there are two areas where council would welcome additional discussions prior to finalising the SOI in June. These are discussed below.

Engagement and communications

The letter of expectations set out a clear expectation on working closely with council, and the draft SOI has responded to some degree. Auckland Transport's final SOI should include a commitment to the no surprises protocols set out in the Governance Manual for Substantive CCOs. It should also include a statement on how Auckland Transport will continue to build on and improve its engagement with councillors and the diverse communities of Auckland.

It would be valuable for Auckland Transport to note the specific resolutions made at the 16 April 2019 meeting, and work with council staff to plan a workshop. The general areas of concern are set out below.

- *Engagement with ward councillors:* while ward councillors have regional strategic responsibilities, they are nonetheless elected and responsible to a specific area. This means that relationships should be developed with these councillors, as with local boards. Discussion and finalising of the proposed ward councillor engagement protocols (through the Governance Framework Review process), and a commitment in the SOI to continued improvement in this area is required. Some councillors noted their satisfaction with the information provided by Auckland Transport, and this can be a model for consistent treatment of all ward councillors.
- *Engagement with local boards:* there are a number of areas, noted in the Governance Framework Review, where a much more proactive approach needs to be taken. Continued commitment and a positive approach to the areas identified is expected.
- *Engagement with businesses and communities:* Auckland Transport will be aware of the disruption which can be caused by major works, both for people travelling on the network, and for those who have homes or businesses in the vicinity of works. Council expects Auckland Transport to engage early with businesses and communities when major works are anticipated, and clearly set out the reasons why works are taking place, when they will start and for how long disruption will last.

In all these cases, putting the time and energy into engagement and communication will have positive results. It will allow projects to be improved, it will help councillors and their communities understand the reasons for them and plan for the disruption they may cause. It will also alert council to issues which are likely to prove controversial. In this latter case, council has a role to assist Auckland Transport.

Managing the impacts of the transport system on the environment

The new emphasis on emissions reductions is positive and council supports the inclusion of the new measures. It is positive how Auckland Transport is working with other members of the council family to help develop and implement the Auckland Climate Action Plan and supporting water quality and environmental outcomes (both in renewals and new builds).

The transport system is also a major contributor to water quality issues. Acknowledging that there are only certain aspects Auckland Transport can directly control, the statement of intent should include a commitment to work with council on measuring the impact of the transport network on water quality.

Longer term, the council is interested in how to decouple vehicle kilometres travelled from population growth (as noted in the draft SOI) and how to continue the mode share shift region-wide, but especially in the city centre and city fringe areas, to reduce vehicle numbers allowing developing of the Access for Everyone programme.

Auckland Transport should consider carefully the discussion councillors had on 16 April, and the resolutions which were made by council at that meeting and look to incorporate a response in to the final statement of intent. There have been significant successes in the last few years for which Auckland Transport has been responsible for, but it will take a collective effort to continue this progress.

General shareholder comments

A key focus for council is the council group working together to unlock development land in the most effective and coordinated approach possible. To support this, Auckland Council is leading the development of an Integrated Infrastructure Planning Platform. It will provide a single platform across the group with reliable data on existing and required infrastructure, and your final SOI should commit to resourcing participation in this initiative.

Auckland Council is working with the Mana Whenua Kaitiaki Forum on Te Hōanga. This is an initiative to make the engagement processes open to all nineteen mana whenua entities with interests in Tāmaki Makaurau more effective and efficient for mana whenua and the council group. Auckland Transport will need to actively participate in this project, and should include this in its final SOI.

The council is seeking consistency in the provision of their financial information for its CCOs. In completing the final SOI, CCOs must ensure that the financial information is agreed with council staff and includes the following:

- i. 2017/2018 actual results
- ii. 2018/2019 long-term plan (LTP) budget, updated for any carry-forwards from 2017/2018 and any other agreed changes
- iii. 2019/2020 budget consistent with annual plan submission to council
- iv. 2020/2021 and 2021/2022 LTP budget, updated for any changes agreed as part of the 2019/2020 Annual Plan
- v. a breakdown by activity as LTP
- vi. agreed non-strategic asset sales targets.

In addition, performance measures should align with the LTP. CCOs should ensure that in the final documents:

- LTP measures are clearly identified
- measures and targets are worded exactly as in the Annual Plan 2019/2020
- 2017/2018 actual performance is included, and 2018/2019 and the next three years' targets. These should be updated for any changes agreed as part of the Annual Plan 2019/2020.

CCOs should continue to work closely with Auckland Council staff on providing consistent and transparent financial and performance information.

The Local Government Act requires (Schedule 8, clause 9(1)(i)) that each CCO should include in its final SOI 'the procedures to be followed before any member or the group subscribes for, purchases, or otherwise acquires shares in any company or other organisation.' As a matter of procedure, please ensure this is included in your final document.

We look forward to receiving the final SOI by 30 June 2019.

Yours sincerely



Phil Goff
MAYOR OF AUCKLAND

Copy to: Deputy Mayor Bill Cashmore
Councillor Ross Clow, Chair, Finance and Performance Committee
Councillor Penny Hulse, Chair, Environment and Community Committee
Councillor Chris Darby, Chair, Planning Committee
Stephen Town, Chief Executive, Auckland Council
Shane Ellison, Chief Executive, Auckland Transport

Attachment A: Finance and Performance Committee Resolutions, April 2019

Proposed Shareholder Comments on Draft Council-Controlled Organisation 2019-2022 Statements of Intent

- a) note the recommended comments on the draft statements of intent 2019/2020 – 2021/2022 for the five substantive CCOs contained in this report.
- b) note that feedback at this stage of the statement of intent process is focussed on matters raised in the letters of expectation, statutory requirements, and any other council strategies which have not been adequately addressed in the draft statements of intent.
- c) note that Auckland Transport's current approach to communication and engagement with Auckland residents and ratepayers is unsatisfactory. [By division]
- d) note that Auckland Transport's current approach to communication and engagement with ward councillors on the 'no surprises' expectation is unsatisfactory.[By division]
- e) request that Auckland Transport make its statement of intent more specific about its work programme, noting where works/projects will occur.
- f) require attendance of Auckland Transport at public meetings related to major works in business improvement districts and wards, if requested by the ward councillor(s) or local board resolution
- g) request Auckland Transport provide feedback to elected members on the results of public consultation, including for and against proposals
- h) request Auckland Transport seek input from ward councillor(s) on engagement materials for major works in their wards prior to release to public
- i) request progress reports on any resolution from the Governing Body for action by Auckland Transport at the following quarterly reporting
- j) request Auckland Transport report quarterly on reduction of congestion in Auckland.
- k) request that Auckland Transport discuss how to improve the following issues at a forthcoming workshop with governing body members:
 - i) timing and quality of engagement with ward councillors, local boards, business improvement districts, and communities of interest regarding significant road works in wards,
 - ii) engagement with business improvement districts on a regular basis, providing sufficient notice before major works occur in their district boundaries
 - iii) provision of sound evidence including economic and social impact statements to support major works within business improvement districts
 - iv) process for allocating the local board transport capital fund
 - v) performance standards for contractors in relation to public engagement
 - vi) responding and reporting on shareholder resolutions
 - vii) definition of 'major works'
- l) request that Auckland Transport's final statement of intent includes the outcomes of the above workshop
- m) request that Auckland Transport engage closely with the council on developing a strategy, actions and measures to support the City Centre Masterplan refresh and Auckland Climate

Action Plan, once confirmed, including the need for reducing Vehicle Kilometres Travelled (VKT) and emissions in the city centre.

- n) agree that the Mayor and the Chair and Deputy Chair of the Finance and Performance Committee will prepare letters to be sent to the five substantive council-controlled organisations containing the shareholder comments.
- o) agree that the content of the shareholder comment letters be based on the feedback in this report, with any deletions or additions based on feedback at the meeting.
- p) note that staff will record any feedback at the meeting which relates to performance or operational issues, and ensure it is raised with the relevant council-controlled organisations.
- q) delegate to the Manager, CCO Governance and External Partnerships, the authority to finalise the shareholder feedback on the draft statements of intent for Mangere Mountain Education Trust, Contemporary Art Foundation and Community Education Trust Auckland.