

# Draft 2010/11 Statement of Intent : Response to Auckland Council Shareholder Comments

## Purpose

This report advises the Board on the shareholder comments received from the Auckland Council on the Draft 2010/11 Statement of Intent (SOI), and to recommend amendments to the SOI to address the matters raised.

## Background

The Draft 2010/11 SOI covers the first eight months of Auckland Transport’s existence. It was submitted to the Council in November, and considered by the Council Controlled Organisation Strategy and Appointments Subcommittee at its 6 December 2010 meeting. The subcommittee’s comments on the Draft SOI were received, as part of a letter received from the Mayor on 15 December. This is at Attachment A.

The Subcommittee has requested a number of changes to the Draft SOI, particularly in the sections dealing with the programme of action (section 5) and performance measurement (section 9). In the time available, it has not been possible to prepare a revised draft of the SOI that addresses all of the comments raised. However, Table 1 (set out following the Recommendation) sets out a recommended response for the Board’s consideration

## Next Steps

Subject to the Board’s response to the matters outlined in the table, staff will amend the SOI and bring it back to the Board for final approval at the February 2011 meeting.

It should be noted that the February Board meeting will also need to consider the draft SOI for the 2011/12 year, which must be delivered to the Council by 1 March 2011. In view of the fact that the initial SOI only covers an 8 month period, some of the matters raised in the Council’s comments on the current Draft SOI will more appropriately be addressed as part of the 2011/12 SOI. Attachment B provides guidelines

## Recommendation

It is recommended that the Board:

1. That the proposed responses to the Auckland Council shareholder comments in Table 1 below be endorsed;
2. That a revised SOI incorporating the proposed responses be reported to the February 2011 Board meeting for approval
3. That a draft 2011/12 SOI be prepared for the February 2011 Board meeting

Attachment A : Office of the Mayor Auckland – received 15 December 2010

Attachment B : SOI Guidelines

<b>WRITTEN &amp; RECOMMENDED by</b>	<b>Peter Clark Strategy &amp; Planning Mgr</b>	
<b>APPROVED FOR SUBMISSION by</b>	<b>David Warburton Chief Executive</b>	

**Table 1: Draft 2010/11 SOI: Proposed Response to Auckland Council Shareholder Comments**

Draft SOI section	Auckland Council Shareholder Comment	Proposed Response
1. Introduction	This is a practical recognition of the limitation of the 8 month performance	<i>Noted: no change required</i>
2. Who We Are And What We Do	Note that while the Council’s vision has yet to be established, Auckland Transport is working with Auckland Council on the formation and implementation of the vision.	<i>Add a sentence to acknowledge Auckland Transport’s input</i>
3. Our Guiding Responsibilities	While most of the Guiding Responsibilities appear to have corresponding measures in Section 9, the “research, education and training” functions should have measures within Section 9.	<i>A measure for this function has yet to be developed, as the organisation has yet to formally consider how this function should be performed. It is recommended that this matter be addressed as part of the 2011/12 SOI.</i>
4. Our Key Goals	Council notes that some rural parts of Auckland will remain dependent on private vehicles	<i>Noted; no change needed to the goals. Reducing overall car dependency does not require it to be achieved in all situations.</i>
5. Programme Of Action	<p>High-level milestones for each of the main projects listed here be included in the Quarterly Reports to Council. It should ensure that all activities of high regional significance from the Auckland Regional Land Transport Strategy are included.</p> <p>Specific projects of high interest other than those listed are:</p> <ul style="list-style-type: none"> <li>• AMETI</li> <li>• Otahuhu Transit Station</li> <li>• Half Moon Bay ferry terminal</li> <li>• Additional Waitemata crossing with rail</li> <li>• North Shore rail</li> <li>• Panmure/Botany QTN/RTN</li> <li>• Dominion Road upgrade</li> <li>• Auckland Transport input into SH20 through Waterview and SH16 upgrades</li> <li>• Other projects specified by the Mayor, in Attachment C.</li> </ul> <p>The programme within Auckland Council’s rural areas should also be outlined.</p> <p>Specific measures should be developed that will show responsiveness to user demands.</p> <p>Measures should be developed that show when it is possible to use efficiency gains to delay or stop capital expenditure.</p>	<p><i>Add some text to acknowledge the need for progress on the Programme of Action to be included in Quarterly reports (and also make this clear in section 13).</i></p> <p><i>Expand the list of projects to include the additional projects listed in the shareholders comments. This will also require the preamble to be amended, as it refers to projects already included in the RLTP.</i></p> <p><i>Include additional text to outline the main features of the work programme in rural areas.</i></p> <p><i>It is recommended that the suggested additional performance measures be developed as part of the 2011/12 Draft SOI.</i></p>
7. Guardianship Of Assets	Council should be informed of changes to service levels on a “no surprises” basis.	<i>Amend text to make this clear</i>
8. Strategic Assets	The Auckland Council’s Significance Policy will identify or define strategic assets.	<i>Add this before the existing text?</i>

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	<p>Auckland Transport will comply with the council's Accountability Policy with respect to any strategic assets owned or managed by Auckland Transport.</p> <p>These policies will be included in the Annual Plan 2011-2012.</p>	
<p>9.1 How we will measure our progress and performance</p>	<p>For all categories with "new measures", Auckland Transport should specify the work program between Auckland Council and Auckland Transport that agrees what the new measures are, at the latest for the 6 monthly report.</p>	<p><i>Add an explanatory note to explain that Auckland Transport will work with the Council on the development of suitable measures</i></p>
<p>Measures to deliver a properly connected arterial road network</p>	<p>Each of these key arterials should show what the travel times are currently in peak times, the target time improvement, and the resources and program applied to achieve this target.</p> <p>Auckland Transport should list the schedule of "strategically important freight routes".</p> <p>Auckland Transport could consider involving NZTA's Traffic Management Unit to ensure common datasets are used for traffic signal coordination measures on key arterial routes.</p> <p>Crash reduction targets could be informed by NZTA crash reduction targets</p>	<p><i>This information is not fully available at present, which is the reason that it was not included in the initial Draft. It will be part of the development of the measures. It is recommended that this be addressed as part of an explanatory note on development of measures to be undertaken in remainder of 2010/11 year.</i></p> <p><i>Amend text to make it clear that these are the routes already listed under "arterials with a freight emphasis"</i></p> <p><i>This is being done: include reference in explanatory note on the development of measures.</i></p> <p><i>As above</i></p>
<p>Measures to deliver an integrated and connected public transport network</p>	<p>An historical tracking illustration could be included in the June 2011 SOI.</p> <p>Impact measures should be available that show how CAPEX in Public Transport infrastructure has enabled Public Transport use.</p>	<p><i>Note this for development of next SOI</i></p> <p><i>Note this for development of next SOI</i></p>
<p>Measures to reduce car dependency</p>	<p>Note that rural areas of Auckland will remain car dependent</p>	<p><i>Noted: see response to section 4 above. As this section deals with performance measures, it is not considered necessary for any changes to be made to this section of the SOI.</i></p>
<p>Measures to deliver an effective and efficient transport system that enables Aucklanders to make smarter</p>	<p>A measure should be created that is more specific than &gt;0, and a schedule of specific arterial routes programmed for this included</p>	<p><i>This information is not fully available at present, which is the reason that it was not included in the initial Draft. It will be part of the development of the measures. It is recommended that this be addressed as part of an explanatory note on development</i></p>

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transport choices		<i>of measures to be undertaken in remainder of 2010/11 year.</i>
Measures to ensure Auckland Transport is customer focused, and delivers value for money	<p>Should specify how this resident satisfaction is quantified and reported, both for quality of roads and quality of footpaths.</p> <p>Should specify the road maintenance standard that causes the ride quality standard.</p> <p>Should specify the standard for all unsealed public roads.</p> <p>Measures should be proposed that show how satisfied Local Boards are with Auckland Transport's response to their issues.</p> <p>The parking parts (off street, on street and enforcement) of Auckland Transport's business should be mentioned, including their approach, revenue, targets, and measures.</p>	<i>There are a number of additional measures suggested here, and further detail has been requested for some others: further work is needed to develop a comprehensive response. It is recommended that this be addressed as part of the development of the 2011/12 SOI.</i>
9.2: Key Financial Information	<p>A more legible, more graphic way of presenting this information should be considered.</p> <p>Is this OPEX or CAPEX?</p>	<p><i>Review presentation of material in table</i></p> <p><i>Add clarification note to table</i></p>
Assets	<p>Proposed change: "Auckland Transport is responsible for managing on behalf of Auckland Council as asset owner."</p> <p>There should be a corresponding table showing what assets Auckland Transport is responsible for.</p>	<p><i>Change as suggested</i></p> <p><i>Provide a more detailed table of assets as an Appendix</i></p>
10. Approach To Governance	<p>Could consider adding, (based on Local Government Auckland Council 2009: 91: Council may impose additional accountability requirements on substantive council-controlled organisations (...) (b) (iv) give effect to the Council's strategy, plans and priorities.):</p> <p>"Gives effect to the policies and plans of Auckland Council as set out in its governing legislation, including the spatial plan and all documentation defining Council's strategic direction."</p>	<i>Amend text as suggested</i>

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<p>11.1 Relationship with the Governing Body</p>	<p>A 'no surprises' protocol for media issues is being considered by Council to apply to all CCOs and Watercare.</p> <p>Urban design standards could be included as part of a partnership schedule for working together. A useful comparison is the Detailed Partnership Schedule between Auckland Council and Watercare for managing the professional relationship between Watercare and the Auckland Council stormwater unit. It helps set out a working relationship of technical matters concerning standards and how they are given effect to. Consideration might be given to work on a formalised work program between Auckland Council and Auckland Transport concerning urban design standards not covered in the Service Level Agreement or SOI.</p>	<p><i>Expand text to capture this point</i></p> <p><i>Further consideration of this issue is suggested. While important, a specific focus on urban design issues in this section of the SOI may imply that other matters are not important to the relationship. The section is designed to address the relationship between the Council and Auckland Transport in a generic manner, rather than focus on specific issues.</i></p>
<p>11.2 Relationships with Local Boards</p>	<p>Measures could be put in place to demonstrate the degree of satisfaction of Local Boards with Auckland Transport's response to their issues. Specific examples include how Auckland Transport is working with local boards to ameliorate concern about the design of NZTA's SH20 Waterview connection, and the work programme for the Dominion Road upgrade.</p> <p>Council recommends for 2012: "Auckland Transport will seek input from local boards, via the Governing Body, on our priorities and direction, which will be communicated to us through the letter of expectation. The letter of expectation will inform our draft Statement of Intent."</p>	<p><i>Care is needed to develop a suitable measure: It is recommended that this be considered as part of the development of the 2011/12 SOI, and that Local Board input to the measure be sought.</i></p> <p><i>Add text as suggested.</i></p>
<p>12. Relationships With Other Key Stakeholders</p>	<p>Auckland Transport should advocate for increased NZTA subsidies, ensuring the maximum amount Auckland Council is eligible for is collected.</p> <p>Auckland Transport should show how NZTA, Kiwirail, and Auckland Council have been brought together to a common work programme concerning projects of high regional significance and interdependence, such as the Inner City Rail Loop.</p>	<p><i>Amend text to reflect this issue, but note the core requirement of this section of the SOI is focused on need to maintain an effective working relationship with NZTA</i></p> <p><i>Add text to reflect the need to work with these parties to progress projects of high regional significance</i></p>
<p>13. Accountability And Reporting To Auckland Council 13.6 Meetings with Auckland Council</p>	<p>Auckland Council will provide a full annual calendar of such meetings early in 2011.</p>	<p><i>Noted. No change needed</i></p>
<p>Attachment 1</p>	<p>Directory should now include the new Board</p>	<p><i>Update to include new members.</i></p>

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Directory	members appointed by Auckland Council: Cr. Mike Lee and Cr. Christine Fletcher, and Mr Mike Williams.	