

Entered by Board Secretary

Auckland Transport Statement of Intent for 2023/24 – 2025/26

For decision: For noting:

Te tūtohunga / Recommendation

That the Auckland Transport Board (board):

- a) Endorse the updated draft Statement of Intent 2023 - 2026 (SOI, provided as Attachment 3) as a true and accurate reflection of Auckland Transport's (AT's) intent for 2023/24 to 2025/26 in response to the Letter of Expectation issued on 21 December 2022, and subsequent feedback received from Auckland Council on 25 May 2023, subject to minor amendments being made for accuracy and clarity before 31 July 2023.
- b) Note that the final SOI will be presented to the board for approval via circular resolution using the voting mechanism in Boardbooks prior to 31 July 2023.
- c) Note Auckland Council's feedback received during the development of the SOI and that this has been addressed in the SOI.

Te whakarāpopototanga matua / Executive summary

1. The SOI is a document that publicly states a Council-controlled Organisation's (CCO) activities, intentions and objectives over a three-year financial period. It also provides a basis for Council to hold CCO directors to account for their organisation's performance in achieving the outlined targets.
2. AT's SOI for 2023/24 – 2025/26 articulates a fundamental change in AT's approach, in response to the Letter of Expectation received in December 2022. It reflects the need for AT to make a greater connection to the communities we service; to demonstrate that we are listening to and acting on feedback; to get back to basics and get those basics right; to leverage our existing network, collaborating and improving relationships; and to regain our social licence.
3. In shaping the targets and milestones in the SOI, we have been mindful of the current financial context the Auckland Council whanau currently finds itself in, and the resources available to AT. The SOI has been considered in the context of and reflects a commitment to deliverables that can be achieved within our current funding parameters and is based on budget assumptions for the draft 2023/24 Council budget.
4. Following Council feedback on our draft SOI in May, several changes have been made to be more specific about the milestones in collaborating with Council to implement the Transport Emissions Reduction Pathway (TERP), Vehicle Kilometres Travelled (VKT) Reduction

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Plan and the Regional Land Transport Plan (RLTP); providing more clarity over how AT will improve its approach to temporary traffic management and disruptions in the road network; and amendments to our Māori outcomes section. The performance measures have been updated, with five measures added and three removed, taking our total number of measures to 19.

5. The final SOI is due to Council by 31 July 2023. Some sections in the attached document require minor updates that will be completed before final submission. These have been highlighted in Attachment 3 and include some targets still to be confirmed, our capital programme for 2023/24 and the financial tables.

Ngā tuhinga ō mua / Previous deliberations

Date	Report Title	Key Outcomes
March 2023	AT's Updated SOI for 2023/24-25/26	The draft SOI was approved for submission to Council on 31 March 2023.

Te horopaki me te tīaroaro rautaki / Context and strategic alignment

6. As a CCO, AT is required by the Local Government Act 2002 to prepare an SOI for its shareholder, Auckland Council. The purpose of the SOI is to: state publicly the activities and intentions of AT and the objectives to which these activities will contribute; provide an opportunity for Auckland Council to influence the direction of AT; and provide the basis for Auckland Council to hold the directors of AT to account for the performance of the organisation. It covers a three-year financial period from 2023/24 – 2025/26.
7. AT submitted a draft SOI to Auckland Council on 31 March 2023. This was considered at the April Transport and Infrastructure Committee meeting and Council's feedback was received in writing on 25 May 2023.
8. Section 96(2)(a) of the Local Government (Auckland Council) Act requires a public board meeting to consider shareholder comments on the draft SOI to be held before 30 June each year.
9. Key changes requested by Council's feedback include: more specific deliverables against some of the Mayor's key priorities; several additional measures; additional commentary on our proposed solution to the public transport (PT) crisis, temporary traffic management and disruption management, and renewals; clearer demonstration of delivery on the TERP; and better alignment with Kia Ora Tāmaki Makaurau and Māori outcomes. The Council's feedback letter is provided as Attachment 1.
10. The board must approve the final SOI that will be submitted to Council before 31 July 2023. Officers propose that a final SOI for approval by the board be loaded to Boardbooks prior to 31 July 2023 for review and approval by circular resolution utilising the Boardbooks voting mechanism by directors.

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Ngā matapakinga me ngā tātaritanga / Discussion and analysis

11. The SOI for 2023/24 – 2025/26 articulates a fundamental change in AT's approach, in response to the Letter of Expectation..
12. It reflects the need for AT to make a greater connection to the communities we service; to demonstrate that we are listening to and acting on feedback; to get back to basics and get those basics right; to leverage our existing network, collaborating and improving relationships; and to regain our social licence. The structure of the SOI is clearer and shorter than previous years.
13. Our approach to the measures and targets in the SOI has changed. The total number of measures and targets included is reduced from previous years and chosen carefully to show how our organisation is delivering the fundamental change in the way we operate, and how we will measure success across key outcome areas: Better understanding the customer; getting the basics right; leveraging our existing network; collaborating and improving relationships; and value for money.
14. In shaping the targets and milestones in the SOI, we have also been mindful of the current financial context the Auckland Council whanau currently finds itself in, and the resources available to AT. The SOI has been considered in the context of and reflects a commitment to deliverables that can be achieved within our current funding parameters and based on the 2023/24 Council budget.
15. The changes made to the SOI following Council feedback have also been considered in light of our current context and ability to deliver on the promises made. Where additional measures and targets, or additional milestones have been added, they are largely to ensure AT is consistent with the other CCOs, and/or to strengthen the story telling and the visibility of the progress and performance against Council's expectations.
16. Key changes have been in the areas of being more specific about the milestones in collaborating with Council to implement the TERP, VKT Reduction Plan and the RLTP; providing more clarity over how AT will improve its approach to temporary traffic management and disruptions in the road network; and amendments to our Māori outcomes section to respond to Independent Māori Statutory Board (IMSB) feedback and Issues of Significance.
17. The additional measures and targets added are two measures on formal customer complaints; reduction in corporate emissions; percentage of procurement with Māori suppliers; and resource consent service level agreement. Three measures from the draft SOI have been removed: Customer perceptions on community views; PT trips on congestion-free right of way travel; and total transport-related emissions. The total emissions will still be measured and reported through existing channels. Some targets have been revised to reflect current 2022/23 performance.
18. A table outlining all the responses to the feedback and the rationale for them is included in Attachment 2. A draft final version of the SOI is included in Attachment 3.

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Ngā tūraru matua / Key risks and mitigations

19. Certain performance measures that may have been expected in the SOI have not been included (e.g., total estimated greenhouse gas emissions, PT satisfaction, temporary traffic management). In accordance with the feedback received, officers have worked with Council staff to develop the final set of performance measures, methodology and targets to ensure that AT's performance is able to be assessed quarterly by Council.
20. One key change from the draft SOI is the removal of the total estimated greenhouse gas emissions. AT is committed to working towards the goals set by council in the TERP, but our recommendation is that total estimated greenhouse gas emissions is an important monitoring indicator rather than an SOI measure. To mitigate this, we have replaced this measure in the draft final SOI with a reduction in operational emissions and will continue to regularly estimate and report on total regional emissions outside the SOI.

Ngā ritenga-ā-pūtea me ngā rauemi / Financial and resource impacts

21. In shaping the targets and milestones in the SOI, we have been mindful of the current financial context the Auckland Council whanau currently finds itself in and the resources available to AT. The SOI has been considered in the context of and reflects a commitment to deliverables that can be achieved within our current funding parameters. AT's annual business planning process will be the vehicle for assigning and tracking accountability and progress.

Ngā whaiwhakaaro ō te taiao me te panonitanga o te āhuarangi / Environment and climate change considerations

22. The SOI includes a continued focus on sustainability and environmental outcomes. Additional focus has been placed on how we will implement our activities that contribute to both TERP and Government's Emissions Reduction Plan.

Ngā whakaaweawe me ngā whakaaro / Impacts and perspectives

Mana whenua

23. This SOI maintains alignment with Kia Ora Tāmaki Makaurau and a commitment to continue improving the governance relationship with iwi, mana whenua and mataawaka. The Māori outcomes section has been updated to strengthen our commitment to treaty obligations, working with treaty partners, and acknowledging IMSB's Issues of Significance.

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Ngā mema pōti / Elected members

24. The Letter of Expectation requests additional transparency and collaboration with Council committees and local boards. This is reflected through a commitment in the SOI to work more closely with Local Boards in the planning and design of local projects, and continued oversight through the Transport and Infrastructure Committee.

Ngā rōpū kei raro i te Kaunihera / CCOs

25. This SOI broadly aligns with the requirements set out in the standard template implemented from the CCO Review recommendation.

Ngā kiritaki / Customers

26. This SOI commits to better reflect in our investment decisions how we conduct our business to ensure we are providing clear benefits to our customers and not compromising what matters most to people now.

Ngā whaiwhakaaro haumaruru me ngā whaiwhakaaro hauora / Health, safety and wellbeing considerations

27. There are no health, safety or wellbeing considerations.

Ā muri ake nei / Next steps

28. The final SOI must be submitted to Council by 31 July 2023. Updates to the SOI will be made to address areas that still need to be completed. The SOI will be presented to the board for approval via circular resolution using the voting mechanism in Boardbooks prior to 31 July 2023.

Te whakapiringa / Attachment

Attachment number	Description
1	Shareholder comments on AT's draft SOI
2	Response to feedback
3	AT SOI 2023/24 – 2025/26

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Te pou whenua tuhinga / Document ownership

Submitted by	Hamish Bunn Group Manager Investment, Planning & Policy	
	Kirstine Jones Head of Customer Experience Design	
	Sean Cavanagh Senior Advisor Investment Planning	
Recommended by	Scott Campbell Strategic Advisor	
	Jenny Chetwynd Executive General Manager Planning and Investment	
Approved for submission	Dean Kimpton Chief Executive	