

## Attachment 2



9 December 2015

Dr Lester Levy  
Chair  
Auckland Transport  
BY EMAIL

Tēnā koe Lester,

### **RE: Letter of Expectation 2016/2017**

Auckland Council continues to value the important contribution that Auckland Transport (AT) makes towards the vision of Auckland becoming the world's most liveable city, through the delivery of the Auckland Plan. The provision of the transport network is essential to the growth of the city and the increasing emphasis on public transport a key underpinning of our vision.

Through the development of the Long-term Plan (LTP) 2015-25 and previous Statements of Intent (SOI) we have focused on ensuring that we have achieved alignment of your work programme with council's objectives and we expect that the SOI for 2016-19 will continue this process.

Following the major planning exercises that we have completed, or are close to completing in the early years of Auckland Council, we are now very much focusing on delivery. AT holds the largest part of the council group's capital budget by far. Ensuring delivery of that budget and close monitoring of the key elements of the delivery is a major focus for this next SOI. In particular it is important that we deliver the Accelerated Transport Programme. This programme is being funded by way of a specific levy on ratepayers and it is vital that we not only deliver this in accordance with the budget and timelines but that it is regularly and transparently reported.

It is expected that prudent financial management is at the forefront of decision-making and that AT delivers strong 'value for money' through its undertakings. In particular we expect you to contribute to council's drive towards greater use of shared services and to actively engage in council's Alternative Financing project, as appropriate.

Set out below are the areas where we wish to see the major focus of the 2016-19 SOI.

## Key focus areas for 2016/2017 for Auckland Transport

- Maintaining strong growth in public transport patronage, particularly on the rail network, to meet government targets for a 2018 start to the main works of the City Rail Link project.
- Demonstrate how the primary focus *'Radically improve the quality of urban living'* is reflected in work programmes.
- Ensuring good progress is maintained on delivering early works for the City Rail Link project, including effectively managing any impacts of this construction on the city centre.
- Maintaining a strong focus on delivery of capital expenditure and maintenance programmes across all asset classes including roads and footpaths.
- Maintaining momentum on delivering the cycleways capital expenditure programme to leverage the available government funding and maximising the increase in people cycling, and continuing to work with council to develop the Greenways Network Plan. The cycleways capital expenditure programme should be fully achieved for each year of the LTP, which may require that you boost your capacity to deliver the large number of small projects that are contained within it.
- Ensuring the successful rollout of the new public transport network by effectively integrating route changes, infrastructure provision and the introduction of the simplified zone-based fares. It will be particularly important for AT to have a strong customer focus throughout the process, in order to ensure strong patronage growth is maintained.
- Completion of the integrated ticketing programme.
- Contributing to and supporting completion of the Auckland Transport Alignment Project for the purpose of it becoming the foundation of the 2018 Regional Land Transport Plan.
- Continuing to work with the council, key partners and stakeholders, such as New Zealand Transport Agency (NZTA) and Kiwirail, to ensure effective plans are in place for supporting key growth areas. This will require that an integrated approach is taken to the planning of major projects like the Additional Harbour Crossing and the continuing development of the rapid transit network (including the Light-Rail business case).
- Ensuring the delivery of, and separate monitoring and reporting on the Accelerated Transport Programme as included in the Long-term Plan 2015-2025.
- Ensuring that consistent branding and communication with the public re-enforces the concept of one Auckland Council. Council has previously resolved to facilitate the delivery the Brand Identity Guidelines through the Brand Navigation Group (BNG). Council expects that AT proactively supports and participates in the BNG and adheres to the Brand Identity Guidelines, especially the direction given on co-branding principles.
- Continuing the AT activities that contribute to Te Toa Takitini work programmes. Currently, AT has no specific performance measures relating to the council group's Maori responsiveness goals. However, the current SOI does state that "AT is working with mana whenua forum to develop an indicator to assess Auckland Transport's quality of engagement with mana whenua". Council expects to see that indicator included in the next SOI and continued contribution to the Te Toa Takitini reporting mechanisms.

- As per our LTP discussion on ring-fenced projects, we expect that funding for the following projects will not be reprioritised:
  - Seal extension
  - Harbourmaster
  - City Rail Link
  - EMU
  - Land Acquisitions (SMART)
  - Local Board funding
  - Araparera Forestry Joint Venture
  - Walking and cycling network capital programme

### **Working with local boards**

Well planned and vibrant town centres that are walkable and have streetscapes which reflect the local identity is important to the council. It is council's expectation that there is integrated planning with local boards on place-making initiatives and transport projects to enhance the environment.

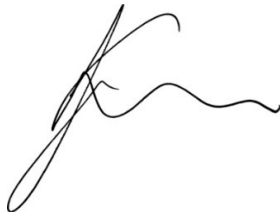
Local boards play an important role in communicating and advocating community preferences and needs. In developing work plans, we request that AT continues to engage with and consider the needs of local boards.

### **The new CCO Governance Manual**

As part of the CCO Review, council took the opportunity to review the enduring expectations that it had outlined in its Shareholders Expectation Guide and to bring these forward into the new Governance Manual. It is important that the board reviews the manual to ensure its ability to comply with those expectations including the 'no surprises policy' and the new expectations on signage.

I look forward to receiving the draft SOI by 1 March 2016.

Yours sincerely



Len Brown  
**MAYOR OF AUCKLAND**

cc. Deputy Mayor Penny Hulse, Chair, CCO Governance and Monitoring Committee  
cc. Stephen Town, Chief Executive Auckland Council  
cc. David Warburton, Chief Executive, Auckland Transport