

Shareholder Comments on Draft Statement of Intent 2015/16-2018/19

Recommendations

That the Board:

- i. Receives the report.
- ii. Taking into account submissions made by the public, directs management on the proposed response to Auckland Council's shareholder comments on the Draft SOI 2015/16-2018/19.

Executive summary

Draft SOI 2015/16 - 2018/19 was approved in February 2015. Initial summary of Council's shareholder comments were presented to Board on 26 May 2015, with recommended actions to amend SOI to reflect Council comments and revised budget.

SOI performance targets have been reviewed to take account of recent trends and budget changes. Some changes are proposed for PT patronage, cycling and road resealing. Additional measure tracking cycling trips has been added to align with the Long-term Plan (LTP) 2015-2025.

Auckland Transport must formally consider shareholder comments, in an open session, and approve final SOI by 30 June. Auckland Council officers have approved a short delay in finalisation.

Strategic context

The Draft SOI 2015/16-2018/19 has been developed in the context of the new LTP 2015-2025 and the Accelerated Transport Programme.

Targets in the Draft SOI were based on the basic funding package in the AC LTP. SOI performance targets were reviewed to ensure alignment with the LTP and the revised budget. The AC decision to approve additional transport funding (Accelerated Transport Programme) over the next three years enables adjustment to some of these targets.

The CCO Governance Manual is pending final approval. It is expected that this will be approved on 4 August 2015. This has been noted in the SOI.

Background

As required by the Local Government Act 2002, the Board-approved Draft SOI SOI 2015/16-2018/19 was sent to Auckland Council on 27 February 2015 (Attachment 1). Auckland Council delivered its shareholder comments on the Draft SOI on 30 April 2015 (Attachment 2).

Under section 96(2)(a) Local Government (Auckland Council) Act 2009, Auckland Transport is required to hold a public meeting for the purpose of considering the shareholder comments on the Draft SOI, allowing members of the public reasonable time to address the subject matter of the meeting. Staff have analysed the shareholder comments and recommend a proposed response for the Board's consideration (Attachment 3).

Issues and options

It is recommended that almost all of the shareholder comments be incorporated into the SOI. In addition to the changes recommended in the shareholder comments on the Draft SOI, further changes to the SOI are proposed:

- Public transport performance targets: Targets for PT patronage have been adjusted to reflect the additional funding for bus lanes, double decker buses and bus stops. Revised targets also reflect recent positive performance over the past 12 months resulting from integrated ticketing, improved train timetables, the introduction of electric trains, improved bus and ferry capacity and improved bus reliability and punctuality. Projected patronage for the current 2014/15 year is 79.37 million, well ahead of SOI target (73.7 million)
- Cycling performance targets: Following approval of an additional \$110 million capital expenditure over the first three years of the LTP 2015-25, the following measures and targets are proposed:

Measure	2013/14 Actual	2014/15 Annual Plan	2015/16 Target	2016/17 Target	2017/18 Target
New cycle ways added to regional cycle network (km)	NA	New measure	7.4 km	16.4 km	28.8 km
Annual number of cycling trips in designated areas in Auckland (All day)*	141,897 (morning peak)	142,200 (AM peak) 958,000 (all day)	1.1 million (all day)	1.2 million (all day)	1.8 million (all day)

* The LTP measure 'Annual number of cycling trips in designated areas in Auckland' has been added to the Draft SOI to comply with the shareholder comment 2d.

- Road re-sealing performance targets: Review of the road re-sealing programme has shown that the road re-sealing targets in the Draft SOI and LTP were incorrectly calculated. This has been corrected and targets adjusted.
- Financial tables and asset sales information have been revised to reflect budgets approved by the Budget Committee on 7 May 2015.
- AT is working with mana whenua forum to develop a measure that assesses AT's quality of engagement with mana whenua. The development of this measure is in progress and is not available to be included in the SOI.
- Other changes in response to council comments:
 - Align wording of measures and targets to LTP 2015-25.
 - Amend text to reflect change in emphasis to Maori responsiveness.
 - Amend text to reflect support for a quality built environment, especially via PT improvements.
 - Include reference to greenways plans.
 - Amend text to reference support for growth, especially projects that support SHAs.

Next steps



Following receipt of public submissions and the Board's feedback on the Draft SOI, AT staff will finalise the SOI 2015/16-2018/19.

Under the Local Government Act 2002, AT's final SOI must be provided to Auckland Council by 30 June 2015. AT has received AC approval of a three day extension (up to 3 July) to submit our SOI.

Attachments

Attachment Number	Description
1	Draft Statement of Intent 2015/16-2018/19
2	Auckland Council's Shareholder Comments on Draft Statement of Intent 2015/16-2018/19
3	Proposed Response to Shareholder Comments on Draft Statement of Intent 2015/16-2018/19

Document ownership

Submitted by	Tushar Shreyakar Acting Strategic Advisor	
Recommended by	Peter Clark Chief Strategy Officer	
Approved for submission	David Warburton Chief Executive	

Glossary

Acronym	Description
AT	Auckland Transport
LTP	Long-term Plan
SOI	Statement of Intent