



Auckland Transport **Board Charter**

March 2024

Next Review Date: September 2025



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Introduction

Auckland Transport is a council-controlled organisation (CCO) of Auckland Council. It was created by section 38 of the Local Government (Auckland Council) Act 2009 (LGACA).

Auckland Transport's statutory purpose under section 39 of LGACA is,

“to contribute to an effective, efficient, and safe Auckland land transport system in the public interest”

Auckland Transport's status, functions and powers come from several sources. They are found in sections 45 to 47 of LGACA; in the LGACA provisions relating to "substantive CCOs"; in the CCO provisions in the Local Government Act 2002 (LGA 02); in the Land Transport Management Act 2003 (LTMA); and, as Auckland Transport is a "body corporate", in the general law which applies to body corporates. Auckland Transport has full capacity to do anything a legal person can do - but it can only do those things for the purpose of "performing its functions" in sections 45 to 47 of LGACA. Auckland Transport can only act within the scope of its statutory powers.

The Auckland Transport Board (Board) is the regional transport committee for Auckland and has a statutory obligation under the LTMA to prepare every six years the Auckland regional land transport plan - covering a period of 10 years.

Auckland Council is the sole shareholder of Auckland Transport for the purposes of LGA 02. The Board is required to understand and implement Auckland Council policy and strategy for transport and to be accountable for its performance to Auckland Council under LGA 02 and LGACA.

Auckland Transport and its Board are subject to any rules, policies or guides Auckland Council may make or adopt for its CCO's, or for Auckland Transport particularly. The Board is to operate consistently with the Auckland Council's CCO Accountability Policy, the Auckland Council's Statement of Expectations, and Auckland Transport's current Statement of Intent. The Board is also subject to fiduciary duties and any other applicable statutory provisions.

Board Commitment

The Board of Auckland Transport will act lawfully; implement the principles of good governance; make decisions consistent with its constitution and Statement of Intent; and comply with Auckland Council's CCO Accountability Policy and its Policy for the Appointment and Remuneration of CCO Board members.

The Board of Auckland Transport will demonstrate understanding of the Council's priorities and objectives, and an awareness of the public service ethos. It supports the need for the highest standards of behaviour and accountability from its Directors and accordingly endorses the principles for good governance set out in:

- Auckland Council's Governance Manual for Substantive CCOs; and
- AT's Code of Conduct; and
- *The Four Pillars of Governance Best Practice for New Zealand Directors* of the Institute of Directors in New Zealand (Incorporated).



Purpose of Charter

This Board Charter sets out the constitution and governance requirements for the Board.

Governance Objectives

The Board has statutory responsibility for the functions and powers of Auckland Transport, which in practice is achieved by delegation from the Board to the Chief Executive. The Chief Executive is empowered to subdelegate to Auckland Transport employees who are charged with the day-to-day leadership and management of Auckland Transport.

The Board expressly adopts the following principles for good governance set out in Auckland Council's Governance Manual for Substantive CCOs:

- To build public trust and confidence in the community

By always acting in the best interests of all Aucklanders and recognising the obligations created by Auckland Transport's public ownership.

- To value te ao Māori

By reflecting consideration of Māori interests and values in its decision-making.

- To provide value for money

By delivering services efficiently and effectively by prudent use of resources and assets.

- To be accountable

By demonstrating and encouraging accountability, and by making decisions aligned with Council expectations and strategies.

- To collaborate

By building collaborative, communicative and respectful relationships with all members of the Council group (the Auckland Council and other CCO's).

- To be transparent

By demonstrating an open and honest approach in working with the community and all members of the Council group.

Governance Philosophy and Approach

The Board is the governing body of Auckland Transport. The Board will:



- govern Auckland Transport recognising that Auckland Transport is created by law and must at all times act lawfully.
- operate in a manner that recognises and respects the significance of Te Tiriti / the Treaty. To honour this commitment, the principles of Te Tiriti / the Treaty will be used as a guide to inform Auckland Transport's decision making.
- demonstrate high ethical standards and integrity in every act, either individually or collectively.
- develop and express a collective responsibility for all aspects of the Board's work.
- speak with one voice on all Board matters, acknowledging that the Directors are collectively accountable for all Board decisions.
- bring a diversity of opinions and views to bear on its decisions and ensure there is a balance of power and authority on the Board with no one person or faction having unfettered power.
- develop a future focus while learning from the past.
- provide leadership in the exploration of strategic issues.
- behave proactively to events and initiatives.
- ensure the Chief Executive is supported in their role.

Role, Responsibilities and Purpose of the Board

The Board must ensure that the Board, and Auckland Transport, comply with every relevant lawful and fiscal obligation. That will include compliance with the legal obligations imposed on Auckland Transport and, compliance with the legal obligations placed on Directors. It will also require that Auckland Transport complies with any requirements relating to financial performance and insurance cover. To meet these requirements will require the Board to monitor and audit Auckland Transport's legal compliance, financial records and insurance.

The Board must ensure that it operates lawfully, and Auckland Transport is not exposed to harm from any failure to act lawfully. To achieve this the Board:

- Provides leadership to Auckland Transport, ensuring that it acts in accordance with its statutory purpose which is, "to contribute to an effective, efficient, and safe Auckland land transport system in the public interest", under section 39 of LGACA.
- Articulates Auckland Transport's purpose, sets the strategic direction as the basis for planning, and oversees the selection and implementation of strategies consistent with that purpose.
- Ensures that Auckland Transport achieves the requirements of Auckland Council as its sole shareholder.
- Determines the appropriate culture for Auckland Transport and models behaviours that both reflect and promote that culture.
- Ensures that Auckland Transport meets all compliance requirements.
- Establishes governance policies that provide the framework for the management of Auckland Transport and ensures that internal processes and procedures are designed to provide effective controls and to serve as the basis for reporting to the Board as required.
- Identifies potential risks to Auckland Transport and creates a framework for managing and monitoring them.
- Appoints and employs the Chief Executive and monitors management and organisation performance against criteria established by the Board.
- Establishes and maintains effective relationships with Auckland Transport staff.
- Ensures there are positive and factual public relations about its decisions.
- Takes an active role in succession planning, ensuring that the Board has Directors with the appropriate skills, knowledge and experience.
- Ensures that Auckland Transport meets its climate-related responsibilities.



Duties of Directors

- A Director must, when acting as a director, act in good faith and not pursue his or her own interests at the expense of AT's interests.
- A Director must fulfil their fiduciary duty to act in Auckland Transport's best interests at all times regardless of their personal position, circumstances or affiliation.
- A Director must exercise their power for a proper purpose.
- A Director must act with honesty and integrity, and must not act, or agree to Auckland Transport acting, in a manner that is contrary to law.
- A Director must not agree to Auckland Transport acting in a manner likely to create a substantial risk of serious loss to Auckland Transport, or to put the health and safety of those who work for Auckland Transport at risk.
- A Director must not agree to Auckland Transport incurring an obligation unless the Director believes at that time on reasonable grounds that it will be able to perform the obligation when it is required to do so.
- A Director, when exercising powers or performing duties as a director, must exercise the care, diligence and skill that a reasonable director would exercise in the same circumstances taking into account (without limitation) - the nature of Auckland Transport and the nature of the action; and the position of the director and the nature of the responsibilities undertaken by him or her.
- A Director, when exercising powers or performing duties as a director, may rely on reports, statements and financial data and other information prepared or supplied, and on professional or expert advice.
- A Director must, immediately after becoming aware of the fact they are interested in a transaction or proposed transaction with Auckland Transport, ensure this is entered in the Register of Interests and recuse themselves from making any decision about that transaction.
- A Director who, in their capacity as a director of Auckland Transport, has information that would not otherwise be available to them must not disclose that information to any person, or make use of or act on the information, except:
 - For the purposes of Auckland Transport.
 - As required by law.

Board Competencies, Skills, and Knowledge

Directors must meet a number of core competencies and relevant industry, technical, or specialist skills required for the Board.

Core Competencies

The core competencies expected of Directors serving on the Auckland Transport Board (in common with other Auckland Council "substantive CCO" Boards) are:

- sound judgement and decision-making.
- commercial acumen.
- a public service ethos and an awareness of Auckland Transport's public media profile.
- an understanding of and commitment to Auckland Council's obligation to Te Tiriti o Waitangi.
- a high standard of personal integrity.
- clear communication skills and an ability to debate in a reasoned manner.
- the ability to engage in effective teamwork and collaboration.
- the ability to think strategically.
- risk assessment and contingency management skills.
- a commitment to the principles of good corporate citizenship.
- experience in governance and preferably corporate governance.



Conflicts of Interest

The Directors, both individually and collectively, must act ethically and in a manner consistent with the values of Auckland Transport. A key aspect of ensuring integrity in decision-making is to manage any potential conflicts of interest. The Board therefore requires each Director to:

- Disclose all interests.
- Minimise the possibility of any conflict of interest with Auckland Transport by monitoring their involvement in other businesses.
- Keep the Board advised, of any involvement that could potentially conflict with the interests of Auckland Transport.

Where conflicts of interest do arise, Directors will excuse themselves from the relevant discussions and will not exercise their right to vote in respect of such matters.

All conflicts of interest shall be recorded in a register maintained by the Board Secretary.

Provision of Business or Professional Services by Directors

Directors should not provide business or professional services to Auckland Transport, to avoid the creation of an actual or perceived conflict of interest.

Other Undertakings

A Director may not:

- use confidential information for personal gain or for the benefit of any other person.
- buy or sell (or encourage another person to buy or sell) a property or other asset when in possession of information through their position that may affect the value of that asset.
- communicate with members of the press about any matter concerning Auckland Transport without the prior approval of the Chairperson. If communication is required by a Director in a capacity other than as an Auckland Transport Director, the Director will act in the best interests of Auckland Transport. If this is not possible, the Director will discuss the matter with the Chairperson prior to any such communication or operate under an existing agreement with the Chairperson.

Directors must not accept benefits, gifts, hospitality or favours which create or appear to create a favoured position for another organisation or person who either is or aspires to be a vendor or supplier to Auckland Transport. Where offers of gifts, hospitality or inducement are made, these should be reported to the Chairperson for a decision.

Other Board Appointments

Any Director may accept other board appointments if the appointment is not in conflict with Auckland Transport and does not detrimentally affect the Director's performance as a Director of Auckland Transport. A Director may not accept any other appointment without the prior consent of the Chairperson of the Auckland Transport Board.



Directors' Remuneration and Reimbursement of Expenses

Directors are paid in Directors' fees. Directors' fees will compensate Directors fully for their contribution to the Board, including attending Board and committee meetings, meeting preparation, and any other agreed tasks.

Additional fees are paid to the Chairperson and Deputy Chairperson of the Board and to Chairpersons of each Committee to reflect the additional responsibilities of these positions.

Auckland Transport will reimburse all reasonable expenses incurred by Directors in carrying out their role. Directors will claim these expenses within a period of six months from the date the expense was incurred.

Board and Director Evaluations

The Board will, each year, evaluate its performance, and its processes and procedures. Each Board Committee will conduct an annual review of its performance and report the results to the Board. There will be an annual review of each individual Director. Each Director must respond in writing to questions determined by the Board about their own performance and that of their fellow Directors. The Chairperson will collate the responses and discuss those responses with each individual Director. The Chairperson's own performance will be subject to discussion by the Deputy Chairperson and the other Directors.

Continuous Education and Professional Development

Directors have an obligation to undertake continuing professional development education to maintain their ability to perform their duties.

Directors will educate themselves by engaging in site visits or briefings from key executives and industry experts within Auckland Transport as appropriate. The Board may also receive briefings from companies in relevant industries.

Directors may attend professional conferences relevant to their role as Directors of Auckland Transport. Auckland Transport may contribute to the costs associated with conference attendance according to a policy that the Board will adopt and periodically review.

Board Composition

The composition of the Board will reflect the duties and responsibilities it has as the governing body of Auckland Transport and the role it performs in setting Auckland Transport's strategy and ensuring that strategy is implemented.

The membership of the Board will comprise:

- No fewer than six and no more than eight voting Directors, of whom two may be members of Auckland Council; and
- One non-voting Director nominated by Waka Kotahi New Zealand Transport Agency (who may be a person who is the holder of an identified office or senior executive position within Waka Kotahi New Zealand Transport Agency).

Auckland Council appoints the Board including its Chairperson and Deputy Chairperson as provided by



section 43 of LGACA.

Role of the Board Chairperson and Deputy Chairperson

The role of the Chairperson is to:

- Chair Board meetings.
- Provide leadership to the Board and to Auckland Transport.
- Facilitate Board discussion to ensure the critical issues facing Auckland Transport are directly addressed.
- Maintain a dialogue and mentoring relationship with the Chief Executive and Senior Executives.
- Maintain a dialogue with the Mayor and others (including the media).
- Lead the Director induction process.
- Monitor the performance of the Board and other individual Directors.
- Ensure the effectiveness and development of the Board.

The role of Deputy Chairperson is to take on the Chairperson's role, when required. This will include:

- Chairing meetings in the absence of the Chairperson.
- Providing effective leadership.
- Acting on the Chairperson's behalf as required for meetings with the Mayor and others.
- Undertaking other duties which are required by the Board.

The Board Secretary

The Secretary of the Board is responsible for ensuring that Board procedures are followed, that there is compliance with the applicable rules and regulations for the conduct and record of the affairs of the Board, and for all matters associated with the maintenance of the Board for its efficient operation.

Board Meetings, Agendas and Minutes

- Board meetings will be split into closed sessions and open sessions with separate agendas and minutes for each.
- Board business will generally be conducted in Board meetings.
- Directors will use their best endeavours to attend Board meetings and to prepare thoroughly.
- Directors are expected to participate fully, frankly and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to those discussions. Directors unable to attend a meeting will advise the Chairperson at the earliest date possible and confirm in writing to the Board Secretary.
- The Board will make the best possible use of its meetings by dealing only with matters that have governance-level significance, by retaining a future focus and, within a defined policy framework, by delegation to the Chief Executive.
- The Board will develop a work plan 12 months in advance that:
 - Ensures the Board regularly reviews progress towards achievement of the Regional Long Term Plan (RLTP) and strategic direction.
 - Provides assurance that all relevant compliance requirements are addressed.
 - Improves Board performance through education and continuous focus on its governance



effectiveness.

- The Chairperson will establish the agenda for each Board meeting, although each Director may suggest the inclusion of any items. The agenda will prioritise important business for the start of the meeting.
- The Board will meet eight times during the year at regular intervals however, Board meetings may be scheduled at other times as determined by the Board.
- Board meetings will be conducted in an open, constructive and respectful manner, recognising that genuinely held differences of opinion can bring greater clarity and lead to better decisions.
- The Board Secretary will provide Directors with their Board papers at least four working days prior to the meeting.
- At each normal meeting Auckland Transport's Interests Register will be updated as necessary and the Board will consider the work programme and related management papers noted in **Appendix 1**.
- Subject to legal or regulatory requirements the Board will decide the manner and timing of the publication of its decisions.
- Directors are entitled to have access, at all reasonable times, to all relevant Auckland Transport management staff and related information.
- Clean copies of the Board Meeting Agenda and Minutes will be uploaded to the platform "Board Books". These will be stored for a period of seven years.

Board Meeting Quorum

- The quorum of a meeting of the Auckland Transport Board is more than half of all Directors with voting rights.
- A meeting is duly constituted if a quorum is present. Business may not be transacted at any meeting unless at least a quorum of Directors is present for the duration of that meeting.
- A resolution of the Board is passed if it is agreed to by all Directors present without dissent or if a majority of the votes cast on it are in favour of it.
- A director present at a meeting of the Board is presumed to have agreed to, and to have voted in favour of, a resolution of the Board unless they expressly dissent from or vote against the resolution at the meeting.

Board Committees

- Committees established by the Board will review and analyse proposals, policies and strategies which are within the terms of their purpose as stated in their Charter. They will make recommendations to the full Board.
- Unless specifically authorised by the Board, Committees do not act or make decisions on behalf of the Board.
- The Board Committees are the Design and Delivery Committee, Finance and Assurance Committee, Safety Committee and People and Culture Committee.
- Each Committee has an individual Charter which the Board annually reviews. The Board may establish ad hoc or other committees to deal with specific issues on behalf of the Board.
- The Board appoints the Chairperson and members of each Committee by resolution.
- The Board annually reviews the performance of each Committee against the terms of its Charter.

Reliance on Information

- Directors may rely on reports, statements, financial data and other information prepared or supplied by



an employee of Auckland Transport whom, on reasonable grounds, the Director believes to be reliable and competent in relation to the matters concerned.

- Directors may rely on professional or expert advice given by a professional advisor or expert in relation to matters which the Director believes, on reasonable grounds, to be within the person's professional or expert competence.
- Directors may rely on the information if the Director acts in good faith, makes proper enquiry and has no knowledge that such reliance is unwarranted.
- Directors may rely on the integrity and honesty of the other Directors of Auckland Transport, the Chief Executive, senior management and professional advisors and experts.

Position of Chief Executive

The Board provides for Auckland Transport's governance and management functions by delegation to the Chief Executive. Board powers are lawfully delegated to the Chief Executive. The Chief Executive in turn delegates authority and accountability to management as required. The Board will agree with the Chief Executive to achieve specific results directed towards its statutory purpose. This will usually take the form of an annual performance contract under which the Chief Executive is authorised to make any decision and take any action within the management limitations, directed at achieving Auckland Transport's statutory purpose.

Between Board meetings the Chairperson communicates with the Board and the Chief Executive. The Chief Executive must inform the Chairperson of all important matters. The Chairperson may counsel and advise the Chief Executive. Only decisions of the Board acting as a body are binding on the Chief Executive. Individual Directors have no authority to give direction to the Chief Executive

Accountability of Chief Executive to the Board

The Chief Executive is accountable to the Board, through the Chairperson, for the achievement of Auckland Transport's specific results directed towards its statutory purpose. The Chief Executive is accountable for the observance of the management limitations.

At each of its monthly meetings the Chief Executive must provide the Board with:

- the operational and other reports and proposals referred to above; and
- such assurances as the Board considers necessary to confirm that the Chief Executive is observing the management limitations.

Management Limitations

- The Chief Executive must act within the powers delegated to them by the Board. The Chief Executive must not cause or permit any practice, activity or decision that is contrary to law, or to commonly accepted good business practice or professional ethics. In allocating the capital and resources of Auckland Transport the Chief Executive must adhere to Auckland Transport's statutory purpose. The Chief Executive must not cause or permit any action without considering its health, safety, environmental and political consequences.
- The Chief Executive must ensure Auckland Transport's assets are adequately maintained and protected, and not unnecessarily placed at risk. Auckland Transport must be operated with a comprehensive system of internal control, and assets or funds must not be received, processed or disbursed without controls that, as a minimum, are sufficient to meet standards acceptable to Auckland Transport's external auditors.
- The Chief Executive must not permit employees and other parties working for Auckland Transport to be subjected to treatment or conditions that are undignified, inequitable, unfair or unsafe.



Chief Executive Remuneration

The Board will determine the Chief Executive's remuneration based on terms and conditions that reflect the nature of Auckland Transport and market conditions for executive remuneration in comparable organisations. The Board will determine this remuneration as a whole, unless otherwise delegated to a committee of the Board.

Review of Charter

The Board will review this Charter every 18 months or as required to ensure it remains consistent with the Board's objectives and responsibilities.

Version: 12 March 2024

Approved by:

Richard Leggat (Chair)	Mark Darrow (Deputy Chair)
Raveen Jaduram	Henare Clarke
Councillor Chris Darby	Councillor Andrew Baker



Appendix 1

At each meeting Auckland Transport's Interests Register will be updated as necessary and the Board will consider:

- an operational report from the Chief Executive
- a report from the Chief Financial Officer
- reports on their activities from Auckland Transport's business areas.
- specific proposals for capital expenditure and acquisitions in accordance with delegations.
- major issues and opportunities for the organisation
- In addition, the Board will, at intervals of not more than one year:
 - review the organisation goals.
 - review the strategies and operating plans for achieving Auckland Transport's goals.
 - approve the annual budget.
 - approve the annual and half-yearly financial statements and public announcements.
 - approve the annual report.
 - review the Board composition, structure, and succession.
 - review Auckland Transport's audit requirements.
 - review Board Committees, including their performance, necessity and composition. .
 - undertake board and individual member evaluations.
 - review the Chief Executive's performance and remuneration.
 - review remuneration policies and practices in general.
 - review risk policies and controls including insurance covers and compliance with legal and regulatory requirements.
 - review Auckland Transport's code of conduct and ethical standards.
 - review customer, supplier, and stakeholder relations.
 - settle the following year's board work plan.
 - Review the Auckland Transport's climate-related impacts and risks.

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