I hereby give notice that an ordinary meeting of the Governing Body will be held on:

**Date:** Thursday, 25 June 2020  
**Time:** 10.00am  
**Meeting Room:** Reception Lounge  
**Venue:** Auckland Town Hall  
301-305 Queen Street  
Auckland

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**Tira Kāwana / Governing Body**  
**OPEN ADDENDUM AGENDA**

---

**MEMBERSHIP**

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayor</td>
<td>Hon Phil Goff, CNZM, JP</td>
</tr>
<tr>
<td>Deputy Mayor</td>
<td>Deputy Mayor Cr Bill Cashmore</td>
</tr>
<tr>
<td>Councillors</td>
<td>Cr Josephine Bartley</td>
</tr>
<tr>
<td></td>
<td>Cr Dr Cathy Casey</td>
</tr>
<tr>
<td></td>
<td>Cr Fa’anana Efeso Collins</td>
</tr>
<tr>
<td></td>
<td>Cr Pippa Coom</td>
</tr>
<tr>
<td></td>
<td>Cr Linda Cooper, JP</td>
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<tr>
<td></td>
<td>Cr Angela Dalton</td>
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<td></td>
<td>Cr Chris Darby</td>
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<tr>
<td></td>
<td>Cr Alf Filipaina</td>
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<tr>
<td></td>
<td>Cr Christine Fletcher, QSO</td>
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<td></td>
<td>Cr Shane Henderson</td>
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<td></td>
<td>Cr Richard Hills</td>
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<td></td>
<td>Cr Tracy Mulholland</td>
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<td></td>
<td>Cr Daniel Newman, JP</td>
</tr>
<tr>
<td></td>
<td>Cr Greg Sayers</td>
</tr>
<tr>
<td></td>
<td>Cr Desley Simpson, JP</td>
</tr>
<tr>
<td></td>
<td>Cr Sharon Stewart, QSM</td>
</tr>
<tr>
<td></td>
<td>Cr Wayne Walker</td>
</tr>
<tr>
<td></td>
<td>Cr John Watson</td>
</tr>
<tr>
<td></td>
<td>Cr Paul Young</td>
</tr>
</tbody>
</table>

(Quorum 0 members)

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**Sarndra O'Toole**  
Kaiarataki Kapa Tohutohu Mana Whakahaere /  
Team Leader Governance Advisors  

24 June 2020

Contact Telephone: (09) 890 8152  
Email: sarndra.otool@aucklandcouncil.govt.nz  
Website: www.aucklandcouncil.govt.nz

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**Note:** The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.
<table>
<thead>
<tr>
<th>ITEM</th>
<th>TABLE OF CONTENTS</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Report from Watercare on Water Shortage</td>
<td>5</td>
</tr>
<tr>
<td>10</td>
<td>Update on water matters</td>
<td>35</td>
</tr>
<tr>
<td>15</td>
<td>Shareholder comments on revised draft CCO Statements of Intent, 2020-2023</td>
<td>39</td>
</tr>
</tbody>
</table>
Te take mō te pūrongo
Purpose of the report
1. To provide an update on immediate actions to address the water shortage.

Whakarāpopototanga matua
Executive summary
2. Attachment A is the presentation from Watercare.
3. Attachment B is the Draft Auckland Metropolitan Drought Response Summary.

Ngā tūtohunga
Recommendation/s
That the Governing Body:
a) receive the report from Watercare regarding the water shortage.
b) thank Watercare representatives for their attendance.

Ngā tāpirihanga
Attachments

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A₁</td>
<td>Presentation</td>
<td>7</td>
</tr>
<tr>
<td>B₀</td>
<td>Draft Auckland Metropolitan Drought Response Summary</td>
<td>33</td>
</tr>
</tbody>
</table>

Ngā kaihaina
Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Authorisers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sarah Holdem - Principal Advisor</td>
<td>Alastair Cameron - Manager - CCO Governance &amp; External Partnerships</td>
</tr>
<tr>
<td></td>
<td>Phil Wilson - Governance Director</td>
</tr>
<tr>
<td></td>
<td>Stephen Town - Chief Executive</td>
</tr>
</tbody>
</table>
Drought Update – 25 June 2020

Lower Nihotupu – May 2020
The Auckland Drought

• Since 1 November 2019 to 19 June 2020, we have received half of the normal rainfall

• January to May period was the driest since records began

• Auckland is in the most severe drought on record

• Watercare builds and operates its water supply system with 99.5% reliability – a 1:200 year drought security standard

• Auckland water storage lakes are currently 45% full (normal average 77.4%)

• Current forecasts are for less than to average rainfall over winter and into spring.
The Auckland Drought

Governing Body

Report from Watercare on Water Shortage

Attachment A

Item 9
Attachment A

Item 9

Storage lakes, May & June 2020

Upper Nihotupu Storage Lake — May 2020

Mangatangi Storage Lake – June 2020

Lower Huia Storage Lake — May 2020
Auckland Drought: Return Period

• NIWA forecast:
  - If we get normal rainfall over May-June-July, the drought will be a 1 in 100 year event
  - But if we get below normal rainfall over these three months, it will be in excess of a 1 in 200 year event.

• Auckland’s water system is designed to a 1 in 200 year drought return. This means that it will take a 1 in 200 year drought to completely empty all the storage in our supply lakes if we do not implement restrictions or other demand initiatives. Or a 1 in 100 year drought to reduce lake storage levels to 15%.

• Drought response actions are implemented to ensure lakes are not emptied and that stored water remains available to supply Auckland.

• These steps are taken in accordance with our Drought Management Plan.

• During the last drought requiring water use restrictions (1993/1994), the Auckland Water System was designed to a 1 in 50 year drought return. When that drought was over, it confirmed to be a below a 1 in 100 year drought.
# Auckland Drought Response: Forecast

## Drought Response Forecast – Target minimum 75% storage by October 2020

<table>
<thead>
<tr>
<th></th>
<th>Jun-20</th>
<th>Jul-20</th>
<th>Aug-20</th>
<th>Sep-20</th>
<th>Oct-20</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Lake storage levels (target % at end of month)</td>
<td>49.6%*</td>
<td>56.0%*</td>
<td>62.4%*</td>
<td>68.6%*</td>
<td>75.0%*</td>
</tr>
<tr>
<td>B Average daily use (target MLD)</td>
<td>410</td>
<td>409</td>
<td>405</td>
<td>405</td>
<td>414</td>
</tr>
<tr>
<td>C Waikato &amp; Onehunga production forecast (MLD) which includes maximising Waikato WTP above the current consent from July 2020 (extra 10MLD) and August (extra 20MLD), and the addition of Pukekohe Stage 1 August (extra 2.5MLD)</td>
<td>170</td>
<td>180</td>
<td>192.5</td>
<td>192.5</td>
<td>192.5</td>
</tr>
<tr>
<td>D Abstraction from the storage lakes (MLD)</td>
<td>240</td>
<td>229</td>
<td>213</td>
<td>213</td>
<td>222</td>
</tr>
<tr>
<td>E Total lake recharge required (MLD) for the month</td>
<td>435</td>
<td>424</td>
<td>408</td>
<td>408</td>
<td>417</td>
</tr>
<tr>
<td>F Normal monthly rainfall (mm)</td>
<td>179</td>
<td>207</td>
<td>183</td>
<td>152</td>
<td>145</td>
</tr>
<tr>
<td>G Estimated rainfall required to achieve 75% lake storage by Oct.</td>
<td>98%</td>
<td>83%</td>
<td>90%</td>
<td>108%</td>
<td>116%</td>
</tr>
<tr>
<td>H Forecast rain conditions (% of normal)</td>
<td>100%</td>
<td>103%</td>
<td>85%</td>
<td>79%</td>
<td>87%</td>
</tr>
</tbody>
</table>

**I** Forecasted rain conditions

- Normal rainfall
- Normal rainfall
- Below normal rainfall
- Below normal rainfall
- Below normal rainfall

*restriction zone
# Auckland Drought Response: Status for June

## Status Report – to week ending 21 June 2020

<table>
<thead>
<tr>
<th>Monthly storage commenced 1 June 2020</th>
<th>43.4%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target storage for 30 June 2020</td>
<td>49.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Storage at end of week ending 14 June</th>
<th>Status at 21 June</th>
<th>Target for 21 June</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 Day Demand (m$^3$/day)</td>
<td>408,136</td>
<td>410,000</td>
</tr>
<tr>
<td>Month to Date (m$^3$/day)</td>
<td>406,896</td>
<td>410,000</td>
</tr>
<tr>
<td>Non-Storage 7 Day Production (m$^3$/day)</td>
<td>177,823</td>
<td>170,000</td>
</tr>
<tr>
<td>7 Day Rainfall (% of normal)</td>
<td>119%</td>
<td>98%</td>
</tr>
<tr>
<td>Month to Date Rainfall (% of normal)</td>
<td>93%</td>
<td>98%</td>
</tr>
<tr>
<td>Coming Week Rainfall Forecast (% of normal)</td>
<td>109%</td>
<td>98%</td>
</tr>
<tr>
<td>Coming 4 week</td>
<td>103%</td>
<td>98%</td>
</tr>
</tbody>
</table>
Auckland Drought Response: Planning

- The 2020 drought response has four stages involving increasingly stringent interventions based on lake water storage levels.
- The plan includes:
  - demand side initiatives to reduce consumption and restrict demand – water use restrictions
  - supply side initiatives to reduce pressure on the falling water levels in the storage lakes – source augmentation
- The variable unplanned factor is rain.
- A comprehensive drought communications strategy has been developed with SenateSHJ and the campaign developed with Stanley Street.
- The drought response plan is aimed at avoiding the worst case scenario involving the use of standpipes in the street.
- If everyone treats water as precious and takes personal responsibility to save the required amounts of water we can all get through this together.
Auckland Drought Response: Demand Management

- Different stages implemented according to the trigger levels in the Metropolitan Drought Management Plan (DMP).
- Stage 1 implemented from 16 May 2020. Targets outdoor use.
- Stage 2 will be triggered in accordance with the DMP. Water use restrictions will increase as lake storage decreases.

What area do the restrictions cover?

- Pukekohe, Patumahoe, Clarks Beach, Glenbrook Beach, and all other metropolitan areas from Waiwera to Drury and Huia Village.
- Areas such as Warkworth with a deep aquifer water take are exempt.
- Messaging will be region wide to avoid confusion – everyone is expected to show restraint with water use.

When are restrictions likely to be withdrawn?

- It depends on rainfall. It is anticipated water use restrictions will remain in place until Autumn 2021.
Demand side actions including water use restrictions – Stage 1

Purpose
- Maximise potential of storage lakes to recover from drought to meet seasonal demand

Impacts
- Restrictions targeting irrigation and outdoor cleaning
- Voluntary indoor domestic and commercial savings
- Education focused compliance
- Standpipes withdrawn from construction use, unless used for drinking water purposes at construction sites
- Tanker filling stations open for potable (drinking) water supply to rain tank users
- Water blasters, car washers effected but non-potable water available

See A3 attachment for details
Demand side actions including water use restrictions – Stage 2

**Purpose**
- As per Stage 1

**Impacts**
- As per Stage 1 plus:
- *Increased* indoor domestic and commercial savings
- Active compliance monitoring and enforcement for repeat offenders
- No watering of sports fields
- Potential impact on commercial customers production capability
  - unless savings can be made through efficiencies, production may need to be reduced.

*See A3 attachment for details*
Demand side actions including water use restrictions – Stage 3

Purpose
- As per Stage 2

Impacts
- As per Stage 2 plus:
- Further increased indoor domestic and commercial savings
- Lawns, gardens and parks can only be watered by non-potable water sources
- Full compliance monitoring and enforcement
- Tanker filling stations closed. No potable (drinking) water supply to rain tank users.
- Impact on commercial customers’ production capability
  - Water consumption will need to be retained at winter levels.

See A3 attachment for details
Demand side actions including water use restrictions – Stage 4

Purpose

• Maintain adequate supply of drinking water to sustain life and protect public health

Impacts

• As per Stage 3 plus:

  • Significant indoor domestic and commercial savings
  • Increased impact on commercial customers’ production capability

See A3 attachment for details
Commercial users requiring non-potable water

- **Small Businesses, car washes and water blasters:** Watercare and Healthy Waters are assisting these companies to access non-potable water.

- **Non-potable water:** There are currently six distribution points with others being evaluated.

- **Construction companies:** A collective representing construction companies are working co-operatively to establish non-potable sources to meet their needs. Western Springs has been opened up for this purpose and is already operational.
Auckland Drought Response: Augmentation of water supply

- 130 alternative sources identified from studies dating back to the early 1990’s
- Assessed against water availability, environmental effects and implementation timeframe.
- 18 short listed for further review - The following options are currently being developed:
  - Pukekohe Hickeys Bore in service from August 2020 (5MLD)
  - Papakura Hays Creek Dam in service from December 2020 (6MLD)
  - Waikato Water Treatment Plant upgrade to 175MLD - August 2020
    - RMA S.330 emergency water take, 16 June 2020 (15MLD)
    - Possible temporary transfer of Hamilton water take (25MLD)
- A funding allocation of $180m has been provided for initial drought response for short-term additional water sources.
## Auckland Drought Response: Non-revenue water

<table>
<thead>
<tr>
<th>Activity</th>
<th>Action</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>District metering</td>
<td>• Reduce size of current supply zones to allow comparative monitoring</td>
<td>• District metering enables the benefits of all non-revenue water initiatives to be monitored and tracked</td>
</tr>
<tr>
<td></td>
<td>• Monitor consumption over time</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Target priority areas for leak repair</td>
<td></td>
</tr>
<tr>
<td>Pressure reduction</td>
<td>• Reduce leakage and consumption</td>
<td>• 2.35 MLD by Nov 21</td>
</tr>
<tr>
<td></td>
<td>• Reduce number of burst pipes</td>
<td>• 4 zones completed by July 2020 with a further 4 zones completed by Oct 2021</td>
</tr>
<tr>
<td>Leakage control</td>
<td>• Increased leak detection and response</td>
<td>• 9.6 MLD by June 2021</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• All leaks detected can be fixed within 5 days of reporting</td>
</tr>
<tr>
<td>Meter replacements</td>
<td>• Improved accuracy of meter readings</td>
<td>• Replace 30,000 domestic meters and 1000 commercial meters each year</td>
</tr>
<tr>
<td>Theft reduction</td>
<td>• Meter fire connections in specified properties to monitor for illegal use</td>
<td>• Yet to be determined – based on trial findings</td>
</tr>
</tbody>
</table>
Auckland Drought Response: Working with Auckland Council

- Liaison with Mayor’s office and Watercare's Councillor representative support staff
- Weekly water situation updates to Councillors and Local Board members and
- Friday catch ups with Council officers
- Liaison with Healthy Waters – Non-potable water source availability, rain tank water supply, Planning Committee and response to Local Board notices of motion
Auckland Drought Response: External Communications Objectives

- To raise stakeholder awareness and understanding of Auckland’s current water situation and promote water savings.
- To raise stakeholder awareness and understanding of Watercare’s role and water supply strategy.

**Monitoring:** we measure the effectiveness of the communications at the end of each campaign phase by randomly surveying 750 Aucklanders. The last survey found (May):

- 75% of respondents know Auckland is in a drought
- 68% of respondents believe it is extremely important to save water right now
- 86% of respondents could identify ways they have saved water over the past month.
## Auckland Drought Response: Key messaging by campaign phase

### Communication objectives

<table>
<thead>
<tr>
<th>Campaign phase</th>
<th>Message</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raise awareness (Voluntary water savings)</td>
<td>Customer see water is a precious resource</td>
</tr>
<tr>
<td></td>
<td>Build awareness of drought risk and implications</td>
</tr>
<tr>
<td></td>
<td>Encourage savings</td>
</tr>
<tr>
<td>Engagement and positive action (Stage 1 and Stage 2 water use restrictions)</td>
<td>Build awareness of drought</td>
</tr>
<tr>
<td></td>
<td>Ensure understanding of restrictions</td>
</tr>
<tr>
<td></td>
<td>Continue to encourage indoor savings</td>
</tr>
<tr>
<td></td>
<td>Build understanding of Watercare response</td>
</tr>
<tr>
<td></td>
<td>Celebrate gains</td>
</tr>
<tr>
<td>Act now (Stage 3 and Stage 4 water use restrictions)</td>
<td>Establish recognition the situation is critical</td>
</tr>
<tr>
<td></td>
<td>Recognition of long-term consequences and heightened need for savings</td>
</tr>
<tr>
<td></td>
<td>Auckland is experiencing the worst drought on record</td>
</tr>
<tr>
<td></td>
<td>You must act now to make water savings.</td>
</tr>
<tr>
<td></td>
<td>Restrictions are in place and must be strictly adhered to.</td>
</tr>
<tr>
<td></td>
<td>Watercare is working to bring on new water sources</td>
</tr>
</tbody>
</table>

### Key messaging

<table>
<thead>
<tr>
<th>Item</th>
<th>Messaging</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Water is precious, please use it wisely. The drought is growing serious. Keep washing hands, but limit non-essential use like cleaning cars and watering lawns. Keep showers to four minutes or less.</td>
</tr>
<tr>
<td>2</td>
<td>As above, plus: Restrictions are now in place and are necessary to protect supply. No external water use (as per restrictions). Aucklanders are making real savings (or Aucklanders need to save more). Watercare is working to bring on new water sources.</td>
</tr>
<tr>
<td>3</td>
<td>Auckland is experiencing the worst drought on record. You must act now to make water savings. Restrictions are in place and must be strictly adhered to. Watercare is working to bring on new water sources.</td>
</tr>
</tbody>
</table>

**Attachment A**
# Auckland Drought Response: Commercial Customers

<table>
<thead>
<tr>
<th>Customer Type</th>
<th>Action</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top 100 customers by volume</td>
<td>• Weekly communication with top 100 and calls to top 10 customers</td>
<td>• Consumption feedback provided regularly with updates on initiatives in place to deliver savings</td>
</tr>
<tr>
<td></td>
<td>• Promoting case studies for modeled behavior</td>
<td>• Smart meter data monitored for real time trends</td>
</tr>
<tr>
<td></td>
<td>• Targeted key industry segments with personalized communication</td>
<td></td>
</tr>
<tr>
<td>Directly effected customers</td>
<td>• Water blasters, car washers, outdoor cleaning and irrigators contacted and communicated locations of non potable sources</td>
<td>• Monitoring through water misuse process</td>
</tr>
<tr>
<td></td>
<td>• Assisted with expediting bore consenting process</td>
<td>• Car washes at petrol stations closed unless they are using 100% recycled water</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Customers actively applying for bore drilling to access non potable water</td>
</tr>
<tr>
<td>Kāinga Ora</td>
<td>• Designed plan to increase awareness and education of drought within their residential base with Kāinga Ora</td>
<td>• High consumption households identified to target suburbs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Water savings feature in their quarterly newsletter and geo tagging our Facebook posts to their high consumption suburbs</td>
</tr>
<tr>
<td>Food and Beverage</td>
<td>• Weekly communication with these segments using smart meter data for regular check ins</td>
<td>• All building and vehicle washing kept to a minimum</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Reduced production where possible</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Trigger nozzles installed in plant</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Making innovative technical changes to drive savings</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Revised cleaning processes with reduced water flushes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Grey water use is being investigated</td>
</tr>
</tbody>
</table>
Auckland Drought Response: Rain Water Tanks

- Auckland Council officers are working to reduce the regulatory burden for the installation of supplementary rain tanks.
- Watercare supports, and will promote, this approach.
- Last summer Watercare supplied the equivalent of 28,000 people with tankered water to fill rain tanks.
- Rain tanks should be installed now to harvest winter rain.
What’s next?

- Continue negotiations with Hamilton City Council to secure temporary transfer of 25 MLD
- Lodge resource consent application for emergency water take form the Waikato River
- Complete investigations into additional water sources that can be developed by winter 2021
- Develop the additional sources including Pukekoke, Hays Creek and others
- Continue consultation with Waikato-Tainui and others
- Monitoring weather forecasts and amend drought response as required
- Increase the sense of urgency around the drought communications and water savings
- Continue to update elected representatives
Auckland metropolitan drought response – summary of tactical overview

20 June 2020

Watercare has a secure water supply system and can continue to supply water at all stages of the drought response. Domestic customers = 68.5% of total water consumption; Commercial customers = 31.5% of total water consumption. Auckland Council = 8% of total water consumption.

### Objectives

<table>
<thead>
<tr>
<th>Objective</th>
<th>Sub-category</th>
<th>Stage 1</th>
<th>Stage 2</th>
<th>Stage 3</th>
<th>Stage 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lake Storage Trigger Level (indicative)</td>
<td>Winter</td>
<td>50% storage</td>
<td>40% storage</td>
<td>30% storage</td>
<td>Maintain adequate supply of drinking water to sustain life and protect public health.</td>
</tr>
<tr>
<td></td>
<td>Summer</td>
<td>60% storage</td>
<td>50% storage</td>
<td>40% storage</td>
<td></td>
</tr>
<tr>
<td>Water savings target</td>
<td>Baseline</td>
<td>40%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>Grams per capita per day (including use of greywater)</td>
<td>Residential (voluntary)</td>
<td>150 gpd</td>
<td>150 gpd</td>
<td>150 gpd</td>
</tr>
<tr>
<td></td>
<td>Commercial (mandatory)</td>
<td>100 gpd</td>
<td>100 gpd</td>
<td>100 gpd</td>
<td>100 gpd</td>
</tr>
<tr>
<td>Water consumption target (MIO)</td>
<td>Average annual demand normally 406MIO</td>
<td>16 Lpd per person per day</td>
<td>16 Lpd per person per day</td>
<td>16 Lpd per person per day</td>
<td>16 Lpd per person per day</td>
</tr>
<tr>
<td></td>
<td>Targets calculated each season to account for rainfall</td>
<td>433</td>
<td>411</td>
<td>390</td>
<td>300 (achievement of the target will ensure every tap in Auckland still has water)</td>
</tr>
</tbody>
</table>

### Outdoor Water Use Restrictions

- **Residential**: Residential water users cannot:
  - Use an outdoor hose or water blaster.
- **Commercial**: Commercial water users cannot:
  - Use an outdoor hose or water blaster unless it is for a health, safety, emergency or biosecurity reason.

### Demand Reduction

- **Commercial**:
  - Access to and use of fire hydrants are available and during use water restrictions systems for drinking and sanitary water supply to a construction site. Alternative non-potable supplies are available for construction.

### Compliance and Enforcement

- **Residential and commercial**: Focus on education and working constructively with water users as they get used to the introduction of water use restrictions including access to alternative non-potable (non-drinking) supplies.
- **Increased monitoring of known problem areas and sectors with focus on education and compliance. Actively follow up on multiple rescue reports.**

### Metropolitan Tanker Filling Stations

- **Available**: All available.
- **Unavailable**: Unavailable.
<table>
<thead>
<tr>
<th>Category of response</th>
<th>Sub-category</th>
<th>Stage 1</th>
<th>Stage 2</th>
<th>Stage 3</th>
<th>Stage 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communications Strategy</td>
<td>Water Balancing Campaign</td>
<td>- Availabilty of water is an awareness call to action.</td>
<td>- Reduce your indoor water use by 20 litres a day at least 10% for businesses.</td>
<td>- Reduce your indoor water use by 30 litres a day at least 15% for businesses.</td>
<td>- Reduce your indoor water use by 40 litres a day at least 30% for businesses.</td>
</tr>
<tr>
<td>Water Storage Augmentation</td>
<td>Security and storage of water to reduce water loss</td>
<td>- Securing additional water resources reduces the amount of water that must be used while also helping to reduce pressure on the water storage system.</td>
<td>- Additional focus on targeted network renewals</td>
<td>- Additional focus on targeted network renewals</td>
<td>- Additional focus on targeted network renewals</td>
</tr>
<tr>
<td>Network Improvement Initiatives</td>
<td>Reducing water loss in the network</td>
<td>- Water pressure reduction in targeted residential supply areas</td>
<td>- Additional non-potable water resources available for commercial use.</td>
<td>- Additional non-potable water resources available for commercial use.</td>
<td>- Additional non-potable water resources available for commercial use.</td>
</tr>
<tr>
<td>Alternative non-potable (non-drinking) water resources</td>
<td>Auckland Council includes consulting and public education initiatives</td>
<td>- Limited in the winter as outdoor water use is minimal.</td>
<td>- Limited in the winter as outdoor water use is minimal.</td>
<td>- Limited in the winter as outdoor water use is minimal.</td>
<td>- Limited in the winter as outdoor water use is minimal.</td>
</tr>
<tr>
<td>Economic Impact</td>
<td>Residential</td>
<td>- Limited in the winter as outdoor water use is minimal.</td>
<td>- Limited in the winter as outdoor water use is minimal.</td>
<td>- Limited in the winter as outdoor water use is minimal.</td>
<td>- Limited in the winter as outdoor water use is minimal.</td>
</tr>
<tr>
<td>Water Conservation Strategies</td>
<td>Water Balancing</td>
<td>- Reduced water use restrictions may be necessary for outdoor activities, particularly related to households, industrial and commercial use.</td>
<td>- The importance of conservation is emphasized.</td>
<td>- The importance of conservation is emphasized.</td>
<td>- The importance of conservation is emphasized.</td>
</tr>
<tr>
<td>Social Impact</td>
<td>Residential and Commercial</td>
<td>- Households relying on organic gardens and landscaping</td>
<td>- Reduce indoor water use restrictions are in place.</td>
<td>- Reduce indoor water use restrictions are in place.</td>
<td>- Reduce indoor water use restrictions are in place.</td>
</tr>
</tbody>
</table>
Te take mō te pūrongo
Purpose of the report
1. To clarify roles and responsibilities with respect to water and to direct investigation of ways to encourage the use of rain tanks, particularly in the suburban part of Auckland.

Whakarāpopototanga matua
Executive summary
2. Watercare is accountable for the metropolitan water supply system - the continuity, supply and quality of drinking water as well as customer service and communication. They are also responsible for the management and treatment of wastewater.
3. Auckland Council has multiple roles:
   - Monitoring the performance of council-controlled organisations, including Watercare
   - A regulating and consenting authority
   - Environmental monitoring of coastal and fresh water
   - Long-term strategy and policy development
   - Emergency management (where Watercare is a lifeline utility)
   - Storm water management including development of non-potable water sources
   - A land-owner, responsible for managing lakes, streams and ponds, and providing access and amenity
   - A service provider and organisation which is a large consumer of water
   - Communication with Aucklanders
4. A joined-up approach involving both Watercare and the council preparing for, communicating and mitigating the impacts of water shortages is being deployed.
5. The timely promotion of the use of private water-tanks within rural and residential areas is a means by which a water shortage during summer 2020/21 can be mitigated. Work is underway to create a package of measures including removal / simplification of existing regulatory controls aimed at incentivising home-owners to install tanks.

Ngā tūtohunga
Recommendation/s
That the Governing Body:

 a) note the different roles and responsibilities of Watercare and Council with respect to water across Auckland

 b) agree, in principle, to remove the current consenting requirements for rain tanks in residential zones and rural zones through a change to the Auckland Unitary Plan

 c) direct staff to explore options under the current legal framework to enable the council to make rain tanks for water supply mandatory in certain situations e.g. new buildings

 d) note that the Planning Committee will approve the public notification of any plan change to the Auckland Unitary Plan.
Horopaki
Context
6. Storage dams, which form a key source of supply to the Auckland Metropolitan Water Supply system, are at historic low levels. If weather conditions continue the impact of water shortages for Auckland business and communities is forecast to be most acute during summer 2020/2021.
7. Level 1 Water Restrictions and associated communications have been introduced.
8. Discussions with major water users, led by Watercare, are underway and are resulting in reduced demand.
9. With respect to water supply, Watercare as a business and a lifeline utility is accountable for:
   - Customer service and communication;
   - The continuity, supply and quality of drinking water;
   - Planning cooperatively and communicating effectively with other lifeline utilities and emergency services.
10. Watercare is reviewing its Drought Management Plan and initiatives are underway to source additional and alternative supplies of potable water.
11. Auckland Council roles include:
    - Monitoring the performance of council-controlled organisations, including Watercare
    - A regulating and consenting authority
    - Environmental monitoring of coastal and fresh water
    - Long-term strategy and policy development
    - Emergency management (where Watercare is a lifeline service)
    - Storm water management including development of non-potable water sources
    - A land owner, responsible for managing lakes, streams and ponds, and providing access and amenity
    - A service provider and organisation which is a large consumer of water
    - Communication with Aucklanders
12. Auckland Council, through Healthy Waters, are developing alternative sources of non-potable water as a means to replace the use of potable water where appropriate, for example in construction.
13. In some cases, Healthy Waters is using its emergency powers under the Resource Management Act 1991 where 'immediate preventative measures' are required to address adverse effects resulting from the water crisis. Where appropriate, Healthy Waters will also seek to vary existing, or obtain new, resource consents to authorise increased water take to reduce pressure on the city’s potable water supply.
14. In all cases, Healthy Waters is working to ensure that the supply of non-potable water is subject to appropriate controls to manage water quality, cultural, and ecological values of the resource, and to ensure that any public health, noise and traffic issues associated with the water take are managed without causing undue disruption to the local community.
15. Watercare and Auckland Council are working together to mitigate the impact of water shortages on Auckland communities. A team involving staff from both organisations has been formed to minimise the possibility of a crisis by next spring and summer.
Tātaritanga me ngā tohutohu
Analysis and advice

16. Rain-water tanks are an example of how we can work together to incentivise behaviour change and provide an alternative water supply. Rain-water tanks offer the opportunity to mitigate some of the impact of drought and water shortages whether or not sites are serviced by the metropolitan water supply.

17. This past summer saw Auckland Council providing millions of litres of potable water to bolster commercial delivery of water to private rainwater tank users. This was as a result of both dry weather conditions and the capacity of people’s rainwater tanks.

18. In relation to serviced areas, in particular suburban Auckland, the built environment is quite different and generally not conducive to sites having 30,000L tanks. However, smaller tanks e.g 2000L, can be located on some suburban sites and could be used to take water from the roof, with the water used for washing cars, watering gardens and/or filling toilet cisterns.

19. Staff are working on a plan change to remove unnecessary consent requirements for installing rain-tanks. Direction is sought from the Committee and then a plan change will be prepared and approved through the Planning Committee. As part of that process, iwi and local boards will be specifically consulted prior to notification of the plan change for public submissions. To take advantage of winter rainfall, between now and when any plan change becomes operative, council will remove processing charges for resource consent applications for rain tanks.

Tauākī whakaaweawe āhuarangi
Climate impact statement

20. While the focus of this report is immediate and short term, the drought and water shortage is illustrative of issues associated with climate change.

21. The water shortage and associated communications to better manage and use water will highlight to Aucklanders the importance of setting in place a longer-term strategy and investments which reflect the implications of climate change.

Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera
Council group impacts and views

22. Watercare and Auckland Council are working together on plans aimed at minimising and mitigating the impact of water shortages.

23. Each agency across the Council Group is managing down its water usage reflecting Level 1 water restrictions.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe
Local impacts and local board views

24. Local Board views have not been sought on this report given it is predominantly an information report. However, local boards will have the opportunity to input into the development of any plan change to the Unitary Plan.

Tauākī whakaaweawe Māori
Māori impact statement

25. Iwi views have not been sought on this report given it is predominantly an information report. Iwi will have the opportunity to input into the development of any plan change to the Unitary Plan prior to notification and once it has been notified.
26. On 16 June 2020 the Mana Whenua Operational Hui was briefed by the Healthy Waters team about the water shortage and the various non-potable water sites that have been made operational under emergency powers of the Resource Management Act 1991. Whilst understanding the gravity of the current water shortage, a range of concerns were expressed regarding current and future use and management of water resources which are beyond the scope of this report.

Ngā ritenga ā-pūtea
Financial implications
27. The decision to remove processing charges for resource consent applications for rain tanks will result in a reduction in revenue. Historically, there have been very few applications and even with an increase in applications, the revenue foregone may only be in the tens of thousands.

28. Financial implications arising from Watercare’s and Auckland Council’s actions and works to minimise and mitigate the impact of water shortages will be considered as part of the Annual Plan 2020-21 (Emergency Budget) and 2021-31 Long-term Plan.

Ngā raru tūpono me ngā whakamaurutanga
Risks and mitigations
29. This report clarifies roles and responsibilities as a means to minimise and mitigate water shortages expected in summer 2020/21.

Ngā koringa ā-muri
Next steps
30. Monthly reports by the integrated Watercare and Auckland Council team on the current drought situation will be provided to the Governing Body.

31. A plan change will be reported to the Planning Committee in August.

Ngā tāpirihanga
Attachments
There are no attachments for this report.

Ngā kaihaina
Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Megan Tyler - Chief of Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authoriser</td>
<td>Stephen Town - Chief Executive</td>
</tr>
</tbody>
</table>
Shareholder comments on revised draft CCO Statements of Intent, 2020-2023

File No.: CP2020/07426

Te take mō te pūrongo
Purpose of the report
1. To approve shareholder feedback on the revised draft Statements of Intent (SOI) 2020/2021 – 2022/2023 of the council-controlled organisations (CCOs).
2. To formally approve an extension of the deadline for submission of final SOIs by CCO Boards to 31 July 2020, in accordance with the Local Government Act 2002, Schedule 8, Clause 4.

Whakarāpopototanga matua
Executive summary
3. The substantive CCOs provided a draft SOI to the council by the original deadline of 1 March 2020, in response to the Letters of Expectation which were sent on 18 December 2019. Three non-substantive CCOs which are required to provide SOIs to the council also did so.
4. Given the COVID-19 pandemic situation, Council wrote to each of the CCOs requesting that they revise their SOIs to reflect the revised annual budget and the new reality of a post-COVID-19 community and economy. The revised draft Statements of Intent have been sent to Council and are attached (Attachments A-H).
5. The draft SOIs mostly reflect council’s priorities as set out in the letters of expectation. However, the priorities have been crucially affected by COVID-19, and the effort the CCOs have put into revising their programmes is much appreciated.
6. The key themes of feedback for each CCO are in the box below.

<table>
<thead>
<tr>
<th>Key feedback</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ATEED</strong></td>
</tr>
<tr>
<td>• ATEED has developed a revised strategic framework focussed on economic recovery and organised around four themes. Staff consider its new framework is consistent with ATEED’s purpose, and the council can endorse it.</td>
</tr>
<tr>
<td>• A highly condensed version of the three-year work programme is presented compared to previous SOIs, and needs to be elaborated on to provide a clearer view of planned priority initiatives, deliverables or projects under each of the four themes. It is acknowledged however that given the rapidly changing situation we are in, ATEED’s planning needs to be timely and agile. Therefore, some expansion during the year is wise.</td>
</tr>
<tr>
<td>• ATEED has revised down the targets for two of its LTP measures. These should be shown alongside the original LTP Targets. Benchmarks and targets for some new measures, if less developed, should be included.</td>
</tr>
</tbody>
</table>
### Auckland Transport
- Auckland Transport’s (AT) SOI reflects decisions made about the draft Emergency Budget discussions. A clearer description of how the work programme was prioritised would be helpful.
- This prioritisation will also be helpful to explain which additional projects can be completed if a 3.5% rates rise is approved, or AT’s revenue is higher than anticipated.
- It is not clear how AT will build on the positive aspects of the lockdown experience, such as more Aucklanders walking and cycling.

### Panuku
- A statement of the key capital projects that Panuku is looking to deliver needs to be provided
- The work programme deliverables need to be clearer in terms of what Panuku delivers and by when.

### Regional Facilities Auckland
Several minor changes are suggested for the RFA Statement of Intent.
The relevant areas for inclusion are:
- Asset management plan review and transparency
- Working closely with Council on developing the long-term, strategic approach to stadiums
- Undertaking a board performance review, which had to be rescheduled from April 2020
- Linking its sustainability activities to Auckland’s Climate Plan.

### Watercare
Watercare’s Statement of Intent should:
- include the immediate actions Watercare is taking to maintain the security of water supply through to the end of summer 2021
- acknowledge that the resilience Aucklanders expect from their water network is a strategic issue – which means it is the council’s decision, with input from Watercare and in consultation with Aucklanders
- acknowledge that any new revenue opportunities will need to be approved by the council until Watercare prepares a risk framework which the council approves.

7. Each CCO will also need to reflect the council’s final decisions on the 2020/2021 Emergency Budget in their final SOI.

8. Given the pandemic and the consequent revision of Council’s Emergency Budget, the usual SOI process has been delayed. The Local Government Act 2002, Schedule 8, Clause 4, allows councils to, by written notice, postpone the deadline for receipt of final SOIs from CCO Boards by up to 1 month. In order to allow the CCOs additional breathing room to consider the council’s comments and revise their SOIs, staff propose that an extension for final submission be given through to 31 July 2020. If approved, this will be included in the shareholder comment letters sent to the CCOs.
9. Council staff will continue to work with CCOs to finalise the SOI before 31 July 2020. We propose that the Mayor, and Chair of the CCO Oversight Committee (where this report would ordinarily have been considered), prepare letters including council’s approved comments.

**Ngā tūtohunga**

**Recommendation/s**

That the Governing Body:

a) note the recommended comments on the draft statements of intent 2020/2021 – 2022/2023 for the five substantive and three non-substantive CCOs contained in this report

b) note that feedback at this stage of the statement of intent process is focussed on matters raised in the letters of expectation, statutory requirements, and any other council strategies which have not been adequately addressed in the draft statements of intent.

c) agree that the Mayor and Chair of the CCO Oversight Committee will prepare letters to be sent to the five substantive and three non-substantive CCOs containing the shareholder comments

d) agree that the content of the shareholder comment letters be based on the feedback in this report, with any deletions or additions based on feedback at the meeting

e) note that staff will record any feedback at the meeting that relates to performance or operational issues and ensure it is raised with the relevant CCOs

f) delegate to the Manager, CCO Governance and External Partnerships, the authority to finalise the shareholder feedback on the draft statements of intent for Manukau Beautification Charitable Trust, Contemporary Art Foundation and Community Education Trust Auckland.

**Horopaki**

**Statement of Intent process**

10. The purpose of Statements of Intent (SOI) is:

   a) for CCOs to outline intentions and activities for the forthcoming year

   b) to provide an opportunity for shareholders to influence the direction of the CCO

   c) to provide a basis for the accountability of CCO directors to the shareholders.

11. The SOI process is laid out in the Local Government Act 2002:

   - CCOs are required by legislation to provide the council with a draft statement of intent by March 1 each financial year.

   - The council provides shareholder feedback to CCOs on their SOIs in April. This may include a request for further information or clarification on certain matters.

   - CCO boards are then required to consider any shareholder comments and to deliver their final statement of intent by 30 June.

   - Council may by written notice extend SOI deadlines by up to 1 month.
12. Staff from the CCO Governance department and other relevant divisions review the draft SOIs, considering statutory requirements, the letters of expectation, the Auckland Plan and other relevant strategies and policies of council. This results in any proposed shareholder comments, to be sent to the chairs of each CCO. Each CCO is required to consider the shareholder comments at a public board meeting, before submitting a final SOI to the council.

13. Any matters relating to performance or operational issues will be communicated separately to each CCO. These issues can be further followed up with the relevant chair and chief executive through their attendance at quarterly reporting meetings of the CCO Oversight Committee.

Extension of final submission date for 2020

14. The Local Government Act 2002 allows for an extension of up to one month for the final submission date of SOIs (Schedule 8, Clause 4).

15. Given the Covid-19 situation in 2020, and the consequent need to allow the CCOs more time to revise their SOIs to reflect both different activities and Council’s Emergency Budget, staff propose a formal extension of the final submission date, to 31 July 2020, be granted to each of the CCOs. This will be included in shareholder comment letters.

Tātaritanga me ngā tohutohu
Analysis and advice

General comments

16. There has been a good effort by all CCOs to incorporate the messages in the letters of expectation within their draft SOI. While there are a number of feedback points in this report, they mostly relate to matters of detail and refinement, rather than fundamental issues of approach.

Finance

17. The CCOs have adopted varying approaches to the provision of their financial information. In completing the final SOI, CCOs must ensure that the financial information is agreed with council staff and includes the following:

- 2018/2019 actual results
- 2019/2020 long-term plan (LTP) budget, updated for any carry-forwards from 2018/2019 and any other agreed changes
- 2020/2021 budget consistent with annual plan submission to council
- 2021/2022 and 2022/2023 LTP budget, updated for any changes agreed as part of the 2020/2021 Annual Plan
- a breakdown by activity as in the LTP
- agreed non-strategic asset sales targets.

18. In addition, performance measures should align with the LTP. CCOs should ensure that in the final documents:

- LTP measures are clearly identified
- Measures and targets are worded exactly as in the Annual Plan 2020/2021
- Where there are proposed new COVID-19 affected targets, a clearly identified additional column is provided in addition to the original targets.
- 2018/2019 actual performance is included alongside 2019/2020 and the next three years’ targets. These should be updated for any changes agreed as part of the Annual Plan 2020/2021.
19. The final SOI financial tables must be updated for any material impacts of the revised assumptions issued by the council’s Financial Planning team on 10 June 2020, as well as any changes agreed through the Governing Body workshops between 22 June to 14 July 2020 and Finance and Performance Committee decisions made on 16 July 2020. CCOs should agree all financial tables with Financial Planning prior to finalisation.

20. There is a target of $5 million savings factored into the Emergency Budget, so all CCOs need to find savings across the Council Group through greater use of shared services. For example, corporate shared services provide an opportunity to reduce the overall operating cost for the Council Group. There are areas across the corporate functions where this is already providing benefits such as print, mail, courier services and fleet. It is recommended CCOs support further work on corporate shared services, including reviewing the opportunity to move to a centrally managed corporate property portfolio.

21. The Local Government Act (LGA) (Schedule 8, clause 9(1)(i)) requires that each CCO should include in its final SOI ‘the procedures to be followed before any member or the group subscribes for, purchases, or otherwise acquires shares in any company or other organisation’. As a matter of procedure, this needs to be included in each of the final documents.

22. The CCOs should continue to work closely with Auckland Council staff to provide consistent and transparent financial and performance information. This includes many of the KPI’s that come from the LTP and do not reasonably reflect the council’s strategic priorities.

Key performance indicators

23. Many of the SOI KPI’s are derived from the LTP.

24. Staff consider there is an opportunity to improve the KPIs to ensure they appropriately measure a CCO’s progress in this regard. This will be pursued through the next LTP process.

Māori outcomes

25. The Council Group is currently developing new KPIs relating to engagement with Māori and contributions to Māori Outcomes. The final SOI should therefore include a statement to indicate that the CCO is collaborating with the Council Group on the draft 2020-23 SOI presents a revised ATEED purpose and strategic framework. Under the revised strategic framework, ATEED’s focus is firmly on post-COVID-19 economic recovery:

26. development of Māori Outcome measures and will include such measures where appropriate to the CCO, in a future SOI.

CCO specific comments

Auckland Tourism Events and Economic Development (ATEED)

Revised purpose and strategic framework

Create prosperity for all by enriching Tāmaki Makaurau Auckland as a place for investment, talent, innovation, and visitors

27. Staff consider this purpose is broadly consistent with the three objectives set out in ATEED’s constitution (and reflected in the accountability policy), and as such can be supported by the council.

28. In the final SOI, ATEED should consider how aspects of the strategic framework could be made more plain English to make the meaning clearer (e.g. “risk capital”).

29. ATEED should also reflect whether the new strategic framework sufficiently captures its Auckland 2021 activities, climate action/regenerative economy, Māori economic development and a spatial focus (e.g. South and West). The ‘how we will measure it’ column should indicate which of the measures listed are SOI accountability measures and consider the inclusion of metrics around climate action/sustainability.
30. The draft 2020-23 SOI states ATEED is ‘actively engaged in a strategic review process that will articulate the long-term ambition and direction for ATEED in light of new realities.’ The final SOI should explicitly reflect that this long-term ambition and direction will be agreed in consultation with the council as shareholder.

**Work programme**

31. The draft 2020-23 SOI presents a highly condensed version of the three-year work programme compared to previous SOIs.

32. It is challenging from the information provided to gain a clear view of the planned priority initiatives, deliverables or projects under each of the four themes. It is therefore unclear what role ATEED is proposing to play in future in some areas.

33. Examples include skills, (re)training and redeployment, and also spatially, such as in the South and West.

34. When coupled with the new strategic framework, it is unclear whether some of the activities listed in the current SOI (e.g. skills and job hubs) are continuing into 2020/21.

35. The final SOI should therefore include more detail on the proposed three-year work programme to rectify this. It is acknowledged however that given the rapidly changing situation we are in, ATEED’s planning needs to be timely and agile. Therefore, some expansion during the year is wise.

**Māori outcomes**

36. For consistency with the rest of the council group, ATEED’s final SOI should include a commitment to playing a role in the council group Te Tiriti o Waitangi Audit programmes, as requested in the letter of expectation.

37. Infometrics (Webinar 5 May 2020) is forecasting 13,500 Māori workers to lose jobs in Auckland (and 40,000 nationally) over the next two years (2020/22), many of which are in accommodation and food, retail and the transport sectors. The major employment/unemployment challenge is not mentioned directly in the three Māori outcomes work programmes in the draft SOI, nor is there any mention of ATEED working with the Southern Initiative or the Western Initiative on such issues.

38. In the final SOI it would be desirable to clarify how, or if, ATEED will play a direct role in an equity led approach in economic recovery decision-making and labour market development, with respect to Auckland’s vulnerable workers in the south and the west in particular.

**Auckland Plan alignment**

39. In the final SOI ATEED should update the Auckland Plan alignment table to consider outcomes (other than Māori identity and wellbeing) which have focus areas specific to Māori, and ATEED’s contribution to those. For example, under Opportunity and Prosperity, focus area 3: Advance Māori employment and support Māori business and iwi organisations to be significant drivers of Auckland’s economy.

**Performance measures**

40. In the draft 2020-23 SOI ATEED has revised down the targets for two of its LTP measures ‘contribution to regional GDP from major event and business events attracted or supported’ and ‘the number of visitor nights generated as a result of an ATEED intervention.’ The original LTP targets should be shown alongside the revised targets.

41. The draft 2020-23 SOI also removes two previous SOI (non-LTP) measures relating to contributions to regional GDP from ATEED interventions and number of new jobs created, safeguarded or retained in Auckland as a result of ATEED intervention. Three new measures are proposed relating to; value of central government investment into Auckland facilitated by ATEED; attributable value of private sector investment attraction interventions undertaken over the year and local board engagement.
42. The final SOI should include a benchmark and targets for each of the three new measures. The proposed local board engagement measure is supported but should include a local board satisfaction component.

**Local boards**

43. In the final SOI, ATEED should include a stronger emphasis on guiding local boards about what actions or interventions are likely to have the most significant long-term impact in supporting economic growth for their communities, particularly in supporting higher-value industries and entrepreneurship. It should also be noted that depending on other demands on available funding and local board prioritisation, local discretionary initiative (LDI) budgets may be reduced.

**Auckland Transport**

44. Auckland Transport has provided a revised SOI which presents its intended programme, taking into account the impact of reduced budgets following the pandemic. Its programme is shaped largely by the extent of existing contractual commitments and AT board priorities, and this is reflected in the SOI. It is important to note that the funding envelope determined by the Emergency Budget process will have a major impact on the final Auckland Transport programme.

45. The following changes are recommended:

- The terms of the Auckland Transport Alignment Project (ATAP) update should be reflected in the SOI, including definition of mode shift, climate change and spatial priorities, as these will influence development of the Regional Land Transport Plan (RLTP).
- The SOI should include a section, as part of the introduction to the work programme discussing the prioritisation process undertaken to determine the programme. This will reflect the need to respect contracts already signed and underway, and AT board priorities.
- There has been a more robust recovery of public transport patronage under COVID-19 Alert Level 1 than was anticipated. The second tranche of shovel ready projects may also help council’s financial position. It would be useful for the SOI to provide an indication of investment priorities should the council’s financial position improve relative to forecast (e.g. averting public transport service cuts), and how they relate to council’s overall priorities for the transport system.
- Similarly, given the immediate indications of recovery, the Board should consider if patronage targets for public transport can be revised upward.
- The 3.5% rates increase scenario will yield an additional $40 million capital investment for AT relative to the 2.5% rates increase scenario. However, the SOI indicates that the only difference in activity between the two scenarios relates to a small increase in the network capacity and performance improvements programme and two additional parking studies. This should be modified to show the true extent of additional activity enabled by the 3.5% scenario and how this relates to council priorities, if the 3.5% scenario is approved within the Emergency Budget.
- While AT faces significant fiscal constraints, there is an opportunity for the SOI to elaborate on the potential for innovative and low-cost techniques to be deployed to achieve council priorities. Areas where this may apply include road sealing, renewals, and active modes (building on recent momentum in walking and cycling).
- The SOI indicates that policy work in several areas will also be discontinued. Policy work that responds to council priorities is important and should be reinstated, for example, the ongoing collaboration with council on the Auckland Climate Plan.
Panuku Development Auckland

More strongly link deliverables to Auckland Plan outcomes

46. It is good to see discussion of quality compact urban form and the importance of Panuku in regenerating brownfield and town centre redevelopment to support this (page 5). The Development Strategy is a key aspect of the Auckland Plan and Panuku should reference where they have aligned their programme with the Development Strategy.

COVID-19 Response

47. Figure 1 in the SOI reflects government and Panuku’s response to COVID-19. Staff suggest that Auckland Council’s response should also be included.

48. It is not immediately clear what programmes/projects/capex are likely to be delayed in response to COVID-19. It would be helpful in the work programme to make the potential impacts more explicit or be clearer if this work programme has been revised to take into account COVID-19 impacts.

49. The SOI notes that Panuku will agree a prudent programme of renewals with Auckland Council in line with financial constraints (page 24). As this may mean reductions in renewal spend, we suggest a statement is added to describe where these risks will be addressed, for example in the Panuku Asset Management Plan or through the long-term plan process.

Optimising property opportunities (page 11)

50. We note that Panuku assesses property opportunities against their strategic direction. This paragraph would benefit from being clearer on the council’s role with regard to property decisions. For example, Panuku provides key strategic investment advice to the council.

Priority Location Programme

51. Panuku uses ‘redevelopment’, ‘regeneration’, ‘priority locations’, ‘priority development locations’, ‘Transform’ and ‘Unlock’ and ‘Our neighbourhoods’ throughout the SOI. These concepts are not explained, and it would be worthwhile defining or adding some context more generally. In future, we recommend simplifying and making consistent the language used to describe the work programme initiatives.

Our neighbourhoods

52. Many of the deliverables are process orientated rather than outputs. It is also unclear what exactly is the role of Panuku in delivering some of these initiatives, for example – ‘Greenslade Reserve upgraded’ (p 14), ‘Crayford Street West Upgrade’ or ‘New town square’ (p 16). Greater clarity on what it is that Panuku is delivering is required.

Māori Outcomes

53. Panuku provides a good level of narrative around their specific contributions to ‘Māori Outcomes’. However, they do not refer explicitly to playing a role in the Tiriti o Waitangi Audit programme and their commitment should be stated for consistency with the rest of the council group.

Capital projects

54. There is no statement of the key capital projects that Panuku is looking to deliver. This needs to be provided, especially as performance measure number 2 relates to this.

Financials

55. Panuku should add a footnote to explain the negative revenue under business interests (page 36).
**Performance Measurement**

56. Performance measure 1 is a new measure assessing the total net sales over a three-year period. Greater detail is required on what this measure will achieve and targets.

57. Performance measures 3 and 4. It is pleasing that Panuku has provided two measures relating to climate change mitigation and adaption performance target. However, the descriptor of the measure does not vary between these two and needs to be clarified.

58. Performance measure 5. Clarification is sought on why this measure has changed from last year’s SOI (where it related to transform and unlock) to focusing specifically on the waterfront.

**Local boards**

59. The governance section (p25) should recognise the role of local boards, especially with regard to local place making and the requirements under the Governance Manual to acknowledge local board priorities and objectives in local board plans. Similarly, there is no mention of the need to update the Local Board Engagement Plan (LBEP) every three years, by 31 July 2020. This should be included.

**Regional Facilities Auckland (RFA)**

60. RFA’s Statement of Intent provides a clear picture of its intended activities. There are a few minor issues which we have identified, which are listed below. We have discussed each of these with RFA, which is prepared to make the relevant changes.

61. The suggested changes are:
   - Asset management plans are not addressed in the SOI. We suggest wording is included to reflect the letter of expectation’s direction, in particular around asset management plan review, performance trends and transparency.
   - We suggest a reference is made to RFA working closely with Council on developing the long-term, strategic approach to stadiums.
   - We also suggest the RFA board performance review scheduled within the next 12 months is addressed in the SOI. On this point, RFA has advised that this review was scheduled to begin at the end of April (i.e. within the current financial year), but the Board decided to postpone it due to the current workload created by COVID-19 and responding to the CCO Review. RFA will add a reference to this in its SOI.
   - The “Climate Change Mitigation” table mentions halving RFA’s emissions target. RFA could usefully link this to Auckland’s Climate Plan and the role that RFA would play in showcasing some of the built environment priorities within its assets. We note the Council climate plan is not mentioned through the document. It would be good to have some mention to show alignment.

**Watercare**

62. Watercare has rewritten its statement of intent from the previous document. It now has a structure based on the six different ‘capitals,’ with a description of its work with the council and the relevant KPIs. Watercare has also revised the KPIs: it has combined some of the previous ones (which are all mandatory KPIs required by the Department of Internal Affairs) into new, compound targets and has also introduced some new ones. We think it is an improvement on the previous document. Seven out of the 16 measures are new and do not have a target yet. Watercare will set the baseline over the next year and in the meantime will continue to report the mandatory Department of Internal Affairs KPIs.

63. The continuing drought is severe. As Watercare and the council are aware, if the drought continues there will be severe consequences for Aucklanders. Watercare and the council will need to work together on short-term, immediate actions to head off the water supply shortage.
The statement of intent should include the immediate actions Watercare is taking to maintain the security of water supply through to the end of summer 2021

64. Staff recommend that the council provide a comment that Watercare includes a standalone section with the short-term strategy and actions to maintain the security of water supply through to the end of summer 2021. The statement of intent is a public document, and the security of supply is Watercare’s highest short-term priority.

65. That should include:
- the joint Council-Watercare task force (the subject of a separate report on the Governing Body agenda for 25 June)
- all measures to increase the supply of drinking water and reduce demand
- an urgent review of the Drought Management Plan in collaboration with Council staff, including options for water use restrictions and the associated impacts on different sectors.

The statement of intent should acknowledge that the resilience Aucklanders expect from their water network is a strategic issue – which means it is the council’s decision, with input from Watercare and in consultation with Aucklanders

66. On 7 May, the Emergency Committee resolved to “convene a joint workshop of the Governing Body, or appropriate council committee and the Watercare board of directors to canvass the urgent need to examine a climate-resilient water strategy for Auckland, and other relevant issues” (resolution EME/2020/52).

67. That discussion, as well as others the Governing Body and Watercare will have during 2020, will guide the council’s water strategy.

68. The council has made some progress on a water strategy, releasing a discussion document in 2018. To complete it, the council and Watercare will need to collaborate and share information. The council will also collaborate with iwi that have an interest in the issues, as well as other entities such as the Waikato River Authority.

69. The strategy will need to make choices about:
- desired long-term outcomes, for example: what type of ‘water city’ Auckland will be, resilience to droughts and other climate risks, and the environmental outcomes Aucklanders want to see
- a pathway to achieving these outcomes, for example: the types of water sources Auckland will rely on in the future, how environmental challenges will be met, tools to influence demand including the price of water (the strategy should allow the council to play an influencing role in setting the price for water)
- performance measures and targets.

70. Watercare will update its asset management plan in late 2020 for next year’s 10-year budget. Depending on the timing of the council’s water strategy, there may need to be another update of Watercare’s asset management plan later in 2021 to ensure that it gives effect to the water strategy (in line with section 92(2) of the Local Government (Auckland Council) Act 2009, which requires a CCO to “act consistently” with a strategy of the council).

How the statement of intent should change

71. Page 3 says, “...a major focus for Watercare over the next few years will be consulting with Auckland Council, central government, iwi and customers on sustainable water resources in the immediate and mid-term.” The use of ‘consulting with’ gives the impression that Watercare intends to plan for new sources independently rather than in collaboration with the council.

72. The statement of intent should instead state that Watercare’s planning for future water sources and asset management plan will implement the council’s water strategy, including a target for resilience.
73. Page 16 of the statement of intent says Watercare “will continue to notify Council of any substantive changes made to our AMP outside of the annual updates provided.”

74. Shareholder comments should note that Watercare may need to review its asset management plan in 2021 or 2022 depending on the outcome of the water strategy in line with the Local Government (Auckland Council) Act 2009 s92(2). Any update of the asset management plan will need to include providing information to the council that is granular enough to assess how well it gives effect to the council’s strategy.

The statement of intent should include a review of the Auckland Water Efficiency Strategy

75. Watercare’s Water Use Efficiency Strategy covered the period from 2017 – 2020. The statement of intent should include an update of this strategy in Watercare’s work programme.

The statement of intent should acknowledge that any new revenue opportunities will need to be approved by the council until Watercare prepares a risk framework which the council approves

76. The statement of intent says that “Watercare will continue to investigate commercial arrangements and other funding sources to either achieve savings or develop alternative revenue sources, where this is in the best interests of our customers and the Council group.” It also says that it will keep the council informed on a no-surprises basis, but there appears to be no role for the council to set its appetite for risk.

77. Because of the council's current financial position after COVID-19, more revenue would reduce the pressure on the council group’s ratio of debt to revenue. However, in its current form, the statement of intent does not give the council enough oversight of the risk Watercare could be exposed to in any new commercial activities, including possible arrangements with other councils. Therefore, until Watercare prepares a risk framework which the council is satisfied with, we recommend that the default risk level is set at low, which would mean that the Governing Body would need to endorse most commercial arrangements.

78. A risk framework should:
   - provide a way to assess the risks of a new revenue opportunity (including financial, reputational and asset risk)
   - define a level of risk that the council, as the shareholder, would be prepared to accept.

How the SOI should change:

79. On page 20 of the draft statement of intent, where it refers to new revenue opportunities, there should be another statement that the council must approve these opportunities until a risk framework is in place.

Watercare should promote public awareness of the help available to customers experiencing hardship

80. The Water Utility Consumer Assistance Trust is an independent trust to provide help to Watercare customers who are struggling to pay their water bills. Watercare funds the trust. There will be more people experiencing hardship from the economic impacts of COVID-19. Staff recommend that the council include a comment asking Watercare to promote the trust more, including through social media channels, and to increase its funding to the trust.

There is a difference between the carbon emission reduction targets of Watercare and the council

81. The statement of intent contains a long-term target of reducing Watercare’s carbon emissions by 45 per cent by 2030. In March 2020, the council agreed to an interim target for the Auckland region of 50 per cent reduction by 2030 and achieving net zero emissions by 2050.
82. Watercare has said that it will include short-term annual carbon emission reduction targets in the next statement of intent (for the 2021 – 2024 period). Staff recommend that the council make a comment that in setting these short-term targets, Watercare should consider its contribution to the region’s interim 2030 and longer-term 2050 targets and should also consider revising its 2030 target to align with the region’s ambitions.

**Māori outcomes**

83. The examples of how Watercare will deliver on Māori outcomes are high level. We recommend that you make a comment that Watercare include its work programme or specific examples.

84. Watercare has historically held a well-established relationship with mana whenua. On page 14, Watercare should refer to improving Māori outcomes for ‘Māori community groups’ instead of ‘mataawaka’ to encompass all eg, taura here.

**Non-substantive CCOs**

85. Auckland Council has nine other CCOs that are not considered ‘substantive’ under the Local Government (Auckland Council) Act 2009. The focus of these CCOs is more local in nature than the substantive CCOs, though the Governing Body is still responsible for their governance.

86. Three of these CCOs must provide the council with an SOI. The others have been exempted from CCO status and are therefore not subject to the normal accountability requirements of a CCO under the LGA, including preparing a SOI.

87. There are no recommended shareholder comments for Contemporary Art Foundation.

88. Staff recommend that the Manager: CCO Governance and External Partnerships is delegated the authority to provide these three community focussed CCOs with shareholder comment on behalf of the council, following consultation with the relevant local boards.

**Manukau Beautification Charitable Trust (MBCT)**

**Focus on environmental education**

89. The draft 2020-23 SOI represents the first time MBCT has prepared an SOI since its exemption status was removed. Staff consider the draft SOI covers the key content requirements sufficiently and that the performance measurement framework will be further refined over time. The final SOI performance measures should include actual results for 2019/20 and proposed targets for 2020/21-2022/23.

90. It should be noted that over the course of the next financial year MBCT is aiming to more deliberately weave an environmental education aspect into all of the community projects it undertakes; including town centre clean ups and beautification projects. This may be done through projects of a much smaller scale than previously carried out.

91. The emphasis will be on delivering quality environmental and civic-pride educational opportunities that will support mitigating the chance of a re-emergence of COVID-19 in our communities. For example, the Trust will investigate the benefits of dividing the Eye on Nature Family Day (at the Auckland Botanic Gardens) into four smaller events across the southern local board areas.

92. The final SOI should reflect a statement to the effect that MBCT will engage with the relevant local boards on these proposals as they are finalised.

**Māori outcomes**

93. The final SOI should reflect MBCT’s commitment to the Treaty of Waitangi and Māori outcomes. This could be through the addition of a statement in the SOI similar to the following: “MBCT is committed to giving effect to the principles of Te Tiriti o Waitangi through contributing to the council group’s Māori outcomes strategic direction.” The final SOI should also reflect any planned opportunities or partnerships with mana whenua, Māori communities or Māori youth programmes.
Community Education Trust Auckland (COMET Auckland)

Potential changes to council funding

94. The draft 2020-23 SOI highlights the impact of COVID-19 on COMET Auckland’s non-council funding. It also signals potential changes to its current council funding (currently $558,000 per annum until 30 June 2021) as a result of the significant cost savings the council group is seeking as part of the 2020/21 Emergency Budget. Impacts from possible changes to council funding are set out under two scenarios; 1) $50,000 reduction or 2) $100,000 reduction for 2020/21.

95. Under scenario 1 COMET Auckland anticipate a dramatic reduction in the number of Auckland young people able to participate in its Youth Employability Programme (YEP). Most of COMET’s external funding for YEP ends in June 2020 and they have not yet been able to secure replacement funding.

96. Under scenario 2, in addition to the reductions in the YEP, COMET would be unable to produce its annual Auckland education data snapshot, or the snapshots for each local board area which would otherwise have been due in early 2021.

97. The final SOI financial tables must be updated for any changes agreed through the Governing Body workshops between 22 June to 14 July 2020 and Finance and Performance Committee decisions made on 16 July 2020.

Youth Employability Programme

98. Given the challenges COMET are experiencing in securing external funding for 2020/21 and beyond for the YEP, the sustainability of the programme’s delivery and rollout should be a key focus of the final SOI. The current action in the draft SOI relating to ‘demonstrating the need for government support’ in this area needs to be strengthened.

99. The final SOI could consider revising the action relating to expansion of the reach of the YEP License to Work by at least 15% per year (to at least 52 sites in 2020 and 60 in 2021) in the context of current funding challenges.

Māori outcomes

100. The final SOI should reflect COMET Auckland’s commitment to the Treaty of Waitangi and Māori outcomes. This could be through the addition of a statement in the SOI similar to the following: “COMET Auckland is committed to giving effect to the principles of Te Tiriti o Waitangi through contributing to the council group’s Māori outcomes strategic direction.”

Tauākī whakaaweawe āhuarangi

Climate impact statement

101. As noted in the general comments, there is a lack of clarity around climate change responses and broader environmental initiatives among the SOIs. We suggest CCOs clearly indicate which of their planned activities are intended to address climate change and/or other broader environmental outcomes.

Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera

Council group impacts and views

102. This report relates directly to the role of CCOs. As part of developing the shareholder feedback, staff have contacted each of the CCOs to indicate the tenor of the comments. When the official letters with feedback are provided to the CCOs, staff will work with the CCOs to provide further detail on how best to incorporate the shareholder feedback. This will also include correcting minor errors of fact or incorrect references, which may not have been listed in this report.

103. Staff have sought and incorporated feedback from various department across the council to ensure all council matters are considered.
Item 15

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe
Local impacts and local board views

104. The Finance and Performance Committee is responsible for providing shareholder comments on the draft SOI, and the practice to date has been not to seek direct feedback from each local board.

105. However, the Local Board Services department has contributed to the proposed comments, including how the CCOs have responded to the letters of expectation requirements about local boards, and their comments have been reflected in this report.

Tauākī whakaaweawe Māori
Māori impact statement

106. The activities of CCOs have significant potential to improve Māori wellbeing and to influence the achievement of the Auckland Plan and 10-year Budget 2018-2028 outcomes relevant to Māori. The draft SOI were separately provided to the Independent Māori Statutory Board and council’s Nga Mātārae, and their comments have been reflected in this report, particularly in the general comments section.

Ngā ritenga ā-pūtea
Financial implications

107. As noted in the general comments above, SOI financial sections need to be aligned with decisions in the Emergency Budget 2020/2021 process and reflect statutory requirements in the Local Government Act 2002.

Ngā raru tūpono me ngā whakamaurutanga
Risks and mitigations

108. There are no direct risks associated with the proposed shareholder comments. There is a risk that the CCOs may not adequately reflect the shareholder comments. This can be mitigated by working closely with the CCOs. Also, if the shareholder comments are not adequately reflected, the council can modify a SOI at any time.

Ngā koringa ā-muri
Next steps

109. If the committee agrees with the feedback contained in this report, staff will draft letters based on this feedback and any other matters directed to be included by the Committee. These will be sent by the mayor or the chair of the Finance and Performance Committee to the chair of each board, as soon as possible after this meeting, so that the CCOs can revise their SOIs accordingly and meet the proposed new deadline for final submission of 31 July 2020.

110. The final SOI must align with the Emergency Budget 2020/2021. Each CCO will need to make changes to its final statement of intent when this is approved, and council staff will continue to work with CCOs as needed.
Ngā tāpirihanga
Attachments

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Ngā kaihaina
Signatories

<table>
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<tr>
<th>Authors</th>
<th>Edward Siddle - Principal Advisor</th>
</tr>
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<tr>
<td></td>
<td>Simon Stewart - Graduate Executive Officer</td>
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<td>Sarah Holdem - Principal Advisor</td>
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<td></td>
<td>Claire Gomas - Principal Advisor</td>
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<td></td>
<td>Sarah Johnstone-Smith - Principal Advisor</td>
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| Authorisers                    | Alastair Cameron - Manager - CCO Governance & External Partnerships |
|                                | Phil Wilson - Governance Director |
|                                | Stephen Town - Chief Executive  |
Revised Draft Statement of Intent

2020 - 2023

(Revised, June 2020)
He Mihi

Huakina! huakina!
Open the doors! open the doors!
Piki mai rā, kake mai rā, ki tōku whare
Welcome inside my home
Ko tō manawa, ko tōku manawa
Your heart is my heart
Hara mai rā, ki te whai rawa e hora nei
Come to the place of abundance
Tamaki Makaurau, herenga waka
Tamaki, a place to unite waka
Tamaki Makaurau, herenga tangata
Tamaki, a place to unite people
Anei, ana, inā hi
Yes, absolutely, indeed!
Anei, ana, inā hi
Yes, absolutely, indeed!

ATEED has begun to develop a story of ‘Ngā Hau e Wha o Tamaki Makaurau’ - the four winds of Auckland. Ngā Hau e Wha is a metaphor for the work that ATEED does across the Auckland region, and our city’s connections to the Pacific and the world, connecting us to our people and our place.

The four winds arrive carrying opportunity for our people and new growth for our region. They flow through us shaping our thoughts and bringing about new ideas and as they disperse, they connect us to the four corners of our region, our country and our world:

Te Hau Raki to the north
the Jewels of the Gulf, the warmth of the Pacific, the shimmer of the Waiatera

Te Hau a Uru to the west
the energies of the west wind, drawing from the life and vitality of the Waitākere ranges

Te Hau Tonga to the south
pulling in powerful energy from the south and potency of potential

Te Hau Rawhiti to the east
drawing inspiration from the winds of the rising sun and awakening of the new dawn, the bloom of the pōhutukawa
Foreword

The impacts of the COVID-19 pandemic are already profound for the Auckland regional economy, with significant disruption likely to continue for some time. The 2008 global financial crisis demonstrated how Auckland’s economy is susceptible to global shocks—the negative GDP impacts of that event were felt first and more deeply in Auckland than the rest of New Zealand.

The Auckland economy represents 38% of New Zealand GDP. With 66,000 direct tourism jobs, a concentration of professional services, construction, and New Zealand’s largest screen and creative sectors, it operates in a manner distinct from New Zealand’s broader economy. Auckland’s recovery will require focused strategies that address its challenges and leverage its strengths.

ATEED’s focus is now firmly on economic recovery for Auckland.

Valuable, growing industry sectors such as tech, high-value food exports, education and the creative industries (including screen) that employ well-trained and qualified people in the tradable sectors of the economy are highly concentrated in the Auckland region. These industries offer great opportunity for Auckland, as New Zealand’s reputation as a safe place to live and work gains international attention.

Auckland can make a strong recovery if government policy, key Auckland institutions (including the council) and businesses can respond jointly, effectively and urgently to mitigate the worst impacts of the COVID-19 pandemic. This will require a clear focus on businesses and employment and channeling investment into areas of potential future growth.

In the early days of this unfolding crisis, ATEED led by proposing the suspension of Council’s Accommodation Provider Targeted Rate (APTR) for 12 months commencing 1 April 2020, taking on secretariat responsibilities for the Mayoral Business Advisory Panel, supporting displaced workers in the tourism and hospitality sectors; partnering with central government’s stimulus and support initiatives, and significantly scaling up our business support services to provide financial resource, practical guidance, tools and information for Auckland businesses. We have suspended nearly all international-facing visitor attraction activities given the current border restrictions and instigated significant cost savings across the organisation. We have re-allocated spending to priority programmes focused on helping Auckland’s economic recovery.

ATEED’s future work programme reflects Mayor Phil Goff’s expectations related to COVID-19 outlined in May 2020. We are focusing on activities that will have the greatest impact on achieving Council priorities and outcomes outlined in the Auckland Plan 2050 including supporting a more inclusive economy and the ongoing development and delivery of Te Tāruke-a-Tawhiti, Auckland’s Climate Action Framework. Importantly, many of the objectives of that framework around resilience and economic sustainability are made even more urgent as COVID-19 has exposed some of the same vulnerabilities and the fragility of our economy.

We have identified four challenges Auckland must address to accelerate a successful economic recovery. These are:

1. Driving quality investment into Auckland
2. Rebuilding the Auckland economy from the neighbourhood up
3. Showcasing a vibrant and resilient Tāmaki Makaurau Auckland
4. Supporting businesses to innovate and thrive

It is also timely to restate ATEED’s purpose so that it more tightly defines our unique role is as we concentrate on economic recovery. While ‘quality jobs for all Aucklanders’ served us well in the pre-COVID-19 environment, employment and jobs will be a shared objective for many parts of council moving forward. We believe the following statement is a more powerful articulation of what we uniquely do for Auckland:

Create prosperity for all by enriching Tāmaki Makaurau Auckland as a place for investment, talent, innovation, and visitors
While the full extent of COVID-19’s impact on the events planned throughout 2021 is not yet known, the year still presents significant opportunities to showcase Auckland to a global audience of future visitors, investors, and businesses. Work continues to ensure the 36th America’s Cup and New Zealand’s hosting of APEC 2021 Leaders’ Week provide a worthy legacy by connecting our region as much as possible with global markets and showcasing its resilience and innovation.

We continue to partner ngā mana whenua o Tāmaki Makaurau in an authentic demonstration of Auckland as a bicultural and inclusive city and to ensure all communities can participate in 2021’s major events programme. However, we are mindful of the need to adapt aspects of activity to prevailing conditions and restrictions that may remain in place in 2021 as a result of COVID-19.

Tempering our ambition, we are also faced with challenging budget realities. Suspension of the APTR represents a significant reduction in our funding from Council. This is not a simple matter of reducing marketing spend or “turning off” events and visitor attraction activities. Much of the expense of cancelled events was “ sunk cost” and our preparatory work continues for 2021 and other future programmes. The budget reduction will require a rebalancing of programmes across the entire portfolio and development of a new operating model, including withdrawing funding from some major events, cutting international marketing, reducing staffing levels and achieving operating efficiencies.

While local government budgets are contracting, central government is actively stimulating the economy through new spending programs. ATEED is well-placed to expand our partnership with government to put new programmes to effect. Our role to bring investment into Auckland extends effectively into identifying and facilitating government investment into the region. Expansion of the Regional Business Partners programme, new Pacifica Skills programmes, and Tourism industry support activities currently underway demonstrate how ATEED can effectively partner with government, and we are actively seeking other opportunities to bring other new investment from government into Auckland.

ATEED is being proactive in the current crisis. We have come through the first few months of the COVID-19 pandemic in good shape as an organisation. We have demonstrated agility and resilience as we have stopped programmes made redundant by the crisis and quickly created and ramped up activities with direct impact for Aucklanders. Our staff are highly engaged and are actively solving the challenges we face.

Despite the challenges of the current moment, we remain steadfast in our commitment to building towards the long-term future of Auckland. We are positively and proactively engaged in Council’s independent CCO review and anticipate this process can improve alignment and clarify expectations around how we operate within the Council family. We also eagerly anticipate the coming collaboration on the next Long-Term Plan.

The actions we take now, the work we undertake in the remainder of 2020, and building towards a vibrant 2021 will have long-term impacts on Auckland and the future course on Aucklanders’ prosperity. ATEED is well prepared and ready for the challenge.

Mark Franklin
Chair

Nick Hill
Chief Executive
Purpose of Statement of Intent

In accordance with the Local Government Act 2002, this annual Statement of Intent (SOI) publicly states the activities and intentions of Auckland Tourism, Events and Economic Development Limited (ATEED) for the next three years, and the objectives to which those activities will contribute. This SOI takes shareholder comments into consideration and includes performance measures and targets as the basis of organisational accountability.
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About ATEED

ATEED is Auckland’s economic development agency. We add value to the Auckland economy through a portfolio of programmes that range across sectors and are highly coordinated with Auckland businesses and central government.

As we re-orient and re-focus efforts to adapt to the economic impacts of COVID-19, we are sharpening and clarifying our role. Recovery will require an ‘all of Council’ approach, and whilst ATEED is the lead agency on economic development, a coordinated effort across the Council family is required to achieve the best economic outcomes. To provide clarity on our core functions within the broader Council context, we have begun organising ourselves around 4 key themes:

- Driving investment into Auckland.
- Rebuilding the regional economy from the neighborhood up.
- Showcasing a vibrant and resilient Tamaki Makaurau Auckland
- Supporting businesses to innovate and thrive

Over the next twelve months ATEED will embed these drivers into our work programme to ensure we are focussing on the right things and can readily measure the impact we are having against them. At the same time we will continue to refine our work programmes, and ways of working to pursue more scalable programmes and interventions and ensure we remain aligned to our stakeholders and provide clear value for money.

Working with the Council Family

While ATEED is the regional economic development agency, other entities across the Council family (including Auckland Transport, Panuku Development Auckland, Regional Facilities Auckland, the Chief Economist Unit and RIMU) all play important roles in achieving regional economic outcomes for Auckland. In addition, as we enter a period of post-COVID recovery, Local Boards, Business Improvement Districts and other local entities also play an increasingly vital role in economic recovery and development at the local level. ATEED is committed to working proactively across the Council family at both the regional and local level to ensure improved prosperity for all Aucklanders.
ATEED Strategic Framework

We are in the midst of the most significant economic disruption in nearly a century. Accordingly, the strategies that ATEED pursue need to be updated to reflect the challenges and opportunities we now face. We are actively engaged in a strategic review process that will articulate the long-term ambition and direction for ATEED in light of new realities.

However, the urgency of the moment also dictates that we have a coherent and focused response. To that end, we are organising our recovery efforts around four key drivers and themes:

Figure 1: ATEED Recovery Strategic Framework

<table>
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<th>Purpose</th>
<th>Create prosperity for all by enriching Tāmaki Makaurau Auckland as a place for investment, talent, innovation, and visitors</th>
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<td>Focus</td>
<td>Auckland’s Economic Recovery</td>
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<tr>
<td>Themes</td>
<td>Driving investment into Auckland</td>
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<tr>
<td>What is the problem or opportunity?</td>
<td>Auckland has immense investment potential, however a lack of advocacy to prompt direct investment into the city</td>
</tr>
<tr>
<td></td>
<td>Risk capital and know-how is needed</td>
</tr>
<tr>
<td></td>
<td>Investment “enablers” fragmented</td>
</tr>
<tr>
<td></td>
<td>International travel restrictions create opportunities for Auckland to attract locals and visiting twans into less-known areas of the city</td>
</tr>
</tbody>
</table>

| What will we do? | Facilitate government investment into Auckland | Facilitate LDI budget with local boards | Promote Tāmaki regeneration on precinct-focused initiatives (eg Tāmaki regen) | Sector-based business capability and R&D support for priority sectors |
|                   | Foreign Direct Investment (FDI) attraction into Auckland | Work with Council family | Promote local areas in partnership with BIDs and Local Boards | Supporting skill development and job matching |
|                   | Business attraction into Auckland | | | New destination product and experience development aligned to the Auckland narrative |
|                   | Leverage of 2021 activities for investment outcomes | | | |
### How will we measure it?

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP of major and business events (LTP)</td>
<td>Visitor nights from major and business events (LTP)</td>
</tr>
<tr>
<td>Sector - dollar value of investment</td>
<td>No. of businesses supported (LTP)</td>
</tr>
<tr>
<td>Spatial investment - south and west</td>
<td>No. of Māori businesses supported (LTP)</td>
</tr>
<tr>
<td>Opportunity of investment - communities supported</td>
<td></td>
</tr>
<tr>
<td>Delivery of a Local Strategy</td>
<td>Customer satisfaction</td>
</tr>
<tr>
<td>Local Board satisfaction with interactions with ATEED</td>
<td>Support for local business - no. of businesses</td>
</tr>
<tr>
<td>Support for local destination - no. of activities</td>
<td>No. of trainings in priority sectors</td>
</tr>
<tr>
<td>Support local narrative - no. of engagements</td>
<td>Job matching</td>
</tr>
<tr>
<td>No. of Events, No. of visitors</td>
<td>Job creation</td>
</tr>
<tr>
<td>Auckland Playbook - no. of media downloads</td>
<td>Supporting economic opportunities for Auckland businesses</td>
</tr>
<tr>
<td>No. of Digital Mentions</td>
<td>New company formation</td>
</tr>
</tbody>
</table>

### Economic Impact Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supporting investment Gross value added by sector (nominal and real)</td>
<td>Supporting local economies</td>
</tr>
<tr>
<td>Supporting spending and economic mobility and activity by local boards based on local activities</td>
<td>Consumer spending in accommodation, recreation, hospitality</td>
</tr>
<tr>
<td>Making Auckland famous</td>
<td>Improved productivity and access to financing in priority sectors</td>
</tr>
<tr>
<td>Place based brand index</td>
<td>Improved training opportunities in priority sectors</td>
</tr>
<tr>
<td>Consumer spending in accommodation, recreation, hospitality</td>
<td>Improved access to skills and innovation in priority sectors</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** Measures to be finalised in consultation with Council

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### Māori Outcomes

ATEED supports the economic aspirations of Mana Whenua and Mātaawhaka, individually and collectively, on areas of shared interest; to showcase Tāmaki Makaurau, help transform our region, improve economic prosperity and to bring enduring benefits for Mana Whenua and Māori.

At the fore will be creating leverage during 2021 and beyond and investigating options for a stronger cultural and commercial footprint across Tāmaki Makaurau.

ATEED is the outcome lead for Māori Business, Tourism and Employment within the Māori Outcomes portfolio for Auckland Council. We will continue to collaborate across the Auckland Council family to coordinate and strengthen the portfolio through alignment with ATEED's strategic framework to enable a more strategic and impactful focus to activities within the portfolio, linked to clear performance measures.
ATEED’s three key programmes of work to deliver Māori Economic Outcomes are summarised below.

2021 and beyond

- Implement a programme of work that will generate significant opportunities for Mana Whenua and Māori businesses in Tāmaki Makaurau by leveraging from significant events being held in Auckland during 2021.
- The Tāmaki Herenga Waka Festival. Auckland’s Signature Māori Event, will be delivered in the second quarter of 2021. ATEED is in working partnership with the Mana Whenua Kaiiaki Forum to build on the event concept delivered in January 2020.
- Work with partners to ensure a stronger Māori cultural and commercial footprint across Tāmaki Makaurau is a legacy outcome of 2021.

Māori Business and Development

- Focus on Māori Business Programmes, which includes connecting Māori Businesses to resources and opportunities to assist them to grow and innovate in their businesses [such as through Regional Business Partners and Māori Business Advisor resource].
- Formalise a strategic partnership with the Whanuki network to support the growth and sustainability of Māori businesses in Tāmaki Makaurau. The partnership includes implementing a programme to build a digital engagement platform, provide marketing and communication support, procurement and business opportunities, scoping the potential to scale nationally and build a sustainable model.
- Deliver the Māori Tourism Development Programme focusing on Māori product development, content production and capability building for Māori tourism operators.

Working with Partners

- ATEED will continue to build a strategic partnership with the Mana Whenua Kaiiaki Forum, formalise a strategic partnership with the Whanuki Business Network and continue to focus on collaborations with key delivery partners, Callaghan Innovation, New Zealand Trade & Enterprise Development Inc, Te Puni Kokiri and Te Wananga o Aotearoa, New Zealand Māori Tourism and Air New Zealand.

Climate Change and Sustainability

ATEED is working closely with Auckland Council in the ongoing development and delivery of Te Tāruke-a-Tawhiri (Auckland’s Climate Action Framework - ACAF). ATEED’s key focus area is to support Auckland’s transition to a low carbon, resilient green economy. This entails developing detailed actions that will support businesses’ move to low carbon options and will ensure the businesses are resilient in the face of climate change impacts. In addition, ATEED is working with key partners to lead establishment of a climate innovation ecosystem that has the key goal of achieving Auckland’s bold emissions reduction and resilient building targets.

Across our Destination division, ATEED is developing a compressive climate change and sustainability action plan. This plan aligns with Te Tāruke-a-Tawhiri, Destination AKL 2025 strategy and other relevant commitments such as NZ Tourism Sustainability Commitments. The plan will be based on robust evidence in areas of emissions, social and ecological impacts and include stakeholders and field-experts input. The desired output will be a set of 11-12 strategic actions which both ATEED and industry can activate.

Furthermore, ATEED is currently working with Toitū towards achieving Toitū CarbonReduce certification that will accurately measure ATEED’s greenhouse gas emissions and put in place an emissions reduction plan. In addition to CarbonReduce, ATEED is currently working on Diamond level certification from its current Gold level, for its Toitū EnviroCare, Environmental Management System (EMS).

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1 Funded through the Te Toa Takatini programme
2 Funded through the Te Toa Takatini programme
ATEED three-year work programme

ATEED’s immediate focus over the next 12-24 months in the wake of COVID-19 to focus on the recovery of Auckland businesses and the economy. To enable this, our work programme has been redesigned to focus around four key strategic themes: driving investment, rebuilding from the neighborhood up, showcasing a vibrant and resilient Tamaki Makaurau Auckland and supporting business to innovate and thrive. Further detail on each of these is provided below, with the caveat that at the time of writing all Auckland Council family budgets and programmes are still under review and subject to further consultation.

Working through the upcoming LTP process, incorporating any changes resulting from the CCO review, expanding our partnerships with central government, and responding to the challenges that emerge as the impacts of COVID unfold will all inform an emerging and evolving strategy.

Driving investment into Auckland

- Business and investment attraction activities into key sectors (technology, screen, food & beverage, infrastructure and the green economy)
- Government investment into ATEED-led programmes
- Investment into Auckland’s screen sector and support the industry to attract infrastructure development
- Leverage of 2021 activity
- Post COVID investment opportunities

Rebuilding the regional economy from the neighbourhood up.

- Development and delivery of hyper-local programmes to build consumer and business confidence in Auckland’s economic recovery and stimulate intra-regional demand
- Developing and managing the Local Discretionary Initiative work programme with Local Boards
- Working with agencies and cluster groups to increase regional dispersal of residents and visitors and spread economic and social benefits to the Auckland region.
- Facilitate development of new local visitor product and experiences
- Micro activations and events across the city
- Providing enhanced local economic data and insights

Showcasing a vibrant and resilient Tamaki Makaurau Auckland

- Develop a domestic tourism campaign in partnership with Tourism New Zealand.
- Leading the development of Auckland stories in alignment with He Aotearoa - the Auckland Playbook
- Partnering to attract major and business events to Auckland over the short, medium and long term as restrictions allow.
- Developing a consolidated festivals strategy for Lantern, Pasifika, Diwali and Tamaki Herenga Waka Festivals
- Lead agency for AC36 on behalf of Council and The Crown.
- Support the delivery of APEC 2021 in Auckland culminating in Leaders’ Week in November 2021.
Supporting businesses to innovate and thrive

- Local business growth and capability support including delivery of the Regional Business Partner Network programme
- Revisit the role of GridAKL in a post-COVID world
- Supporting growth of creative industries, including the screen sector
- Supporting businesses to transition to a low carbon, resilient future including through circular economy practices and opportunities, and supporting investment in green technology and innovation.
- Supporting the Maori and Pacific and youth workforce.
- Skills development and matching
- City to city trade development
- Working with government and businesses to help the redeployment of displaced workers

Impact of reduction in budget and suspension of the Accommodation Provider Targeted Rate (APTR)

The suspension of the APTR has had an immediate and significant impact on ATEED’s operations with our funding from Council forecast to decrease $14m for 12 months from 01 April 2020. The rationale for APTR is to fund activities that benefit the accommodation sector. The activities will continue however as they are committed and relate to future years - so there is no simple relationship between revenue raised and activity each year.

Programmes in all areas of the business will be affected, with the following areas significantly reduced or postponed:

- International visitor attraction and international engagement (including staff travel)
- Short-term event delivery (note that many of these already have incurred sunk-costs and do not produce significant savings)
- Marketing and media spend
- Many areas of the tourism portfolio
- Short-term business events
- International student programmes
## Performance Outlook

**Key Performance Indicators**

*NOTE: Targets and KPIs to be refined in consultation with Council*

These KPIs will be reported on quarterly in accordance with the COC Accountability Policy.

<table>
<thead>
<tr>
<th>KEY PERFORMANCE INDICATOR</th>
<th>2016/19 ACTUAL</th>
<th>2019/20 FORECAST</th>
<th>2020/21</th>
<th>2021/22</th>
<th>2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Driving Investment into Auckland</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value of central government investment into Auckland facilitated by ATEED</td>
<td>new</td>
<td>new</td>
<td>tbc</td>
<td>tbc</td>
<td>tbc</td>
</tr>
<tr>
<td>Attributable value of private sector investment attraction interventions undertaken over the year</td>
<td>tbc</td>
<td>tbc</td>
<td>tbc</td>
<td>tbc</td>
<td>tbc</td>
</tr>
<tr>
<td>The contribution to regional GDP from major events and business events attracted or supported (LTP measure)</td>
<td>$43.9m</td>
<td>$52.5m</td>
<td>$25m</td>
<td>tbc</td>
<td>tbc</td>
</tr>
<tr>
<td>Rebuilding the regional economy from the neighbourhood up</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Board engagement (measure tbc)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Showcasing a vibrant and resilient Tāmaki Makaurau Auckland</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The number of visitor nights generated as a result of an ATEED intervention (LTP measure)</td>
<td>295,282</td>
<td>370,000</td>
<td>150,000</td>
<td>tbc</td>
<td>tbc</td>
</tr>
<tr>
<td>Play-Book partner activity/engagement (measure tbc)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supporting businesses to innovate and thrive</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of local businesses that have been through an ATEED programme or benefited from an ATEED intervention (LTP measure)</td>
<td>3,303</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Number of Māori businesses that have been through an ATEED programme or benefitted from an ATEED intervention (LTP measure)</td>
<td>244</td>
<td>120</td>
<td>120</td>
<td>150</td>
<td>150</td>
</tr>
<tr>
<td>Customer satisfaction of customers, partners and stakeholders who have interacted with ATEED</td>
<td>77%</td>
<td>&gt;77%</td>
<td>&gt;77%</td>
<td>tbc</td>
<td>tbc</td>
</tr>
</tbody>
</table>
Developing our Indicator Framework

ATEED will continue to refine its indicator framework to ensure our KPIs reflect the impact of the work we do and inform all key stakeholders of the effectiveness of our activities. Over the next 12 months as we work with Auckland Council on the development of the next Long Term Plan (LTP), we will continue to align our KPIs with our strategic framework themes of driving investment, rebuilding the regional economy, showcasing a vibrant and resilient Tamaki Makaurau Auckland and supporting businesses to innovate and thrive and ensure appropriate targets are in place.

However, ATEED acknowledges that due to the nature of much of the work that we undertake, not all impacts can be easily measured via a quantitative indicator framework.

Monitoring Indicators

In addition to our performance measures, ATEED has identified a range of monitoring indicators which we report regularly through the AKL Index (www.aucklandnz.com/auckland-index). These indicators reflect outcomes at the regional level which are impacted by a range of factors outside of our direct control (e.g. exchange rates, natural disasters, government policy) but which we aim to influence through our activity. As the city’s economic development agency, we take a leadership role in monitoring, reporting and influencing these indicators as we can, however we do not measure the performance of our organisation against them.
### Alignment with the Auckland Plan

The Auckland Plan is Auckland Council’s roadmap to deliver on Auckland’s vision of a world class city where talent wants to live. The Auckland Plan is a 30-year plan that is underpinned by a set of outcomes to achieve this vision. ATEED plays a critical part in delivering on outcomes, actions and targets in the Auckland Plan as outlined in the table below.

<table>
<thead>
<tr>
<th>AUCKLAND PLAN OUTCOMES</th>
<th>HOW ATEED CONtributes</th>
</tr>
</thead>
</table>
| Belonging & participation | • Working with key local employers and institutions in less prosperous places, to facilitate local recruitment, workforce development training and progression  
• Ensuring that events support the creation of a shared sense of belonging for Aucklanders and recognise, value and celebrate Auckland’s diversity  
• Promoting Auckland to Aucklanders as a place to meet, connect and enjoy participation in the community. |
| Māori identity & wellbeing | • Strengthening employment outcomes by connecting rangatahi to employment and training and entrepreneurship opportunities  
• Showcasing Māori culture to the world including exploration of Māori cultural expression as the unique competitive advantage that Auckland has in the international tourism landscape  
• Supporting Māori enterprise and economic wellbeing through the Māori economic growth programme. |
| Homes & places | • Partnering with Panuku Development Auckland, Auckland Transport and Auckland Council to integrate economic outcomes into place based and transport initiatives delivered across the Council group. |
| Transport and access | • Partnering with Panuku Development Auckland, Auckland Transport and Auckland Council to integrate economic outcomes into place based and transport initiatives delivered across the Council group. |
| Environment and cultural heritage | • Focus on economic development that can be sustained in the long term and benefits both current and future generations including support of inclusive growth, technological adoption and the growth of the circular economy  
• Raising awareness of the benefits of operating in an environmentally sustainable way through supporting operators who lead in this space and providing preferential profile to organisations that embrace sustainability throughout their business. |
| Opportunity & prosperity | • Building a pipeline of opportunities that create higher value employment across Auckland  
• Enhancing Auckland’s innovation ecosystem and delivering new responses to the city’s urban and economic challenges  
• Growing more dynamic, connected and export-focused businesses across Auckland. |

### Alignment with Development Strategy

Concurrently, and through partnership with the broader council family, ATEED will align relevant activities with areas of focus identified through the Auckland Plan Development Strategy – in particular in the south and west of Auckland.
Summary of Financial Information

The following summary of financial information supports the delivery of the strategic deliverables and performance targets for ATEED. ATEED is always focussed on opportunities to deliver improved value for money within a funding envelope (agreed through 2018-28 LTP) that allows for annual inflationary adjusted increases only. Additionally, ATEED looks to source funding (beyond Auckland Council provided funding) including central government funding and commercial opportunities.


Financial Position:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>0.6</td>
<td>0.6</td>
<td>0.5</td>
<td>0.5</td>
<td>0.6</td>
</tr>
<tr>
<td>Fees and user charges</td>
<td>2.2</td>
<td>2.7</td>
<td>9.0</td>
<td>8.7</td>
<td>5.9</td>
</tr>
<tr>
<td>Subsidies and grants (opex)</td>
<td>15.1</td>
<td>18.3</td>
<td>17.4</td>
<td>17.7</td>
<td>18.8</td>
</tr>
<tr>
<td>Other direct revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td><strong>17.9</strong></td>
<td><strong>21.6</strong></td>
<td><strong>26.9</strong></td>
<td><strong>26.9</strong></td>
<td><strong>25.3</strong></td>
</tr>
<tr>
<td>Expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits</td>
<td>21.5</td>
<td>25.0</td>
<td>22.9</td>
<td>26.8</td>
<td>25.8</td>
</tr>
<tr>
<td>Grants, contributions and sponsorship</td>
<td>10.9</td>
<td>9.1</td>
<td>8.4</td>
<td>12.0</td>
<td>12.4</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>34.2</td>
<td>37.9</td>
<td>36.2</td>
<td>40.0</td>
<td>39.4</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURE</strong></td>
<td><strong>66.6</strong></td>
<td><strong>72.0</strong></td>
<td><strong>67.5</strong></td>
<td><strong>78.8</strong></td>
<td><strong>77.5</strong></td>
</tr>
<tr>
<td><strong>NET DIRECT EXPENDITURE / (INCOME)</strong></td>
<td><strong>48.7</strong></td>
<td><strong>50.4</strong></td>
<td><strong>40.7</strong></td>
<td><strong>51.9</strong></td>
<td><strong>52.2</strong></td>
</tr>
<tr>
<td>Funding from Auckland Council</td>
<td>(47.9)</td>
<td>(49.9)</td>
<td>(40.7)</td>
<td>(51.9)</td>
<td>(55.1)</td>
</tr>
<tr>
<td>Local Board funding</td>
<td>(0.8)</td>
<td>(0.6)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>5.0</td>
<td>3.1</td>
<td>2.9</td>
<td>3.0</td>
<td>3.0</td>
</tr>
<tr>
<td><strong>NET EXPENDITURE / (INCOME)</strong></td>
<td><strong>5.0</strong></td>
<td><strong>3.0</strong></td>
<td><strong>2.9</strong></td>
<td><strong>3.0</strong></td>
<td><strong>3.0</strong></td>
</tr>
</tbody>
</table>

Note 1: Subsidies and grants (opex) revenue includes funding received from other sources outside of Auckland Council such as central government grants.

Note 2: Funding includes Approved Annual Plan/LTP and LDTs.

Note 3: It is anticipated that Local Board funding will be received over the period 2020/21 to 2022/23 but because funding varies year on year depending on Local Board approvals it is not included in outer years.

Specific Expenditure towards Māori Outcomes*:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Maori Signature Event **</td>
<td>-</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Maori Economic Development</td>
<td>0.4</td>
<td>0.7</td>
<td>0.7</td>
<td>0.7</td>
<td>0.7</td>
</tr>
<tr>
<td>Te Toa Takitini Funded Programmes</td>
<td>-</td>
<td>-</td>
<td>1.4</td>
<td>0.9</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>0.4</strong></td>
<td><strong>1.2</strong></td>
<td><strong>2.1</strong></td>
<td><strong>2.1</strong></td>
<td><strong>1.2</strong></td>
</tr>
</tbody>
</table>

*Note that expenditure towards Māori outcomes does not include staff costs and corporate overhead costs.

** Maori Signature Event represents the Tamaki Herenga Waka Festival. Following consultation with the Mana Whenua Kaitiaki Forum, it was agreed to defer the event in January 2019.
Capital Expenditure

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL CAPITAL EXPENDITURE</td>
<td>3.1</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Sources of capital expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital funding from Auckland Council</td>
<td>3.1</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Subsidies and grants - capex</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL CAPITAL FUNDING</td>
<td>3.1</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>CAPITAL FUNDING SURPLUS/DEFICIT</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Targeted Rate on Commercial Accommodation Providers

In 2018, the Council Governing Body adopted a targeted rate on commercial accommodation providers to fund a proportion of the visitor attraction and major events expenditure of ATEED. The amount of the targeted rate was set at 50 percent of ATEED’s budgeted expenditure on visitor attraction and major events (including associated staff and operational support costs).

As a result of the COVID-19 pandemic and the associated border closures a decision was made to suspend collection of the APTR for a 12-month period from 1 April 2020 to 31 March 2021. This decision will be reviewed prior to 31 March 2021 in the light of national and international travel restrictions at the time.

Other Financial Information

- **Current value of assets**: The value of ATEED’s assets as at 30 June 2019 was $38.465million, based on total assets (current and non-current) of ATEED as disclosed in the audited financial statements.

- **Accounting Policies**: ATEED accounting policies are consistent with those of the Auckland Council group policies.

- **Acquisition of shares**: ATEED will consult with Auckland Council before purchasing or otherwise acquiring shares in any company or other organisation.

- **Financial Reporting**: ATEED financial reporting to Council will be in accordance with requirements of the CCO Governance Manual.

<table>
<thead>
<tr>
<th>Asset sales ($ million)</th>
<th>2018/19 Actual</th>
<th>2019/20 LTP</th>
<th>2020/21 LTP</th>
<th>2021/22 LTP</th>
<th>2022/23 LTP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018/19 Actual</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>2019/20 LTP</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>2020/21 LTP</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>2021/22 LTP</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>2022/23 LTP</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>
Approach to Governance

Working in Partnership with the Council Group

Auckland Council works in partnership with its CCOs and the agreed approach to governance is outlined within the CCO Governance Manual which sits alongside this SOI and also forms part of the annual binding agreement between Council and ATEED. ATEED will adhere to the common expectations for CCOs contribution to the council’s objectives and priorities, outlined in the CCO Accountability Policy as they relate to:

1) Building public trust and confidence in the council group, including through a commitment to the no surprises protocol set out in the CCO Governance Manual

2) Providing value for money

3) Building a group approach to achieve outcomes for Aucklanders

4) Improving outcomes for Māori

5) Health and Safety

6) Managing risk appropriately

7) Understanding and giving effect to Auckland’s shared governance

8) Climate change and reducing carbon emissions.

Within this, ATEED will commit to pursuing shared back-office delivery where appropriate and aligning ICT investments to optimise value and efficiency and avoid duplication.

Further, ATEED will continue to work with local boards to progress local board economic development initiatives and will continue to build on its engagement with all elected members and relevant communities of Auckland to proactively build and maintain relationships.

In alignment with requirements in the CCO Governance Manual, ATEED will commission an external review of board performance in the first half of FY 2020/21.

Governance of the Accommodation Providers Targeted Rate

In June 2018, ATEED adopted new governance arrangements for its Destination focussed work programme, which was 50 percent funded (via Council) by the Accommodation Providers Targeted Rate (APTR). Through these arrangements ATEED established a subcommittee of the ATEED Board (The Destination Committee) to make recommendations on visitor attraction and major events activities. The Destination Committee included three representatives of accommodation provider targeted ratepayers and three representatives of the ATEED Board. The Destination Committee operated in accordance with its own Terms of Reference.

Notwithstanding the suspension of the APTR for a 12-month period from 01st April 2020, the Destination Committee will continue to meet and provide industry insights to the ATEED Board over the period of the suspension.
ATEED Values
In uncertain times, our values continue to guide us more than ever. They define our ways of working both internally and externally with partners. ATEED’s values are:

**It’s all about people: great company**
- We respect and support each other and value our differences;
- We encourage each other to be the best we can be;
- We recognise and reward effort and achievement.

**Let’s be clear: great communication**
- We are open and honest in what we say and do;
- We listen first and speak respectfully;
- We have straightforward conversations in a non-judgemental environment.

**Connect and collaborate: great relationships**
- We seek to understand others and work together to make a difference;
- We celebrate our diversity and share our individual strengths;
- We are one team with a common goal, to grow our economy.

**Bold actions, smart choices: great thinking**
- We are courageous;
- We welcome fresh ideas, try new things and embrace change;
- We ask how we can do it differently and do it better.

**Get it done and make it yours: great results**
- We make things happen by taking personal ownership and responsibility;
- We believe time is precious and use it wisely.

Māori Responsiveness at ATEED
ATEED’s first Māori Responsiveness Plan was first adopted in May 2016 and since then we have been able to reflect on our progress and learnings as we work toward embedding Māori Responsiveness as part of our organisational culture and to deliver Māori Outcomes across our activities.

ATEED’s refreshed Māori Responsiveness Plan (November 2019) draws on the narrative of Ngā Hau e Whā o Tāmaki Makaurau – the four winds of Tāmaki Makaurau – to connect the plan to ATEED’s purpose, strategy, work programmes and culture. It describes the purposeful steps that are informed by Māori knowledge and practices, the views of our stakeholders and our learnings to drive toward a shared vision of economic prosperity for Mana Whenua and Māori across Tāmaki Makaurau.

The plan focuses on three key areas:
- Empowering ATEED through Ngā Hau e Whā o Tāmaki Makaurau
- Working in partnership with Ngā Mana Whenua o Tāmaki Makaurau and key delivery partners
- A strong Māori Outcomes portfolio and targeted programmes.
Public Meetings

Council CCOs are required to hold two public meetings a year (Local Government (Auckland Council) Act 2009) as outlined in the table below:

<table>
<thead>
<tr>
<th>PURPOSE OF PUBLIC MEETING</th>
<th>DATE</th>
<th>FORM OF PUBLIC NOTIFICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consider prior year performance against SOI targets</td>
<td>October 2020</td>
<td>Public notice, New Zealand Herald and <a href="http://www.aucklandnz.com">www.aucklandnz.com</a></td>
</tr>
<tr>
<td>Consider shareholder comments on draft SOI</td>
<td>June 2021</td>
<td>Public notice, New Zealand Herald and <a href="http://www.aucklandnz.com">www.aucklandnz.com</a></td>
</tr>
</tbody>
</table>

Health Safety and Wellbeing

Health, safety and wellbeing will be owned by us all and integrated into everything we do. We will put the health, safety and welfare of our people, our visitors and the people of Auckland first, making this a great place to work, visit and live.

“We look after our safety and wellbeing” (Ka tiaki tātou kia āhuru, kia ora tonu tātou).

ATEED will empower our people with the right training, information, knowledge and experience to exceed our health and safety requirements driving both safety leadership and continuous improvement.

ATEED’s safety culture will continue to mature, moving away from an organisational compliance driver towards focusing on health safety and wellbeing for their intrinsic value - “it’s what we do around here”.
Addition
Pending
Removal
E ngā iwi whānui ki ngā topito o Tāmaki Makaurau
He mihi manahau ki a koutou katoa Topuni ki te Raki
Rakitu ki te Rāwhiti
Puketutu ki te Tonga
Oaia ki te Uru
Tāmaki herehere o ngā waka e!
Tīhō Māuri ora ki te whai ao, ki te ao mārama

To the wider people to the ends of Auckland
A heartening greeting to you all
Topuni to the North
Rakitu to the East
Puketutu to the South
Oaia to the West
Tāmaki the meeting place of all canoes
Life essence to the world, to the world of light
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Introduction

As a Council Controlled Organisation (CCO), Auckland Transport (AT) is required to prepare a Statement of Intent (SOI) for its shareholder Auckland Council. Together with the Annual Report and Quarterly Reports, the SOI provides the basis for Auckland Council to hold AT accountable for its performance.

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.

The SOI is guided by the annual Letter of Expectations (LOE) in which Auckland Council sets out the Council's priorities and expectations of AT during the coming year. This SOI covers the three years commencing 1 July 2020.
Who we are and what we do

AT is a CCO of Auckland Council. It was established in 2010 to contribute to an efficient, effective and safe Auckland land transport system. Of note:

- In the first quarter of 2020, along with the rest of the country, Auckland went into lockdown to prevent the spread of COVID-19. AT responded rapidly to the COVID-19 pandemic by making vital changes to public transport services and facilitating testing and pedestrian traffic through key barriers and stop lines.
- AT is the regional guardian of $20.7 billion of publicly owned assets.
- AT provides transport services to Auckland’s 1.64 million residents as well as domestic visitors and many international visitors arriving in Auckland through Auckland Airport and on cruise ships.
- Our day-to-day activities keep Auckland’s transport systems moving; planning and funding public transport, promoting travel choices, managing on and off-street parking and operating the local road network.
- In 2018/19, AT spent $746 million on public transport, road and parking operations, and invested $667 million in Auckland’s transport infrastructure.
- In the year to December 2019, AT public transport services had 103.2 million boardings and the AT HOP card accounted for around 90% of all public transport boardings.
- AT maintains 7,580 kilometres of arterial and local roads, 334 kilometres of cycleways and 7,364 kilometres of footpaths.
- We design, build, manage and promote most of Auckland’s public transport infrastructure and services, systems, facilities, customer apps and the region’s integrated passenger transport ticketing system, AT HOP.
- At the Auckland Transport Operations Centre (ATOC), we work with the NZ Transport Agency to manage both the local as well as the State Highway and Motorway Network from Taupo to Cape Reinga, a total of 15,000 kilometres of road network.
- We work with the Waka Kotahi NZ Transport Agency to manage the Auckland network for all modes as One System.
- We manage wharves, moorings and navigation aids to deliver a safe marine environment.
- Each year AT call centres respond to more than 600,000 transport-related phone calls and our on-site customer service centres provide face-to-face support to more than 1.5 million customer interactions.
- In the year to April 2019, the AT.govt.nz website had 20 million website sessions and the AT Mobile App has more than 200,000 monthly unique users.
- We deliver public realm upgrade projects for Auckland Council, for example Karangahape Road Streetscape Upgrade, Quay Street Enhancements and Downtown Public Space.
- We partner with Kiwirail, Transdev and contracted bus and ferry companies to deliver rail, bus and ferry services.
- We work collaboratively with other CCOs as part of the Council group to deliver integrated solutions across Auckland.
Purpose, Promise, Values and Principles

AT’s purpose, promise, values and principles go to the heart of our culture – who AT is as an organisation, how we want to behave, our aspirations and what we want to achieve together for Auckland.
From the Chair

I wrote the original forward to this Statement of Intent a number of months ago and much has changed in that period. As I mentioned in my original forward, I took on stewardship for Auckland Transport, in conjunction with my fellow board members, in early 2020 and felt proud and grateful for the opportunity to fulfill this role. The past few months have cemented that view, as the organisation has adapted quickly and effectively to a vastly different reality, whilst never losing sight of our purpose, our customers and our people.

26 March 2020 marked New Zealand’s entry into National Alert Level 4, following the pandemic caused by COVID-19. Overnight, Auckland Transport shut down 160 construction sites, made public transport available free to support essential travel, and moved to remote delivery of customer services and internal operations. This impacted not only the people working for Auckland Transport, but also operators, contractors, suppliers, and other ecosystem partners. Imperative to this new reality remained the focus on safety of Auckland’s streets, roads, construction sites, and public transport, while continuing effective communication with other organisations and governing bodies, and adapting services where needed.

In Alert Level 4, Auckland Transport provided over 3,000 free AT Hop cards and quickly updated real-time insights in patronage under physical distancing limitations in the AT Mobile app, so customers could continue to make use of the public transport system and plan their journey. The organisation provided nearly 85,000 face masks and 1,400 litres of hand sanitiser to operators, increased cleaning regimes and worked with contractors and suppliers to support them through a period in which they could not perform their normal work. To maintain the safety of many Aucklanders who turned to walking and cycling, Auckland Transport put in place temporary measures such as widened foot paths to enable physical distancing. Aucklanders responded positively to the transparency and clarity of communication sent out through all channels.

To support safe transport of many Aucklanders who went back to work in Alert Level 3, public transport patronage and road networks were monitored in real-time, and amendments made where needed. The board, executive leadership and the crisis management team, in collaboration with other agencies and governing bodies, continued to weigh risks and benefits of temporary measures, monitor the safety of all 160 re-opened construction sites, and find transportation solutions to support Aucklanders.

At the time of writing, we are in Alert Level 2. In the original forward I highlighted 2021 as one of the busiest years in the city’s history, when Auckland would host several global events, including the America’s Cup. AT is still committed to fulfilling the Mayor’s aspiration to seize the opportunity to increase the city’s sustainability, lower emissions economy and deliver on kaitiakitanga through conservation and restoration initiatives. However, the circumstances in which we are doing this have changed, and we need to make revisions to our ongoing programme of work, our priorities, and our key themes.

Before we were faced with the impact of the pandemic, our focus was on improving road safety, accelerating mode shift, and decreasing our carbon emissions. While our commitment to these areas is unchanged, the current environment requires us to make challenging decisions on our priorities for the coming years. We recognise that our new ways of working and living will have a major impact on our transport demand and preferences; during lockdown we observed an uptake of active modes, and we would like to capitalise on this in the future by making it easier and safer to walk and cycle in and around the city centre.

Auckland Transport’s board, executive leadership team and the organisation as a whole are prepared to make a concerted effort in collaboration with the council whānau and other organisations, to continue to make a difference to Aucklanders and delivering easy journeys.

Adrienne Young-Cooper
Chair

Auckland Transport DRAFT Statement of Intent 2020/21-2023/24

Shareholder comments on revised draft CCO Statements of Intent, 2020-2023

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Strategic Context

The SOI reflects Auckland Council’s messages and priorities as expressed through the Mayor’s Letter of Expectations, including the strategic priorities for AT for the next three years.

AT’s strategic priorities are largely defined and aligned with priorities and expectations as set out in the following suite of documents:

The Auckland Plan 2050 sets the strategic direction and outcomes for Auckland and considers how to address the key challenges of high population growth, shared prosperity, and environmental degradation.

The Auckland Transport Alignment Project (ATAP) is an aligned approach by Auckland Council and the Government to address Auckland’s key transport challenges and recommend transport investment priorities. It sets a clear investment direction to accelerate the delivery of more transport choices for Aucklanders through public transport and encouraging walking and cycling.

The Auckland Regional Land Transport Plan 2018-28 (RLTP) sets out the region’s land transport objectives, priorities and measures over the next 10 years, and how transport delivery agencies intend to respond to growth and other challenges. This $28 billion 10-year programme is being delivered by the NZ Transport Agency, KiwiRail, City Rail Link Limited (CRL) and AT. This SOI covers the third, fourth and fifth years of the RLTP.

The Regional Public Transport Plan (RPTP) is a plan of AT’s policies, guidelines and activities for the delivery of Auckland public transport focused over a three-year period with a ten-year horizon.

The Auckland Long Term Plan 2018-28 (LTP) underpins AT’s RLTP programme by providing committed funding and enabling AT to secure support from the NZ Transport Agency.

The core of AT’s capital programme is a package of projects and programmes approved through the Auckland Regional Fuel Tax (RFT) scheme. The 14 projects and programmes in the RFT scheme have a total cost of $4.27 billion, of which $1.35 billion is provided from RFT. Funding from the National Land Transport Fund, together with other Council funding, makes up the balance.

The Auckland Climate Action Framework sets a pathway to rapidly reduce greenhouse gas emissions and help prepare Auckland for the impacts of climate change. It will inform detailed actions for inclusion in the next RLTP to be finalised in 2021.
Current Situation – A Complex Operating Environment

Operating in a world with COVID-19

COVID-19 has rapidly changed our world, including the way we travel. There has been a sharp decline in travel demand due to lockdowns and other COVID-19 prevention measures. This has had a significant effect on public transport patronage, with people working from home, along with some customers concerned about taking the bus, ferry or train, plus reduced capacity due to the need for physical-distancing. Pedestrian capacity on our streets has decreased in a similar fashion, due to the need for physical-distancing in public spaces. AT responded quickly to these new challenges, but short to medium trends remain uncertain.

The resulting loss of revenue from income streams such as public transport, parking and RTP will, as the current ongoing COVID-19 prevention will have a considerable impact on funding for AT's activities. Most critically, due to Auckland Council's revenue constraints, AT's capital programme is expected to reduce by at least $200 million for the 2020/21 year. Council funding for operational activities is also likely to drop significantly.

While the final budget for 2020/21 is not yet confirmed, this ODI is based on the best assumptions available at time of writing. This is a capital budget of $680 million and an operating budget of $1,943 million under proposed rates increase of 2.5%, and a capital budget of $720 million and an operating budget of $1,990 million under proposed 3.5% rates increase. Both possible outcomes have been considered for this ODI.

Either funding scenario will necessitate a significant reduction in AT's work programme and performance targets compared to what was anticipated pre-COVID-19. Nevertheless, Auckland Transport will continue to maximise all available resources to deliver on the Strategic Transport Priorities detailed in this ODI, and create easy journeys for Aucklanders.

The Changing Face of Auckland

AT operates in a complex operating environment which has changed significantly since the CCO was established in 2010.

Auckland as a city has experienced faster than anticipated population growth and underlying demographical change against a backdrop of a transport infrastructure deficit and a way of moving across our region which is highly reliant on one mode (i.e. single occupancy vehicles). The city has also expanded geographically, particularly in the northwest and south of Auckland and centres of employment have also spread.

In 2010, Auckland’s population was 1.4 million, public transport passenger boardings 64 million and the number of deaths and serious injuries (DSI) recorded on our local roads was 432. Fast forward a decade and Auckland is home to 1.64 million people. Public transport passenger boardings reached 103.2 million in the year to December 2019 and in the 12 months to September 2019 local road DSI was 538.

This growth in population is expected to continue, although it is not yet clear how the wide impacts of COVID-19 might affect growth in the short to medium term. Based on pre-COVID-19 projections, the region’s current population of 1.64 million is expected to increase by another 720,000 over the next 30 years, which means an additional 313,000 dwellings and 263,000 jobs will be required. Furthermore, this will increase travel demand and congestion.

In addition, Auckland has a low level of public transport usage. Members of the community who utilise our public transport network for their transport needs are typically positive on their experience, but they are much lower in number than private vehicle users. In 2019, an additional 16,600 cars (330 per week) were registered in Auckland, adding to congestion, contributing to increased carbon emissions, clogging freight movements and costing time and money.
The current change organisations with COVID-19 may accelerate the situation in the short term, customers do not have the confidence to return to public transport.

Auckland will only be successful in delivering on its Auckland Plan outcomes when, as a region, we are managing our travel demand: Auckland’s Vehicle Kilometres Travelled (VKT) is growing at a slower rate than population, public transport usage is growing faster than both, and DSI on our roads are trending towards zero. Compared to other international cities, Auckland has one of the highest rates of pedestrian, cyclist and motorcyclist road deaths.

Unprecedented population growth in the context of the region’s inherited transport infrastructure deficit and continued growth in the number of vehicles on our roads is not sustainable or safe, nor is it good for our environment. The need for sustained investment in transport infrastructure, built as soon as possible, is a top priority. As underlined by central government in their COVID-19 response, there is also a real opportunity for infrastructure works to generate jobs and help New Zealand recovery. Providing safe travel choices for our residents and visitors, to accommodate our daily lives and special events, is another.

Finally, the need to address climate change and other environmental harms from the transport system has received increasing focus as a policy objective over the last two years. The Auckland Plan 2050, Government Policy Statement on Land Transport and the Climate Change Response (Zero Carbon) Amendment Act emphasise sustainability and environmental objectives, and this is reflected in this SOI.

City Rail Link (CRL), Auckland Light Rail and Future of Rail

CRL, Auckland Light Rail and the Future of Rail project all represent major interventions in the Auckland transport network that are being delivered by other stakeholders. One of the purposes of the formation of AT was to reduce the number of delivery agencies to increase consistency of execution and improve experience for transport users. It is important that each of these projects is integrated into the existing transport network effectively.

Government Transport Investment Programme

The Government announced on 29 January 2020 a $6.8 billion investment in transport infrastructure, of which $3.5 billion has been allocated to projects in Auckland. This has further implications for AT in terms of delivery of key projects by others.

Although the Government’s announcement does not specify which agency would deliver Penlink and Mill Road, the NZ Transport Agency has taken responsibility.

COVID-19 Response and Recovery Fund

Central Government has announced a $50 billion COVID-19 Economic Response and Recovery Fund, including an additional $3 billion for infrastructure investments on top of the previously announced NZ Upgrade Programme. The Government has also requested regional and local councils to nominate job-rich and shovel-ready projects that could be considered for fast-track asset resource contracting as well as Government funding. AT has nominated several projects, and submissions are currently being reviewed by the Crown Infrastructure Reference Group.

Proposed Legislative Change

A further complicating factor in AT’s already complex operating environment is the introduction of two Bills currently before Parliament which have far reaching implications on AT and its ability to integrate the transport network to make it user friendly for those moving around Auckland. This
has the potential to lead to duplication of powers and an overlapping remit. These are the Urban Development Bill and the Land Transport (Rail) Legislation Bill.

The Urban Development Bill was introduced to Parliament on 5 December 2019 with submissions to a Select Committee of Parliament on the Bill closing on 14 February 2020. The Bill follows the establishment of Kāinga Ora as a Crown entity with public housing landlord and urban development functions. It has potentially significant implications for AT given the extent of the functions and powers it provides for Kāinga Ora.

The Land Transport (Rail) Legislation Bill is currently before the Transport and Infrastructure Select Committee of Parliament. The Bill proposes a significant change to the land transport planning and investment system, with significant implications for rail planning and funding processes, including the RLTP.

AT supports the intent of changes to the planning and funding framework for rail, however, we are concerned that the Bill, as proposed, will not achieve these intentions. Proposed changes to funding for access to the rail network could undermine AT’s Network Access Agreement with KiwiRail, which sets the framework for operating passenger services on the Auckland rail network. Payments from AT to KiwiRail under this agreement are currently valued at $23 million per annum. If enacted as proposed, this could also create challenges for integrating rail into planning for other modes of transport under the RLTP.

Increasing Expectations of AT

While RFT funding for programmes has paved the way for AT to prepare for an unprecedented level of future investment, provided welcome funding certainty and a clear pathway for delivery, it has also locked in projects, programmes and funding over the longer term. Even before the impact of COVID-19 on our capital programmes, this means AT has limited ability to accommodate cost increases, changing priorities and new projects, or to re-allocate and realign programmes.

The delivery expectations of AT across many dimensions have dramatically increased. By way of example:

- AT’s capital programme, excluding CRL, will have doubled between 2015/16 and 2019/20;
- Public transport patronage has grown by nearly 60% over the last 7 years;
- VKT has typically grown by between 4% and 6% annually.

A significant programme of work is underway in the CBD – the Downtown programme, construction of CRL, numerous upgrades to city streets and new cycleways. Furthermore, there is a significant amount of private sector investment and development underway, such as Commercial Bay. This programme of work is expected to continue until at least 2024 and the disruption to both public transport and private transport users will be a continuing challenge. AT is committed to working closely with Auckland Council and other agencies to minimise disruption as far as possible and where disruption is unavoidable, to use this as an opportunity to accelerate mode shift.

However, AT currently does not have the appropriate level of operational funding necessary to facilitate mobility in the interim and adequately prepare for the commissioning of CRL, Auckland Light Rail and the Eastern Busway.

The impact of multiple and continuous construction projects in the CBD and across the region will require a sustained focus on collaboration with partners and communication with stakeholders, Local Boards and the communities we serve.
Contextual Variables

This section provides background information on several the trends and underlying contextual variables that affect AT. Information has been indexed against 2010 figures to show changes in the variables over the life of AT.

Increasing population and demand for travel in Auckland

- Auckland’s population has increased by approximately 200,000 (or 14%) since 2010.
- Auckland VKT has increased at a faster rate over this period, growing by 28% to a total of 15.7 billion kilometres in the 12 months to June 2019. Auckland VKT was reasonably flat over the 2010-2013 period but has been growing strongly since.
- Public transport boardings have grown strongly since 2010, increasing by 62% from 63.6 million in 2010 to 103.2 million in 2019. Over this period, annual ferry boardings have grown by 36% (from 4.6 million to 6.2 million), bus boardings by 90% (from 50 million to 75 million), and rail boardings have increased by 140% (from 9.1 million to 21.9 million).
- Auckland’s population and demand for travel is expected to continue to grow over the period of this SOI, although the water effect of COVID-19 is likely to mean that growth is much slower than anticipated.

Source: Population = Statistics NZ, Auckland VKT = Ministry of Transport, public transport boardings = AT

Auckland fuel sales and emissions

- Petrol consumption has been relatively stable since 2010, with sales ranging between 1.015 billion and 1.096 billion litres per annum.
In contrast, diesel sales have risen significantly, increasing 32% from 487 million in 2010 to 644 million litres per annum in the 12 months to October 2019.

Combined, total fuel sales increased by 13.5% between 2010 and 2017 but have decreased since.

Auckland’s on-road greenhouse gas (GHG) emissions are strongly correlated with regional fuel sales. The GHG emissions inventory process remains underway for 2017, 2018 and 2019, however the figure above indicates that fuel sales related emissions have reduced since 2017.

We expect a short-term decrease in GHG emissions as a result of COVID-19 impacts, but expect to return to average levels in the medium term.

Source: Auckland Council fuel tax returns.

Note: fuel sales for the 12 months ending Oct-19 have been used to represent 2019 results. To be updated in final SOI once 2019 calendar year information is available.

Local road DSI

- DSI on Auckland’s local road network increased by 95% over the 2012 to 2017 period, from 354 in 2012 to 690 in 2017.
- More recently, DSI figures have been trending back down from the elevated levels seen in 2017 but remain well above the results achieved earlier in the decade.

26 There were 673 local road DSI in the 12 months to September 2019, this is 16% higher than in 2018, 22% above the 2017 result.

Source: AT

Note: DSI for the 12 months ending Sept-19 have been used to represent 2019 results. To be updated in final SOI once 2019 calendar year information is available.
Approach

As a result of its complex and evolving operating environment, AT is repurposing itself to meet the challenges of improving mobility in a modern, sustainable and liveable city.

AT is focussed on transforming into a more customer focussed and a more collaborative organisation, through three core areas of work as follows.

Cultural Transformation

Our Culture and Transformation Strategy targets building a more constructive culture within AT, one where behaviours are more affiliative leading to more collaboration and a focus on performance and outcomes. The strategy also seeks to create an environment where people feel more connected across the organisation and there is greater receptiveness to work with others regardless of their role or background. The approach is premised on the belief that the way the organisation works internally will be reflected in how the people of AT engage externally and work more collaboratively with stakeholders including elected members, local boards and communities.

Customer Experience

AT has commenced a journey to become more aligned to customer needs, to be more responsive to customers and to improve customers' experience of Auckland’s transport. Our aim is to drive a shift in customer behaviour and expectations. Facing into this challenge requires a step-change in how we consider and design for our customers and the experience people expect to have on or around our network every day.

The Customer Experience Blueprint, endorsed by AT’s ELT and Customer & Innovation Committee in February 2019, articulates our strategic direction to transform and elevate customer experience. This strategy is centred on the experiences of Aucklanders on and around our network every day – defined as mobility experiences – how we think understand their needs, pain points and barriers to mode shift and the specific interventions required to address them.

The Customer Experience Blueprint is framed up around four areas of focus as follows:

1. Shift in priority mobility experiences
2. Customer experience improvement and mode shift for commuting experiences
3. Digital and multi-channel experience
4. Significant shift in the assisted channel experience and responsiveness
5. Significant shift in channel migration from assisted to digital channels reducing customer effort and cost to serve
6. Build GA function as a centre of excellence to grow customer certainty
7. Customer teams and Experience squads are equipped and empowered to do unstructured problem solving, human-centred design and behavioural science
8. Increase maturity in core capabilities, such as insights and voice of customer experience and product ownership, customer engagement and customer-centric design
9. Make customers part of our decision making - customer needs are embedded in the strategy of the organisation and cascaded down to all levels. This goes from consideration of customer metrics and impacts when making decisions at board level.
Operational Improvements

There are several other operational activities and improvements underway. These include:

- Reduction in AT’s corporate office locations from 17 sites to three;
- Completion of the Customer Relationship Management upgrade which will make it easier to use for customers, Elected Members and the community, provide greater visibility of performance, and enable improved responsiveness;
- A Local Board and community engagement ‘gate’ as part of the Project Management Framework;
- An operating model review for how AT undertakes stakeholder, communications and engagement is being developed. Among other things the operating model seeks to create a centre of expertise for stakeholder and community engagement and create sub-regional teams able to respond to local boards and local communities and creating ongoing relationships with local boards;
- A business improvement review is being undertaken into project initiation, community and stakeholder engagement and communications. The review will commence in early 2020;
- Pilots of ‘Governance Engagement Plans’ are being developed for the Connected Communities Programme and for the remaining stages of the Eastern Busway. These plans aim to provide clarity to project/programme teams about which parties have decision-making rights and encourages teams to think about how they might get those decisions made;
- Engagement with local boards has been piloted with respect to Annual Maintenance and Renewal Plans. Previously, this was provided on an informal basis after the plans were finalised. The new approach seeks to provide local boards with the opportunity to comment on draft plans before finalisation;
- A ‘Disruptions Squad’ has been formed to look at how we improve quality of service to public transport customers during planned and unplanned disruptions. This will become more important as construction activity increases;
- In May 2019 we engaged a resource to build relationships with key business associations (e.g. Heart of the City, Newmarket Business Association) and discover how we might work with them better; and
- We have established a Weekly Executive Consultations Review Meeting which is providing an additional layer of assurance over consultation and engagement material prior to distribution.

Delivering the RLTP

AT’s approach to contribute to the Auckland Plan outcomes and to deliver on the RLTP is to:

- Help people to travel safely
• Manage the impacts of the transport system on the environment
• Improve access to frequent and attractive public transport
• Encourage walking and cycling
• Make the best use of existing transport networks
• Support growth, urban redevelopment and regeneration
• Ensure value for money
• Improve customer experience and stakeholder engagement.

The core focus of this approach is to reduce Auckland’s current reliance on the private car and move to a city with more transport choices, where travel by public transport, walking, cycling, and emerging shared mobility modes play a more significant role.

AT’s RLTP programme has a major focus on improving safety, attempting to address the recent increases in DSI, and working with government and Council to move to a Vision Zero approach. Safety is and will continue to be AT’s highest priority.

The RLTP programme also enables AT to make progress in improving accessibility to services, amenities and jobs, thereby supporting the development of housing in areas with good transport links and enabling Aucklanders to get where they want to go more easily, safely and sustainably. AT will seek to do this in a way which supports accessible, attractive and safe urban places, with an emphasis on sustainability and reducing carbon emissions.

The introduction of the RFP last year provided additional funding that would allow the delivery of long-term priority projects in ATAP. Despite the funding impacts arising from COVID-19, Auckland will still have an unprecedented programme of activity ahead of it over the 2019-2023 period. AT is committed to delivering this programme on behalf of its shareholder and we will work collaboratively with our partners, the sector, stakeholders and the communities we serve.
General Shareholder Comments

Consistent with the outcomes sought by the Auckland Plan 2050, the Auckland Climate Action Framework and Council’s priorities for the group, AT is committed to doing all it can to address the challenges of climate change.

AT will continue to support Auckland Council in necessary planning processes that will support the outcomes envisaged in the first decade of the Auckland Plan Development Strategy. AT will also continue to support redevelopment planning through its relationship with Kāpiti Coast and participation in the Auckland Housing Programme (AHP).

AT will also support the Council in the development of an Integrated Infrastructure Planning Platform to provide a single platform for reliable data on existing and required infrastructure.

AT is committed to delivering on Māori responsiveness – contributing to Māori well-being, organisational effectiveness, post-Treaty settlement opportunities and the Māori outcome strategic priority areas agreed to by the council family Māori Outcomes Executive Lead Group.

AT will also ensure that it complies with the no surprises protocols in the CCO Governance Manual, keeping the Council fully informed of any significant issues and operational challenges, and working closely with the Council to address them. AT is also committed to continue constructive engagement with the CCO review and CCO Oversight Committee work programme, including provision of information requests in a timely fashion, as well as continuing to collaborate with the other CCOs in the Council group to deliver integrated and aligned solutions for Aucklanders.
Strategic Transport Priorities

Making Transport Safe

Improving the safety of Auckland's transport system is a major priority for AT, as it is for Auckland Council and the Government. Lower than the previous year, but the number of people and whanau affected, the amount of trauma and the socio-economic costs are still too high.

This tragic situation has arisen because preventative road safety efforts have not kept pace with the strong growth in Auckland travel. Growing safety gaps are being exposed on the urban transport network for vulnerable road users as the network struggles to cope with competing and a more complex range of travel choices. Additionally, increasing travel on Auckland’s high-speed rural roads is highlighting the inability of the existing infrastructure to protect road users.

AT is committed to delivering the Safe System which targets all elements of road safety for all users. We have made significant progress in delivering the first two years of the RLTP safety programme and last year signed up to the Vision Zero for Tamaki-Makaurau transport safety vision that states there will be no DSIs on our transport system by 2050. The 2018 RLTP committed $700 million over the 2018-2028 period to an ambitious safety infrastructure acceleration programme designed to dramatically reduce DSI on Auckland’s roads.

The recent DMI business case for a Project Protection Safety Capex investment in the 2019/20 RLTP to help achieve the Vision Zero goal, and future leveraging other safety gains out of other AT Capital projects and operations (e.g. support with Tamaki Makaurau road safety partners).

AT will continue to focus effort on delivering this high priority programme throughout the period of this SOI. Following the adoption of a new Speed Limits Bylaw, local road speed restrictions will begin to be introduced on some 700 kilometres of high-risk roads around the region, 90% of which are in rural areas. Traffic Management and the speed enforcement teams focus on high-risk intersections and 10 pedestrian crossing facilities and road safety behaviour change programmes will be delivered across high risk road safety themes and communities. Data collected from red light running enforcement cameras and CCTV cameras will be used to improve network performance, safety and operations.

AT works with schools, Mana Whenua, Mataawaka and community groups to increase road safety awareness, promote active travel and public transport use and assist young drivers with the Graduated Licensing System. We also work closely with schools to lower speed limits and deliver improvements around schools.

The Te Ara Haepapa Māori Road Safety Education Programme in Marae and Te Kura o te Kaupapa Māori communities has grown significantly and been well received with increased engagement with Mana Whenua and Mataawaka Māori. AT has experienced great success with Kalihautu Railhina Akonga (Learner Licence) Railhana Whiti/Te Tuturu (Restricted and Full) when partnering with community providers, with participants achieving 100% pass rates. Using bilingual messages in Te Reo Māori has attracted much higher positive interaction and engagement from Māori as well as other ethnicities.

A recent addition to a safe transport system has been the need to support physical distancing requirements for passengers. In response to the COVID-19 outbreak, AT made quick adaptations to real-time transport services and working and using facilities to allow for better physical distancing on public transport and in public spaces. We will continue keep our public transport customer and those walking and cycling safe as long as required to prevent spread of the virus.

Improving Resilience and Sustainability

Addressing climate change has emerged as a key priority for Auckland Council and Central Government, culminating in Auckland Council declaring a climate emergency in June 2019.
With around 40% of Auckland’s greenhouse gas emissions coming from the transport sector, reducing transport emissions will be a key requirement to meet the region’s climate change commitments.

AT is fully committed to helping reduce Auckland’s transport emissions. AT is developing a 10 year action plan to address greenhouse gas emissions and improve network resilience (including an asset risk and resilience plan), in support of the Auckland Climate Action Framework. AT will also ensure a climate change focus when prioritising the 2021-2031 RLTP.

**Working with other agencies**

AT has been working closely with Council on the development of Te Tārūke-ā-Tawhiri: Auckland’s Climate Action Framework, and is also working with the NZ Transport Agency, Ministry of Transport and Climate Change Commission to ensure our agencies develop coordinated plans to reduce Auckland’s transport emissions. Achieving significant reductions in transport emissions will require major changes at a system level, and require coordinated action using the combined powers and responsibilities of council, AT and multiple central government agencies.

**Encouraging a shift to public and active transport**

One of AT’s key contributions towards reducing Auckland’s greenhouse gas emissions is through encouraging mode shift from private vehicles to public and active transport. AT has already been encouraging mode shift for a number of years, with significant capital and operational expenditure on activities such as: new and improved public transport infrastructure (e.g. new busway stations), increasing public transport services and frequency, the rollout of new cycleways, and encouraging active and public transport through our school and workplace Travelwise programmes.

The recently declared climate emergency, and focus on reducing emissions, confirms the need for AT to continue investing in these areas as a priority with executive bidding. Further details on these areas can be found in the ‘improve access to frequent and attractive public transport’ and ‘encourage walking and cycling’ sections below.

**Reducing public transport emissions**

The majority of Auckland’s passenger rail system is already electrified, with central government committing to electrifying the final section between Papakura and Pukekohe as part of its New Zealand Upgrade Programme. AT is currently receiving a second batch of 15 electric trains to provide additional capacity on the rail system and to enable electric trains to run to Pukekohe.

AT is now actively buying Auckland’s first EMU. The electric multiple unit (EMU) will operate on the procurement of only low emission buses from 2022, with a full low emission bus fleet in place. AT has been buying electric buses since 2018 and, alongside bus operators, has recently announced the purchase of 25 new electric buses for the region. Seven will be operating on Waitakere Island by late 2022, then will be operating on the airport link from early 2021 and 18 will enable the CD’s CityLink route to be fully electric by early-2021. This SOI commits AT to having at least 25 low emission buses in the Auckland fleet by 2022/23.

AT is currently investigating how the transition to low emission buses could be significantly accelerated, and this SOI also proposes that AT investigate the feasibility of electric ferries.

**Reducing our own carbon footprint**

While extremely small relative to the transport emissions addressed in the sections above, AT is committed to leading by example through reducing the carbon footprint of its own assets and operations. Initiatives in this area include the continuing the rollout of LED streetlights and implementing solar powered bus stops.

**Water quality**
AT will continue to work with Council and Watercare to help improve water quality outcomes. In particular, AT aims to install 2,000 additional gross pollutant catch pits at priority locations over the 2018-2022 period. AT will also cooperate with government and the council group on implementation of the National Policy Statement on Freshwater Management and the National Environment Statement on Freshwater Management when these documents are finalised in mid-2020.

Other climate change and environmental initiatives

AT’s recently refreshed board report template includes a mandatory section assessing the impact of climate change for any proposal submitted to the board of directors, and we will apply a climate change lens as part of capital project prioritisation for the 2021-2031 RLTP.

Better Travel Choice

Improve Access to Frequent and Attractive Public Transport

Easy access to employment, education, shopping, business, recreation and other activities is an essential part of ensuring that Auckland is a prosperous and attractive place to live and do business. Ensuring that Aucklanders can get where they want to go easily, safely and sustainably is AT’s core role.

The impact of COVID-19 is easy to measure: in the short-term, some customers may be apprehensive to take public transport. We are focusing on ensuring and demonstrating that the public transport system is clean and safe. Once physical distancing requirements have eased, we will see communications and a return to an increase in ridership for public transport users.

Recovering from the impact of COVID-19 and increasing the uptake of public transport will require a strong focus on understanding and responding to customer and community needs and placing the customer at the centre of the new and expanded network. Improving customer experience of the transport system is a core component of AT’s programme.

AT’s plan for the three years of this SOI contains a range of initiatives to improve access and continue to improve the public transport system. While impacted by funding availability, these include the construction of public transport infrastructure, the purchase of new trains, and improved access to Auckland Airport.

Last year we completed the roll-out of the New Bus Network, collecting another 12,700 passenger trips each week, and introduced a new bus network on Waiheke Island. We introduced new bus lanes and bus priority movements, increased train and ferry services, completed the transformational upgrade of Franklin Road and made multiple operational changes to improve capacity and capability on the roading network. Patronage on the city’s Rapid Transit Network increased 21.4%.

Work started on the Downtown development programme and upgrade of the Quay Street seawall, on the first stage of the $1.4 billion Eastern Busway (Auckland’s second largest construction project after CRL), the Puhinui Station Interchange, Airport to Botany rapid transit, Hurstmere Road streetscape upgrade and Karangahape Road enhancements.

AT will continue making improvements to the bus network, delivering a new airport bus network and engaging with multiple communities on planned upgrades to major transport corridors and routes across the isthmus. More electric buses will be introduced and we will continue to review and update the Low Emissions Bus Roadmap.

AT will continue working with Central Government on the development and route protection for key components of the rapid transit network, with CRL to deliver the CRL, and with KiwiRail and other agencies to progress the development of electrification between Papakura and Pukekohe and support the implementation of Hamilton to Auckland rail services. An Integrated Rail Management Centre in Auckland to improve local performance and national resilience will be investigated.
AT will receive and put 15 additional new electric trains into service. These Electric Multiple Units (EMUs) will enable the provision of more six-car trains during peak hours and provide a significant increase in passenger capacity as well as leading to a reduction in carbon emissions. We will also investigate the future acquisition of more electric trains to respond to patronage growth and network extensions.

The Auckland Ferry strategy will be finalised and (subject to funding) will include investigations into new electric ferries and the development of the second stage of the Downtown Ferry terminal.

Several other initiatives are underway to encourage the shift from single occupancy vehicles, including progressing the roll out of on-demand services across the region to complement, support and in some cases replace traditional public transport following the success of the AT Local pilot in Devonport.

**Encourage Walking and Cycling**

AT continues to place high priority and emphasis on encouraging the use of active modes, including walking and cycling.

The programme for this SOI contains investment in new and improved cycleways and pedestrian facilities. The roll-out of the Urban Cycleways Programme initiated in 2015 will continue and AT will commence investigation and design of projects in the 10-year Cycling Programme Business Case.

Cycle campaigns, events, training and activities to promote cycling and cycle safety will continue. AT will continue to deliver Bike Ready cycle skills training to more than nine thousand Year 5-10 school students on an annual basis.

**Better Connecting People, Places, Goods and Services**

Auckland has an extensive transport network and, within the existing urban area, there are very limited opportunities to build new corridors or expand existing ones. As a result, the major part of Auckland’s growth will need to be accommodated within existing corridors, increasing the number of people using key routes.

AT’s programme for this SOI includes a range of initiatives to achieve this, including encouraging the uptake of public transport with attractive and frequent services and bus priority programmes, investing in transport technology to improve the efficiency of the transport system, and the move away from single occupancy vehicles. These initiatives also include a Network Optimisation programme of small to medium scale projects to improve traffic flow such as the optimisation of traffic lights, upgrades to the traffic light management system, and investigating suitable sites for implementation of dynamic lanes following their rollout at Whangaparaoa and Redoubt roads.

The Connected Communities programme aims to improve the safety, productivity and people carrying capacity of the road network by investigating, designing and delivering bus priority, safety, and cycling and walking improvements along a number of the region’s key arterials. Business cases and designs are currently underway, and AT will work with Local Boards and communities on improvements proposed for their areas.

Better connecting people, places, goods and services also includes ensuring that AT maintains and renews its existing assets. In 2018/19 AT spent $187 million renewing its asset base, 28% of its total capital expenditure. AT is committed to improving transparency on asset management programming, and the timing, delivery and standard of asset renewals.

A large number of events are planned for Auckland in 2021: the 35th Americas Cup, APC 2021 and multiple World Cup sporting events. Due to the global outbreak of COVID-19, it is yet to be clear which of these events will go ahead unaffected. Regardless, AT will work with Auckland Council and ATSEP to deliver transport plans for events and activities.

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Auckland Transport DRAFT Statement of Intent 2020/21-2023/24
Supporting and Enabling Growth

AT has a key role to play in supporting Council, Local Boards and the wider Council group to facilitate urban regeneration and placemaking, and to support development in both brownfield and greenfield areas. AT recognises that this is a key outcome for the Auckland Plan 2050.

AT will continue to work with Council, Panuku Development Auckland and other agencies to progress planning for initiatives that will transform the city centre into a more family, pedestrian and environmentally friendly place, and minimise disruption. Shared initiatives include Karangahape Road improvements, Quay Street and Downtown public space projects, Victoria Street Linear Park, Wynyard Quarter Integrated Roads programme, the CRL and the Access for Everyone Initiative.

We will also continue to work with Auckland Council and the NZ Transport Agency to confirm the transport networks required for greenfield locations, development and new housing construction through the Supporting Growth Alliance.

AT will also work closely with Auckland Council to implement the refreshed City Centre Masterplan and Auckland Climate Action Framework, including the need to reduce VKT and emissions in the city centre.

AT acknowledges the importance of good urban design outcomes and is moving to ensure that providing for such outcomes are an integral part of its capital project planning and design process.

There may, however, be circumstances where AT is unable to meet all community and stakeholder expectations, for example, where these outcomes are substantially greater than AT can accommodate from within its RLTP capital programme. AT and Council will need to work closely together to agree priorities, and source potential additional funding where this is needed to deliver on required outcomes.

Over the course of this SOI, AT will review and update the AT Asset Management Plan 2021/22-2024/25, refresh the Parking Strategy and begin implementing the new Auckland Freight Plan.

Ensure Value for Money

AT is responsible for delivering a 10-year operating programme of $6.2 billion (net of public transport fares and other revenues), and a $10 billion capital programme, of which $7 billion is for new capital projects and $3 billion for asset renewal. AT’s capital programme for 2019/20 was $664 million, and this is expected to rise to over $1 billion by 2027/28.

AT is acutely aware of its responsibility as a public body to deliver maximum value for ratepayers and taxpayers and is committed to delivering its programme and undertaking its activities to clearly demonstrate value for money across all of its expenditure. We are also very aware of the expectations of ward councillors, Local Boards and the wider community to deliver on the RLTP programme, and to ensure the delivery of projects and programmes funded through the Auckland RFT scheme.

The AT board of directors is committed to continuous review and improvement of its operations. An Investment Management Office (IMO) was established late last year to oversee the initiation and development of all capital projects within the organisation, ensuring robust and consistent processes, procurement and implementation.

AT closely monitors expenditure on and delivery of its RLTP capital programme, including RFT funded projects and programmes. We will continue to work closely with local and central government agencies to achieve integrated project planning and delivery, improve safety outcomes and enhance alignment of priorities and funding. We will also participate in joint Council Group procurements to generate economies of scale and savings across the group and work with the NZ Transport Agency toward optimising programme funding.
AT will continue to work with Council to implement the recommendations of the value for money reviews and will participate in the ongoing programme of reviews to optimise efficiency and value for money, through removal of duplication and different approaches to core systems, shared back-office delivery, improved business case processes and where appropriate, investment in information and communications technology.

Improve customer experience and stakeholder engagement

As Auckland experiences a period of growth, disruption and change, AT is on a journey to become more aligned to customer needs, more agile in responding to strategic shifts and more focussed on service delivery. AT’s Customer Experience function brings different customer-centric capabilities together from across the organisation to create new ways of working to better plan, design and deliver improved safety, access and customer experience. Our goal is to drive a step change in customer behaviour and expectations over time.

AT’s sustained focus on customers will leverage infrastructure investment to drive behavioural changes that support our commitment to delivering Vision Zero, accelerated modal shifts, driving internal culture changes and achieving better value for money.

Last year, AT increased services with more passenger trips supported by the new bus network, rail timetable enhancements, new ferry services and delivery of the capital programme while managing operating costs within 1% of budget, in an environment of increasing cost pressure.

Consumer expectations have changed over time through the impact of digital technology, the sharing economy and climate change. The recent COVID-19 pandemic has resulted in unprecedented impact across public-health, lives and livelihoods, and economy at a global scale. It is expected to have significant impact on behaviour, expectations and the new norm for our Customers.

AT must take the opportunity to improve customer experience, reducing frictions for our customers and communities. This includes accelerating efficiency through simplifying processes, leveraging technology to drive automation and increase the use of self-service digital channels.

AT undertakes a significant number of engagements as part of its day-to-day business and is committed to working closely with ward councillors, Local Boards, the Council group, Mana Whenua, customers, stakeholders, businesses and the community to deliver the projects, programmes and activities in its RLTP programme and this SOI.

AT acknowledges that it can improve its engagement, communications and consultation and is committed to doing so. We have undertaken a review and programme of work to ensure communities are better informed of AT’s activities and decisions, and the evidence and rationale for them, as well as providing a genuine opportunity for feedback and input.

A dedicated Māori Policy and Engagement team regularly engages with 19 Mana Whenua tribes who have whakapapa or genealogy connections to Tamaki Makaurau. A one-stop geo spatial application, the Te Waharoa Māori portal, records, stores and monitors engagement outcomes across all AT infrastructure projects. AT will continue to contribute to the Māori outcomes portfolio (Te Toa Takititi) and the council group Tiriti o Waitangi Audit response. We will continue to engage meaningfully and regularly with iwi/mana whenua over capital projects, in particular, those impacting on areas of significant cultural importance.

We are seeking opportunity to promote better engagement and partnership with Local Boards. Through regular workshops, formal monthly reports, presentations and the support of our Elected Member Relationship Managers, AT has begun a series of Forward Works Programme briefings to give all Local Boards a clear view of what is being delivered in their area. The elected member AT email channel has been significantly enhanced, with additional resources and new processes designed to ensure timely and appropriate responses to all elected members. Work continues on delivering some of the projects identified by Local Boards through the new Community Safety Fund.

AT is working with the Waiheke Local Board to improve its relationship and engagement. In a first for the region, AT signed a Memorandum of Understanding (MoU) with the Waiheke Local
Board last year to enable community representatives, the Local Board and AT to discuss transport issues and support the alignment of investment and longer term strategy. AT also worked closely with the Rodney Local Board to deliver the first of a suite of transport initiatives funded by the newly introduced Rodney Transport Targeted Rate.

The COVID-19 pandemic is expected to have a substantial impact on Council which is financial, operational and strategic. Many of the planned projects in the RLTP require major changes to the road network and how it is used. The SOI requires the RLTP to be delivered to a timeframe and a budget. As Auckland Council’s delivery agency for transport services and projects, AT needs Council’s ongoing support and commitment. This includes the well-informed backing of Council, ward councillors and Local Boards, particularly in circumstances where AT is delivering transport system investments which are high priority for Council, but which may not be popular with some stakeholders, businesses and community members.

One of the major investments to advance Auckland’s transport capacity is to deliver high frequency bus priority corridors as quickly as possible, together with safety, walking and cycling and network improvements. AT plans to take a whole of corridor approach to this critical programme. This creates a new opportunity for AT to work with elected members, Local Boards and stakeholders on a cohesive basis to ensure the coordination of planning, design, consultation, funding, decision-making, construction and commissioning. This approach will enable strategic benefits to be demonstrated more easily and clearly, and improvements put in place more quickly.

This programme however will result in significant changes to the way road corridors will work and look and will require trade-offs to be made around transport performance, place-making, city versus local outcomes, timetables for implementation, and funding. AT will manage the integrated corridor (Connected Communities) programmes but will need the involvement of ward councillors and Local Boards when key trade off decisions have to be made, and the resulting community impacts are identified and communicated.

CRL

CRL is one of the most significant infrastructure projects undertaken in Auckland. Completion of CRL will provide substantially improved public transport access to the Auckland city centre, and significantly improve accessibility from the west.

During the three years of this SOI, AT will actively support CRL to prepare for the opening of CRL. This will include working closely with CRL as it progresses construction, as well as addressing key issues as they arise, and preparing for the operationalisation of CRL when services commence.

AT will need to work closely with Sponsors’ representatives to ensure an agreed approach on matters of scope and delivery, in particular where changes or trade-offs may need to be made. AT will also need Council’s support to participate in the CRL project, including additional funding to ensure it can support CRL and prepare for operationalisation, and acknowledgement that construction may impact on AT’s ability to achieve key outcomes such as rail patronage targets and fare revenue.
Board Meetings

Pursuant to section 96 of the Local Government (Auckland Council) Act 2009, the Board will ensure that the following two specific meetings during each financial year are open to members of the public:

- A meeting to consider AT’s performance under its SOI in the previous financial year; and
- A meeting to consider the Council’s shareholder comments on the draft SOI for the following financial year.

The specific times and locations of these meetings will be publicly notified in newspapers with a circulation across Auckland, and on the AT website.

Acquisition of Shares

Pursuant to Schedule 8 of the Local Government Act 2002, the Board will ensure that AT complies with the requirements of the Council's CCO Accountability Policy and Governance Manual before subscribing for, purchasing, or otherwise acquiring shares in any company or other organisation.
Work Programme 2020/21 – 2022/23

The following tables describe the key initiatives proposed to be delivered by AT over the 2020/21 to 2022/23 period. The tables focus on the 2020/21 work programme, with more general information provided about what is planned for the second and third years of this SOI.

Initiatives are shown under the following headings:

- Making transport safe
- Improving resilience and sustainability
- Better travel choice
- Better connecting people, places, goods and services
- Supporting and enabling growth
- Ensure value for money
- Improve customer experience and stakeholder engagement
- Organisational initiatives.

These key projects and initiatives reflect how AT will respond to Auckland Council’s priorities as set out in the Mayor’s Letter of Expectations.

<table>
<thead>
<tr>
<th>Making transport safe</th>
<th>2020/21 – 2022/23 SOI Work Programme - 2.5% Scenario</th>
<th>3.5% Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vision Zero</td>
<td>Continue implementing the Vision Zero for Tamaki Makaurau Transport Safety Strategy 2030 through initiatives such as:</td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>SME: Andrew Bell</td>
<td>- Rolling out the Safe Systems approach: Facilitate application of Safe System Implementation at Levels 1 and 2.</td>
<td></td>
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<tr>
<td>ELT: Bryan Sherritt</td>
<td>- Delivering targeted training to develop key Vision Zero competencies across AT; and</td>
<td></td>
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<tr>
<td></td>
<td>- Continuing to deliver the accelerated safety programme funded by the Regional Fuel Tax and outlined below.</td>
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</tr>
<tr>
<td></td>
<td>- Assess the reduction of fuel savings from an AT investment and operate through improved Safety Management &amp; Governance</td>
<td></td>
</tr>
<tr>
<td>Key project / initiative</td>
<td>2020/21 – 2022/23 SOI Work Programme - 2.5% Scenario</td>
<td>3.5% Scenario:</td>
</tr>
<tr>
<td>------------------------------------------</td>
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<tr>
<td>High risk roads and intersections</td>
<td>Deliver safety improvements to priority locations across the network. The 2020/21 work programme includes:</td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>- 40 high risk intersections investigation and design only</td>
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<td></td>
</tr>
<tr>
<td>- 30 high risk locations including bend and corridors treatments investigation and design only</td>
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<td></td>
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<tr>
<td>- [High risk locations deliver/road/construct]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pedestrian programme</td>
<td>Deliver new and improved crossing facilities across Auckland. The 2020/21 work programme covers the investigation, upgrade and implementation of new crossing facilities at 50 [18] sites.</td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>Safe speeds programme</td>
<td>Investigate speed management on priority locations. The 2020/21 programme covers investigating at least a further 500 kilometres of roads, including 200 kilometres of New Zealand’s highest risk roads.</td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>- Priority locations for 2020/21 include areas around schools, urban roads, town centres, residential areas and rural roads</td>
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<td></td>
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<tr>
<td>- Implement the remainder of branches one of the approved Safe Speeds Programme.</td>
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<td></td>
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<tr>
<td>- Delver majority of branches of the Speed Programme in Auckland and Otago, Nelson and Paraparaumu - street infrastructure improvements in subsequent years</td>
<td></td>
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<tr>
<td>- Implement Stage-2 The next stage of the Manurewa residential safe speed zone will not be delivered in 2020/21.</td>
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<tr>
<td>- Monitor and evaluate:</td>
<td></td>
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<tr>
<td>- commence monitoring and evaluation of the Safe Speed Programme as detailed in the Speed Bylaw (Safe Speed Programme 2019 – Monitoring and Evaluation plan).</td>
<td></td>
<td></td>
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<tr>
<td>- Commence investigation of the Speed Programme for the period 2021/22</td>
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<tr>
<td>Making transport safe</td>
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<tr>
<td>Key project / initiative</td>
<td>2020/21 – 2022/23 SOI Work Programme - 2.5% Scenario</td>
<td>3.5% Scenario:</td>
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<tr>
<td>------------------------</td>
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</tr>
<tr>
<td>Road safety behaviour change</td>
<td>Deliver road safety behaviour change programmes across high risk road safety themes and communities to support a reduction in DSI.</td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>SME: Claire Dixon</td>
<td></td>
<td></td>
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<tr>
<td>ELT: Vanessa Ellis</td>
<td></td>
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<tr>
<td>Public transport safety improvements</td>
<td>Design and implement safety and amenity improvements across the public transport network, including:</td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>SME: Neville Price / Simon Milner</td>
<td>- Development with the bus industry of a framework for improving on-road bus industry staff facilities. Commence design and construction of additional bus layovers and driver rest break facilities;</td>
<td></td>
</tr>
<tr>
<td>ELT: Mark Lambert</td>
<td>- Continue rollout of customer facing safety improvements at public transport facilities, including rail pedestrian crossing automatic gates, fare bridge addition and improvements at stations; and</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Safety improvements for AT and supplier staff at public transport facilities.</td>
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<tr>
<td>Red light cameras</td>
<td>Installation of new red-light cameras to reduce crashes at high risk intersections. The work programme involves delivery of seven new cameras to be delivered in 2020/21.</td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>SME: Randhir Karma</td>
<td></td>
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<tr>
<td>ELT: Andrew Allen</td>
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<tr>
<td>School safety</td>
<td>Continue rolling out the Active Travelwise schools programme to increase road safety awareness, active travel and public transport use by school students.</td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>SME: Claire Dixon</td>
<td></td>
<td></td>
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<tr>
<td>ELT: Vanessa Ellis</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maritime Safety</td>
<td>Deliver safety patrols and enforcement of the Navigation Safety Bylaw across the region's navigable waters.</td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>SME: Andrew Hayton</td>
<td></td>
<td></td>
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<tr>
<td>ELT: Andrew Allen</td>
<td>Ensure that Auckland's Harbour safety management system is consistent with the New Zealand Port &amp; Harbour Marine Safety Code.</td>
<td></td>
</tr>
</tbody>
</table>
## Making transport safe

<table>
<thead>
<tr>
<th>Key project / initiative</th>
<th>2020/21 – 2022/23 SOI Work Programme - 2.5% Scenario</th>
<th>3.5% Scenario:</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCTV</td>
<td>• Continue rollout of CCTV cameras at intersections to improve network safety and operations.</td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>SME: Chris Creighton</td>
<td>• Continue rollout of Computer Vision Analytics to better understand transport network performance and improve safety.</td>
<td></td>
</tr>
<tr>
<td>ELT: Roger Jones</td>
<td>• Continue rollout of CCTV cameras at ferries, to improve the safety of commuters and disruption management.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Continue the rollout of CCTV in off-street carparks to replace end of life cameras (in particular in areas with low end-user satisfaction).</td>
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<tr>
<td></td>
<td>• Work with stakeholders including local business associations, Council family and Police to assist in making Auckland a safer city (including taking additional camera feeds and providing access as per approved policies).</td>
<td></td>
</tr>
</tbody>
</table>
## Improving resilience and sustainability

<table>
<thead>
<tr>
<th>Key project / initiative</th>
<th>2020/21 – 2022/23 SOI Work Programme – 2.5% Scenario</th>
<th>3.5% Scenario</th>
</tr>
</thead>
</table>
| Environmental initiatives and vehicle emissions reductions | **Continue work to reduce carbon emissions from the transport system and help meet the Council’s climate commitments, including:**  
- Ongoing support for mode change to public transport and walking and cycling, as outlined elsewhere in the SOI Work Programme;  
- Develop a 10-year greenhouse gas emissions and climate resilience action plan, working with Council staff in support of the delivery of Te Tāruko-a-Tawhiri (Auckland’s Climate Action Framework);  
- Apply Climate Change lens as part of capital project prioritisation for the 2021-31 Regional Land Transport Plan;  
- Continue planning with other member of the council family to establish future Zero-Emission Zones;  
- Continue increasing the number of low emission buses in Auckland, and examine opportunities to significantly accelerate progress towards achieving a fully electric bus fleet (including working with Vector on network infrastructure requirements);  
- Provision of electric vehicle-charging points at selected parking facilities;  
- Develop business case for accelerated conversion of AT corporate fleet to low emission vehicles; and  
- Rollout of LED streetlighting. | No change from 2.5% scenario |

| Marine oil spill response | **Respond to all Tier 2 oil spills in the region’s navigable waters.** | No change from 2.5% scenario |

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**Item 15**
## Improving resilience and sustainability

<table>
<thead>
<tr>
<th>Key project / initiative</th>
<th>2020/21 – 2022/23 SOI Work Programme – 2.5% Scenario</th>
<th>3.5% Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>Embedding environmental best practice</td>
<td>- Finalise and implement the AT Sustainability Strategy Framework.</td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>SME: Hamish Bunn / Cathy Bebelman</td>
<td>- Further embed sustainability requirements into project procurement, including potential trials of sustainability reporting frameworks for our major projects.</td>
<td></td>
</tr>
<tr>
<td>ELT: Jenny Chetwynd / Mark Lambert</td>
<td>- Improve water quality outcomes through installation of gross pollutant catch pits, green infrastructure and other treatment devices at priority locations.</td>
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<td></td>
<td>- Examine opportunities to include lower environmental impact materials as part of construction projects, including tests and trials of recycled materials.</td>
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<tr>
<td></td>
<td>- Improve biodiversity within the road corridor through planting as part of the green network in collaboration with Council.</td>
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<tr>
<td></td>
<td>- Undertake trial of environmental improvements to unsealed roads to reduce sediment in runoff and improve water quality.</td>
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</tr>
</tbody>
</table>

## Better Travel Choice

<table>
<thead>
<tr>
<th>Key project / initiative</th>
<th>2020/21 – 2022/23 SOI Work Programme – 2.5% Scenario</th>
<th>3.5% Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Busway</td>
<td>- Complete construction of the Eastern Busway between Panmure and Pakuranga in 2021.</td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>SME: Mieszko Iwaskow</td>
<td>- Progress design, Notice of Requirement and land acquisition for the remainder of the Eastern Busway (Pakuranga to Botany).</td>
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</tr>
</tbody>
</table>
## Better Travel Choice

<table>
<thead>
<tr>
<th>Key project / initiative</th>
<th>2020/21 – 2022/23 SOI Work Programme – 2.5% Scenario</th>
<th>3.5% Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purchase of new trains</strong></td>
<td></td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>SME: Damian Flynn</td>
<td>• Receive and put into service the second batch of 15 new electric trains.</td>
<td></td>
</tr>
<tr>
<td>ELT: Mark Lambert</td>
<td>• Complete progress signalling system retrofit on existing fleet</td>
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<tr>
<td></td>
<td>• Undertake investigation and business case work to support the future acquisition of the next batch of electric trains required to respond to patronage growth and network extensions.</td>
<td></td>
</tr>
<tr>
<td><strong>Bus network improvements</strong></td>
<td></td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>SME: Pete Moth / Simon Milner</td>
<td>• Continue optimising the bus network balancing response to customer demand, social service provision and meeting RPTP performance criteria.</td>
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<tr>
<td>ELT: Mark Lambert</td>
<td>• Deliver new airport bus network including electric buses.</td>
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<td></td>
<td>• Minster amendments to bus network to support new busway station at Rosedale.</td>
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<tr>
<td></td>
<td>• Monitor route by route performance.</td>
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<td></td>
<td>• Manage capacity versus demand at peak times.</td>
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<td></td>
<td>• Progress rollout of on-demand services including where they can complement, supplement or potentially replace low patronage bus services.</td>
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<td></td>
<td>• Progress implementation of greater shared mobility service network to integrate and compliment the bus network.</td>
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<td></td>
<td>• Progress enhancement of Frequent Network services.</td>
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<tr>
<td></td>
<td>• Continue enhancing bus stop, layover and other real time infrastructure.</td>
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<tr>
<td></td>
<td>• Deliver increasing electrification of the bus fleet on key corridors; continue to iteratively review and update the Low Emission Bus Roadmap.</td>
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<tr>
<td></td>
<td>• Continue roll-out of the double-decker programme. Progress new business case to support next steps for the double decker programme – new routes, diversion routes and network resilience.</td>
<td></td>
</tr>
<tr>
<td><strong>Light rail</strong></td>
<td>• Continue working with Central Government agencies to progress light rail in Auckland.</td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>ELT: Mark Lambert</td>
<td></td>
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<tr>
<td>Better Travel Choice</td>
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<tr>
<td><strong>Key project / initiative</strong></td>
<td><strong>2020/21 – 2022/23 SOI Work Programme – 2.5% Scenario</strong></td>
<td><strong>3.5% Scenario</strong></td>
</tr>
<tr>
<td>Rail network improvements</td>
<td>• Work with KiwiRail and other key agencies to progress development of electrification between Papakura and Pukekohe, Wiri To Quay Park Improvements (3rd Main), and rail network renewals.</td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>SME1: Gavin Smith (re Takanini level crossings)</td>
<td>• Finalise investigations for an Integrated Rail Management Centre in Auckland to improve local performance and national resilience.</td>
<td></td>
</tr>
<tr>
<td>SME2: Damian Flynn (re all other items)</td>
<td>• Commence planning for more trains and additional depot and stabling capacity.</td>
<td></td>
</tr>
<tr>
<td>ELT: Mark Lambert</td>
<td>• Progress level-crossing removal programme—including route protection for the future grade separation of Taka Street and Walters Road crossings in Takanini.</td>
<td></td>
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<tr>
<td></td>
<td>• Progress new rail franchisee procurement.</td>
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<tr>
<td></td>
<td>• Work with CRL to progress delivery of CRL and manage disruptions for customers.</td>
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<tr>
<td></td>
<td>• Support KiwiRail in the implementation of Hamilton to Auckland services.</td>
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</tr>
<tr>
<td></td>
<td>• Work with KiwiRail to refresh long term rail development plans to inform the proposed Auckland Rail Network Investment Programme. This includes future track, signalling and traction system requirements to meet forecast demand.</td>
<td></td>
</tr>
<tr>
<td>Ferry network improvements</td>
<td>Finalise the revised Ferry Strategy and begin implementation, including (subject to funding):</td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>SME: Colin Homan / Gareth Willis</td>
<td>• Advancing procurement of new ferry contracts;</td>
<td></td>
</tr>
<tr>
<td>ELT: Mark Lambert</td>
<td>• Undertaking investigations into new electric ferries;</td>
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<tr>
<td></td>
<td>• Delivering ferry service improvements as listed in the Regional Public Transport Plan; and</td>
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<tr>
<td></td>
<td>• Progress scoping for Stage 2 Downtown Ferry terminal development.</td>
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</tbody>
</table>
### Better Travel Choice

<table>
<thead>
<tr>
<th>Key project / initiative</th>
<th>2020/21 – 2022/23 SOI Work Programme – 2.5% Scenario</th>
<th>3.5% Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus priority improvements</td>
<td>Deliver small scale localised improvements to decrease bus journey times.</td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>SME: Neville Price / Simon Milner</td>
<td></td>
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<tr>
<td>ELT: Mark Lambert</td>
<td>Deliver initial improvements to the park and ride facility at Papakura Rail Station.</td>
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<tr>
<td></td>
<td>Investigate, design and construct park and ride facilities to improve public transport access across Auckland (including projects funded from the Rodney Transport Targeted Rate).</td>
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<tr>
<td></td>
<td>Complete construction of the Rosedale Busway Station.</td>
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<tr>
<td></td>
<td>Complete construction of the Hibiscus Coast Busway Station.</td>
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<tr>
<td></td>
<td>Complete construction of the Puhinui Interchange.</td>
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</tr>
<tr>
<td></td>
<td>Deliver initial improvements to the park and ride facility at Papakura Rail Station.</td>
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<tr>
<td></td>
<td>Investigate and progress off-road bus infrastructure to support CBD bus services.</td>
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<tr>
<td></td>
<td>Investigate and progress improved bus infrastructure for the northwest corridor.</td>
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<tr>
<td></td>
<td>Completion of business case for Northwestern bus improvements early deliverables. Commitment of total physical works may not be possible within the proposed capital envelope.</td>
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</tbody>
</table>

**Attachment B**

**Item 15**
## Better Travel Choice

<table>
<thead>
<tr>
<th>Key project / initiative</th>
<th>2020/21 – 2022/23 SOI Work Programme – 2.5% Scenario</th>
<th>3.5% Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Southwest Gateway Programme</strong></td>
<td></td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>SME: David Nelson / Renata Smit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ELT: Mark Lambert / Jenny Chetwynd</td>
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</tr>
<tr>
<td>• Complete construction of the Puhinui bus-rail interchange in early 2021.</td>
<td></td>
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</tr>
<tr>
<td>• Deliver bus priority and cycling improvements along Puhinui Road and Lambie Drive to connect Manukau, Puhinui Station and the airport in early 2021.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Work with the NZ Transport Agency to deliver bus priority and cycling improvements along SH20B.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Cycling improvements in the Mangere area to begin public engagement in Q3 2020 and detailed design to follow. Indicative completion targets to Q2 2022.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Progress business case and Notice of Requirement activities for the Airport to Botany rapid transit project.</td>
<td></td>
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<tr>
<td><strong>Plans and strategies</strong></td>
<td></td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>SME: Andrew McGill</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ELT: Jenny Chetwynd</td>
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<tr>
<td>• Work with Auckland Council and Central Government agencies to progress the development of the 2021-31 LTP, RLTP, and refresh of ATAP.</td>
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<tr>
<td>• Progress implementation of Better Travel Choices (the Auckland mode shift plan), subject to funding.</td>
<td></td>
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<tr>
<td>• Progressively implement the Waitemata 10-Year Transport Plan, which identifies the ranked transport aspirations for the island over the next 10 years, subject to funding.</td>
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<td></td>
</tr>
<tr>
<td>• Develop the Rapid Transit Baseline, which will coordinate and align the agencies involved in the planning and delivery of rapid transit in Auckland by setting clear objectives for the network and taking stock of the progress so far.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>New cycleways and shared paths</strong></td>
<td></td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>SME: Duminda Wijayasinghe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ELT: Mark Lambert</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Progress and complete Urban Cycleway Programme including:</td>
<td></td>
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</tr>
<tr>
<td>o Herne Bay to Westhaven; Tamaki Drive Cycleway; New Lynn to Avondale; Links to Glen Innes; Northcote Safe Routes; Bridge section; Karangahape Road; Waitemata Safe Routes; Pt Chevalier to Herne Bay; Great North Road; Westhaven to City Centre; and Glen Innes to Tamaki Drive in conjunction with the NZ Transport Agency.</td>
<td></td>
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</tr>
<tr>
<td>• Commence investigation and design and delivery of projects in the 10-year Cycling Programme Business Case.</td>
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<tr>
<td>• Work with the Waka Kotahi NZ Transport Agency to integrate the Northern Pathway with the cycle network.</td>
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</tr>
<tr>
<td>Key project / initiative</td>
<td>2020/21 – 2022/23 SOI Work Programme – 2.5% Scenario</td>
<td>3.5% Scenario</td>
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</tr>
<tr>
<td>Walking and footpaths</td>
<td>• Deliver new and improved footpaths across Auckland. The 2020/21 work program includes delivering new footpaths and pedestrian crossings at eight key locations within the Auckland region.</td>
<td>No change from 2.5% scenario.</td>
</tr>
<tr>
<td>SME: Adam Beattie ELT: Andrew Allen</td>
<td></td>
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</tr>
<tr>
<td>Cycle campaigns and training</td>
<td>• Deliver events, training, campaigns and activities that promote cycling and cycle safety. The annual work programme includes: o Work in partnership with communities to deliver over 80 events and activities that activate the cycle network and promote safe cycling;  o Support 10 regional events to be bike friendly, provide valet bike parking and encourage travel by active modes;  o Deliver community-based adult cycle skills training and kids learn to ride to 465 adults and 2000 children; and  o Targeted campaigns to mobilise more people onto bikes and promote safe cycling.</td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>SME: Cliff Wilton ELT: Vanessa Ellis</td>
<td></td>
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<tr>
<td>End of journey facilities</td>
<td>• Install end-of-journey facilities such as bike parking across Auckland with an emphasis on the city centre, other metropolitan centres and transport hubs.</td>
<td>No change from 2.5% scenario.</td>
</tr>
<tr>
<td>SME: Adam Beattie / John Strawbridge</td>
<td></td>
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</tr>
<tr>
<td>ELT: Andrew Allen / Mark Lambert</td>
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<td></td>
</tr>
<tr>
<td>Key project / initiative</td>
<td>2020/21 – 2022/23 SOI Work Programme – 2.5% Scenario</td>
<td>3.5% Scenario</td>
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</tr>
<tr>
<td>Strategies and plans</td>
<td>● Finalise Healthy-Streets-Framework.</td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>SME: Hamish Bunn</td>
<td>● Develop business cases, including for the following areas:</td>
<td></td>
</tr>
<tr>
<td>ELT: Jenny Chetwynd</td>
<td>o Henderson</td>
<td></td>
</tr>
<tr>
<td></td>
<td>o Mangere East</td>
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<td></td>
<td>o Manukau</td>
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<tr>
<td></td>
<td>o City Centre, Central Isthmus, and Sandringham (as part of Connected Communities programme)</td>
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<td></td>
<td>o Inner West</td>
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<td></td>
<td>● Deliver walking and cycling pilot initiatives as part of the Safe and Healthy Streets South-Auckland project.</td>
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</tr>
<tr>
<td>Key project / initiative</td>
<td>2020/21 – 2022/23 SOI Work Programme – 2.5% Scenario</td>
<td>3.5% Scenario</td>
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</tr>
</tbody>
</table>
| Network capacity and performance improvement                | Progress a **stage-gate** programme of small to medium scale projects to improve the movement of people and goods around the region which includes:  
  - Optimisation of traffic lights;  
  - Physical improvements to enhance people movement capacity, general traffic flow and safety;  
  - Targeted freight movement improvements on the freight network;  
  - Complete investigation of suitable dynamic lane sites for implementation in 2021/2022;  
  - Evaluate the effectiveness of the Whangaparaoa and Redoubt Road dynamic lanes pilot;  
  - Conduct regular annual review of special vehicle lanes; and  
  - Work with the NZ Transport Agency to ensure an integrated approach for customers. | Progress a **stage-gate** programme of small to medium scale projects to improve the movement of people and goods around the region. |
| Network management / operation                              | Continue working with relevant partners to manage incidents and planned events on the Auckland transport network.  
  - Continuing active monitoring of the city centre through City Centre Network Operations activity.  
  - Complete the amalgamation of ATOC Smales and ATOC Central into a single, multi-modal transport operation centre. | No change from 2.5% scenario |

SME: Chris Martin  
ELT: Andrew Allen
<table>
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<tr>
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<th>3.5% Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021 events</td>
<td>Work with Auckland Council and ATEED to develop and deliver the transport plans required to support and manage the impact of major events in 2021. Work includes:</td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>SME: Rua Pani</td>
<td>- Establishing a 2021 events programme team;</td>
<td></td>
</tr>
<tr>
<td>ELT: Andrew Allen</td>
<td>- Developing and delivering transport plans to support America’s Cup, APEC and the various World Cup sporting activities being hosted by Auckland;</td>
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<tr>
<td></td>
<td>- Implementing significant traffic management plans at key locations for all events (this includes potential road closures, limitations on parking, security and safety, etc.);</td>
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<td></td>
<td>- Managing significant public transport disruptions that may require re-routing and temporary bus stops;</td>
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<td></td>
<td>- Providing special event public transport services at key times;</td>
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<td></td>
<td>- Planning and implementing extensive communications to ensure customers understand the impact to their usual journeys and any disruptions to their travel;</td>
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<tr>
<td></td>
<td>- Managing any issues which may occur at the events through additional monitoring, incident response and coordinated command and control processes.</td>
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</tr>
<tr>
<td>Network asset management and renewal</td>
<td>Review and update the AT Asset Management Plan 2021/22 - 2024/25.</td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>SME: Siri Rangamuwa / Anna Percy</td>
<td>- Upgrade and develop AT’s asset management planning framework and systems</td>
<td></td>
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<tr>
<td>ELT: Mark Lambert</td>
<td>- Deliver activities that maintain and renew AT’s assets including:</td>
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<tr>
<td></td>
<td>○ Road rehabilitation;</td>
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<td></td>
<td>○ Road resurfacing;</td>
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<tr>
<td></td>
<td>○ Footpath renewals;</td>
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<tr>
<td></td>
<td>○ Replacement/upgrade of bridge and wharf structures;</td>
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<td></td>
<td>○ Seismic strengthening;</td>
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<tr>
<td></td>
<td>○ Maintenance and renewal of public transport facilities; and</td>
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<tr>
<td></td>
<td>○ Intelligent Traffic Systems assets, including traffic signals, CCTV cameras and electronic signs</td>
<td></td>
</tr>
<tr>
<td>Key project / initiative</td>
<td>2020/21 – 2022/23 SOI Work Programme – 2.5% Scenario</td>
<td>3.5% Scenario</td>
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</tr>
</tbody>
</table>
| Seal extensions           | - Continue delivering the accelerated seal extension programme. The 2020/21 work programme includes:  
  - Stage 2 seal extension works on Ahuroa Road;  
  - Stage 2 seal extension works on Underwood Road;  
  - Seal extension works on Muriwai Valley Road; and  
  - Seal extension works on Brown Road.  
  - Work in subsequent years will deliver further sites, working down the AT priority list of unsealed roads.  
  - Develop the Unsealed Road Improvement Framework. | No change from 2.5% scenario |
<p>| Freight Plan              | - Begin work to implement the new Auckland Freight Plan and Continue working with stakeholders to strengthen maintain working relationships and deliver outcomes to address freight issues. | No change from 2.5% scenario |</p>
<table>
<thead>
<tr>
<th>Supporting growth, urban redevelopment and regeneration</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key project / initiative</strong></td>
</tr>
</tbody>
</table>
| Downtown improvements and Americas Cup preparations | Continue working with Auckland Council and Panuku Development Auckland to deliver the following:  
- Downtown Ferry Terminal improvements  
- Quay Street seawall strengthening  
- Lower Albert Street  
- Downtown Public Space (on behalf of Auckland Council)  
- Quay Street Enhancements (on behalf of Auckland Council)  
- Wynyard Quarter Integrated Roads programme  
- Downtown bus interchanges. | No change from 2.5% scenario |
| SME: Eric van Essen  
ELT: Mark Lambert | | |
| City centre projects (including CRL) | Continue working with CRL and other city centre stakeholders to:  
- Progress a fit-for-purpose City Rail Link infrastructure.  
- Minimise disruption during construction of city centre works; and  
- Encourage mode shift to public transport, walking and cycling. | No change from 2.5% scenario |
| SME: Christian Messelyn  
ELT: Mark Lambert | | |
| Access for Everyone | Work with Auckland Council to progress delivery of the City Centre Masterplan, including the Access for Everyone initiative. | No change from 2.5% scenario |
| ELT: Jenny Chetwynd / Andrew Allen / Mark Lambert | | |
| Supporting Growth Alliance | Continue working with the NZ Transport Agency, Auckland Council and KiwiRail to progress investigation, business cases and route protection documentation for important future strategic transport corridors and infrastructure. It is likely the scope of work will be reduced from four to one geographic area. | No change from 2.5% scenario |
| SME: Alastair Lovell  
ELT: Jenny Chetwynd | | |
### Supporting growth, urban redevelopment and regeneration

<table>
<thead>
<tr>
<th>Key project / initiative</th>
<th>2020/21 – 2022/23 SOI Work Programme – 2.5% Scenario</th>
<th>3.5% Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Collaboration</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SME: Christina Robertson</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ELT: Jenny Chetwynd</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Continue to work with Panuku Development Auckland and other relevant stakeholders on AG and transport led urban regeneration projects related with AT work programmes.</td>
<td>No change from 2.5% scenario</td>
<td></td>
</tr>
<tr>
<td>- Continue to work with Auckland Council, the Crown and other key stakeholders on agreed Spatial Planning Priority areas, including Mt Roskill, Drury, Tamaki, Mangere, Manukau and Onehunga that are aligned with AT Work programmes.</td>
<td></td>
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<tr>
<td>- Provide transport input into Council led Structure Plans and Plan Changes Planning Frameworks to ensure land use and transport integration.</td>
<td></td>
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</tr>
<tr>
<td>- Continue to work with and support Auckland Council by providing subject matter expert advice on regulatory planning matters, such as development consent assessments.</td>
<td></td>
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</tr>
<tr>
<td><strong>Urban Growth Areas</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SME: Chris Morgan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ELT: Jenny Chetwynd</td>
<td></td>
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</tr>
<tr>
<td>- Continue working with the NZ Transport Agency to progress the North Western Rapid Transit Corridor.</td>
<td>No change from 2.5% scenario.</td>
<td></td>
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<tr>
<td>- Progress planning and delivery of transport infrastructure in the northwest through the Housing Infrastructure Fund.</td>
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<tr>
<td>- Work with Crown Infrastructure Partners and other agencies to accelerate delivery of transport projects in urban growth areas, including greenfield and brownfield development areas.</td>
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</tbody>
</table>
### Supporting growth, urban redevelopment and regeneration

<table>
<thead>
<tr>
<th>Key project / initiative</th>
<th>2020/21 – 2022/23 SOI Work Programme – 2.5% Scenario</th>
<th>3.5% Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parking</td>
<td>• Continue delivering initiatives that improve parking outcomes across Auckland.</td>
<td>• Complete town centre parking design reviews.</td>
</tr>
<tr>
<td>SME: John Strawbridge</td>
<td>• Complete refresh of the Parking Strategy.</td>
<td></td>
</tr>
<tr>
<td>ELT: Andrew Allen (re parking delivery)</td>
<td>• Complete four town centre parking design review.</td>
<td></td>
</tr>
<tr>
<td>SME: Mark Fleming</td>
<td>• Complete delivery of two residential parking zones.</td>
<td></td>
</tr>
<tr>
<td>ELT: Jenny Chetwynd (re parking strategy)</td>
<td>• Continue the installation of CCTV enforcement zones in bus lanes in a phased approach.</td>
<td></td>
</tr>
</tbody>
</table>

### Ensure value for money

<table>
<thead>
<tr>
<th>Key project / initiative</th>
<th>2020/21 – 2022/23 SOI Work Programme – 2.5% Scenario</th>
<th>3.5% Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliver operating cost efficiencies, improved productivity and growing revenues</td>
<td>• Operational effectiveness across SOI delivery, asset management, procurement, project management, customer service enhancement, financial and risk management.</td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>SME: Nicki Lucas</td>
<td>• Leverage identified cost savings and revenue opportunities, and respond in a agile manner to AT's evolving financial environment.</td>
<td></td>
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<tr>
<td>ELT: Mark Laing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Renewal optimisation</td>
<td>• Continue to optimise the timing of renewals to minimise lifecycle costs and provide fit for purpose levels of service.</td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>SME: Siri Rangamuwa / Anna Percy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ELT: Mark Lambert</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology Initiatives</td>
<td>SME: Chris Creighton</td>
<td>ELT: Roger Jones</td>
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<tr>
<td>------------------------</td>
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</tr>
<tr>
<td>• Continue delivering the digital programme which focuses on giving customers quick and easy access to transport information and other AT services. Digital customer engagement continues to grow rapidly with over 2.8 million interactions per month using AT Mobile, AT Park, the AT website and via social media.</td>
<td></td>
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<tr>
<td>• Continue with the implementation of Enterprise Asset Management technology to enable consolidation and improved management of all AT assets during their lifecycle.</td>
<td></td>
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</tr>
<tr>
<td>1. Continue with the Command Centre / Real-time programme which will meet Day of Operations needs, focus on disruption management, centralise communications, passenger number predictions etc.</td>
<td></td>
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<tr>
<td>2. Deliver the AT Preference Centre to deepen AT’s engagement with customers, build empathy and improve AT’s brand and reputation.</td>
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<td>3. Continue the implementation of the Customer Relationship Management solution by rolling out new modules.</td>
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<tr>
<td>4. Upgrade the Biddington East end station management system as part of the City Rail Link project.</td>
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<tr>
<td>5. Implement Microsoft Teams processes and governance, as well as add fault reporting to existing Microsoft Teams.</td>
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<tr>
<td>6. Video Management Solution replacement - Replacement of the current video management solution with the latest solution.</td>
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<tr>
<td>7. Continue delivering key initiatives in the Information Security programme such as AI autonomous response, Identity Management upgrade, Information protection, IoT internal working platform.</td>
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<tr>
<td>8. Expand the Centre of Excellence for reporting and data analytics foundation and develop targeted visualisations across multiple business units (this is the delivery of visualisation analytics insights through PowerBI).</td>
<td></td>
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<tr>
<td>• Expand the GIS data foundation to accommodate the production of new GIS views that surface information to multiple AT business units.</td>
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</table>
## Ensure value for money

<table>
<thead>
<tr>
<th>Key project / initiative</th>
<th>2020/21 – 2022/23 SOI Work Programme – 2.5% Scenario</th>
<th>3.5% Scenario</th>
</tr>
</thead>
</table>
| Investment Management Office (IMO)  
SME: Mark Jensen  
ELT: Jenny Chetwynd | - The IMO was established with approved resources commencing in October/November 2019. Portfolio level arrangements are now advancing in the areas, but not limited to, portfolio governance, programme/project assurance, management information systems and reporting. | No change from 2.5% scenario |
| Procurement  
SME: Andy Richards  
ELT: Mark Laing | - Continue implementing the AT board / NZ Transport Agency approved Procurement Strategy ensuring procurement activity delivers sustainable value for money and safety. | No change from 2.5% scenario |
| Optimise funding  
SME: Nicki Lucas  
ELT: Mark Laing | - Work with partners to make optimum use of funding and to improve business case processes. | No change from 2.5% scenario |

## Improve customer experience and stakeholder engagement

<table>
<thead>
<tr>
<th>Key project / initiative</th>
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<th>3.5% Scenario</th>
</tr>
</thead>
</table>
| One Local Initiatives  
ELT: Wally Thomas | - Continue working with Local Boards to deliver transport led One Local Initiative projects. | No change from 2.5% scenario |
| Local Board Transport Capital Fund  
ELT: Wally Thomas | - Continue working with Local Boards to progress initiatives prioritised for WTP, with Local Boards to prioritise and obtain agreement on projects for delivery under the Local Board Transport Capital Fund. | No change from 2.5% scenario |
## Improve customer experience and stakeholder engagement

<table>
<thead>
<tr>
<th>Key project / initiative</th>
<th>2020/21 – 2022/23 SOI Work Programme – 2.5% Scenario</th>
<th>3.5% Scenario</th>
</tr>
</thead>
</table>
| Community Safety Fund   | - Deliver a significantly reduced programme of those of the 65 Community Safety Fund projects planned for 2020/21.  
- Complete delivery of the programme of 84 local safety improvement projects in partnership with Local Board and elected representatives;  
- The 65 projects being delivered in 2020/21 include:  
  o raised zebra crossings;  
  o signalisation of intersections;  
  o other pedestrian improvements; and  
  o cycle paths. | No change from 2.5% scenario. |
| ELT: Andrew Allen       |                                                      |               |

| Improve and to end customer experience | - Embed customer centricity across our organisation with effective governance and decision making  
- Develop an experience-based operating model  
- Deliver omnichannel experience initiatives which includes improvements in assisted channel experience and responsiveness to customers and elected members and digital customer channels capabilities which focuses on joined customer journey, quick and easy access to transport information and other AT services. | No change from 2.5% scenario. |
| ACT: Vanessa Yile        |                                                      |               |

| Customer and stakeholder engagement | - Optimize AT’s interaction and engagement across local boards  
- Improve accessibility and ease of engaging with our customers, local boards and general public  
- Partner with local communities to improve safety and support modal shift | No change from 2.5% scenario. |
| ACT: Vanessa Yile        |                                                      |               |
## Organisational initiatives

<table>
<thead>
<tr>
<th>Key project / initiative</th>
<th>2020/21 – 2022/23 SOI Work Programme – 2.5% Scenario</th>
<th>3.5% Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety</td>
<td>• Following its establishment in 2019/20, the transport safety Centre of Excellence will now be focusing on developing practices, procedures and an evaluation framework to help drive improved safety results and maximise the return on AT’s safety investments and training capital investments and training costs.</td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>ELT: Bryan Sherritt</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health and safety</td>
<td>• Design and implement a Health and Safety Management System to the AS/NZS 45001 Standard.</td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td>SME: Steve Saunders</td>
<td>• Enhance AT’s safety system, with an updated case management system.</td>
<td></td>
</tr>
<tr>
<td>ELT: Bryan Sherritt</td>
<td>• Introduction of a contractor Health and Safety rating system, using ISNET.</td>
<td></td>
</tr>
<tr>
<td>Performance management</td>
<td>• Delivery of suitable H&amp;S Training organisation wide.</td>
<td></td>
</tr>
<tr>
<td>SME: Roger Yuan</td>
<td>• Reduction in Lost Time Injuries (days off) across the organisation.</td>
<td></td>
</tr>
<tr>
<td>ELT: Mark Laing</td>
<td>• Provision of Health and Safety support to major projects.</td>
<td></td>
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<tr>
<td></td>
<td>• Provision of H&amp;S to all AT Staff and Suppliers/contractors.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Continue to expand implementation of an organisational performance management framework.</td>
<td>No change from 2.5% scenario</td>
</tr>
</tbody>
</table>
### Organisational initiatives

<table>
<thead>
<tr>
<th>Key project / initiative</th>
<th>2020/21 – 2022/23 SOI Work Programme – 2.5% Scenario</th>
<th>3.5% Scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Culture and transformation</strong>&lt;br&gt;SME: Angelica Harry&lt;br&gt;ELT: Natasha Whiting</td>
<td></td>
<td>No change from 2.5% scenario</td>
</tr>
<tr>
<td></td>
<td>• Continue implementing the three-year Culture &amp; Transformation strategy and programme of work, focused on culture, leadership, capability, talent, people experience and change with the overarching objective of a thriving, inclusive and high performing culture.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• We are placing a greater focus on the future of work component in order to ensure our people strategy is future focused (for the new reality post COVID 19 impact). Additionally, a new model across internal communications will be in place by the end of June 2020 as part of our broader Change Engagement strategy.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• The refreshed CET strategy recognises the ongoing need to be bold, disruptive, innovative and innovative solutions and new ways of working.</td>
<td></td>
</tr>
<tr>
<td><strong>Connected Communities</strong>&lt;br&gt;SME: Matt Redall&lt;br&gt;ELT: Jenny Chetwynd</td>
<td>The Connected Communities programme (also known as Integrated Corridor Delivery), aims to improve the safety, productivity and people carrying capacity of the road network. The programme will achieve this by investigating, designing and delivering bus priority, safety, and cycling and walking improvements along a number of the region’s key arterials.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Business cases and designs are currently underway to support the delivery of integrated improvements.</td>
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<tr>
<td></td>
<td>Specific focus areas will be prioritised and AT will work with Local Boards and communities on improvements proposed for their areas.</td>
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<tr>
<td></td>
<td>The list of designs and the implementation of improvements will be heavily dependent on the capital situation.</td>
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<tr>
<td></td>
<td>Priority corridors include: Great North Road, New North Road, Sandringham Road, Mt Eden Road, Manukau Road, Remuera Road, Parnell Road, Symonds Street, Ellerslie Panmure Highway, Pakuranga Road, Massey Road and Great South Road.</td>
<td>No change from 2.5% scenario</td>
</tr>
</tbody>
</table>
Better Outcomes for and with Māori

Mana Whenua represent the traditional guardianship of New Zealand’s Māori and as a key partner, their involvement and input into the many strands of work carried out by AT is of immense value. Projects where Mana Whenua may have an interest are presented at monthly forums and AT’s specific legal obligations and responsiveness to Māori are set out in a Māori Responsiveness Plan, which outlines and establishes key principles such as partnership and relationship building.

AT is guided by Te Aranga Māori Design Principles, a set of outcome-based principles founded on core Māori cultural values. These principles are applied in collaboration with Mana Whenua across a range of infrastructure projects, and all projects within the RLTP programme are asked to consider the Te Aranga principles of Mauri tu and Tiaio.

AT’s commitment to meeting its responsibilities under Te Tiriti o Waitangi has led to the roll out of Te Reo Māori signage across all road, walking and cycleway projects, customer announcements on buses, and the development of pioneering new staff learning modules such as the Ngā Kete Kiwi Māori education programme. AT will participate in the review of findings of the Treaty Audit and work with Council to agree any subsequent work programme.

The following table sets out specific projects that will help to deliver on Māori responsiveness – contributing to Māori well-being, organisational effectiveness, post-Treaty settlement opportunities and the Māori outcome strategic priority areas agreed to by the council family Māori Outcomes Executive Lead Group.

In addition to the projects set out below, although most AT projects are not specifically tailored to Māori, many of them will directly benefit Māori by virtue of their nature and location. For example, capital development projects in areas of high Māori population can also improve Māori access to social and economic opportunities.
### Better Outcomes for and with Māori

<table>
<thead>
<tr>
<th>Key project / initiative</th>
<th>Description</th>
<th>Contribution to achieving better outcomes for and with Māori</th>
</tr>
</thead>
<tbody>
<tr>
<td>AT Māori Responsiveness Plan (MRP)</td>
<td>Implement and track progress against initiatives and programmes contained in AT’s Board-endorsed MRP. The programme includes initiatives to: (a) Empower the organisation</td>
<td>Contributes to the implementation of AT’s MRP.</td>
</tr>
<tr>
<td>SME: Tīpa Compani</td>
<td>Lift the capability of AT staff through education, strategy, practices and processes.</td>
<td>Contributes to the Māori outcome strategic priorities areas:</td>
</tr>
<tr>
<td>ELT: Wally Thomas</td>
<td>(b) Effective participation</td>
<td>• Te Reo Māori</td>
</tr>
<tr>
<td></td>
<td>The use of best practice engagement with Māori communities:</td>
<td>• Kaitiakitanga – Water</td>
</tr>
<tr>
<td></td>
<td>• early engagement</td>
<td>• Marae Development</td>
</tr>
<tr>
<td></td>
<td>• Māori values incorporated throughout the process and tikanga observed such as karakia</td>
<td>• Economic Development</td>
</tr>
<tr>
<td></td>
<td>• consistent with technical explanations explained clearly</td>
<td>• Māori identity and culture</td>
</tr>
<tr>
<td></td>
<td>(c) Contribute to Māori communities through:</td>
<td>• Housing and papakāinga</td>
</tr>
<tr>
<td></td>
<td>• Road safety programmes</td>
<td>• Empowered organisation</td>
</tr>
<tr>
<td></td>
<td>• working in partnership on major projects and contributing to the safety of entry and exits into Marae and papakāinga</td>
<td>• Effective participation</td>
</tr>
<tr>
<td></td>
<td>• Mana Whenua values and the use of tools such as Te Aranga Māori Design principles evident in the process and visible in the final project delivered</td>
<td></td>
</tr>
<tr>
<td>Key project / initiative</td>
<td>Description</td>
<td>Contribution to achieving better outcomes for and with Māori</td>
</tr>
<tr>
<td>-------------------------</td>
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<td>----------------------------------------------------------</td>
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</tbody>
</table>
| Mana Whenua engagement  | Resource and maintain engagement forums with Mana Whenua at the governance and operations level for:  
- Strategic engagement on plans and strategies.  
- Engagement with Mana Whenua on major transport infrastructure projects and walking and cycling projects utilising AT’s Māori Engagement Framework.  
- Continuing a strong relationship with Mana Whenua. | Contributes to the Māori outcome strategic priorities areas:  
- Te Reo Māori  
- Kaitiakitanga – Water  
- Marae Development  
- Economic Development  
- Māori identity and culture  
- Housing and papakāinga  
- Effective participation. |
| Te Aranga Māori Design  | Te Aranga Māori Urban design principles are incorporated into projects through AT’s engagement framework, and other guiding documents such as AT’s Māori Engagement Guide for Project Management.  
Te Aranga Māori Urban Design can be articulated for example in the application of Te Taiaroa (Environment) through planting choices, and Whakapapa (Genealogy) tribal cultural narratives are celebrated in infrastructure design. | Contributing to the Māori outcome strategic priority areas of Māori identity and culture, effective participation, Te Reo Māori, economic development. |
<p>| Road safety programmes – Māori drivers, passengers and pedestrians | Delivery of Te Ara Haepapa to increase road safety through graduated licenses, child restraint training, education and promotion of safe driving and driver distractions to reduce Māori road injuries and fatalities. This programme of work is designed for Mana Whenua and Mataawaka communities. Initiatives targeting Māori to be delivered as part of AT’s overall road safety programme. | Contributing to the Māori outcome strategic priority areas of Te Reo Māori, Māori identity and culture, effective participation. |</p>
<table>
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<th>Item 15</th>
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## Better Outcomes for and with Māori

<table>
<thead>
<tr>
<th>Key project / initiative</th>
<th>Description</th>
<th>Contribution to achieving better outcomes for and with Māori</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marae development and road safety SME: Tipa Complain ELT: Wally Thomas</td>
<td>Subject to funding, design and construction of transport infrastructure to support marae development (e.g. entry and exits onto State Highways or arterial roads). To develop and implement procurement practices to create economic opportunities for Māori.</td>
<td>Contributing to the Māori outcome strategic priority areas of effective participation, marae development, identity and culture, housing and papakāinga, Māori economic development.</td>
</tr>
<tr>
<td>Māori values and stormwater SME: Tipa Complain ELT: Wally Thomas</td>
<td>Māori values such as mauri are incorporated in stormwater management in transport projects.</td>
<td>Contributing to the Māori outcome strategic priority areas of effective participation and kaitiakitanga – water.</td>
</tr>
<tr>
<td>Te Reo Māori SME: Tipa Complain ELT: Wally Thomas</td>
<td>As a priority project in its Māori Responsiveness Plan, AT will deliver a number of Te Reo Māori initiatives including signage (regional signage, placemaking, wayfinding), and announcements on the public transport network.</td>
<td>Contributing to the Māori outcome strategic priority areas of Te Reo Māori, effective participation, Māori identity and culture.</td>
</tr>
<tr>
<td>Mana Whenua signage SME: Tipa Complain ELT: Wally Thomas</td>
<td>Continuation of Mana Whenua signage project providing information signs across hwi groups in Tāmaki Makaurau.</td>
<td>Contributing to the Māori outcome strategic priority areas of effective participation, Te Reo Māori, Māori identity and culture.</td>
</tr>
</tbody>
</table>

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Auckland Transport Draft Statement of Intent 2020/21-2023/24

Shareholder comments on revised draft CCO Statements of Intent, 2020-2023
Key Performance Measures

AT has an agreed set of key performance measures and targets which form the basis for accountability to delivering on Auckland Council’s strategic direction, priorities and targets. These will be reported on a quarterly basis, in accordance with the CCO Governance Manual.

AT will use the following guidelines to report on performance against the targets:
- where performance is within +/- 2.5% of a target, the target will be considered to be met
- where performance is above a target by more than 2.5%, the target will be considered to be exceeded
- where performance is below a target by more than 2.5%, the target will be considered to be not met.

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</thead>
<tbody>
<tr>
<td>Number of high-risk intersections and sections of road addressed by AT’s safety programme</td>
<td>11</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>20</td>
</tr>
<tr>
<td>SME: Krishna Nagisetty</td>
<td></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>ELT: Andrew Allen</td>
<td></td>
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</tr>
<tr>
<td>The change from the previous financial year in the number of DSI on the local road network, expressed as a number¹</td>
<td>(553)</td>
<td>Reduce by at least 18 (833)</td>
<td>Reduce by at least 36 (527)</td>
<td>Reduce by at least 50 (577)</td>
<td>Reduce by at least 50 (527)</td>
</tr>
<tr>
<td>SME: Andrew Bell</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>ELT: Bryan Sherritt</td>
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Manage the impacts of the transport system on the environment

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</thead>
<tbody>
<tr>
<td>Number of buses in the Auckland bus fleet classified as low emission</td>
<td>New measure</td>
<td>5</td>
<td>25</td>
<td>56</td>
<td>75</td>
</tr>
<tr>
<td>SME: Manoj Pokhrel</td>
<td></td>
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<tr>
<td>ELT: Mark Lambert</td>
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</table>

¹ The target trajectory for future years reflects the 10-year target for DSI as set out in ATAP and endorsed by the LTP and RLTP. The targets will no longer vary depending on performance the year prior. This target is to reduce DSI by 60% over the ten years from 690 in 2017 to no more than 276 in 2027.
### Manage the impacts of the transport system on the environment

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</thead>
<tbody>
<tr>
<td>Reduction in CO2e (emissions) generated annually by AT corporate operations (from 2017/18 baseline)</td>
<td>New measure</td>
<td>7%</td>
<td>9%</td>
<td>11%</td>
<td>14%</td>
</tr>
<tr>
<td>SME: Manoj Pokhrel</td>
<td></td>
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<td></td>
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<tr>
<td>ELT: Jenny Chetwynd</td>
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</tr>
<tr>
<td>Percentage of AT streetlights that are energy efficient LED</td>
<td>New measure</td>
<td>56%</td>
<td>66%</td>
<td>76%</td>
<td>87%</td>
</tr>
<tr>
<td>SME: Manoj Pokhrel</td>
<td></td>
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<tr>
<td>ELT: Mark Lambert</td>
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</table>

### Improve access to frequent and attractive public transport

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</tr>
</thead>
<tbody>
<tr>
<td>Total public transport boardings (millions)</td>
<td>100.8</td>
<td>103.6</td>
<td>106.9</td>
<td>109.5</td>
<td>114.6</td>
</tr>
<tr>
<td>LTP performance measure</td>
<td></td>
<td></td>
<td>106.9</td>
<td>109.5</td>
<td>114.6</td>
</tr>
<tr>
<td>SME: John Service / Colin Homan</td>
<td></td>
<td></td>
<td>106.9</td>
<td>109.5</td>
<td>114.6</td>
</tr>
<tr>
<td>ELT: Mark Lambert</td>
<td></td>
<td></td>
<td>106.9</td>
<td>109.5</td>
<td>114.6</td>
</tr>
<tr>
<td>Total rail boardings (millions)</td>
<td>21.39</td>
<td>22.30</td>
<td>23.38</td>
<td>24.10</td>
<td>26.30</td>
</tr>
<tr>
<td>SME: John Service / Colin Homan</td>
<td></td>
<td></td>
<td>23.38</td>
<td>24.10</td>
<td>26.30</td>
</tr>
<tr>
<td>ELT: Mark Lambert</td>
<td></td>
<td></td>
<td>23.38</td>
<td>24.10</td>
<td>26.30</td>
</tr>
<tr>
<td>Total annual boardings on Rapid or Frequent public transport networks</td>
<td>21.5% growth compared with 9.1% total boardings</td>
<td>Increase at faster rate than total boardings</td>
<td>Increase at faster rate than total boardings</td>
<td>Increase at faster rate than total boardings</td>
<td>Increase at faster rate than total boardings</td>
</tr>
<tr>
<td>SME: John Service / Colin Homan</td>
<td></td>
<td></td>
<td>12.7</td>
<td>12.9</td>
<td>13.1</td>
</tr>
<tr>
<td>ELT: Mark Lambert</td>
<td></td>
<td></td>
<td>12.7</td>
<td>12.9</td>
<td>13.1</td>
</tr>
<tr>
<td>The percentage of public transport trips that are punctual</td>
<td>97.0%</td>
<td>95.0%</td>
<td>95.5%</td>
<td>96.0%</td>
<td>96.0%</td>
</tr>
<tr>
<td>LTP performance measure</td>
<td></td>
<td></td>
<td>95.0%</td>
<td>95.5%</td>
<td>96.0%</td>
</tr>
<tr>
<td>SME: John Service / Colin Homan</td>
<td></td>
<td></td>
<td>95.0%</td>
<td>95.5%</td>
<td>96.0%</td>
</tr>
<tr>
<td>ELT: Mark Lambert</td>
<td></td>
<td></td>
<td>95.0%</td>
<td>95.5%</td>
<td>96.0%</td>
</tr>
</tbody>
</table>

2 AT and Auckland Council are currently investigating a proposal to accelerate the conversion of its corporate fleet to electric vehicles, which would enable a further reduction in corporate emissions to be achieved in 2022/23. The proposal does not yet have a business case or allocated budget – and therefore has not yet been included in the above 2022/23 target.
## Encourage walking and cycling

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Kilometres of new cycleway added to the regional cycle network</td>
<td>9.05km</td>
<td>10km</td>
<td>8.5km</td>
<td>10km</td>
<td>10km</td>
</tr>
<tr>
<td>SME: Hamish Bunn</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>ELT: Jenny CheWynd</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Number of cycle movements past selected count sites $^3$</td>
<td>3.771m</td>
<td>3.826m</td>
<td>4.018m</td>
<td>4.218m</td>
<td>4.429m</td>
</tr>
<tr>
<td>LTP performance measure</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>SME: Hamish Bunn</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>ELT: Jenny CheWynd</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Active and sustainable mode share at schools where Travelwise programme is implemented</td>
<td>47%</td>
<td>40%</td>
<td>40%</td>
<td>40%</td>
<td>47%</td>
</tr>
<tr>
<td>LTP performance measure</td>
<td></td>
<td></td>
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<tr>
<td>SME: Claire Dixon</td>
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<tr>
<td>ELT: Vanessa Ellis</td>
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</tr>
<tr>
<td>Active and sustainable mode share for morning peak commuters where a Travelwise Choices programme is implemented</td>
<td>72%</td>
<td>40%</td>
<td>40%</td>
<td>40%</td>
<td>47%</td>
</tr>
<tr>
<td>LTP performance measure</td>
<td></td>
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<tr>
<td>SME: Cliff Wilton</td>
<td></td>
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<tr>
<td>ELT: Vanessa Ellis</td>
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</tbody>
</table>

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$^3$ Targets for 2018/19 onwards reduced from previous years due to a reduction in the number of count sites monitored.

AT uses the following sites to monitor cycle movements: Beach Road, Currant Street, East Coast Road, Grafton Bridge, Grafton Gully, Grafton Road, Great South Road, Highbrook shared path, Hopetoun Street, Karangahape Road, Lagoon Drive, Lake Road, Lightpath, Mangere Bridge, Northwestern cycleway – Kingsland, Northwestern cycleway – Te Atatu, Orewa shared path, Quay Street (Vector Arena), SH20 shared path (near Dominion Road), Symonds Street, Tamaki Drive (both sides of the road), Te Wero Bridge (Wynyard Quarter), Twin Streams shared path, Upper Harbour Drive, Upper Queen Street, Victoria Street West.

Note: some trips may be counted more than once across the cycle network.
## Make the best use of existing transport networks

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</thead>
<tbody>
<tr>
<td>Average AM peak period lane productivity across 30 monitored arterial routes&lt;sup&gt;4&lt;/sup&gt;</td>
<td>32,863</td>
<td>27,500</td>
<td>30,000</td>
<td>30,000</td>
<td>33,000</td>
</tr>
<tr>
<td>LTP performance measure</td>
<td></td>
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<tr>
<td>SME: Miguel Menezes</td>
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<tr>
<td>ELT: Andrew Allen</td>
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<tr>
<td>Proportion of the freight network operating at Level of Service C or better during the inter-peak&lt;sup&gt;5&lt;/sup&gt;</td>
<td>93%</td>
<td>85%</td>
<td>85%</td>
<td>85%</td>
<td>90%</td>
</tr>
<tr>
<td>LTP performance measure</td>
<td></td>
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<tr>
<td>SME: Miguel Menezes</td>
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<tr>
<td>ELT: Andrew Allen</td>
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## Value for Money

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</thead>
<tbody>
<tr>
<td>The percentage of the total public transport cost recovered through fares&lt;sup&gt;6&lt;/sup&gt;</td>
<td>43.4%</td>
<td>43%-46%</td>
<td>43%-46%</td>
<td>43%-46%</td>
<td>43%-46%</td>
</tr>
<tr>
<td>LTP performance measure</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>SME: John Service / Colin Homan</td>
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<td></td>
</tr>
<tr>
<td>ELT: Mark Lambert</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proportion of road assets in acceptable condition&lt;sup&gt;7&lt;/sup&gt;</td>
<td>94%</td>
<td>95%</td>
<td>95%</td>
<td>95%</td>
<td>95%</td>
</tr>
<tr>
<td>LTP performance measure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SME: Siri Rangamuwa / Anna Percy</td>
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</tr>
<tr>
<td>ELT: Mark Lambert</td>
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</table>

<sup>4</sup> The monitored arterial routes are defined in the AT 2019 SOI Route Productivity map. Productivity is measured as the average speed multiplied by number of people per lane in one hour. The 2018/19 target of 21,000 is equivalent to the route productivity target included in previous SOIs.

<sup>5</sup> The monitored freight network is defined in the AT 2019 SOI Freight Network map.

<sup>6</sup> Farebox recovery measures the contribution passenger fares make to the operating cost of providing public transport services. The measure calculates farebox recovery in accordance with NZ Transport Agency guidelines.

<sup>7</sup> As defined by AT’s Asset Management Plans.
Value for Money

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</thead>
<tbody>
<tr>
<td>Road maintenance standards (ride quality) as measured by smooth travel exposure (STE) for all urban and rural roads</td>
<td>Rural 94% Urban 87%</td>
<td>Rural 92% Urban 81%</td>
<td>Rural 92% Urban 81%</td>
<td>Rural 92% Urban 81%</td>
<td>Rural 92% Urban 81%</td>
</tr>
<tr>
<td>LTP performance measure</td>
<td>SME: Siri Rangamuwa / Anna Percy</td>
<td>ELT: Mark Lambert</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of footpaths in acceptable condition</td>
<td>96%</td>
<td>95%</td>
<td>95%</td>
<td>95%</td>
<td>95%</td>
</tr>
<tr>
<td>LTP performance measure</td>
<td>SME: Siri Rangamuwa / Anna Percy</td>
<td>ELT: Mark Lambert</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of the sealed local road network that is resurfaced</td>
<td>5.5%</td>
<td>5.8%</td>
<td>6.0%</td>
<td>7.0%</td>
<td>7.0%</td>
</tr>
<tr>
<td>LTP performance measure</td>
<td>SME: Alan Wallace</td>
<td>ELT: Mark Lambert</td>
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</tbody>
</table>

Improve customer experience and stakeholder engagement

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</thead>
<tbody>
<tr>
<td>The percentage of passengers satisfied with public transport services</td>
<td>91%</td>
<td>87%</td>
<td>87%</td>
<td>87%</td>
<td>87%</td>
</tr>
<tr>
<td>LTP performance measure</td>
<td>SME: John Service / Colin Homan</td>
<td>ELT: Mark Lambert</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of customer service requests relating to roads and footpaths which receive a response within specified time frames</td>
<td>82.3%</td>
<td>85%</td>
<td>85%</td>
<td>85%</td>
<td>85%</td>
</tr>
<tr>
<td>LTP performance measure</td>
<td>SME: Alan Wallace</td>
<td>ELT: Mark Lambert</td>
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</tbody>
</table>

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9 As defined by AT’s Asset Management Plans.
9 Specified time frames are defined in AT’s customer service standards: 2 days for incident investigation as a high priority, 3 days for an incident investigation as a normal priority, 1 hour emergency response time.
### Improve customer experience and stakeholder engagement

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</tr>
</thead>
<tbody>
<tr>
<td>Percentage of Local Board members satisfied with AT engagement – reporting to Local Board¹⁰</td>
<td>41%</td>
<td>70%</td>
<td>70%</td>
<td>70%</td>
<td>Survey not scheduled for 2022/23</td>
</tr>
<tr>
<td>ELT: Wally Thomas</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percentage of Local Board members satisfied with AT engagement – consulting with Local Board¹¹</td>
<td>35%</td>
<td>70%</td>
<td>70%</td>
<td>70%</td>
<td>Survey not scheduled for 2022/23</td>
</tr>
<tr>
<td>ELT: Wally Thomas</td>
<td></td>
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</tbody>
</table>

¹⁰ Local Board satisfaction results sourced from Auckland Council Elected Members Survey. Results are not available every year as the survey is only undertaken every 18 months.

¹¹ Local Board satisfaction results sourced from Auckland Council Elected Members Survey. Results are not available every year as the survey is only undertaken every 18 months.

---

Auckland Transport DRAFT Statement of Intent 2020/21-2022/23
# Financial Overview

The following tables are based on the Revised Long-term Plan developed as part of the 2019/20 Annual Plan process.

**Scenario 1 – Following a 2.5% rates increase**

<table>
<thead>
<tr>
<th>Operating budgets (Million)</th>
<th>2014/19 Actual</th>
<th>2015/20 Budget</th>
<th>2020/21 CV19 Draft AP</th>
<th>2021/22 Revised LTP</th>
<th>2022/23 Revised LTP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funding from Auckland Council</td>
<td>288</td>
<td>299</td>
<td>384</td>
<td>322</td>
<td>322</td>
</tr>
<tr>
<td>Fees and user charges</td>
<td>329</td>
<td>351</td>
<td>298</td>
<td>379</td>
<td>409</td>
</tr>
<tr>
<td>Subsidies and grants</td>
<td>281</td>
<td>301</td>
<td>377</td>
<td>346</td>
<td>346</td>
</tr>
<tr>
<td>Vested assets</td>
<td>305</td>
<td>180</td>
<td>275</td>
<td>275</td>
<td>275</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>1,203</strong></td>
<td><strong>1,131</strong></td>
<td><strong>1,274</strong></td>
<td><strong>1,323</strong></td>
<td><strong>1,352</strong></td>
</tr>
<tr>
<td>Expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits</td>
<td>126</td>
<td>130</td>
<td>138</td>
<td>144</td>
<td>147</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>342</td>
<td>357</td>
<td>473</td>
<td>498</td>
<td>533</td>
</tr>
<tr>
<td>Grants, contributions and sponsorship</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>730</td>
<td>785</td>
<td>826</td>
<td>867</td>
<td>854</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td><strong>1,198</strong></td>
<td><strong>1,272</strong></td>
<td><strong>1,416</strong></td>
<td><strong>1,500</strong></td>
<td><strong>1,574</strong></td>
</tr>
<tr>
<td>Net Operating Surplus/(Deficit)</td>
<td>-25</td>
<td>-171</td>
<td>-191</td>
<td>-215</td>
<td>-250</td>
</tr>
<tr>
<td>EMU principal repayments</td>
<td>6</td>
<td>6</td>
<td>7</td>
<td>7</td>
<td>8</td>
</tr>
</tbody>
</table>

**Operating Income**

| Roads & Footpaths           | 22           | 21           | 14                    | 20                | 20                |
| Public transport and travel demand management | 307          | 330          | 224                   | 359               | 390               |
| NZTA subsidies              | 281          | 301          | 377                   | 346               | 346               |
| Auckland Council operating funding | 288          | 299          | 384                   | 322               | 322               |
| **Total operating Income**  | **898**      | **951**      | **1,000**             | **1,048**         | **1,077**         |

**Operating Expenditure**

<table>
<thead>
<tr>
<th>Roads &amp; Footpaths</th>
<th>178</th>
<th>169</th>
<th>158</th>
<th>166</th>
<th>169</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public transport and travel demand management</td>
<td>708</td>
<td>776</td>
<td>885</td>
<td>874</td>
<td>901</td>
</tr>
<tr>
<td>Depreciation</td>
<td>342</td>
<td>357</td>
<td>473</td>
<td>498</td>
<td>533</td>
</tr>
<tr>
<td><strong>Total Operating Expenditure</strong></td>
<td><strong>1,228</strong></td>
<td><strong>1,380</strong></td>
<td><strong>1,406</strong></td>
<td><strong>1,538</strong></td>
<td><strong>1,603</strong></td>
</tr>
</tbody>
</table>

**Surplus/(Deficit) from Operations**

|  | -51 | -351 | -406 | -490 | -525 |

**EMU Principal Repayment**

|  | 6   | 6   | 7   | 7   | 8   |

**Surplus/(Deficit) from Operations excl. Depreciation**

|  | 6   | -0  | 0   | 0   | 0   |

**Note:**

1 Streetscape activity and a budget of $14 million has been transferred back to Auckland Council from 2019/20.
### Capital budgets (million)

<table>
<thead>
<tr>
<th>Year</th>
<th>2018/19</th>
<th>2019/20</th>
<th>2020/21</th>
<th>2021/22</th>
<th>2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Capital expenditure</td>
<td>667</td>
<td>904</td>
<td>660</td>
<td>700</td>
<td>800</td>
</tr>
<tr>
<td>Comprised of:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth</td>
<td>76</td>
<td>109</td>
<td>tba</td>
<td>134</td>
<td>105</td>
</tr>
<tr>
<td>Improve level of services</td>
<td>404</td>
<td>589</td>
<td>tba</td>
<td>541</td>
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<tr>
<td>Renewals</td>
<td>187</td>
<td>206</td>
<td>tba</td>
<td>234</td>
<td>253</td>
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<tr>
<td>Total application of capital expenditure</td>
<td>667</td>
<td>904</td>
<td>660</td>
<td>700</td>
<td>800</td>
</tr>
<tr>
<td>Sources of capital funding:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funding from Auckland Council</td>
<td>400</td>
<td>420</td>
<td>386</td>
<td>420</td>
<td>480</td>
</tr>
<tr>
<td>Subsidies and grants</td>
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<td>474</td>
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<td>280</td>
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</tr>
<tr>
<td>Total sources of capital funding</td>
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<td>660</td>
<td>700</td>
<td>800</td>
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<tr>
<td>Shareholder equity ratio</td>
<td>96%</td>
<td>96%</td>
<td>96%</td>
<td>97%</td>
<td>97%</td>
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### Scenario 2 – Following a 3.5% rates increase

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funding from Auckland Council</td>
<td>288</td>
<td>299</td>
<td>369</td>
<td>322</td>
<td>322</td>
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<tr>
<td>Fees and user charges</td>
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<td>351</td>
<td>233</td>
<td>379</td>
<td>400</td>
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<td>Vested assets</td>
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<tr>
<td>Total Revenue</td>
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<td>1,131</td>
<td>1,275</td>
<td>1,323</td>
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<td>Expenditure</td>
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<tr>
<td>Employee benefits</td>
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<td>130</td>
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<td>144</td>
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<tr>
<td>Depreciation and amortisation</td>
<td>342</td>
<td>557</td>
<td>473</td>
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<td>533</td>
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<td>0</td>
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<td>0</td>
<td>0</td>
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<tr>
<td>Other operating expenses</td>
<td>730</td>
<td>735</td>
<td>826</td>
<td>887</td>
<td>894</td>
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<tr>
<td>Total expenditure</td>
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<td>1,272</td>
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<td>0</td>
<td>0</td>
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<tr>
<td>Finance expense</td>
<td>50</td>
<td>50</td>
<td>20</td>
<td>20</td>
<td>20</td>
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<tr>
<td>Net Operating Surplus/(Deficit)</td>
<td>-25</td>
<td>-171</td>
<td>-191</td>
<td>-215</td>
<td>-230</td>
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<tr>
<td>EMU principal repayments</td>
<td>6</td>
<td>7</td>
<td>7</td>
<td>8</td>
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### Operating income

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Roads &amp; Footpaths</td>
<td>22</td>
<td>21</td>
<td>10</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Public transport and travel demand management</td>
<td>307</td>
<td>330</td>
<td>219</td>
<td>359</td>
<td>390</td>
</tr>
<tr>
<td>Auckland Council operating funding</td>
<td>288</td>
<td>299</td>
<td>389</td>
<td>322</td>
<td>322</td>
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<tr>
<td>Total operating income</td>
<td>898</td>
<td>951</td>
<td>1,000</td>
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<td>1,077</td>
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</table>

### Operating Expenditure

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Roads &amp; Footpaths</td>
<td>178</td>
<td>168</td>
<td>158</td>
<td>166</td>
<td>168</td>
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<tr>
<td>Public transport and travel demand management</td>
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<td>776</td>
<td>835</td>
<td>874</td>
<td>901</td>
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<td>Total Operating Expenditure</td>
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<td>Surplus/(deficit) from Operations</td>
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<td>-351</td>
<td>-466</td>
<td>-590</td>
<td>-525</td>
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<tr>
<td>EMU Principal Repayment</td>
<td>6</td>
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<td>8</td>
<td>8</td>
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</tbody>
</table>

Note:
- Streetscape activity and a budget of $14 million has been transferred back to Auckland Council from 2019/20.

---

Auckland Transport DRAFT Statement of Intent 2020/21-2022/23
### Capital budgets ($million)

<table>
<thead>
<tr>
<th></th>
<th>2018/19 Actual</th>
<th>2019/20 Budget</th>
<th>CV19 draft AP</th>
<th>2020/21 Revised LTP</th>
<th>2021/22 Revised LTP</th>
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</thead>
<tbody>
<tr>
<td>Total Capital expenditure</td>
<td>667</td>
<td>904</td>
<td>700</td>
<td>700</td>
<td>800</td>
</tr>
<tr>
<td>Comprised of:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth</td>
<td>76</td>
<td>109</td>
<td>164</td>
<td>106</td>
<td></td>
</tr>
<tr>
<td>Improve level of services</td>
<td>406</td>
<td>589</td>
<td>541</td>
<td>506</td>
<td></td>
</tr>
<tr>
<td>Renewals</td>
<td>187</td>
<td>206</td>
<td>234</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td>450</td>
<td>410</td>
<td>426</td>
<td>480</td>
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<td>667</td>
<td>904</td>
<td>700</td>
<td>700</td>
<td>800</td>
</tr>
<tr>
<td>Shareholder equity ratio</td>
<td>99%</td>
<td>90%</td>
<td>90%</td>
<td>97%</td>
<td>97%</td>
</tr>
</tbody>
</table>

### Expenditure towards Maori outcomes

Expenditure on Maori outcomes is embedded in wider project budgets. Auckland Transport will continue to report on expenditure on Maori outcomes as part of its quarterly report to Council.

### Other financial information

<table>
<thead>
<tr>
<th>Current value of assets</th>
<th>The current value of Auckland Transport assets as at 31 December 2019 is $20,700 million.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholder equity ratio</td>
<td>The latest shareholder equity ratio of Auckland Transport as at 31 December 2019 is 97%.</td>
</tr>
<tr>
<td>Accounting policies</td>
<td>Auckland Transport accounting policies are consistent with those of the Auckland Council group policies</td>
</tr>
<tr>
<td>Financial reporting</td>
<td>Auckland Transport financial reporting will be in accordance with requirements of the CCO Governance Manual.</td>
</tr>
<tr>
<td>Asset sales ($ million)</td>
<td>2018/19 Actual 5</td>
</tr>
</tbody>
</table>
He Mihi

E ngā mana whenua, e ngā iwi e noho haumaru ana ki raro i ngā maunga whakahii o Tāmaki Makaurau, te na koutou kātoa. Mo te oranga o nga iwi kātoa, me kaha tātou ki te mahi tahi hei tutuki i ngā wawata ō tenei wāhi whānui.

To the people of the land and those residing under the sacred volcanic mountains of Auckland, greetings to you all. Let us all work together to fulfil our dreams so that we may all prosper in this beautiful city.
The year 2020 will be remembered as the year of the COVID-19 pandemic. This unprecedented event has proven that building a city of neighbourhoods is more important than ever. Living in close communities, with good access to local shops, open spaces and sustainable transport, is not only convenient but also brings safety, security and a sense of belonging. Out of constraint comes creativity, and we are balancing the uncertainty the pandemic brings with cautious optimism about what can be achieved.

Within the constraints of the reduced budget, projects will continue across the neighbourhoods where we work such as new public spaces in Wynyard Quarter, and the next stage of the waterfront promenade linking Westhaven Marina to the central city for walkers and cyclists, a new multi-storey carpark in Takapuna which will enable the development of the Anzac Street carpark into a mix of apartments, shops and a new public space and improved walking and cycling connections in Manukau. While significant capital investment is delayed, we will continue with critical works such as contamination remediation, site subdivision and works to prepare sites for sale and redevelopment, masterplanning and preparation for plan changes.

The pandemic isn’t the only serious global event that impacts our work. The significance of the climate emergency and the need to reduce emissions cannot be ignored. Panuku plays a critical role, on behalf of Auckland Council, to help create low-carbon, resilient communities.

Mārii whenua are significant partners for Panuku. Our shared outcomes framework intends to achieve substantial improvements for Māori wellbeing across Tāmaki Makaurau. Identifying cultural and commercial opportunities for mara whenua is part of this.

Partnering with the private, public and third sectors is critical for us, as we do not typically undertake developments ourselves. There will be opportunities for new and different forms of partnering with the private sector, Kāinga Ora Homes and Communities (Kāinga Ora), Iwi and Community Housing Providers, as we work with others to assist the economic recovery and provide new homes and improved amenity.

Panuku is looking forward to delivering great place-led outcomes with local boards and supported by our communities, in the coming three years on behalf of Auckland Council.
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<th>Topic</th>
<th>Page</th>
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<td>Performance Measures</td>
<td>28</td>
</tr>
<tr>
<td>Summary of Financials</td>
<td>34</td>
</tr>
<tr>
<td>Other financial information</td>
<td>37</td>
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</tbody>
</table>
Purpose of Statement of Intent

In accordance with the Local Government Act 2002, this annual Statement of Intent (SOI) publicly states the activities and intentions of Panuku Development Auckland (Panuku) for the next three years, and the objectives to which those activities will contribute. This SOI also includes performance measures and targets as the basis of organisational accountability. This SOI was adopted by the Panuku Board in June 2020.

About Panuku

Panuku Development Auckland (Panuku) is the only council CCO responsible for urban regeneration in Tāmaki Makaurau. We also manage a diverse property portfolio and deliver property services on behalf of Auckland Council.

The purpose of Panuku Development Auckland (Panuku) is to contribute to the implementation of the Auckland Plan and encourage economic development by facilitating urban redevelopment that optimises and integrates good public transport outcomes, efficient and sustainable infrastructure and quality public services and amenities.

Panuku will manage council’s non-service property portfolio and provide strategic advice on council’s other property portfolios. It will recycle or redevelop sub-optimal or underutilised council assets and aim to achieve an overall balance of commercial and strategic outcomes. It will undertake, assist or advise on any other property-related development, management or transformation activities specified by Auckland Council. (Panuku constitution)

Panuku gives effect to the objectives and priorities of the council in the Auckland Plan, and in particular by:

1. Facilitating redevelopment of urban locations
2. Accommodating urban growth through redevelopment
3. Developing the Auckland waterfront
4. Strategically create value from assets
5. Promoting Māori identity and wellbeing

Panuku was established four and a half years ago as a merger of Waterfront Auckland and ACPL. Panuku has two core functions, urban regeneration and property services. With the approval of the council we have advanced urban regeneration programmes in 12 locations, mostly town centres with existing or planned mass transport. After significant engagement with communities, local boards, stakeholder, mana whenua, plans are in place and delivery is underway.

What we do

The activities of Panuku cover four broad areas:

- Regeneration and redevelopment of urban locations by making the most of Auckland Council owned land, mostly within the existing suburbs.
- Sell Auckland Council’s surplus property and, where appropriate, the review of council’s service property for optimisation and redevelopment opportunities.
- The management of the council’s assets/property including commercial, residential and marina infrastructure, or redevelopment incorporating a service delivery function.
Other property-related services such as strategic property advice, place making, acquisitions, and disposals.

We balance financial and non-financial outcomes in order to create and manage sustainable and resilient places where people want to live, work, invest, learn, and visit.

**Supporting implementation of the Auckland Plan**

Auckland Council has determined through the Auckland Plan, that a quality compact urban form is the most effective way to provide infrastructure and services now and in the future. It has ambitious plans to accommodate two-thirds of future growth within the existing urban area and to achieve net zero emissions by 2050.

The facilitation of brownfield and town centre redevelopment is a significant factor in the achievement of quality compact urban form. Moreover, urban regeneration to create strong resilient neighbourhoods is an important tool in responding to both Covid-19 and the climate emergency (Figure 1).

Vibrant, low carbon town centres on mass transit, with great walking and cycling access and offering housing choices and a variety of amenities and services is at the heart of the Auckland Plan, and how a high proportion of future growth is to be accommodated.

**Figure 1**
Panuku is a primary contributor to the *Homes and Places* and *Belonging and Participation* outcomes in the Auckland Plan 2050 and is a secondary contributor to other Auckland Plan outcomes.

<table>
<thead>
<tr>
<th>Auckland Plan Outcomes</th>
<th>Degree of contribution</th>
<th>How Panuku contributes</th>
</tr>
</thead>
</table>
| Belonging and participation | Primary                | • Facilitating place making and activation in the priority locations, in collaboration with local boards and working closely with diverse communities  
                              |                        | • Improving the amenity of town centres that are accessible and attractive to all  
                              |                        | • Partnering with Community Facilities to deliver accessible community facilities  
                              |                        | • Engaging community on local projects                                                                                                                |
| Houses and places       | Primary                | • Leading urban regeneration and development in Manukau, Onehunga, Wynyard Quarter, Northcote, Avondale, Takapuna, Henderson, Hobsonville, Papatoetoe, Ormiston, Panmure, City Centre, Pukekohe, and redevelopment of the Haumaru Portfolio  
                              |                        | • Facilitating quality housing and housing choices to meet changing needs and preferences, working with Kāinga Ora, iwi groups, Community Housing Providers (CHPs) and private partners  
                              |                        | • Creating quality public spaces for the future that are inclusive, accessible, and contribute to urban living and civic life                                                                                     |
| Maori identity and wellbeing | Primary / Secondary | • Providing commercial development and capacity building opportunities  
                              |                        | • Reflecting mana whenua mātauranga and Māori design principles in public realm projects to showcase Māori identity  
                              |                        | • Providing place-making opportunities to celebrate and showcase vibrant Māori culture including working with rangatahi and supporting te reo Māori to flourish  
                              |                        | • Enabling Māori to express kaitiaki role through environmental monitoring and place-making                                                                                                                  |
| Transport and access    | Secondary              | • Facilitating low carbon transit-oriented development by bringing housing and people closer to transport networks, to leverage the existing investment and provide increased transport choices  
                              |                        | • Partnering with Auckland Transport and NZTA to facilitate transport infrastructure and service improvements in priority locations and improved connectivity as part of integrated planning to make walking, cycling, and public transport the preferred choices for more Aucklanders  
                              |                        | • Leading property disposal and redevelopment opportunities arising from completed and proposed transport projects                                                                                               |
Panuku Strategic Framework

Our strategic framework is captured in the following diagram which illustrates our vision, core functions, strategic outcomes, and business objectives.
Our work programme and key milestones for the next three years in the priority locations to catalyse urban regeneration are detailed on pages 13-23. The portfolio management function strategically creates value from assets.

We manage a large and diverse portfolio including residential and commercial properties, vacant sites, marinas, quarries, landfills, character buildings and other properties. We aim to optimise this portfolio to achieve both strategic objectives and financial returns to council. With expertise in property management, leasing, renewals, acquisitions, redevelopment, marketing and sales, we provide a shared service to the council whānau.

Our role includes working with the council whānau to identify surplus and underutilised council property including assessing the opportunity for redevelopment projects.

**INSIGHT:**

Hauturu Housing: Sustainable homes for people whose needs are changing

In late 2019, Panuku completed the first Hauturu Housing development in Henderson. The project, known as Wilsher Village, provides 40 new one-bedroom apartments for people over 65. The development has achieved Homestar 7 and incorporates many design features to support residents whose needs are changing, including accessible bathrooms, scooter charging space within apartments, kitchen designs tailored for older people’s mobility, and recessed balconies that can be used year-round.

The residual vacant land behind this apartment block is to be sold. The proceeds will be reinvested into the future Hauturu Housing development programme. The development proposal for this property will provide a minimum of 75 new homes close to Henderson’s town centre, schools and public transport.

The Wilsher Village project has provided us with significant knowledge for the redevelopment of other villages in the Hauturu Housing portfolio.

We are turning our attention to projects at Godley Road in Green Bay, Greenslade Court in Northcote, and several sites in other Auckland locations. These sites are estimated to deliver a total of 120 additional homes for older people in Auckland.
Panuku Intentions

Responding to Covid-19

Panuku has identified and implemented costs savings, including Executive and Board salary reductions for six months, reduction in contractors and restricting recruitment and procurement. Consistent with the Council group, our staff earning over $100,000 have also been asked to participate in the Council salary reduction initiative for six months.

We have reviewed and prioritised our programmes, focussing on activities that support the implementation of the Auckland Plan as well as ensuring that investment and activity is spread across the region. We have also identified for council and will implement the agreed asset optimisation priorities to provide revenue.

The impact on development sector has yet to play out with any degree of certainty. While we expect the majority of transactions and residential and commercial projects underway to be completed, there is significant uncertainty going forward. Business and consumer confidence will take time to return.

There will be fewer partners willing and able to undertake development and urban regeneration and it may be more difficult to seek quality design, sustainability and affordability outcomes. We will have to work more proactively and consider new and different forms of partnering, including with Kāinga Ora. The Crown agency has an increased access to funding as a result of COVID-19. It is increasing its capacity and is an important partner in urban regeneration. Panuku will seek to build this partnership across the many locations where we are already working together.

The reduction in the capex and opex budgets mean that the scale of urban regeneration activity and speed of delivery of programmes will be delayed, including capital works, which may lead to community frustration as a result of slower momentum in the programme. Our ability to participate in council group planning and projects and our leadership ability may be reduced and business improvement activities may be on hold.

Climate action

Panuku is committed to responding to the climate emergency and taking action on climate change, supporting the delivery of Te Tāruke-ā-Tāwhirit: Auckland’s Climate Action Framework (ACAF).

Panuku has outlined two objectives that set the framework for the climate work programme:

1. New communities in Panuku priority locations are designed and developed to be low carbon and climate resilient.
2. Panuku leads by example through reducing climate impact across its own operations and asset management function.

Key aspects of the work programme consistent with ACAF involve:

- Delivering urban regeneration that reduces carbon emissions and energy use, conserves resources, minimises waste, and promotes a low-carbon lifestyle where people can live, work and play near to their homes and public transport.
- Ensuring that masterplans and developments address climate change adaptation and resilience in response to specific local risk.
- Adopting energy efficient, low-carbon standards for residential and commercial buildings.
- Promoting the use of green infrastructure, water sensitive design principles and biodiversity values.
- Supporting the council whānau and partnering with government and other agencies to share insights and best practice, growing our capability in climate response.
- Implementing a management plan to achieve emission reduction targets for the Panuku organisational carbon footprint.

Priorities for the 2020/21 financial year include piloting a tool to measure and better understand the carbon impact of Panuku developments and to drive improved outcomes; continued work to assess future climate impacts, risks and vulnerabilities in the our priority locations, the rolling out of low carbon standards for commercial developments and public realm projects, accelerating sustainable procurement activity, and developing a work programme to address climate impact across our asset management function.

Māori outcomes

In 2019, Panuku co-developed a Mana Whenua Outcomes Framework to respond to the aspirations of mana whenua. The Outcomes Framework intends to achieve significant improvements for Māori wellbeing across Tāmaki Makaurau. It is organised into five pou: Governance, Wellbeing, Culture and Identity, Economic, and Natural Environment.

Panuku will implement the actions within the Outcomes Framework over three years. Priorities for 2020-21, to partner with Mana Whenua include:
- Create more commercial and social procurement opportunities for mana whenua
- Enable mana whenua to exercise their role as kaitiaki on projects and activations
- Build the capacity of mana whenua artists and create more opportunities to whakamāori Panuku-led projects
- Support the normalisation of te reo Māori and develop a capability-building programme for Panuku staff.

Panuku looks to Auckland Council as the tuakana of the Kaunihera Whānau, and actively works to support the implementation of the Māori Outcomes Portfolio. Panuku is also an active member of the Māori Outcomes Steering Group that allocates the Te Toa Tekatini funding.

Enhancing Partnerships

Panuku will continue to enhance its partnerships to achieve regeneration and redevelopment outcomes and optimise council property opportunities.
- Kāinga Ora - We are working together in a number of locations such as Northcote, Hobsonville, Avondale, Henderson and Manukau, places where the crown and council own land. As partners we bring different skill sets, funding and property to the table to achieve shared objectives agreed through joint masterplanning. Increasingly standardised ways of working together will be more efficient, while recognising that the projects we do together will vary by location.
- Haumaru Housing - Haumaru Housing is a partnership between Auckland Council and the Salwyn Foundation. Panuku will continue working closely with Haumaru Housing, as we redevelop the council’s existing homes for older people, raising the quality and increasing the number of properties in the portfolio. Panuku is focusing on redeveloping the next group of properties in the portfolio following the completion of Wilsher Village in Henderson. The homes will be sustainable and accessible.
- Working collaboratively with local boards - Our local board engagement is responsive to individual local board requirements as part of our best practice approach. Panuku has agreed with local boards on defined engagement processes for development proposals, site sales, property optimisation and public realm upgrades. We also work very closely with local boards on place making, commercial place operations, communications and engagement. Panuku will continue to work collaboratively with local boards, including attending workshops and local board meetings.
• **Auckland Transport** - Auckland Transport is a critical partner of Panuku in urban regeneration. Our priority locations were selected, in part, due to the proximity of rapid transit rail and bus services (e.g., Takapuna, Henderson, Avondale, Panmure, Onehunga and Manukau). Many of the council sites for development are at-grade car parks and need to be released for development by AT once a comprehensive parking strategy has been agreed. We are working closely with AT to ensure that the urban development opportunities are considered when property is purchased for transport services to create a usable pipeline for development. Where we are reinvesting in public good projects such as into main streets that support regeneration programmes we work closely with AT, to leverage investments, coordinate and/or integrate projects where appropriate.

• **Auckland Council Whānau** - Successful regeneration requires integrated planning and investment from across the council whānau. Panuku will continue to involve other CCOs and council departments in our work programmes, from project planning to implementation. With the council whānau, we continue to work towards agreed and aligned plans to achieve holistic urban regeneration, to leverage council, Crown and private investment and increase effectiveness and ensure value for money.

### Optimising property opportunities

Panuku will continue to work with the council whānau to identify surplus properties that are underutilised and provide opportunities for future regeneration and redevelopment.

Panuku will develop and promote options to maximise a property’s performance, as well as identifying new commercial opportunities. Panuku assesses these opportunities against our strategic direction, considering commercial feasibility and long-term value. At a property level, Panuku provides key strategic investment advice, leads site research, due diligence and undertakes statutory processes as per our implementation plans. The sale of surplus properties outside our neighbourhoods provides proceeds that contribute to funding the council’s capital programme and the reduction of council debt. Panuku will continue to deliver the following regional redevelopment programmes:

- **Service Property Optimisation** - Panuku, community services and local boards work together to identify and release value from underperforming service assets in order to fund local services while supporting urban regeneration. Projects must proceed on a cost neutral basis and any net proceeds are reinvested locally to advance approved projects.

- **The Corporate Property Programme** - creating a fit-for-purpose and future-proofed corporate property network that will result in a new property portfolio that is better aligned to how council provides services to local communities.

- **AT Park and Ride Redevelopment** is a joint venture between AT and Panuku aimed at providing an appropriate strategy to accommodate transport service requirements at designated council owned park and ride sites while simultaneously exploring mixed use development options with positive urban regeneration and urban design outcomes. The sites on which AT operate park and rides are underutilised, single use land with untapped potential in which large amounts of capital is locked up. These sites provide opportunities to undertake integrated transit orientated developments (TODs) close to amenities with links to reliable and frequent public transport, opportunities which the Council Group has not progressed.

- **Supports programme** – the development of strategic sites not within the priority locations.
INSIGHT:

Implementing Auckland Council’s Corporate Property Portfolio Strategy

Auckland Council’s Corporate Property Portfolio Strategy was approved in May 2018 to create a more efficient and effective office network for the organisation, to best house its people and deliver its work to communities. The strategy uses the sales proceeds from seven former council offices that are no longer required to enable the council to deliver a more efficient hub-and-spoke office network. Many of the sites are in our neighbourhoods and their redevelopment will contribute to town centre regeneration objectives. Panuku has collaborated with Auckland Council’s Corporate Property team to progress the sale of seven properties, six of which are former council offices.

Completed sales

- 35 Graham Street, Auckland city centre – The office building, which currently houses Auckland Council’s Regulatory Services teams was sold for $58 million to Asset Plus (NZX listed company). Auckland Council has entered into a leaseback agreement.

- 6 Henderson Valley Road, Henderson, was sold to Ladlaw College Foundation for $26.8 million. The sale includes two buildings and adjacent land but excludes the Civic Building which houses the Council Chamber, a Japanese garden, City Rail Link land and internal road and greenway. The sale will also contribute to the regeneration of Henderson.

The remainder of the properties in the programme are going through the stages of planning, and sale process.
Panuku leads the urban regeneration of neighbourhoods which forms the priority location programme. The programme is agreed upon with Auckland Council and includes three transform and nine unlock neighbourhoods. The following table summarises each of the neighbourhoods’ agreed vision, goals and project deliverables for the next three years.
## Our Neighbourhoods

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| **Unlock Northcote** | The Northcote of 2030 will be a growing community, with a lively and welcoming heart that celebrates culture, where businesses thrive. Regenerating the shopping centre into an accessible, modern mixed-use town centre where people can live, work, play, and stay; where cultures are celebrated and connected by the Awatāhā Stream. We are partnering with Kāinga Ora in Northcote to deliver Te Ara Awatāhā and working together on community engagement and communications. The property development focus is to enable renewal of the Northcote town centre as per the benchmark master plan. Initially this will involve acquiring all the ground leases, then finalising the council community facilities plan and securing a development partner. We are working with the community and Kāinga Ora to create Te Ara Awatāhā greenway. Upgrading existing assets and creating new public space in the town centre is also a key part of the successful delivery of the benchmark masterplan. Placemaking is focused on bringing people to the town centre. This is going to be fundamental when development commences. | • Market – agree a revised market strategy to seek private sector investment on development opportunities  
• Market – commence market process to seek private sector investment on development opportunities.  
• Market – agree a strategy for the redevelopment of the supermarket with a supermarket owner  
• Te Ara Awatāhā – stage 1 complete encompassing land MOU, land acquisition, earthworks and stormwater infrastructure enabling work and restoration of Jassal Tōneri Reserve  
• Greenslade Reserve upgraded  
• Acquisitions – all ground leases acquired to enable town centre renewal to be delivered (excluding supermarket and Ministry of Education Awhina property). |
| **Unlock Takapuna** | Greeting a safe, accessible and vibrant town centre. Panuku will be engaging closely with the community to unlock the opportunity to create a new active public heart for Takapuna and to provide new housing choices, amenity, and enhanced economic vitality. We are working closely with the council whanau in Takapuna on the new car park facility, transport strategies, new public space and streetscapes. Property development in Takapuna is focused on bringing more residents and mixed activity to the centre of Takapuna and adding to the skyline by developing buildings of height. Sustainable and | • Gasometer carpark – construction of building completed providing 420 public car spaces to support the retail and business community in Takapuna  
• Anzac Street / Hurstmere Road development – conclude a development agreement with a development partner to provide high-quality mixed-use development in the centre of Takapuna  
• Anzac town square – new civic open public space construction commenced  
• Anzac town square – new civic open public space construction completed |

Panuku Statement of Intent 2020-23
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<td>environmentally friendly development that contributes to the Green Star Community rating is important. We are working with the community to create new active public realm in the centre of Takapuna. This is largely focused on the new civic open space but includes improved streetscapes as well. Placemaking is fundamental to the design and use of the central sites in Takapuna and the new civic open space. We are working with community groups in the way that the temporary public space is used, to ensure that the permanent public space is a success.</td>
<td>• Huron and Northcroft streets improvements – design completed. Improvements will enhance the pedestrian journey from the new car park facility to the central retail precinct and new public town square • Huron and Northcroft streets improvements – construction completed • Gasometer development site – agree a revised market strategy to seek private sector investment on development opportunities • Gasometer development site – commence market process to seek private sector investment on development opportunities.</td>
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<td>Unlock Hobsonville</td>
<td>The objective is to deliver residential and mixed-use outcomes that integrate into Hobsonville Point as a place that fosters a sense of community, where neighbourhoods are designed to be easy and safe to walk or cycle around, making it easier for people to connect. Panuku is facilitating more than 500 homes in Hobsonville Point through development agreements with Avanda and AV Jennings. The residential development will continue to be delivered over the next three years and we will continue to monitor implementation. We are partnering with Kāenga Ora in Hobsonville Point to deliver the masterplan for the adjoining mixed-use area known as “The Airfields”. The focus will be on the northern area of Panuku’s development to create community facilities and commercial development, enabling employment opportunities. New public open space and community facilities will be the focus of the first stage of delivering the masterplan. Placemaking in Hobsonville Point to date has been led by Kāenga Ora. There is an opportunity for Panuku to be a part of this through development of community facilities and new public space.</td>
<td>• Wasp Hangar - historic building upgrade completed to enable Auckland Council Parks and Recreation Unit to use as an informal indoor court facility. This will provide activation and help meet demand in the area • Sale of part of 29 Launch Road to Kāenga Ora completed to enable construction of a car park building • Market process commenced to seek a development partner(s) to deliver mixed-use development immediately surrounding around Wasp Hangar to create some employment opportunities and support activation of the area • Wasp Square design commenced – a public space area adjacent to the Wasp Hangar • An additional wastewater pump station designed, and construction commenced.</td>
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| Unlock Avondale| Avondale is located close to the city centre and has excellent transport links. The location and connectivity of Avondale, along with its average house price, strongly supports its market attractiveness for a variety of housing including affordable housing and build-to-rent. The centre has the potential to accommodate significantly more residents. We are working in partnership with key landowners including Kāinga Ora to create development opportunities to enable high-quality residential neighbourhoods at pace. A focus of this partnership has been working together in support of an appropriate housing mix for the centre and to create a new heart for Avondale. Public realm and community infrastructure upgrades include strengthening the link to the train station, creating a new town square and developing a new multi-purpose community facility. These investments are aimed at enlivening the heart of the Avondale town centre, building market confidence and supporting intensification. The council/crown development opportunity covers 4.4 hectares of land and will deliver around 650 homes and commercial spaces. Taking into account known planned and likely market-led development, there is the potential for an additional 900 new homes (excluding already completed developments). Panuku will enable development on three large council-owned development sites and we will support the crown to deliver good development and design outcomes on their sites through joint masterplanning. Placemaking and other initiatives will be used to improve business growth and positively influence the perception of the Avondale town centre. These will continue to be focused on the Avondale Central site building a community focus in the heart of the town centre. | • Crayford Street West upgrade – improving connections  
• New Town Square – enlivening the heart of the town centre  
• Sale of a key site, 1817 Great North Road to facilitate a high quality Homestar 6 market/affordable development  
• Sale of a town centre site, 18 Elm Street. Sale for a high quality Homestar 6 residential development  
• Avondale Central Staged Sale – a high quality Homestar 6 mixed use development. |
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| **Unlock Henderson** | Henderson becomes an Urban Eco Centre, enhancing the mauri of the twin streams. Using the “eco” approach to catalyse the centre towards high quality livable growth through a safe, attractive and vibrant mixed-use environment with a uniquely Henderson identity. This will incorporate public, creative arts and sustainable Green Star quality developments. This is supported by a range of collaborative and co-funded projects with mana whenua, local board, crown and council whanau. Transformation of Henderson Valley Road into a high quality urban mixed-use residential corridor will include two new local walking and cycling links to improve connections to amenities and reduce carbon footprint. Work with Auckland Transport and City Rail Link is in progress for better walking, cycling and rail corridors. We are also looking to work with the crown in the Oratia Precinct, with the aim of creating new residential development opportunities, enhancing public amenities and creating opportunities for employment. Public realm investment initiatives like walking, cycling and enhancement of rail corridor will improve connectivity within the centre. The construction of Opanuku bridge will be the main connection to Henderson’s creative arts centre at Corban Estate. Placemaking initiatives are creating a positive vibe in Henderson and more activities are planned, including site activations being held prior to projects being initiated. | - Oratia Link – Improving connectivity in the town centre  
- Eco centre character, the sound project, bringing sounds of nature to urban spaces. Delivered in the square outside the library  
- Former council building at 2-6 Henderson Valley Road – major education hub and integral to revitalisation of Henderson  
- Low carbon medium density residential development of a key site – reinventing Cities (C40) initiative  
- Opanuku Link – road connection from Civic building and train station to Henderson Valley Road  
- Enhancement of Henderson Valley Road – creating safer and more connected area between the town centre, Opanuku stream and the Corban Estate Arts Centre  
- The Kitchen Project – enabling aspiring entrepreneurs and helping the economy of Henderson. |
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| Transform Waterfront | A world-class destination that excites the senses and celebrates our sea-loving Pacific culture and maritime history. It supports commercially successful and innovative businesses and is a place for all people, an area rich in character and activities that link people to the city and the sea. Panuku is facilitating new housing, enhanced public amenity and access; place activation and community engagement; and implementing the Waterfront Plan. After completing the AC36 works at the Wynyard Quarter, the focus will be contributing to the overall success of the event. With several major construction projects underway, which are changing the face of the waterfront, a new phase of strategic thinking and planning is now needed to redefine direction on both the land and the water. We will consider new opportunities and challenges including climate change, and this will be a priority through to 2023. Through the completion of our new projects (Urunga Plaza and Silo Park extension), we will demonstrate the latest thinking in spaces that contribute to a people-friendly neighbourhood and take these learnings forward for future projects such as the Headland Park. We will continue the development of the Westhaven Marina to increase capacity, improve services, enhance public access and amenity and support the marine industry. The placemaking programme is already deeply established on the waterfront. We will continue to foster the social and cultural importance of lively neighbourhoods and inviting public spaces. In response to Covid-19 we will work with community and existing service providers to devise programming and activation that is flexible, scalable and kind. | AC36  
- Fishing fleet relocation – temporary relocation of fishing fleet to enable Wynyard Edge Alliance works on Halsey Wharf  
- Establishment of a new superyacht berthing facility with improved facilities and increased capacity to accommodate larger vessels  
Waterfront  
- Marine Village – completed development of Westhaven Marine Village, providing a marine related business centre consisting of commercial buildings, public facilities, boardwalk and carparking, asset handover estimated December 2020  
- Westhaven Promenade stage 2 – construction completed November 2020  
- Vos Shed restoration completed to provide a commercially viable, future proofed facility  
- Development completed at 10 Madden St, providing seven 5 Greenstar commercial buildings and a single level retail building  
- Pile Berth – first stage of the creation of a new landscaped public area with car parking and optimisation of the berth layout. (First stage will complete the causeway and sea wall construction)  
- Urunga Plaza – opening of public space adjacent to the Park Hyatt Hotel  
- 10 Madden St and Freda Barnes Plaza – completion of Precinct’s seven level commercial development and the public open space adjacent to 10 Madden by Panuku in December 2020  
- Auckland Harbour Bridge Pathway enabling works completed |
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| Transform Onehunga | To create a flourishing Onehunga that is well connected to its past, its communities and the environment, including the Manukau Harbour. This includes planning the mixed-use redevelopment of the wharf and advocating for integrated infrastructure solutions to better connect Onehunga Mall to the Onehunga Wharf and Manukau Harbour. Enhancing public spaces with great design, facilitating new retail and housing choices, and optimising council service sites. Working together with crown entities including Transpower and Kāinga Ora to progress housing and infrastructure opportunities. We will work with our key stakeholders such as Countdown, Lendlease, the Onehunga Business Association, Helcion and fishing industry representatives along with our wider council whanau on joined up masterplanning, capital investments and operational activities. We aim to improve the north and south reconnection to the Manukau Harbour. The next three years will look at the northern part of the Town Centre to enable housing, commercial development and to deliver public realm. The Onehunga Wharf will undergo a plan change in preparation for future redevelopment which aims to reconnect Onehunga with the water. We will progress public realm investments on a precinct-wide basis, starting in the North (Waipu Precinct and Dressmart) reconnecting precincts into the main street via laneways. Placemaking initiatives will continue to focus on holding events around the town centre in partnership with the Onehunga Business Association. | - 30 Madden St - completion of Willis Bond’s staged residential development in Wynyard Quarter by November 2020  
- Delivery of Cram’s Marine raft facility in Wynyard Quarter  
- Development of the final stages of Precinct’s Innovation Precinct. The development will feature public laneways and a public plaza.  
- Dressmart precinct – facilitate the delivery of a new commercial space circa 6000m2  
- Assessment of current and future community needs to inform future redevelopment of indoor recreation space  
- Planning and change to enable future mixed-use development on the wharf that connects the community back to the water and continues to support a working waterfront  
- Completion of the identified laneway revitalisation projects  
- Facilitate the delivery of a new supermarket and circa 1000 new dwellings in Onehunga  
- Continuing to support Kāinga Ora initiatives across the wider Onehunga area  
- Continuing to work with infrastructure providers to leverage available opportunities for the community. |
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<td>Unlock Panmure</td>
<td>Reviving the town centre with new housing options, enhanced amenity, local connections and community facilities building on the natural landscape (the Maunga and the Basin) and the great transport infrastructure. To enliven the heart of Panmure town centre main street, the community hub precinct seeks to deliver a new multi-purpose community facility, civic space, pedestrian and cycle overbridge to connect the town centre main street to Panmure Basin. We will advance a joint business case with Auckland Transport and Auckland Council. Progress two development sites to support the town centre. Public realm investment will be progressed to create a well-connected network of high-quality urban spaces in the centre that enhances visitor experience and supports future residential growth in Panmure and wider Tāmaki. Stage one investments include upgrades to the Stone Cottage Park and Clifton Court, transforming them into safe and attractive urban spaces for leisure and community gatherings. Placemaking initiatives and activations will continue to focus on involving the local community and businesses in the design conversations for public realm and community hub projects and supporting local businesses to prepare for construction.</td>
<td>- Stone Cottage Park (1 Kings Road) – a public realm upgrade to create an attractive green space for the local community within the heritage precinct. - Clifton Court – public realm upgrade to create a safe and attractive laneway that can be used for local community gatherings and catalyse adjoining private landholdings to be redeveloped for housing and business. - Commercial Precinct – facilitate the delivery of a new supermarket. - 13-27 Queens Road – anchor development to create an attractive gateway into the Panmure town centre main street and local retail destination. - Community Hub – explore options with Community Services, the local community, local board, and mana whenua for a new multi-purpose community facility and civic space.</td>
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<td>Transform Manukau</td>
<td>The thriving heart and soul for the south Auckland’s southern hub and social capital. The intent of the Manukau programme is to deliver, in collaboration with the Crown, a mixed-use urban core by redevelopment of both council and crown land holdings to create significant affordable new, medium and high-density residential development, employment and education opportunities. This is supported by a range of joined-up local and regional transport investments and a joint focus on improving water quality and places to walk, cycle and play along the Puhinui green spine. These will include upgraded local connections, improved public realm and ongoing place activation initiatives. We will support the opening of the new Manukau Institute of Technology campus. We will work with our key stakeholders such as...</td>
<td>- Continued facilitation of the Barrowcliffe Place residential development – with developer-led delivery of a minimum of 150 of 300 new dwellings. - Facilitating development of sites adjacent to the bus station. - Barrowcliffe Bridge and place enhancement increasing connectivity with a new cycleway, safety and amenity. - Barrowcliffe development stormwater pond and shared path to improve amenity in the housing development.</td>
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| Westfield (Scenetr Group) and Rainbow’s End along with our wider council whanau, including Community Facilities, on joined-up masterplanning, capital investments and operational activities to achieve a single vision. We will prioritise property development projects that enliven Manukau’s urban heart, at Manukau Square, with initiatives that help to define and frame it. These include supporting the Civic annex redevelopment led by Corporate Property, Kotuku House rationalisation along with facilitating the redevelopment of the Putney Way and Osterley Way council-controlled sites. We will be informed by Westfield (Scenetr Group) and their masterplanning process. Public realm investments such as cycleways, streetscape and park space enhancement will help to reconnect South Aucklanders to Manukau Square and further increase the quality of the centre. These are to be agreed with Auckland Transport, Community Facilities and Healthy Waters. Placemaking initiatives will support increased activity at Market Square and support upcoming projects such as carparks and the Puhinui corridor. There will also be a focus on achieving better social outcomes for the local community through procurement processes that involve more local people and businesses in the transformation mahi. | • New Wiri playground to support the local community  
• Completion of the Puhinui Regeneration Strategy to guide all future projects in the catchment  
• Activations on Manukau Square, carparks and the Puhinui corridor. |
| Unlock Papatoetoe | Old Papatoetoe will be a popular place to live, to shop, for people to meet and enjoy themselves and will provide the services and facilities the community needs. Developing new housing choices around the completed commercial developments of a shopping mall, supermarket and carpark to enable the centre to flourish and the community to thrive. Progressing our relationship with the Otara-Papatoetoe Local Board and our council whanau will be critical to progressing the transformation of this centre. Our property programme will focus on delivering an outcome for our key carpark site behind the town centre at 3 St. George Street and ensuring that the future use and direction of the chambers is agreed. | • Facilitate the development of the key town centre site (3 St George St)  
• A masterplanning process with the council to agree the future of a range of spaces and buildings  
• A plan for the management and relocation of agreed community use to enable development. |
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<td>Unlock Pukekohe</td>
<td>A masterplan will inform the future direction of the public realm projects subject to the completion of the necessary assessments and scope inputs from council departments. Placemaking will not be prioritised in this location due to reduced budgets.</td>
<td>• Completion of agreed town-wide set of parking reconfigurations and solutions to guide town centre development.</td>
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<td>Kia Putwal a Pukekohe (Unlock Pukekohe) is Panuku’s newest regeneration location. The vision is for Pukekohe to be a self-sustaining service town with a range of public realm projects and site redevelopments to support growth, a more walkable and vibrant centre, increased access to local job opportunities and to enhance local identity. “Oranga Whakapapa, Oranga Whenua, Oranga Pukekohe, Oranga Whanau” as expressed by Mana Whenua. This means “Our heritage and connections are strong, the land is flourishing, Pukekohe is prosperous, and our families are happy, healthy and thriving”. This will help guide the programme and our relationship with Mana Whenua going forward as the programme’s foundations are laid. We will continue to work with Auckland Transport and Franklin Local Board to create a Pukekohe masterplan and will engage with the community on the development strategy, key moves, programme of public realm enhancements and placemaking. Our primary placemaking focus will be on trialling the relocation and enhancement of the farmers market and local laneways. We will also pilot a King Street one-way system to explore changes to a nearby intersection. These placemaking activities should inform some capital works projects that are considered critical for the regeneration of Pukekohe Town Centre.</td>
<td>• Completion of a masterplanning document that sets out the programme of development and public realm projects.</td>
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**Governing Body**  
**25 June 2020**

**Shareholder comments on revised draft CCO Statements of Intent, 2020-2023**

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<td><strong>Unlock Ormiston</strong></td>
<td>The key outcome is the development and creation of an integrated mixed-use town centre within the Ormiston and Flat Bush area on Pakurau Road. A Pakurau Road Development Park is developed on a commercially sustainable basis with a mix of activities. The development includes a retail centre, a library, and infrastructure, creating a vibrant town environment.</td>
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**Deliverables**
- Development completed in Town Centre by master developer comprising of a retail shopping centre, community centre, and associated car parking.
- Support and facilitate the development of new housing in the area.
- As part of the Town Centre development, approximately 100 residential dwellings will be built on the site at Flat Bush Road on the opposite side of the road, targeted to be completed December 2021.

**Attachment C**  
**Item 15**
INSIGHT:
Inclusive engagement with wider communities

In 2018 Panuku, supported by Maungakiekie-Tāmaki Local Board, piloted a crowd sourcing engagement tool called Social Pinpoint in Panmure. We chose this tool to gain wider reach across our communities, overcoming language, cultural and age barriers. Social Pinpoint is intuitive, easily multilingual and has a familiar platform feel for social media users.

Panuku engagement had been receiving feedback primarily from a narrow audience, generally female, older and Caucasian. This did not reflect Panmure’s demographic information which told us we needed to speak with the Chinese and Samoan communities and Māori aged under 40, in addition to the people we were already reaching.

The pilot was a great success. The feedback and 2500 visits to the site almost perfectly reflected the demographics of the people in Panmure. As a result, the local board had greater confidence it was supporting decisions based on information from its diverse communities.

In 2019 we added four Social Pinpoint projects around the region which have had over 10,000 site visits. Panuku will continue using these tools for future consultation.

Performance measures

Panuku has an agreed set of performance measures and targets which form the basis of accountability for delivering on the council’s strategic direction, priorities and targets. These are reported to the shareholder on a quarterly basis in accordance with the CCO Governance Manual.

The performance measures and targets are contained in Appendix 1 of this SOL.

Annual Plan and Long-term Plan

Panuku will continue delivering strategic priorities, capital projects and activities set out in the Annual Plan 2020–21, aligned to the LTP 2018–28. Panuku will also work closely with the council whānau in preparing comprehensive asset management plans and completing other planning activities for the LTP 2021–23, including providing information required for political decision making.

Panuku’s annual budget for FY 20/21 is in line with the Long-term Plan 2018–2028.

Panuku will exercise responsible management over its operating and capital budgets, particularly in light of Covid-19 revenue impacts to the council group. Panuku’s capital programme is funded from a mixture of LTP funding and property sale proceeds that are reinvested. We will therefore need to adapt our capital programme in line with any downturn in the property market as a result of Covid-19.

Asset Management

Panuku will work closely with Auckland Council on asset management planning to ensure the renewal and maintenance of assets it manages on behalf of the council are appropriately funded to maintain the integrity of assets, with a prudent programme of renewals in line with financial constraints.
Funding models
A significant percentage of Panuku's LTP 2018-28 capital programme is funded from proceeds of property sales in our Transform and Unlock neighbourhoods. Due to a number of factors, including the slowing market, Panuku has not been able to sell the planned level of properties in our Transform and Unlock neighbourhoods. The property market is predicted to contract further following Covid-19.

Financial management and group policies
Panuku is cognisant of the need to be prudent with the council resources, even more if there is a post-pandemic recession and will always explore the best way to achieve outcomes at lowest cost. This means undertaking efficient processes, developing and accessing realistic options, balancing strategic and commercial outcomes, smart procurement processes, managing costs, and undertaking a regular review of priorities. There will be times when Panuku needs to be open to innovation to test different ways to achieve outcomes which may carry greater risk.

The Panuku board will demonstrate value for money across all expenditure in delivering its programmes. This includes greater transparency on operating expenditure and a strong focus on managing sensitive expenditure lines. Panuku will inform the council on any significant challenges that arise and will work closely with the council on these issues.

Panuku will give effect to all existing Auckland Council whānau policies, including Our Charter, as well as implementing new policies as required.

Efficiency and value for money reviews and council whānau policies
Panuku recognises the shareholder’s emphasis on renewing the drive for efficiencies and value for money from its CCOs, a requirement in section 17A of the Local Government Act 2002. Panuku will participate and support the efficiency and value for money reviews and will implement approved changes resulting from reviews completed.

The Panuku 2021-2023 budgets are contained in Appendix 2 of this SOI.

Approach to Governance

Governance manual and quarterly reporting
Auckland Council works in partnership with its CCOs and the agreed approach to governance is outlined within the Governance Manual for substantive CCOs. The Governance Manual sits alongside this SOI and Panuku will act in accordance with this manual including a commitment to the “no surprises”.

Panuku reports to the CCO Oversight Committee on issues, opportunities and risks through the quarterly reporting process. Panuku also supports the CCO Oversight Committee’s work programme by providing information required by the committee, attending the meetings and participating or facilitating workshops. This provides an opportunity to increase information sharing, oversight and discussion of priorities and challenges with the CCO Oversight Committee. Panuku also supports the Liaison Councillor for the Panuku and will follow the agreed Auckland Council and CCOs’ protocols relating to the Liaison Councillor role.

Panuku also reports to the Finance and Performance Committee and Planning Committee.
CCO review

Panuku has participated proactively in the review of the CCO model and worked with the other substantive CCOs on a joint submission to identify opportunities to enhance the model, as well as responding to the requests from the Independent Panel in a Panuku submission. Panuku will implement decisions once made by Auckland Council’s Governing Body.

Board meetings

Panuku is required to hold two public meetings a year under the Local Government, Auckland Council Act 2009.

<table>
<thead>
<tr>
<th>Meeting purpose</th>
<th>Date</th>
<th>Form of Public Notification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consider shareholder comments on draft SOI</td>
<td>July 2021</td>
<td>Advertisement in NZ Herald at least two weeks prior to meeting and on Panuku website five working days prior.</td>
</tr>
<tr>
<td>Consider performance against SOI targets</td>
<td>October 2021</td>
<td></td>
</tr>
</tbody>
</table>

Panuku will hold as much of its monthly board meetings in the open as possible. A public-excluded session will be held at each meeting to discuss confidential matters.

Agendas and board papers (with confidential information redacted) will continue to be posted on the Panuku website (panuku.co.nz) prior to each meeting.

Members of the public are invited, via the Panuku website, to present to the board on issues relevant to Panuku. Board meetings are also held at various locations in Auckland to enable the Panuku Board to meet with local board members.

Communication

Public and media

As a Council-Controlled Organisation, the work conducted by Panuku Development Auckland is carried out in public. The principles of transparency and accountability are always applied to our work. Any information that is withheld, is withheld under relevant clause in section 7 of LGOIMA.

Our media protocols are designed to ensure our interactions with the media are as proactive and transparent as possible. All media enquiries are responded to in a timely fashion and all information is shared with the media, unless it is of a confidential nature.

Online channels

Panuku’s major projects are outlined on our website www.panuku.co.nz and all key documents, such as our Annual Report and the project plans for our development locations, are available online.

Panuku will enhance its public accountability by publishing new information on our website such as sensitive expenditure and responses to LGOIMA requests where appropriate.
INSIGHT:

Optimisation – a win-win in Meadowbank

As part of our service property optimisation work and in collaboration with Ōrākei Local Board and Community Facilities, Panuku is seeking a partner to redevelop the Meadowbank Community Centre. The vision is for a high-quality, fit-for-purpose facility to better serve the surrounding and changing communities. The redevelopment proposes a mixed-use building, with the community centre located on the ground floor.

Following a robust procurement process, we are currently in discussions with a preferred development partner. The sale of the airspace will contribute to the construction costs of the community centre. The sale proceeds from two other under-performing property assets will also contribute to fund the community centre.

Panuku, community services and relevant local boards will work together to use service property optimisation to release value from underperforming service assets and to fund local services while supporting urban regeneration.

A key element of service property optimisation is that the project must proceed on a cost neutral basis and any net proceeds are reinvested locally to advance approved projects.

Learning from this project is used in planning for other optimisation projects in the programme.
Performance Measures

Covid-19 has the potential to cause unanticipated consequences such that there is more risk attached to achieving the performance measures than would normally be the case.

<table>
<thead>
<tr>
<th>Service Level Statement</th>
<th>Measure</th>
<th>Actual 2018/19</th>
<th>Annual Plan 2019/20</th>
<th>SOI Targets 2020/2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop and activate town centres</td>
<td>Achieve total board approved budgeted three-year Transform and Unlock1 (T&amp;U) net sales through unconditional agreements</td>
<td>New performance measure</td>
<td>New performance measure</td>
<td>Progress on T&amp;U three-year disposal target approved by the board</td>
</tr>
<tr>
<td>Capital project milestones approved by the board achieved</td>
<td>New performance measure</td>
<td>New performance measure</td>
<td>Achieve 80 per cent or more of project milestones for significant capital projects</td>
<td>Achieve 80 per cent or more of project milestones for significant capital projects</td>
</tr>
<tr>
<td>Corporate Responsibility</td>
<td>Climate change mitigation and adaptation considered across Panuku projects</td>
<td>New performance measure</td>
<td>A tool is developed / identified to measure and reduce greenhouse gas (GHG) impact of new mixed use and residential development by June 2020</td>
<td>Pilot the use of a tool to measure the GHG impact of new mixed use and residential development</td>
</tr>
<tr>
<td>Climate change mitigation and adaptation considered across Panuku projects</td>
<td>New performance measure</td>
<td>A process is defined to ensure climate change adaptation is embedded in the location planning process. Approved by board by June</td>
<td>All masterplans completed and approved by the board in the year contains a section that considers future climate impacts, risks.</td>
<td>All masterplans completed and approved by the board in the year contains a section that considers future climate impacts, risks.</td>
</tr>
</tbody>
</table>

Catalyse urban redevelopment and demonstrate business leadership

1. Achieve total board approved budgeted three-year Transform and Unlock1 (T&U) net sales through unconditional agreements
2. Capital project milestones approved by the board achieved
3. Climate change mitigation and adaptation considered across Panuku projects
4. Climate change mitigation and adaptation considered across Panuku projects

Attachment C

Item 15
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2020. One adaptation plan completed as a template for other areas</td>
<td>vulnerabilities and responses</td>
<td>vulnerabilities and response.</td>
<td>vulnerabilities and responses</td>
<td></td>
</tr>
<tr>
<td>Deliver initiatives to make the priority locations dynamic, well-connected, culturally rich, safe and sustainable, for the enjoyment of Aucklanders and visitors</td>
<td>5  The percentage of attendees surveyed satisfied with city centre waterfront place programmes and activities</td>
<td>85% Baseline set at the city waterfront</td>
<td>Maintain or improve</td>
<td>Maintain or improve</td>
<td>Maintain or improve</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>6  The percentage of visitors surveyed satisfied with their experience of the public spaces on the city centre waterfront (LTP)</td>
<td>92% At the city waterfront</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7  Percentage of Aucklanders surveyed who have visited the city centre waterfront in the past year (LTP)</td>
<td>72% At the city waterfront</td>
<td>73%</td>
<td>73%</td>
<td>73%</td>
</tr>
<tr>
<td>Provide a safe marine environment and world class facilities</td>
<td>8  The percentage of marine customers surveyed who are satisfied with marine facilities and services (LTP)</td>
<td>91%</td>
<td>88%</td>
<td>88%</td>
<td>85%</td>
<td>85%</td>
</tr>
<tr>
<td>Deliver initiatives to make the priority</td>
<td>9  The number of significant Maori initiatives implemented per annum (LTP)</td>
<td>65</td>
<td>52</td>
<td>40</td>
<td>56</td>
<td>60</td>
</tr>
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</tr>
<tr>
<td>locations dynamic, well-connected, culturally rich, safe and sustainable, for the enjoyment of Aucklanders and visitors</td>
<td>10</td>
<td>% mana whenua groups satisfied with quality of engagement</td>
<td>Baseline: 30% of respondents were satisfied; 50% of respondents were neither satisfied nor dissatisfied. 20% were dissatisfied and 20% did not respond</td>
<td>Improve</td>
<td>Improve</td>
<td>Improve</td>
</tr>
<tr>
<td>Strategically create value from assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Identify and propose opportunities across Auckland Council whānau owned properties.</td>
<td>11</td>
<td>Written evidence that opportunities have been identified and assessed, to be progressed or not (Housing and urban redevelopment combined)</td>
<td>143 opportunities have been identified and assessed</td>
<td>At least 100 opportunities identified and assessed</td>
<td>At least 100 opportunities identified and assessed</td>
<td>At least 100 opportunities identified and assessed</td>
</tr>
<tr>
<td>Properties managed for Auckland Council and Auckland Transport achieve optimum net returns and are maintained to</td>
<td>12</td>
<td>The net surplus on the property portfolio achieves the annual budget agreed with the council.</td>
<td>Actual net surplus on the property portfolio for the 12 months ended 30 June 2019 is $2.3 million ahead of budget (actual surplus of $26.8 million against budget of $24.5 million)</td>
<td>Net surplus achieves budget for 2019/20</td>
<td>Net result achieves budget for 2020/21</td>
<td>Net result achieves budget for 2021/22</td>
</tr>
<tr>
<td>-------------------------</td>
<td>------------------------------------------------------------------------</td>
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</tr>
<tr>
<td></td>
<td>be fit for purpose</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>The monthly average occupancy rate for tenable properties</td>
<td>97.8%</td>
<td>95%</td>
<td>Commercial 85%</td>
<td>Commercial 85%</td>
<td>Commercial 85%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Residential 95%</td>
<td>Residential 95%</td>
<td>Residential 95%</td>
</tr>
<tr>
<td>14</td>
<td>The return on investment on like-for-like properties managed for Auckland Transport and Auckland Council (LTP)</td>
<td>2.4% against the 2.25% target.</td>
<td>Greater than or equal to 1.75%</td>
<td>Greater than or equal to 1.75%</td>
<td>Greater than or equal to 1.75%</td>
<td>Greater than or equal to 1.5%</td>
</tr>
<tr>
<td>15</td>
<td>The return on equity on commercial assets and services (LTP)</td>
<td>11.43%</td>
<td>8.25%</td>
<td>8.25%</td>
<td>8.25%</td>
<td>8.5%</td>
</tr>
<tr>
<td></td>
<td>Dispose agreed surplus properties</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>List of properties recommended for disposal submitted to the council</td>
<td>$30.38 million of recommended properties have been presented to the council for approval to dispose. A recommended for disposal target for 2019/20 was agreed by the board in June 2019. The disposal target for the next financial period will be agreed with the council in the current financial period</td>
<td>A list of recommended properties with a total cumulative gross value of $45 million for two years (2019/20 and 2020/21), will be submitted to the council seeking approval for disposal by the end of June 2021. Or A list of recommended properties with a total gross value of $22.5 million will be submitted to the council seeking approval.</td>
<td>A list of recommended properties, with a total value agreed by the board the prior year, will be submitted to the council seeking approval to dispose for 2021/22 financial period. A recommended for disposal target for 2021/22 will be agreed by the board in the 2020/21 year</td>
<td>A list of recommended properties, with a total value agreed by the board the prior year, will be submitted to the council seeking approval to dispose for 2022/23 financial period. A recommended for disposal target for 2022/23 will be agreed by the board in the 2021/22 year</td>
<td></td>
</tr>
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</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>approval for disposal by the end of June 2020</td>
<td>Meet or exceed forecast</td>
<td>Meet or exceed the new LTP Property disposal target agreed with council</td>
<td>Meet or exceed the new LTP Property disposal target agreed with council</td>
</tr>
<tr>
<td>17</td>
<td>Achieve total forecast net sales for the financial year through unconditional agreements (<strong>Annual actual asset sales may fluctuate between years</strong>) (LTP)</td>
<td>Achieved actual net sales of $44.44 million for the financial year. The target of $24 million has been exceeded.</td>
<td>Meet or exceed forecast Property disposal annual target of $24 million</td>
<td>Meet or exceed the new LTP Property disposal target agreed with council</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Acquire properties 18</td>
<td>Acquisitions are delivered within the timeline agreed with Auckland Council</td>
<td>92.6% of the acquisitions were delivered within the timeline agreed with Auckland Council. 14 acquisitions for the council were completed this year</td>
<td>80% satisfaction against agreed service performance measure</td>
<td>80% satisfaction against agreed service performance measure</td>
<td>80% satisfaction against agreed service performance measure.</td>
</tr>
<tr>
<td>Performance Assessment Criteria</td>
<td>Achieved</td>
<td>Substantially achieved</td>
<td>Not achieved but progress made</td>
<td>Not achieved</td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------------------------</td>
<td>----------</td>
<td>------------------------</td>
<td>-------------------------------</td>
<td>--------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Where the performance result for the year is either equal to or above the target, then the performance measure target was met or achieved.</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Substantially achieved</td>
<td>WHERE the performance result for the year is below the target but has not been achieved by a slim margin of around 2%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not achieved</td>
<td>WHERE the performance result for the year is below the target with a margin of more than 2% but the result is better than the previous year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Substantially not achieved</td>
<td>WHERE the performance result for the year is below the target with a margin higher than 2% and the result is lower than the result achieved in the previous year</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Footnotes:
1. The 3-year Transform and Unlock locations unconditional net sales target is approved by the Board the previous financial period.
2. The city centre visitors’ public spaces satisfaction is set at 80%, taking into account the potential adverse impact on visitors from disruption caused by projects such as road construction and America’s Cup building activities occurring.
3. The marine facilities customer satisfaction is set at 88% taking into account the potential adverse impact on customers from disruption caused by building activities that affect the Westhaven marina such as America’s Cup, Promenade stage 2, Northern Pathway (Auckland Harbour Bridge Shared Path), Marine Village and the Pile Mooring projects.
4. The average occupancy rates take into account the conditions of properties and the fact that a significant portion of the portfolio are mainly held for projects affecting the length of tenure. The commercial portfolio occupancy rate also takes into account the effect of Covid-19 on tenants.
5. The return on equity is expected to reduce over time due to assets being transferred out of council’s ownership as they are leased to a lessee on long term finance leases.
6. Key performance targets align with the 2018/28 LTP.
## Summary of Financials

The 2020/21 budget is consistent with the annual plan submission to the council.

### Panuku Development Auckland

This section outlines the budgets for Panuku as contained in the council Annual Plan for the next three years. This excludes the activities that Panuku manages on behalf of council, which are outlined separately in the next section.

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Expenditure ($000)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct operating revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees and user charges</td>
<td>2,083</td>
<td>21</td>
<td>21</td>
<td>21</td>
<td>22</td>
</tr>
<tr>
<td>Other revenue</td>
<td>34,256</td>
<td>19,794</td>
<td>20,956</td>
<td>20,331</td>
<td>20,749</td>
</tr>
<tr>
<td>Direct operating revenue</td>
<td>36,339</td>
<td>19,815</td>
<td>20,977</td>
<td>20,352</td>
<td>20,771</td>
</tr>
<tr>
<td>Direct operating expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff costs</td>
<td>25,188</td>
<td>31,689</td>
<td>28,144</td>
<td>33,338</td>
<td>34,197</td>
</tr>
<tr>
<td>Grants, contributions and sponsorship</td>
<td>8</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Other expenses</td>
<td>21,879</td>
<td>9,160</td>
<td>8,191</td>
<td>8,833</td>
<td>9,076</td>
</tr>
<tr>
<td>Direct operating expenditure</td>
<td>47,075</td>
<td>40,859</td>
<td>36,345</td>
<td>42,281</td>
<td>43,284</td>
</tr>
<tr>
<td><strong>Net direct operating expenditure (income)</strong></td>
<td>10,736</td>
<td>21,044</td>
<td>15,368</td>
<td>21,829</td>
<td>22,513</td>
</tr>
<tr>
<td><strong>Other revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance income</td>
<td>682</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other expenditure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>8,142</td>
<td>99</td>
<td>99</td>
<td>99</td>
<td>99</td>
</tr>
<tr>
<td><strong>Net other operating expenditure (income)</strong></td>
<td>7,460</td>
<td>99</td>
<td>99</td>
<td>99</td>
<td>99</td>
</tr>
<tr>
<td>Operating funding from Auckland Council</td>
<td>(17,962)</td>
<td>(21,143)</td>
<td>(15,467)</td>
<td>(22,028)</td>
<td>(22,612)</td>
</tr>
<tr>
<td><strong>Net operating expenditure (income)</strong></td>
<td>234</td>
<td></td>
<td></td>
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</tbody>
</table>
### CAPITAL EXPENDITURE ($000)

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<tbody>
<tr>
<td>Total capital expenditure</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Capital revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Capital revenue from Auckland Council</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total capital revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net capital expenditure (income)</td>
<td>-</td>
<td>-</td>
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</tbody>
</table>

Up until 30 June 2019, Panuku-owned land and marina assets commonly referred to as the waterfront assets. These assets were transferred from Panuku to council on 26 June 2019.

Revenue and expenses which were incurred in Panuku for the 2017/18 and 2018/19 financial years have been included in the council budgets managed by Panuku for the 2019/20 year onwards.

From 1 July 2019, other revenue principally comprises recharges to council for consultancy costs related to acquisition as well as staff time recharged to council for marina activities and priority location operating expenditure projects. Other expenses include director’s fees, audit fees, consultancy, corporate communication, office and administration costs.

### Managed on behalf of Auckland Council

This section outlines the budgets for Auckland Council activities which are managed by Panuku as contained in the council Annual Plan for the next three years. The waterfront assets transferred from Panuku to council have been included in this category from 1 July 2019 which accounts for the increase in operating revenue and other expenses.

### OPERATING EXPENDITURE ($000)

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<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Direct operating revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fees and user charges</td>
<td>1,869</td>
<td>4,307</td>
<td>1,315</td>
<td>1,875</td>
<td>1,875</td>
</tr>
<tr>
<td>Other revenue</td>
<td>24,364</td>
<td>44,345</td>
<td>43,351</td>
<td>45,411</td>
<td>44,992</td>
</tr>
<tr>
<td>Direct operating revenue</td>
<td>26,253</td>
<td>48,652</td>
<td>44,666</td>
<td>47,286</td>
<td>46,867</td>
</tr>
<tr>
<td>Other expenses</td>
<td>17,858</td>
<td>38,564</td>
<td>42,602</td>
<td>36,543</td>
<td>37,027</td>
</tr>
<tr>
<td>Direct operating expenditure</td>
<td>17,858</td>
<td>38,564</td>
<td>42,602</td>
<td>36,543</td>
<td>37,027</td>
</tr>
<tr>
<td>Net direct operating expenditure (income)</td>
<td>(8,395)</td>
<td>(10,088)</td>
<td>(2,064)</td>
<td>(10,743)</td>
<td>(9,840)</td>
</tr>
</tbody>
</table>

Other revenue
Governing Body
25 June 2020

Shareholder comments on revised draft CCO Statements of Intent, 2020-2023

<table>
<thead>
<tr>
<th>Finance income</th>
<th>16</th>
<th>494</th>
<th>465</th>
<th>315</th>
<th>194</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>337</td>
<td>11,314</td>
<td>11,544</td>
<td>17,729</td>
<td>19,487</td>
</tr>
<tr>
<td>Net other operating expenditure (income)</td>
<td>324</td>
<td>10,820</td>
<td>11,109</td>
<td>17,414</td>
<td>19,293</td>
</tr>
<tr>
<td>Net operating expenditure (income)</td>
<td>(8,071)</td>
<td>732</td>
<td>9,045</td>
<td>6,671</td>
<td>9,453</td>
</tr>
</tbody>
</table>

**CAPITAL EXPENDITURE ($000)**

<table>
<thead>
<tr>
<th>Total capital expenditure</th>
<th>92,915</th>
<th>161,084</th>
<th>100,636</th>
<th>122,784</th>
<th>89,616</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asset sales</td>
<td>44,000</td>
<td>88,304</td>
<td>51,400</td>
<td>85,800</td>
<td>106,600</td>
</tr>
<tr>
<td>Total capital revenue</td>
<td>44,000</td>
<td>88,304</td>
<td>51,400</td>
<td>85,800</td>
<td>106,600</td>
</tr>
<tr>
<td>Net capital expenditure (income)</td>
<td>48,915</td>
<td>72,780</td>
<td>49,236</td>
<td>36,984</td>
<td>(16,984)</td>
</tr>
</tbody>
</table>

**2020/2021 BY BUSINESS ACTIVITY ($000)**

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Commercial Property Portfolio</th>
<th>Marinas</th>
<th>Business Interests</th>
<th>Panuku Priority Locations</th>
<th>Wynyard Quarter Public Space</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue</td>
<td>44,666</td>
<td>27,225</td>
<td>19,517</td>
<td>(3,161)</td>
<td>650</td>
<td>436</td>
</tr>
<tr>
<td>Operating expenditure</td>
<td>42,801</td>
<td>10,691</td>
<td>13,784</td>
<td>753</td>
<td>13,157</td>
<td>4,217</td>
</tr>
<tr>
<td>Net operating expenditure (income)</td>
<td>(2,065)</td>
<td>(16,534)</td>
<td>(5,733)</td>
<td>3,914</td>
<td>12,507</td>
<td>3,781</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>100,636</td>
<td>6,740</td>
<td>11,423</td>
<td>-</td>
<td>82,473</td>
<td>773</td>
</tr>
<tr>
<td>Capital revenue</td>
<td>51,400</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>51,400</td>
<td></td>
</tr>
<tr>
<td>Net capital expenditure (income)</td>
<td>(49,236)</td>
<td>(6,740)</td>
<td>(11,423)</td>
<td>-</td>
<td>(31,073)</td>
<td>(773)</td>
</tr>
</tbody>
</table>

The Commercial Property portfolio includes non-service properties owned by council throughout the Auckland region and the downtown Auckland marinas including Westhaven Marina. Operating revenue includes rental and barthage income. Operating expenditure includes direct operating expenses such as repairs and maintenance, rates and utilities plus staff costs recharged by Panuku to council for marine activities. Business interests include activities such as quarries and forests.

Panuku Priority Locations denotes the activities Panuku is undertaking in the priority locations. Operating expenditure include staff costs recharged by Panuku for operating expenditure projects and consultancy fees.

Total general asset sales target is $24m per annum or $72m cumulative for 3 years of the LTP.
### Other financial information

<table>
<thead>
<tr>
<th>Current value of assets</th>
<th>The projected value of Panuku total assets as at 30 June 2020 is $17 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholder equity ratio</td>
<td>The projected shareholder equity ratio for Panuku as at 30 June 2020 is 63%</td>
</tr>
<tr>
<td>Accounting policies</td>
<td>Panuku Development Auckland’s accounting policies are consistent with those of the Auckland Council whānau policies</td>
</tr>
<tr>
<td>Financial reporting</td>
<td>Panuku Development Auckland’s financial reporting will be in accordance with requirements of the Governance Manual for substantive CCOs</td>
</tr>
<tr>
<td>LTP general asset sales ($ million)</td>
<td>2018/19 Actual</td>
</tr>
<tr>
<td></td>
<td>2019/20 Annual Plan</td>
</tr>
<tr>
<td></td>
<td>2020/21 LTP</td>
</tr>
<tr>
<td></td>
<td>2021/22 LTP</td>
</tr>
</tbody>
</table>
He mihi

Ka tangi te manu kōrero!
Ka rongo te tangi kōriri!
Ka wāwā mai rā ki roto i te
Wao-nui-a-Tane! Tuturu whiti!
Whakamaua kia tīna!
Haumia hui tākī te!

E ngā mana, e ngā reo, e ngā
karangatanga maha o te motu,
taku hei iti nei, mā te hau e rpo hei
hari i ngā kupu whakamaaana e.
Kei ngā mate tuatini i o te motu
rangihia rā koutou. Haere ki te wā kāinga,
haere ki te kāinga tūturū.
Haere, haere, haere.

Tamaki Makaurau Tamaki Herenga Waka, kei te mihi. Ngā Mana Whenua
me ngā waka ō ngā tāi e wha,
e mihi ana.

E tuku mihi maioha tēnei ki ngā
mataawaka o te motu ko koutou
te pūhikāki o te waka nei
Ki a koutou kaita ngā kaihoe
ō te waka nei mo ngā tangata katoa.
Tēna koutou katoa.

Mā te mahi ngātahi e taea ai ngā taumata.
Nāku te rourou nā te
rourou ka ora ai te iwi.
No reira noho ora mai,
Mauri ora.

- Nā te Pōari o Regional Facilities Auckland

The bird’s cry shall flow endlessly.
Hear the melancholy song resonate,
Sourced from the inner domain of Tane.
A permanent melancholy form.
Fixed in alliance, yes fixed in alliance,
gathered and woven together!

To all authorities, all voices, the many
affiliations, greetings. Let the swirling
wind carry esteemed salutations.

We lament the passing of loved ones throughout the land
Return to the home of all time.
Farewell, farewell, farewell.

We acknowledge Mana Whenua and
their tribal authority in Tamaki Makaurau
Auckland. We also mihi to Mataawaka
who have made Auckland their home.

Sincere greetings to all those who
decide which direction this waka
takes. To you who strive to achieve
the best results for all people.
Greetings to you all.

We can achieve more by working
together. With your basket and my
basket, the people will thrive.
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Introduction from the Chair and CEO

Regional Facilities Auckland (RFA) presents exciting, engaging and accessible experiences to those who live in and visit our city. We are a substantive council-controlled organisation of Auckland Council charged with delivering exciting and creative event programming, high-quality venues and facilities, and exhibition of collections and wildlife.

**OUR PURPOSE**
Enriching life in Auckland by engaging people in the arts, environment, sport and events.

**OUR AMBITION**
To be the organisation that enhances Auckland’s reputation for the depth, quality, and diversity of experiences it offers in art, live entertainment, the natural environment, sport and events.

**OUR APPROACH**
To achieve our ambition, our divisions work individually and collectively to generate and deliver exceptional programming, experiences and facilities.

This document is draft only and is subject to further discussion and detailed review by the RFA Board of Directors prior to its final submission.
This Statement of Intent represents the objectives, nature, and scope of activities undertaken by RFA and the performance metrics by which we are measured. It takes into account Auckland Council’s expectations as noted in the Mayor’s Letter of Expectations, CCO Accountability Policy and the refreshed Auckland Plan.

Supporting this is our Strategic Plan, which sets out our priorities under the four strategic pillars of Engaging Our Community, Reaching Our Community, Providing for Future Generations, and Sustaining Our Organisation.

COVID-19

This Statement of Intent has been developed against the backdrop of the global pandemic, one of the most disruptive events Auckland—and the world—has ever faced. We acknowledge the impact this has had, and will continue to have, on our community, the sectors we partner with, our people, and Auckland Council. It is a time to work even more closely together to return Auckland to prosperity, to reanimate our city and communities, and to deliver a level of service which underpins economic and social health.

During this time RFA is committed to working with the Council family to deliver the best results for the ratepayer—a shared purpose and a shared financial challenge is faced by us all. By working closely together and aligning our strategy with Council’s key priorities and business realities, we can provide maximum value to Council’s efforts and deliver the best possible outcomes in terms of value for ratepayers.

We recognise the vital role that culture, entertainment, the environment and sport play in uniting communities, rebuilding confidence, and stimulating economic activity. More than ever, RFA’s role on behalf of Council to enrich life in Auckland is critical not just for the city and its people. We also recognise that our sectors are amongst the hardest hit—arts sector, sports sector, tourism and events—and with international borders indefinitely closed, we are in a time of significant change. This is an opportunity for RFA and our partners to be even more resourceful, creative, efficient and effective in delivering programmes which serve our community, and we are energised by the task ahead.

At a high level, FY21 will be a year of rebuilding as we gradually reopen venues and reintroduce programmes. Financial realities may mean reducing programming, opening hours, staffing and other budget elements in order to ensure sustainability within the available funding envelope. RFA will continue to consult with Council as we gain clarity around our operating environment and refine our strategy to address the challenges and opportunities.

Anticipating that international border restrictions will reduce in 2021, international entertainment and sports programming will return and the constrained economic climate of FY21 is expected to ease. For these reasons, RFA is approaching 2020/21 in a more conservative way and modelling expanded service delivery to return by 2022 and 2023.
OUR PRIORITIES
Noting that 2020/21 will be a transition phase due to the COVID-19 pandemic and constrained economic environment, the priorities for 2020-2023 are:

ENGAGING OUR COMMUNITY
Breathing life into Auckland through our programmes, events and exhibitions
RFA will continue to attract and deliver an exciting programme of innovative exhibitions and events for Auckland, including:
• Bringing significant performing arts productions and concerts to Auckland (when border restrictions allow)
• Hosting a range of professional and community sports events in RFA stadia (when border restrictions allow)
• Activating RFA’s performing arts venues
• Developing new exhibitions at RFA’s exhibiting venues
• Providing curriculum-based learning programmes for school students at RFA venues
• An outstanding programme of exhibitions and events at our cultural facilities.

Through this programme, RFA will engage over three and a half million patrons, visitors and fans (noting a reduced attendance forecast for 2020/21). Our customer experience initiatives will be focused on further improving the experience of all touchpoints of the customer journey and increasing visitor appreciation of the experiences RFA offers (maintaining high levels of Community Value and Net Promoter scores).

REACHING OUR COMMUNITY
Providing for all Aucklanders
RFA will continue to focus on making the experiences we offer as accessible as possible to all Aucklanders. To deliver on this, RFA will continue to provide free and subsidised performing arts and sports events and entry to exhibitions; deliver and expand our community outreach programmes; and make RFA content available through digital channels and media partnerships. The extent to which this is achievable in the near term will align with available funding, both from Council and external revenue sources.

PROVIDING FOR FUTURE GENERATIONS
Ensuring a future Auckland that is rich in experiences
RFA is the trusted steward of nationally significant art, zoological and maritime history collections that provide unique, enjoyable and educational experiences for the community. To ensure art, wildlife and maritime history experiences remain for future generations, RFA employs nationally and internationally recognised experts in the care and conservation of art, wildlife and historical maritime artifacts. Their work includes the care of RFAs immediate collections and extends also to include the restoration of art and historic artifacts and the conservation of wildlife more widely.

The future sustainability of RFA and its brands is a key focus for the organisation following the COVID-19 pandemic. In the near term we are developing innovative solutions to adjust operations and vary programming.
to accommodate government requirements around reopening, challenges to the availability of programming content, and forecasts of increasing unemployment, reduced disposable income and audiences which may be slow to return to mass gatherings.

Our audiences, and the arts, sports, tourism and events sectors will return, and RFA will be ready. RFA is also responsible for maintaining a series of iconic Auckland venues, with a combined value of over $1.4 billion. Ensuring the appropriate levels of renewals and investment in these venues remains a key responsibility of RFA. Major projects for the 2020/21 financial year are:

- Ongoing redevelopment of Auckland Zoo’s infrastructure and precincts, including completion of the South East Asia precinct
- Completion of the Aotea Centre refurbishment project
- Ongoing renewals of Auckland’s aging stadium network
- Commencement of a heritage repair programme for the original Auckland Art Gallery building.

These projects are central to our ambition of providing Aucklanders with fit-for-purpose venues and protecting our cultural heritage to support a world-class programme of events for Auckland.

SUSTAINING OUR ORGANISATION
Growing our business, our people and our culture

Improved integration of operations within RFA will continue to contribute to efficiencies that help enhance RFA’s financial sustainability. In addition, RFA will continue to innovate and implement strategic investments to enable the organisation to continue its strong growth and deliver its purpose whilst addressing the challenges below. While some elements may require deferral in FY21 due to reduced funding, this work programme to build sustainability within RFA remains a priority.

The main challenges facing our business are:

1. Responding to Auckland growth:
   - Increasing population and demands on infrastructure
   - Population diversification and inequality
   - Increased funding pressures
   - Diversified programme of events.

2. Managing aging infrastructure and legacy under-investment:
   - Increasing costs to operate
   - Poor asset and network performance
   - Compromised customer experiences
   - Risk of eventual asset failure.

3. Investing in new revenue initiatives to enable the delivery of more community programmes.

4. Operating in an increasingly competitive market:
   - Significant investment by competitors into assets and services in Australasia
   - Increasing competition for events within Australasia
   - Changing and increasing customer expectations.

5. Delivering on health, safety and security obligations:
   - Under-investment in a fragmented security infrastructure
   - A rapidly evolving security threat spectrum
   - Increasing number of patrons visiting RFA venues
   - Sustainability
   - Safe secure venues for our employees and customers.
BOARD GOVERNANCE

RFA has a strong governance structure in place that will oversee the delivery of this Statement of Intent and our strategy. The RFA Board has in place the following sub-committees:

- Risk (including health and safety)
- Capital Projects
- Remuneration
- Board Appointments
  (Auckland War Memorial Museum and MOTAT).

We are also in the process of introducing an Auckland Art Gallery Advisory Committee, reporting to the RFA Board, to provide additional support and insights in this specialised field.

We have a values-based culture that is focused on the delivery of public good and value for money for the Auckland community.

Through RFAs regional and collaborative approach, we will deliver on the commitments contained within this Statement of Intent.

Andrew Barnes
Chair

Chris Brooks
Chief Executive
1 Purpose of the Statement of Intent

In accordance with the Local Government Act 2002, this annual Statement of Intent (SOI) publicly states the activities and intentions of Regional Facilities Auckland Limited (RFAL) and Regional Facilities Auckland (RFA) for the next three years, and the objectives to which these activities will contribute. This SOI includes information on key deliverables, financial information, and performance measures and targets to enable organisational accountability and transparency.

2 About RFA

Regional Facilities Auckland Limited acts as a corporate trustee for Regional Facilities Auckland, a charitable trust and a substantive Auckland Council Controlled Organisation.

RFA's role is to enrich life in Auckland through engaging our community with the arts, sport, and our natural and cultural heritage. We do this by:

- Reaching all Aucklanders through our exhibitions, programmes and events
- Providing for future generations by ensuring Auckland remains rich in experiences into the future
- Sustaining our organisation by growing our business sustainability and developing our people to better deliver the experiences RFA offers.

RFA fulfils its role by:

- Delivering exciting, creative and memorable experiences through its exhibitions, programming and delivery of events
- Ensuring that our asset portfolio of landmark venues, collections and assets is maintained and enhanced through the delivery of capital programmes.

The regional facilities owned and managed by RFA are:
- Aotea Centre
- Aotea Square (managed only)
- Auckland Town Hall (managed only)
- Auckland Art Gallery
- Auckland Zoo
- Bruce Mason Centre (unit titles) and Killarney Street car park
- Mt Smart Stadium
- North Harbour Stadium
- Queens Wharf (managed only)
- Shed 10 and The Cloud
- The Civic
- Viaduct Events Centre (currently leased to Emirates Team New Zealand)
- Western Springs Stadium
- MOTAT (landowner only)
- The Trusts Arena (landowner only)
- New Zealand Maritime Museum
- Spark Arena (owned and leased to QPRAM).

RFA advises Auckland Council on levy setting and board appointments for:
- MOTAT
- Auckland War Memorial Museum.

RFA provides operational and/or capital funding to:
- The Trusts Arena
- Vodafone Events Centre
- North Shore Events Centre
- Stardome Observatory and Planetarium.

While these entities do not have a direct operational connection to RFA, they collaborate with RFA for mutual benefit.

Under the terms of RFA's deed of trust, the regional focus of the trust does not preclude RFA from carrying out activities outside of Auckland, or which might...
PROVIDING FOR THE COMMUNITY

The core focus of RFA's activities is on enriching life in Auckland – creating unique, engaging and educational experiences for Aucklanders and visitors to Tamaki Makaurau. Our programmes, exhibitions and events cover the fields of the visual and performing arts, sport, and our cultural and natural heritage, and are aimed at engaging and being accessible to as wide a community as possible.

Accordingly, free and subsidised entry is provided by Auckland Art Gallery, Auckland Zoo and New Zealand Maritime Museum, and free and subsidised community events are provided by Auckland Live, Auckland Art Gallery and Auckland Stadiums.

Community and schools access to sporting facilities is provided by Auckland Stadiums. Subsidised education and school programmes are offered by Auckland Art Gallery, Auckland Live, Auckland Zoo and New Zealand Maritime Museum.

These free and subsidised programmes will continue in 2020-2021, with some reductions due to funding constraints.

RFA offers a wide and unique range of services including art and maritime exhibitions, care of wildlife species, event programming and delivery across our venues. These core services are further supported by conservation, research, industry and talent development, community outreach, public engagement and educational activities across our organisation.

BUSINESS BRANDS

RFA has six business brands to which RFA corporate provides shared services in finance, facilities management, people and culture, risk and assurance, information and communications technology, visitor security and project delivery.

The external revenue generated by our brands funds a significant proportion of the cost of delivering the programmes and activities that help achieve the organisational objectives agreed with Auckland Council. RFA's ability to generate external revenues has been tested by the COVID-19 pandemic and operating restrictions. The outlook for 2020-2021 has modelled a drop in external revenues in line with the constrained economic climate, venue operating restrictions including capacity limits, and closed international borders.

Auckland Art Gallery Toi o Tamaki

Auckland Art Gallery was established in 1888. The Gallery holds New Zealand's largest and most extensive collection of national and international art. Through the presentation of exhibitions, public programmes and thought leadership, the Gallery is a catalyst for creative practices and ideas.

Auckland Art Gallery:

- Drives a world-class exhibition programme
- Manages the building and its art collections including curating, research, conservation, external loans and an exhibition programme
- Delivers public access, education and outreach programmes
- Supplements its funding by attracting revenue through retail, advancement, admissions to paid exhibitions, cafe, events and other commercial services that complement the visitor experience.

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Auckland Live and Auckland Conventions
Auckland Live and Auckland Conventions creates a vibrant city where Aucklanders and visitors alike have the opportunity to experience an exciting range of live arts, entertainment, exhibitions, conventions, business meetings and corporate functions.
Auckland Live and Auckland Conventions:
- Is a world-class arts and entertainment organisation
- Is an industry leader – recognised as a creative hub and catalyst for new ideas
- Energises the Aotea Arts Quarter, Bruce Mason Centre and Queens Wharf with events and activities
- Grows Auckland’s international reputation as a viable market and attracts the big shows to the city
- Is a centre for performing arts development, education, enrichment and high-performance professional training
- Secures and hosts conventions, meetings, commercial exhibitions, functions and dinners across suitable RFA venues
- Provides technical equipment hire for conventions, meetings, commercial exhibitions, functions and dinners
- Grows Auckland’s international reputation as a viable market and attracts international conventions and commercial exhibitions to the city.

Auckland Stadiums
Auckland Stadiums delivers the extraordinary and has an integrated approach to operating the region’s stadium network to enable greater financial sustainability and a fit-for-purpose stadium facilities across the Auckland region.
Auckland Stadiums:
- Showcases sports events, concerts and music festivals in our stadium venues
- Supports high-performance sport organisations through the provision of appropriate training and administration facilities
- Provides facilities for a significant community sport and entertainment programme for schools, local and regional clubs.

Auckland Zoo
Auckland Zoo is a leading centre for wildlife conservation, with New Zealand’s largest collection of native and exotic species. The Zoo is in a unique position to bring people together to keep wildlife safe from extinction. It’s current project of transformation will establish the Zoo as a world-class facility.
Auckland Zoo:
- Educates and inspires our community to value wildlife
- Directs efforts and resources to conserve wildlife in the wild
- Provides exemplary care for wildlife
- Ensures all resources are managed efficiently, effectively and sustainably for these purposes.

New Zealand Maritime Museum
Hui Te Ananui A Tangaroa
New Zealand Maritime Museum is a heritage institution first established as Auckland Maritime Museum on Hobson Wharf in 1993 and receiving its national title in 1996. It holds and exhibits the largest maritime collection in New Zealand, demonstrating our strong links to the sea, and aspires to unite people with the sea.
New Zealand Maritime Museum:
- Aims to provide rewarding, enjoyable and unique discovery experiences for Aucklanders of all ages in the area of national, regional and local maritime heritage
- Preserves, presents, interprets and celebrates its collection of vessels, artefacts, documents and displays in a way that stimulates interest
- Is a place of learning and understanding, telling the story of our ocean, coastal and harbour seafaring from the earliest Polynesian explorers to the present day.

This document is draft only and is subject to further discussion and detailed review by the RFA Board of Directors prior to its final submission.
RFA’s Contribution to the Implementation of the Auckland Plan 2050

The Auckland Plan 2050 was adopted by the Auckland Council Planning Committee on 5 June 2018. The plan is the roadmap to how Auckland is expected to grow and change during the next 30 years as it tackles the three key challenges to address if the city is to achieve the Auckland wanted by 2050.

These are:
- Population growth and its implications
- Sharing prosperity with all Aucklanders
- Reducing environmental degradation

The Auckland Plan sets the direction for tackling these challenges. It outlines the values that will shape how the city works together and identifies key organisations that will play important roles in creating a shared future.

It does this by setting out the following:
- Six outcomes – the aspirations for the future for Aucklanders and Auckland
- How to achieve the six outcomes – through 20 directions and 37 focus areas
- How to track progress – through 33 measures against the six outcomes
- How to change and grow – development strategy for the future of Auckland, including how we will sequence growth and development and the infrastructure needed.

OUTCOMES: What the plan aims to achieve

RFA plays a critical part in supporting Council to deliver the Auckland Plan and is fully committed to working with Auckland Council to implement the final version of the Auckland Plan 2050. The tables on the following pages set out the Auckland Plan 2050 outcomes and how RFA contributes towards these.
**AUCKLAND PLAN OUTCOMES:**

**Belonging and participation**

All Aucklanders will be part of and contribute to society, access opportunities, and have the chance to develop to their full potential.

**DIRECTIONS**

Foster an inclusive Auckland where everyone belongs.

Improve health and well-being for all Aucklanders by reducing harm and disparities in opportunities.

**RF A FOCUS AREAS**

Create safe opportunities for people to meet, connect, participate in and enjoy community and civic life.

Provide accessible services, social and cultural infrastructure that are responsive in meeting peoples’ evolving needs.

Recognise, value and celebrate Aucklanders’ differences as a strength.

Recognise the value of arts, culture, sport and recreation to quality of life.

**HOW RFA CONTRIBUTES**

RFA offers venues and services that invite all Aucklanders to engage and enjoy arts, leisure, sports and entertainment events and activities.

RFA provides a wide range of free and/or subsidised events and exhibitions for the Auckland community, as well as providing our venues for community use. RFA’s programming aims to ensure content of interest and relevance to the widest range of Auckland’s diverse community.

Education and school programmes are offered by Auckland Art Gallery, Auckland Live, Auckland Zoo and New Zealand Maritime Museum, with community events provided by Auckland Live, Auckland Art Gallery and Auckland Stadiums.

RFA is also growing its outreach programme aimed at engaging the wider Auckland community outside RFA venues.

Within RFA venues, RFA recognises the importance of all aspects of accessibility, as reflected in affordability, transport and physical accessibility.

When major events are staged at RFA venues, our management works with Auckland Transport to ensure efficient transport options are available to patrons, often as part of their ticketing. RFA has also planned for the impact of the City Rail Link on its CBD venues.

Significant refurbishment of RFA’s venues targets improvements to meet aesthetic, amenity, and physical accessibility standards, such that all Aucklanders can experience RFA programmes.

Through RFA websites, information is provided to Aucklanders on venue accessibility including wheelchair access points, hearing aid loop information, and that guide dogs are welcome at all venues. Sign language interpretation and audio-descriptions are also offered at many performances. RFA is also continuing to expand remote access to our programmes through digital and other media channels.
AUCKLAND PLAN OUTCOMES:

Māori identity and wellbeing

A thriving Māori identity is Auckland’s point of difference in the world – it advances prosperity for Māori and benefits all Aucklanders.

**DIRECTIONS**

- Advance Māori wellbeing.
- Promote Māori success, innovation and enterprise.
- Recognise and provide for Te Tiriti o Waitangi outcomes.
- Showcase Auckland’s Māori identity and vibrant Māori culture.

**RFA FOCUS AREAS**

- Meet the needs and support the aspirations of tamariki and their whānau.
- Strengthen rangatahi leadership, education and employment outcomes.
- Celebrate Māori culture and support te reo Māori to flourish.
- Reflect mana whenua mātauranga and Māori design principles throughout Auckland.

**HOW RFA CONTRIBUTES**

The RFA Mahere Aronga Māori Responsiveness Plan 2018-2021 is aligned to supporting the Auckland Council Group Māori Responsiveness Framework. The plan sets out identified opportunities for advancing outcomes for Māori and Auckland communities within our strategic plan and business operations. RFA’s shared approach across our six brands will contribute to promoting Auckland’s Māori identity and wellbeing by:

- Sustaining and further developing formal relationships with Māori entities
- Increasing Māori signage at venues
- Increasing the use of te reo Māori in our communications
- Enhancing staff capacity and capability in te reo Māori, tikanga Māori and Te Tiriti o Waitangi
- Incorporating mana whenua design principles in major developments and building upgrades
- Strengthening the existing Māori workforce to support the advancement of RFA’s Mahere Aronga Māori Responsiveness Plan
- The recent appointment of a General Manager, Kaupapa Māori.
- RFA will showcase Māori identity and talent by celebrating Māori culture and supporting te reo Māori to flourish.

AUCKLAND PLAN OUTCOMES:

Homes and places

Aucklanders live in secure, healthy, and affordable homes, and have access to a range of inclusive public places.

**DIRECTIONS**

- Provide sufficient public places and spaces that are inclusive, accessible and contribute to urban living.

**RFA FOCUS AREAS**

- Create urban places for the future.

**HOW RFA CONTRIBUTES**

RFA is developing, with a regional perspective, a range of fit-for-purpose event venues that are attractive and readily accessible to the residents and businesses of the region and its visitors.

RFA’s venues are considered public spaces and continue to be inclusive and accessible for all Aucklanders.
AUCKLAND PLAN OUTCOMES:
Environment and cultural heritage
Aucklanders preserve, protect and care for the natural environment as our shared cultural heritage for its intrinsic value and for the benefit of present and future generations.

**DIRECTIONS**
- Ensure Auckland's natural environment and cultural heritage is valued and cared for.
- Apply a Māori world view to treasure and protect our natural environment (taonga tūīhō).
- Use growth and development to protect and enhance Auckland's natural environment.
- Ensure Auckland’s infrastructure is future-proofed.

**RFA FOCUS AREAS**
- Encourage all Aucklanders to be stewards of the natural environment and to make sustainable choices.
- Focus on restoring environments as Auckland grows.
- Protect Auckland’s significant natural environments and cultural heritage from further loss.
- Use green infrastructure to deliver greater resilience, long-term cost savings and quality environmental outcomes.

**HOW RFA CONTRIBUTES**
- Auckland Zoo contributes to local and international breeding, conservation and educational programmes to build an understanding of wildlife and conservation.
- RFA's businesses are committed to minimising the use of water, electricity and associated waste across our venues.
- Auckland Art Gallery and New Zealand Maritime Museum are committed to preserving Auckland’s cultural and art history for future generations.
- Refer to section 5 for more information on environmental sustainability and climate change.

AUCKLAND PLAN OUTCOMES:
Opportunity and prosperity
Auckland is prosperous with many opportunities and delivers a better standard of living for everyone.

**DIRECTIONS**
- Create the conditions for a resilient economy through innovation, employment growth and raised productivity.
- Attract and retain skills, talent and investment.
- Develop skills and talent for the changing nature of work and lifelong achievement.

**RFA FOCUS AREAS**
- Harness emerging technologies and ensure equitable access to high quality digital data and services.
- Ensure regulatory, planning and other mechanisms support business, innovation and productivity growth.
- Advance Māori employment and enable Māori business and iwi organisations to be significant drivers of Auckland's economy.
- Increase educational achievements, lifelong learning and training, with a focus on those most in need.

**HOW RFA CONTRIBUTES**
- Digital advancement is a key initiative for RFA in improving its customer experience.
- Auckland Art Gallery, Auckland Zoo, New Zealand Maritime Museum and Auckland Live and Conventions offer educational programmes and professional training programmes for young people and young professionals.
- A large and growing amount of programme content is now freely available online and updated regularly, from web streams of wildlife at Auckland Zoo, to the searchable collection and virtual gallery tours with Auckland Art Gallery, and creative industry hubs and live performance streams with Auckland Live.

This document is draft only and is subject to further discussion and detailed review by the RFA Board of Directors prior to its final submission.
4 RFA’s Strategic Objectives and Plan

RFA has four strategic themes aimed at ensuring RFA meets its objectives and delivers public good outcomes and value for money for the Auckland community.

The following outlines these strategic themes and RFA’s planned activities under each.

Note: Where there is a strong community or specific group interest in a project or programme, RFA commits to discussing or working with Auckland Council on that project or programme.

ENGAGING OUR COMMUNITY

RFA will breathe life into Auckland through our programmes, events and exhibitions

**Deliver engaging, innovative and relevant exhibitions and events for Auckland**

During 2020/21, RFA will deliver a programme of exhibitions and events for Auckland, sized according to COVID-19 impacts and funding constraints. The programme will include:

- Over TBC event days across RFA venues
- Over TBC performing arts event days in Auckland Live venues
- Two new exhibitions at the Auckland Art Gallery including the Toi Tū Toi Ora exhibition, which is of high cultural significance for New Zealanders (noting a further three international exhibitions have been cancelled through cost savings)
- Learning programmes for over TBC school students through Auckland Art Gallery, New Zealand Maritime Museum and Auckland Zoo.

**Measure and improve our customers’ experience of our programmes and venues**

- Through its programme for 2020/21, RFA will attract over TBC patrons, visitors and fans
- RFA will continue to measure, and respond to, the level of value the community places on the experiences we offer (our Community Value Score) and the extent to which our visitors and patrons appreciate and advocate for the quality of these experiences (Net Promoter Score)
- Our customer experience initiatives will respond to this feedback and be focused on further improving experiences at all touchpoints of the customer journey, increasing visitor appreciation of the experiences that RFA offers.

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REACHING OUR COMMUNITY

RFA will provide for all Aucklanders by ensuring that we offer experiences that are relevant and accessible to all Auckland’s diverse communities.

Deliver a programme of free and/or subsidised experiences
During 2020/21, RFA will continue to focus on making the experiences we offer as accessible as possible to all Aucklanders by:
- Delivering free or subsidised performing arts events to over TBC patrons
- Providing free or subsidised entry for over TBC visitors to Auckland Zoo, Auckland Art Gallery and the New Zealand Maritime Museum
- Providing free or subsidised public programming for families, young people and independent adults across RFA venues and where appropriate encouraging RFA partners and hirees to provide these programmes (eg: festivals, sports)
- Providing free and subsidised, curriculum-based, programmes for TBC students at Auckland Zoo, Auckland Art Gallery and the New Zealand Maritime Museum, and in Auckland Live venues.

Providing for those not attending our venues
RFA will continue and expand efforts to deliver RFA programmes outside our venues and within the wider community:
- Delivering conservation science training for schools within Auckland’s regional parks
- Providing outreach programmes and workshops focusing on the visual arts
- Sharing our collections with other cultural institutions.

Reaching our community online
Grow RFA’s digital audience through:
- Continuing to grow RFA’s audience engagement through its web and social media presence
- Sharing RFA’s collections and expertise through education and public programmes delivered online
- Broadcasting free access to RFA content through RFA’s innovative digital stage on Aotea Square.

Reflecting our bi-cultural nation
RFA will continue to grow the visibility of Māori in Auckland by:
- Enhancing Māori cultural influence on our venues
- Programming Māori content across our venues.

PROVIDING FOR FUTURE GENERATIONS

RFA will provide for future generations by ensuring a future Auckland that can be rich in experiences.

Nurturing the next generation’s interest in the arts, culture, sport and the environment
RFA will deliver subsidised schools programmes to TBC school students focusing on wildlife conservation, New Zealand’s maritime heritage, visual arts and the performing arts.
RFA will provide venues for TBC school students involved in sports training and performance.

Improving Auckland’s cultural infrastructure
RFA will continue to work with Council in developing an infrastructure investment framework focused on the arts, sporting, and natural and cultural heritage venues of the future. This work is aimed at framing the cultural and sporting infrastructure needs of Auckland as part of Council’s Auckland Plan 2050 and City Centre Master Plan, and will need to be modified or deferred according to the available budget (noting that the current proposed investment for FY20/21 may require further modification due to ongoing reviews of RFAs funding and capital budget).
PROVIDING FOR FUTURE GENERATIONS

Improving Auckland’s cultural infrastructure

AUCLAND STADIUMS
The LTP 2018–28 includes investment into essential renewals at Western Springs, North Harbour and Mt Smart stadiums to ensure and improve the continued usability of these facilities.

AUCLAND LIVE
The programme to re-clad the Aotea Centre is due to be completed in the upcoming year, resolving the Centre’s weather tightness issues.

The LTP 2018–28 also includes preliminary funding for the proposed expansion of the Centre, with the addition of new studio and administrative spaces to address the requirement for high-quality, centrally located, flexible and multi-purpose spaces designed to meet the needs of top professionals and emerging artists.

AUCLAND ART GALLERY
Key heritage restoration works on the old gallery building will commence in FY21.

AUCLAND ZOO
Auckland Zoo infrastructure is aging and, in a number of areas, falls short of community and international standards.

A significant renewal programme spanning over 10 years is currently underway to address these issues across the site in response to increasing international standards of animal care, health and safety and improved visitor experiences.

The current capital programme at the Zoo, the largest in its history, involves a significant upgrade of the South East Asia precinct and restaurant area. Construction for this project commenced in February 2018 and is due for completion in 2020.

Conserving our cultural and natural heritage for future generations

RFA will support ongoing wildlife, visual arts and heritage conservation activities at Auckland Zoo, Auckland Art Gallery and the New Zealand Maritime Museum.

- Through Auckland Zoo providing wildlife management expertise, RFA will continue to contribute to ensuring our natural heritage is preserved for the future.
- Through the work of the New Zealand Maritime Museum, RFA will help promote awareness and care for Auckland’s unique maritime environment.
- RFA will continue to work with Council to ensure appropriate facilities for the long-term storage of the nationally significant collection of artworks that RFA has responsibility for.

This document is draft only and is subject to further discussion and detailed review by the RFA Board of Directors prior to its final submission.
SUSTAINING OUR ORGANISATION

RFA continues to seek further business efficiencies and value for money.

Determine a more appropriate funding model
RFA will continue to work with the CCO Governance and External Partnerships Unit and the Financial Strategy and Planning team to explore a more appropriate funding model for RFA Board and Auckland Council consideration.

Optimise our revenue
RFA’s external commercial revenue continues to be cyclical and subject to high degrees of market volatility. RFA will continue to identify and develop opportunities to generate external revenue and deliver a greater community programme that enhances New Zealand’s cultural capital. These include:

- Regularly revising and updating the approach to generating external revenue, particularly in light of broader economic and market changes due to COVID-19 and significant changes to the operating environment
- RFA business divisions collaborating to investigate additional revenue streams and opportunities
- Exploring other revenue opportunities through closer collaboration across the sectors we operate in, partnering with private sector businesses, and leveraging Council group initiatives
- Enriching events programming and driving revenue growth through pursuing investment opportunities
- Working with various sectors and our business partners to develop philanthropic and sponsorship activities
- Creating value in enhancing customer experiences
- Developing greater market intelligence and insight to build new audiences
- Carrying out essential renewals to meet increasing customer expectations
- Strategic capital investment in existing facilities
- Growing the depth and breadth of our revenue base
- Investigating further opportunities to leverage Council shared services.
GROW OUR BUSINESS, OUR PEOPLE AND OUR CULTURE

Invest in our people
Our people are our champions, our heart, our unique point of difference. We will continue to engage and empower our employees to realise our shared ambition for Auckland. There are three key areas of importance within our people agenda:
1) People Experience – giving our people memorable experiences that support and build on their passion
2) Operational Enablement – building leadership abilities, providing enabling resources and strengthening collaboration across RFA and Auckland Council
3) Organisational Agility – building the RFA of the future by encouraging greater employee participation in shaping the workplace, leveraging technology to help with our people’s development, and delivering leadership and management development.

Ensure a safe environment
Health, safety and security will remain a key priority across all RFA venues and operations, even more so for our people and visitors as New Zealand recovers from the COVID-19 pandemic and establishes the new protocols required to operate safely. During 2020/21, RFA will:
• Continue to ensure compliance and alignment with national and Council expectations (and with reference to international best practice) in operating public venues in a post-COVID age
• Implement CCTV upgrades/installations across its venues
• Accelerate initiatives to meet “Managed” status security level for Protective Security Requirements
• Implement audit tool Safe365 to access, monitor and improve the organisation’s health, safety and wellbeing performance
• Align its Health, Safety and Wellbeing Charter with Auckland Council’s Safety and Wellbeing Charter.

Collaboration across the Council group
RFA will continue to collaborate with Council as one of the largest users of the shared services provided by Council. RFA seeks to optimise efficiency and value, remove unnecessary duplication and different approaches to core systems and business processes, to pursue shared back-office delivery where appropriate and to better align our respective investment in information and communications technology. RFA will also continue to retain services in-house which are both operational and strategically important.
RFA will continue to work with numerous partners within the broader Council family. RFA, ATED and Auckland Council work together to develop and deliver significant events for the region and where possible reduce ratepayer funded events and venues competing with each other. RFA will continue to work with Auckland Transport on transportation opportunities for major events to add value to the visitor experience and reduce congestion on Auckland’s roads.

RFA’s Local Board Engagement Plan 2017 is updated in accordance with the Statement of Intent. The plan is referenced to the Auckland Council Governance Manual for Substantive CCCs. A range of communication and consultation strategies are the responsibility of the designated engagement manager. The role of local boards in the provision of community based accessible activities is acknowledged, and input from the boards is actively sought. Engagement with the Advisory Panels of Auckland Council is also included.
## Environmental Sustainability and Climate Change

RFA is uniquely positioned to showcase sustainability leadership to a large and diverse group of Aucklanders. Across RFA’s business units, environmental considerations inform decision-making and initiatives implemented. There is a strong commitment to protect natural resources and wildlife, and to play our part in reducing Auckland’s carbon emissions.

### Initiatives include:

<table>
<thead>
<tr>
<th>POLICY AND STRATEGY</th>
<th>Buildings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Environmental Sustainability Policy</strong></td>
<td>RFA has committed to independent green building certification for major new building projects. For the myriad of smaller construction projects that are undertaken annually an RFA Green Building Standards document has been developed to inform decision making for these projects.</td>
</tr>
<tr>
<td>In June 2019, the RFA Board endorsed an organisation-wide Environmental Sustainability Policy. This policy demonstrates a commitment to continuous improvement in the identification, management and mitigation of environmental impacts associated with RFA’s activities, events and venues.</td>
<td>As a trusted steward of some of Auckland’s most unique and iconic buildings RFA continuously strives for excellence in building operational performance and facilities management, including continuous optimisation of energy and water usage. Decarbonisation and energy efficiency strategies are being developed and will be initiated within the 2020-22 period subject to securing of funding.</td>
</tr>
<tr>
<td><strong>CLIMATE CHANGE MITIGATION</strong></td>
<td>Travel &amp; Transportation</td>
</tr>
<tr>
<td><strong>Carbon</strong></td>
<td>Integrated public transport ticketing for Auckland Stadiums’ major events saw around 180,000 public transport trips taken to and from events in 2018-19, with some concerts achieving in excess of 40% ridership. This initiative has been in place since 2012, and as far as Auckland Stadiums is aware, it is the only venue provider to implement this across all major event programming regardless of the event.</td>
</tr>
<tr>
<td>In December 2019, RFA became a Toitū carbonzero-certified organisation, verifying that RFA’s operational greenhouse gas emissions for the financial year 2018-19 have been measured in accordance with ISO 14064-1:2006. Auckland Zoo achieved Toitū carbonzero certification for the fourth consecutive year. RFA is committed to annual measurement and verification of operational carbon emissions. An emissions reduction target of 50% by 2030 has been set in line with limiting climate change to 1.5 degrees, and the commitment has been made to offset all operational emissions within the 2019-2022 period.</td>
<td></td>
</tr>
</tbody>
</table>
Environmental Sustainability and Climate Change

Initiatives include:

organiser/promoter: Over the next three-year period RFA will be looking at further opportunities to support both staff and patrons into public transport and active transport modes.

ADAPTATION & RESILIENCE

Water
Water efficiency and resilience initiatives already implemented at Auckland Zoo have been highly successful, with 26% reduction in potable water demand since 2016. With more rainwater tanks being installed as part of the current zoo development project, the water storage capacity on site will double to half a million litres.

ENVIRONMENTAL STEWARDSHIP

Conservation
Conservation is at the heart of Auckland Zoo. The Zoo and its partners will continue to work to build a brighter future for wildlife and wild places. RFA is driven by our desire to make a positive difference and inspire others to care about wildlife and wild places as much as we do.

In 2019, Auckland Zoo staff were recognised as nominees for NZ Herald’s ‘Our Heroes’ for their tremendous efforts in saving kākāpō from a devastating outbreak of aspergillosis – a fungal disease that started to knock the kākāpō population early in the year.

Auckland Zoo was also a 2019 finalist in NZ Tourism Awards for the conservation and environmental categories.

The International Union for the Conservation of Nature (IUCN) has forecast that 30% of the world’s species of wildlife will disappear over the next 50 years. Zoos around the world are playing a critical role in helping prevent this.

Waste management and recycling
Auckland Zoo has reduced its waste to landfill volume by 44% since the 2015-16 financial year, and with recent implementation of hand sorting of all waste streams on site, the Zoo anticipates a 75% absolute reduction within the next one to two years.

Major events held at Auckland Stadiums’ venues currently achieve recycling rates of over 80%. The U2 concerts at Mt Smart Stadium saw the largest roll-out of reusable Glovelet cups. The use of these cups has now been implemented as business-as-usual across all major events at Mt Smart Stadium.

A newly constructed waste facility behind the Aotea Centre allows for hand sorting of all waste from events and operations taking place at the Auckland Town Hall, Aotea Centre and The Civic. From 2020 all Auckland Live events will transition to paperless ticketing.

Recycling rates across all RFA venues have been steadily improving over the last 12 months. Of RFA’s business units, Auckland Art Gallery achieved the highest waste diversion rate at 69% over the 2018-19 financial year, and over the last few months of 2019 was achieving around the 75% diversion target set for all RFA’s business units.
Initiatives include:

Procurement & purchasing
Selection of food and beverage packaging across all sites over the last 12 months has had a focus on waste reduction, resulting in the use of Globelet at Auckland Stadiums, Auckland Live and Auckland Conventions Venues and Events. Again, again reusables coffee cups at Auckland Zoo, and a move away from plastics and single-use items across the business units to compostables and reusable items.
RFA’s procurement process includes consideration of environmental sustainability as a weighted component in procurement decision-making as relevant, and this has been formalised in a Sustainable Procurement Guidelines document to be implemented from 2020.

Environmental education
Auckland Zoo continues to deliver educational programming to the thousands of school students who visit annually. The Maritime Museum hosts around 8,000 students annually, including through its ‘Keep Our Oceans Clean’ educational programme. In 2019, Auckland Live hosted the BBC’s Planet Earth II in partnership with the Auckland Philharmonia Orchestra, and in 2020 will host BBC’s Blue Planet.

Events
Over the 2020-2023 period RFA will be looking to develop tools and resources to support event organisers in selecting sustainable, low carbon options for event delivery.
Contributions to Māori Outcomes

RFA is committed to contributing to Māori outcomes and giving effect to the principles of Te Tiriti o Waitangi and the Treaty of Waitangi through the delivery of the RFA Mahere Aronga Māori – Māori Responsiveness Plan 2018-2021. The plan sets out RFA's approach to being more responsive and effective in delivering Māori outcomes.

Our strategic statement promotes opportunities to "showcase Auckland's Māori identity and talent by celebrating Māori culture and supporting te reo Māori to flourish". This strategic directive is aligned to Council’s Long-Term Plan 2018-2028.

The following four Māori values guide and assist our approach in achieving the goals and objectives of RFA’s Mahere Aronga Māori Responsiveness Plan 2018-2021. These are:

-  Mahi tahi – Collaboration
  RFA businesses work together to achieve shared outcomes
-  Karaitakitanga – Stewards of Auckland's Regional Facilities
  Te reo Māori and tikanga Māori are an integral part of our business culture
-  Whanaungatanga – Relationships and Engagement
  Develop and sustain our relationships with Māori to enhance innovation and culture
-  Manaakitanga – Enhance Customer Experiences
  Provide excellent service where customers, visitors and fans of our venues experience dimensions of Māori culture.

RFA will focus on promoting Auckland's Māori identity as Auckland's point of difference in the world and lifting Māori social and economic well-being by developing new economic opportunities with Māori business interests.

RFA will continue to develop and implement activities, programmes, projects, events and partnerships to support Māori identity and well-being directives.

Each RFA brand will continue to develop and implement bespoke opportunities to contribute to Māori outcomes and grow their capacity and capability to successfully meet our strategic objectives. For example, Auckland Zoo will continue to deliver its unique, dedicated Māori science programme, Auckland Art Gallery will continue to be guided by its Māori Advisory Group, and Auckland Live will continue to collaborate and co-present with Māori writers, producers and performers. Hu Te Ananui A Tangaroa New Zealand Maritime Museum weaves Māori perspectives and stories into the kete of the Museum. The Museum also works with mana whenua groups to develop understanding and connection to mātauranga Māori throughout the Museum's programme and operations.

RFA will continue to increase the use of te reo Māori by:
- Supporting the Council’s Te Reo Māori Implementation Plan 2020-2023
- Implementing a bilingual naming policy and programme for RFA businesses
- Promoting public announcements in both te reo Māori and English, te reo Māori will be first order
- Promoting te reo Māori in interpretation strategies and wayfinding signage within our facilities
- Incorporating te reo Māori elements within promotional material and programmes
- Increasing and supporting staff capacity and capability in understanding and promoting te reo Māori, tikanga Māori and te ao Māori.

Major developments and building upgrades will reference mana whenua design principles and contribute to both traditional and contemporary expressions of Māori identity.

The RFA MRP contains a detailed action plan for 2018 – 2023. This plan will be reviewed at the end of the 2020 year.
### Performance Outlook

RFA has an agreed set of performance measures and targets which form the basis for accountability in delivering our key strategic objectives and priorities. These will be reported on quarterly and will align to the measures agreed as part of the Long Term Plan 2018-2028.

RFA will continue to work internally and with Council on the development of meaningful performance metrics that measure our performance in alignment with the outcomes and focus areas in the Auckland Plan.

<table>
<thead>
<tr>
<th>SERVICE LEVEL STATEMENT</th>
<th>MEASURE</th>
</tr>
</thead>
<tbody>
<tr>
<td>To what extent do RFA’s programmes, events and exhibitions engage the community</td>
<td>The number of people who experience RFA’s programmes, events and exhibitions</td>
</tr>
<tr>
<td></td>
<td>3,363,323</td>
</tr>
<tr>
<td>How well is RFA engaging audiences and participants</td>
<td>Net Promoter Score for RFA’s audiences and participants (1)</td>
</tr>
<tr>
<td></td>
<td>43</td>
</tr>
<tr>
<td>How much do Aucklanders value RFA programmes, events and exhibitions</td>
<td>Percentage of Auckland residents surveyed who consider that RFA programmes, events and exhibitions enrich their lives</td>
</tr>
<tr>
<td></td>
<td>69%</td>
</tr>
<tr>
<td>To what extent does RFA enable community access to programmes, events and exhibitions</td>
<td>Number of people who experience RFA’s free or subsidised programmes, events and exhibitions</td>
</tr>
<tr>
<td></td>
<td>Not measured</td>
</tr>
<tr>
<td>How well does RFA provide for those not attending our venues</td>
<td>Number of people experiencing RFA’s outreach programmes</td>
</tr>
<tr>
<td></td>
<td>Not measured</td>
</tr>
<tr>
<td>How well does RFA reach our community online</td>
<td>RFA website and social media following (number of visits/followers)</td>
</tr>
<tr>
<td></td>
<td>Not measured</td>
</tr>
<tr>
<td>How well does RFA reflect our bi-cultural community</td>
<td>Number of programmes contributing to the visibility and presence of Māori in Auckland, Tāmaki Makaurau</td>
</tr>
<tr>
<td></td>
<td>68</td>
</tr>
</tbody>
</table>

(1) Net Promoter Score is an index ranging from -100 to 100 that measures the willingness of customers to recommend a product or service to others.

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**RFA STATEMENT OF INTENT**
1 JULY 2020 TO 30 JUNE 2023 | PAGE 25

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**Attachment D**

**Item 15**
### Performance Outlook

<table>
<thead>
<tr>
<th>SERVICE LEVEL STATEMENT</th>
<th>MEASURE</th>
<th>2018/19 ACTUAL</th>
<th>2019/20 LTP</th>
<th>Baseline to be set</th>
<th>Maintain or improve</th>
<th>2021/22 LTP</th>
<th>Maintain or improve</th>
<th>2022/23 LTP</th>
<th>Maintain or improve</th>
</tr>
</thead>
<tbody>
<tr>
<td>How does RFA help nurture the next generation's interest in the arts, culture, sport and the environment?</td>
<td>Number of school children who attend RFA's schools programmes</td>
<td>Not measured</td>
<td>Not measured</td>
<td>Baseline to be set</td>
<td>Maintain or improve</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To what extent does RFA improve Auckland's cultural infrastructure?</td>
<td>Value of capital improvements to RFA venues</td>
<td>Not measured</td>
<td>Not measured</td>
<td>Baseline to be set</td>
<td>Maintain or improve</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How does RFA help conserve our cultural and natural heritage for future generations?</td>
<td>Number of staff hours on conservation activities at Auckland Art Gallery, Auckland Zoo and NZMM</td>
<td>Not measured</td>
<td>Not measured</td>
<td>Baseline to be set</td>
<td>Maintain or improve</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How much does RFA reduce its reliance on public funding?</td>
<td>Percentage of operating costs funded through non-rates revenues</td>
<td>57%</td>
<td>60%</td>
<td>% TBC</td>
<td>65%</td>
<td>65%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>How much does RFA reduce its environmental footprint?</td>
<td>Carbon emission reductions (year-on-year % change)</td>
<td>Not measured</td>
<td>Not measured</td>
<td>Baseline to be set</td>
<td>Maintain or improve</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note – the forecast measures for 2020/21 reflect a reduced operating grant, a constrained economic environment, and COVID-19 restrictions including those for reduced venue capacities and international borders – all of which are expected to reduce the size of RFA's in-person audience in 2020/21.
Summary of Financials

HOW WE FUND OUR OPERATIONS

RFA operates a diverse business model, with external revenue earned from commercial activities such as admission charges, venue hire and event-related services, food and beverage, commissions and exclusivity fees, sponsorship, and property rental.

External revenue has previously amounted to a approximately 60% of our total income, with the balance coming from the Auckland Council operational grant.

The Service Level Measures for 2020/21 have been developed in the context of the COVID-19 pandemic and the associated constrained economic environment, Auckland Council group funding pressures and restrictions on venue capacity and international travel. In particular, with limitations to the available funding from Council and potentially highly volatile external revenues, the situation is forecast to have a significant effect on programming and attendance levels at RFA in the coming year. RFA has taken a hopefully conservative view of what can be achieved in 2020/21 given the uncertain impact of external influences, with plans in place to scale up in 2021/22 when it is anticipated international borders will reopen, consumer confidence will strengthen, and the economic climate will improve. With the lag times in our business, significant effort in 2020/21 will be focused on programme development for 2021/22 to be in a strong position to capitalise on more favourable conditions.

As part of the Auckland Council group, RFA will continue to demonstrate value for money across all expenditure, provide transparency on operating expenditure and a strong focus on managing sensitive expenditure.

The financial information provided in this Statement of Intent for 2020-2023 has been adjusted for CPI. This will be updated each year to reflect the cyclical and volatile nature of RFA’s external revenue to balance to the operational funding received from Auckland Council.

OPERATING BUDGETS

To be updated for Annual Plan 2020/21.

CAPITAL EXPENDITURE

To be updated for Annual Plan 2020/21.
### OTHER FINANCIAL INFORMATION

<table>
<thead>
<tr>
<th>Current value of assets</th>
<th>The current value of RFA’s assets as 30 June 2019 was $1.41b based on the net asset value of the RFA group as disclosed in the audited financial statements.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting policies</td>
<td>RFA’s accounting policies are consistent with Auckland Council group policies.</td>
</tr>
<tr>
<td>Financial reporting</td>
<td>RFA’s financial reporting to Council will be in accordance with the requirements of the COG Manual.</td>
</tr>
<tr>
<td><strong>Asset sales ($million)</strong></td>
<td></td>
</tr>
<tr>
<td>BUDGET 2019/20</td>
<td>LTP 2020/21</td>
</tr>
<tr>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Shareholder equity ratio</strong></td>
<td>95%</td>
</tr>
</tbody>
</table>
Approach to Governance

Auckland Council works in partnership with its CCOs, and the agreed approach to governance, including risk management, is outlined within the CCO Governance Manual which sits alongside this SOI. RFA will act in accordance with guidance provided within the CCO Governance Manual.

PUBLIC MEETINGS

Auckland Council CCOs are required to hold two public meetings a year (Local Government (Auckland Council) Act 2009):

<table>
<thead>
<tr>
<th>PURPOSE</th>
<th>DATE</th>
<th>FORM OF PUBLIC NOTIFICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consider shareholder comments on draft SOI</td>
<td>July 2020</td>
<td>Auckland Council website, NZ Herald</td>
</tr>
<tr>
<td>Consider performance against SOI targets</td>
<td>October 2020</td>
<td>Auckland Council website, NZ Herald</td>
</tr>
</tbody>
</table>

RFA OBJECTIVES

The objectives of Regional Facilities Auckland Limited are:

- To ensure that RFA is administered, and its property held, for the purposes set out in RFA’s deed of trust
- To undertake any activities, in accordance with the deed of trust, that further those purposes
- To collaborate with Auckland Council, Government, and the governing bodies of entities that hold or own facilities and amenities of regional significance (for which RFA is not responsible), with an aim to improve their financial sustainability and community contribution.

AUCKLAND COUNCIL BRANDING

RFA will ensure that Council group branding is used appropriately at its venues and facilities to build Aucklanders’ understanding of the value of Auckland Council’s rates funding.

LOCAL BOARDS

RFA regularly consults with local boards that have governance responsibilities relating to RFA facilities. This is normally the four boards with regional facilities within their areas.

ACQUIRING COMPANIES AND ORGANISATIONS

RFA will ensure that before it subscribes for, purchases or otherwise acquires shares in any company or other organisation it will engage with Auckland Council and obtain the appropriate approvals.
Statement of Intent
2020 to 2023
He mihi

Tula te rangi e tū nei, tula te papa e takoto nei.

Kia mihi te mano tini kuia mene ki ngā Hawaiki kataa, rātou te tutūtanga o te puehu, te whiunga o te kupu i ngā wā takutū ai rātou. Waiho ake rātou ki a rātou, tātou te urupu o rātou mā, ngā waihoronga mai e hāpai nei i ō rātou wawata, tūmanako hoki.

E ngā maunga whakahi, e ngā wai tākunuku, e ngā tāpūtanga tāngata nui rawa o Tāmaki Makaurau, Tāmaki herenga waka, tēnā rā koutou kataa.

E manakahia kia piki ake o ā tātou mai ngātahi āmuri ake nei. Anei rā te tātaki he i aua manako, heoi anō, inā kē te nui o ngā mahi he i kawe ake e eke ai ā tō mātou wawata.

Unite thus the heavens above; unite thus the land beneath us. Let us acknowledge the many who have assembled in the homelands, they who raised the dust, who whipped up a storm of words when restless. The dead have passed on and we, the repositories of their memory, remain to carry forth their hopes and aspirations.

To thy mountains, thy cool sequential waters, the many ethnicities and peoples throughout Tāmaki Makaurau, warm and heartfelt greetings to you all.

We come together to seek a new way forward, united in our shared responsibilities, and committed to achieving. Clearly, much is yet to be done if we are to give credence to our vision.

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Message from the Chair of Watercare Services Limited

As a Council-controlled organisation (CCO) providing lifeline services to Auckland, Watercare Services Limited (Watercare) works hard to gain and sustain the trust of the communities we serve. We do this in numerous ways – by delivering safe and high-quality drinking water and wastewater services every day; by being effective in managing assets worth more than $10 billion; and by engaging with our communities on the things that matter to them.

Auckland is going through significant change including rapid population growth, changing customer and community expectations, and the potential impacts of climate change. The current severe drought may be an indicator of what the future climate may be like for Auckland. As New Zealand’s largest water utility serving more than one-third of the country’s population, we have a responsibility to the community and the environment to plan for and address these issues effectively. We will do this by leveraging our industry expertise, demonstrating our leadership in sustainable development and transforming our capacity and capability.

Watercare is dealing with the dual challenges of Covid-19 and one of the severest droughts on record.

The Covid-19 crisis has shown us that we can weather situations such as a pandemic, while continuing to operate and provide essential water and wastewater services to Auckland.

The impacts of climate change and how much resilience Aucklanders expect from their water network will be an ongoing challenge for us and we have more work to do in this space. We are planning and working for today’s Auckland as well as the Auckland of the future, tomorrow’s New Zealand.

Our strategic priorities for 2020-2023

Watercare is dealing with arguably the most severe drought in Auckland in living memory. We will therefore continue to be focussed on our drought response over the coming months and years, including developing an efficient and sustainable climate-resilient water and waste network.

New Zealand and the Auckland region are also undergoing a major reset, post Covid-19. We are acutely aware that this is having a very significant impact on the Auckland Council group’s forecasts. In this regard, Watercare can confirm that this SOI aligns with the Auckland Council’s Emergency Budget for 2020/2021; and prudent financial management will continue to be exercised across every aspect of Watercare’s operations.

In relation to the four Watercare strategic priorities listed in the Mayor’s Letter of Expectation:

- We will continue to implement, together with Council’s Healthy Waters, the Western Isthmus Water Quality Improvement Programme to reduce stormwater from entering the wastewater network and to reduce wastewater overflows into the Waitematā Harbour. We will also continue to proactively engage with the wider community on this very important programme (refer to pages 13-15).

- We will continue to keep a tight focus on ensuring that our substantial programme of capital development, including the Central Interceptor, stays on schedule and on budget (refer to pages 8, 14, 15 and 19 as well as Appendices A and F). Between 2019 and 2028 Watercare will invest more than $1.9 billion on expanding and upgrading our water network and $3.8 billion on our wastewater network. These projects will improve resilience within the existing network and cater to a growing Auckland.

- We will continue with the implementation of our Climate Change Strategy and for this SOI, we have included a climate-change related performance measure. The baseline will be established by 30 June 2021, with targets set and reported on for the 2021/2022 financial year (refer to pages 6-8).

- We are continuing to explore other external revenue sources, including commercial arrangements and other funding sources which are in the best interests of the Council group, without compromising service delivery for Aucklanders or the delivery of priorities for the Auckland region, nor requiring any subsidy from Auckland customers (refer to pages 19-20).

A focus on delivering for growth with future-fit infrastructure

One of Watercare’s top priorities is to meet the demands of the growth occurring in, and planned for, Auckland without compromising quality, efficiency or the environment. Water demand is forecast to outstrip current supply within 8 years, which means we are already underway with planning additions to our existing water supplies. As Auckland grows, we are continually upgrading and extending our
core water and wastewater infrastructure – all while maintaining the thousands of kilometres of existing pipes, and pump stations and plants.

Our Asset Management Plan (AMP) outlines how we will operate, maintain and renew existing water and wastewater assets and provide new assets, on time, to specification and on budget, to meet demand as Auckland grows. The AMP has a 20-year horizon and is a future-focused planning document, aligned with the strategic direction set by Council. Watercare continues to undertake comprehensive reviews of the AMP, performance trends, budgets and fees. We will follow best-practice asset planning processes and do so in a highly transparent manner.

Our Enterprise Model for delivering capital programmes will leverage the scale of this forward works programme to deliver more sustainable, cost-efficient infrastructure in a safer way.

Investment in our significant capital programme will help support economic activity and job creation in Auckland. Our capital programme could also be expanded should central Government select some of the ten “shovel ready” projects Watercare submitted to Crown Infrastructure Partners in April 2020 in response to the Covid-19 crisis.

Tackling climate change impacts

Climate change is one of the largest challenges that we face as a water utility. Its effects can include temperature increases, drought, increased frequency of severe storm events, salinity of groundwater and rivers, and rising sea levels. Every aspect of our operations is potentially impacted by these effects right from the planning and design of our infrastructure, to the way raw water is sourced and treated, how wastewater is treated and discharged, and the changing demand patterns of our customers.

The ongoing drought impacting Auckland’s water storage levels is a stark example of the impact of climate change as these events are forecasted to become more frequent in the future. We entered the 2019/20 summer with the water storage lakes 89% full, normal for the time of the year. Since the start of the year Auckland’s water storage dams have received just one-third of the normal rainfall. Water usage by Aucklanders reached record levels. We have been maximising production at our Waiakato and Onehunga water treatment plants which rely on a river and aquifer source, respectively since the middle of 2019. The drought management plan is being implemented with stage one of water use restrictions effective from mid-May 2020. Given this background, a major focus for Watercare over the next few years will be consulting with Auckland Council, central government, Iwi and customers on sustainable water resources in the immediate and mid-term. Water reuse and desalination is under consideration in the medium term.

Watercare will continue to take early action within the current remit and fiscal constraint to act on climate change and contribute towards the Auckland regional target to limit global warming to 1.5°C.

In 2019, we launched our first Climate Change Strategy. This sets out our future direction as we embark on a journey to operate a low-carbon company that is resilient to climate change impacts. The strategy establishes two ambitious targets for emissions reductions from our operations that align with keeping the global temperature increase within 1.5°C:

- Net-zero emissions by 2050
- Reduce operational greenhouse gas emissions by 45% by the year 2030.

Our Climate Change Strategy covers specific actions that we will take immediately and establishes a pathway of monitoring and understanding between now and 2025. This is to ensure we can adapt to the changing climate based on evolving data and projections. We have developed a work plan that consists of four value streams across both adaptation and mitigation (refer to pages 6-7).

Water quality

Addressing water quality issues continues to be a top priority for Watercare. The company is closely monitoring the reform of the water sector by central government, including the proposed introduction of a water services regulator, as well as the revised National Policy Statement on Freshwater Management and a proposed National Environmental Statement on Freshwater Management. We will coordinate with the Council group in the planning and subsequent implementation of any changes that will contribute to improved water quality outcomes for Tāmaki Makaurau.

Māori outcomes – working with tangata whenua (Māori)

Watercare will continue our work with the Te Toa Tahitiki executive leadership group to lead and influence better outcomes for Māori in Tāmaki Makaurau by focusing on the four Māori Outcomes Priorities agreed in the 10-year Budget 2018–2028. Our work in this area contributes to lakai-tangi (guardianship) outcomes (particularly water) and mana development (including water and wastewater infrastructure). We also continue to support Council’s Te Rino Māori Strategy. The Mana Whenua Kaitaki Forum – Managers Group, which was initiated by Watercare over eight years ago, continues to build understanding and enhanced interrelationship between mana
whenua and Watercare.

Working with Council

As Auckland’s water and wastewater services provider, Watercare continues to work closely with Council to ensure that the city’s vision is achieved. Our board welcomes the opportunity to work with the new CCO Oversight Committee, including the Liaison Councillor. Watercare will fully support the CCO review process. More immediately, the Watercare Board has committed to collaborative workshops with Council’s Governing Body with a view to developing a climate resilient water strategy and vision for Auckland.

This Statement of Intent (SOI) sets out Watercare’s response to the Mayor’s Letter of Expectation. Following the principles of integrated reporting, this SOI highlights the various initiatives on which we are collaborating with the Council group. The SOI is divided into our six capitals (Natural Environment, People and Culture, Customer and Stakeholder Relationships, Assets and Infrastructure, Intellectual Capital, and Financial Capital and Resources), and reaffirms our continued commitment to working with Council and other infrastructure providers to enable collective and effective action in addressing the challenges of catering for Auckland’s growth in a sustainable and responsible way.

MARGARET DEVLIN
Chair

Watercare Services Limited – 2020-2023 Statement of Intent
Our purpose: Our services are vital for life, keep people safe and help communities to flourish

Watercare is a lifeline utility providing water and wastewater services to 1.7 million people in Auckland. We supply reliable, high-quality drinking water to homes and businesses in the Auckland region and collect, treat and manage their wastewater in environmentally-responsible ways.

We manage water and wastewater assets worth more than $10 billion and plan and build infrastructure to ensure we support growth today and into the future.

We are a Council-controlled organisation (CCO), fully owned by Auckland Council. Our services and programmes are financed through user charges and borrowings. We are required by law to be a minimum-cost, cost-efficient service provider to our customers (collectively) and we do not pay a dividend to our shareholder. The way we manage and measure our performance is detailed in Appendix B and our legislative framework is summarised in Appendix C.

We apply the integrated reporting <IR> framework in our decision-making and reporting. Our <IR> approach focuses on how we create value through our business activities, focusing on what matters most to our many stakeholders and our company. Our vision, mission and <IR> value creation model is illustrated below.

We will continue to focus our efforts and resources on creating value for our customers and Aucklanders at a time of rapid population growth, climate change and our mandate to be a minimum-cost, cost-efficient service provider.
Watercare’s business is intrinsically linked to the environment and climate

The water cycle

Every aspect of our operations is dependent on and impacts the natural environment. We are part of the water cycle, receiving our water from rainfall and rivers, returning highly treated wastewater to Auckland waterways. In a symbiotic relationship, Auckland’s water and wastewater services thrive only if the natural environment does. The quality and availability of our source water relies on rainfall and the purity of the natural environment that are the home to our water catchments. We have a duty and imperative to protect our water sources.

Working to enhance where we operate is not new and we continue to make improvements. For example, Watercare bought the cutting rights to 1,900 hectares in the Hunua ranges and has been planting as many as 300,000 native trees a year to turn this in to a permanent native forest, one of the largest ecological restoration projects in the country. The natural environment ensures a quality water supply, which in turn creates forests and natural habitat for New Zealand ecology. Often this occurs in areas that could have been lost to development had they not hosted the region’s water assets.

At the other end of the water cycle, the release of treated wastewater into the environment from our wastewater treatment plants more than meets a range of world-class environmental parameters, as defined in our operating licences. Beyond those, Watercare strives to turn those facilities into positive contributors to their local environment and communities. This is very visible in the Manukau Harbour where we have created coastal walkways, bird roosts, and started restoring the mana of Te Motu a Hāroa (Puketutu Island). We are also leading the understanding of the Harbour dynamics through the funding of research and the creation of hydrodynamic and water quality model. Through this initiative Watercare will create a platform for citizen science and regional partnership.

The cyclic nature of water inspires us to develop a circular vision of our footprint and economy. Just as our water supply catchments have become sanctuaries for wildlife, so too our wastewater treatment plants can become resource recovery factories producing valued outcomes for our communities. We already produce a significant quantity of energy from our two largest wastewater plants. Over the past two years we have created a significant solar energy footprint and we are currently building the country’s largest solar array. We are similarly working on producing nutrient rich by-products that can be utilised by the agriculture industry. Through the cycle of Watercare’s activities, the reduction of environmental impacts is a key driver for our investment decisions.

As Auckland’s commercial and industrial activities increase, and the population continues to grow, managing demand and providing an efficient, affordable and reliable supply will be an ongoing focus.

Looking forward, a changing environment

We believe that climate change is one of the largest challenges which we face as a country and a business. We are committed to playing an active role in dealing with this issue.

In early 2019, we finalised our Climate Change Strategy, which sets out the future direction for Watercare as we embark on our journey to operate a low-carbon organisation that is resilient to climate impacts. This strategy covers specific actions that we will take immediately. It also establishes a pathway of monitoring and understanding so that we can adapt to the changing climate based on evolving data and projections.

We are aligned with the most recent science, to keep global warming within 1.5°C, and our targets reflect that. We will continue to work with Council to ensure our strategy complements the regional climate commitments, targets, activities and approach being established by Te Tāruki-ā-Tāuhiri: Auckland’s Climate Action Framework (ACAF).

The projected impacts of climate change are captured in Watercare’s enterprise risks and are therefore reflected in our current and future planning and operational requirements.

Watercare addresses climate change impacts in the decision-making process through various means. For example, climate change impacts are now considered in the design and construction of new assets. The company also uses integrated reporting and integrated decision-making. In late 2019, the Watercare board established a new subcommittee, the Committee for Climate Action, which will assist the board to oversee due care, diligence and effective oversight of all matters relating to actions taken by Watercare to mitigate climate change.

Watercare Services Limited – 2020-2023 Statement of Intent
change and adapt to a changing climate.

Watercare has established a range of climate change targets that give direction to the company in taking responsibility for our impacts and establishing ourselves as a low-carbon company in line with the required ambition of the country and the world. This was initiated in late 2016, when we adopted an Energy Policy that commits Watercare to being net-zero carbon by 2050. This 2050 target mirrors the one legislated for in the Climate Change Response Act 2002, as amended by the “Zero Carbon” Amendment Act. Further Watercare targets for carbon reduction include:

- Reduce energy consumption by 8GWh by 2022 and by 37GWh by 2025
- Reduce infrastructure emissions by 40% by 2025
- Reduce operational emissions by 45% by 2030
- Net-zero emissions by 2050.

Watercare’s Climate Change Strategy Adaptation work plan focuses on the delivery of three value streams by 2025 with the principal aim of ensuring our assets are fit for purpose in a changing climate. This will ensure we can continue to provide exceptional service to customers while minimising exposure to emerging costs. These value streams will focus on improving monitoring protocols, establishing a greater understanding of existing asset resilience and reviewing plans for long-lived assets. A fourth value stream, Mitigation, focuses on delivery of five portfolios of work to meet the net-zero emission target by 2050 and the target of 45% reduction in operational emissions by 2030.

Our energy journey

As part of our Mitigation programme, Watercare aims to achieve energy neutrality at our Rosedale and Māngere wastewater treatment plants, which are large energy users, by the end of 2025. As part of this, ongoing technology trials at our Māngere Wastewater Treatment Plant included a mini-reactor growing anaerobic bacteria. This type of bacteria can be used in our biological treatment process to reduce the use of oxygen and carbon, as well as short-cut nitrogen removal in the aeration process, thereby reducing the energy required.

We are on a similar journey at our Rosedale Wastewater Treatment Plant. Here, we are building a thermal hydrolysis facility that will be completed in the next few years. This will allow us to stabilise the biosolids from the treatment process and create fertiliser that can be used for beneficial purposes.

Phase 1 of our Energy programme was to achieve 8GWh of energy savings across Watercare by the end of 2018 focusing on both green energy generation and the adoption of the next-generation wastewater treatment technology to improve treatment efficiency. We did this successfully by bringing together our people and their knowledge; a cross-functional team of process specialists, on-site engineers, and the teams on the ground, who are determined to reduce energy costs, utilised their varied expertise and skill sets, identified opportunities and reported on progress. We improved our processes to use less energy by optimising control systems and replacing end-of-life equipment with more energy-efficient alternatives.

For the next phase, our target is to achieve a further 8GWh of energy savings by 2022. Our strategy to achieve this is two-fold: reduction of our current energy use through efficiency and behaviour change as well as increased generation of energy through solar, hydro and biogas.

In 2019, we introduced solar and battery technology at three sites. In 2020, we will install our largest solar facility as a floating array on top of the storage ponds at the Rosedale Wastewater Treatment Plant (see Image of the proposed set-up below). This array is expected to generate enough power to run the equivalent of 200 New Zealand homes for a year and will be the first of its kind in New Zealand.
How Watercare is working with Council for effective natural environment outcomes

- We are working with Council on the development of its Auckland’s Climate Action Framework (ACAF) to ensure an alignment between target setting, mitigation activities and sharing learnings on a consistent and effective approach to climate change mitigation. This collaboration will help make sure consistency is achieved between the ACAF and Watercare’s Climate Change Strategy. Once the ACAF has been agreed, Watercare will include an appropriate climate-change based performance measure that aligns with ACAF’s goals.

- We will continue to be supportive of, and collaborate with, Council and Auckland Transport to lead the development of the 10-year project outcomes for the Western Is thenus Water Quality Improvement Programme, including the construction of Watercare’s Central Interceptor (encompassing the Grey Lynn Wastewater Tunnel).

- We engaged NIWA to deliver a hydrodynamic and water quality model for the Manukau Harbour. This is an extensive research programme and will provide one of the first 3D models of this kind worldwide. The final model will be delivered during 2020. Watercare has designed this work with collaboration in mind, giving co-ownership of the models to Council. The project management involves Watercare, Healthy Waters, iwi and the Research and Evaluation Unit (RIMU), part of Auckland Council’s Auckland Plan, Strategy and Research department. All partners are very satisfied with this united approach. The solid relationship established from this collaborative work is enabling further discussions on improving the quality and efficiency of environmental monitoring in the Manukau Harbour.

- In 2017, Watercare acquired the forestry rights over Council-owned land in the Hūnua Ranges, in the catchment of the water storage reservoirs. We are working closely with Council officers on plans to progressively rehabilitate approximately 1,900 hectares of land back to native forest over a two-to-three-decade programme. A forest management plan will be developed with manu whenua involvement, and regeneration trials are currently being undertaken.

- Watercare will participate in a collaborative process with the Council group to update its strategic planning and meet the requirements of the national policy statements on urban development capacity.
### Natural environment – performance measures

<table>
<thead>
<tr>
<th>Source</th>
<th>Measure</th>
<th>2018/19 Actual</th>
<th>2019/20 Target</th>
<th>2020/21 Target</th>
<th>2021/22 Target</th>
<th>2022/23 Target</th>
</tr>
</thead>
</table>
| **New measure** | Watercare will operate responsibly.  
- **Measure:** We will meet all DIA natural environment targets (refer numbers 1 and 2 in Appendix E). | New bundled measure | Meet 100% of DIA targets |
| **New measure** | We will implement Mitigation measures in line with our responsibility to keep global warming within 1.5°C.  
- **Measure:** We will reduce annual greenhouse gas emissions from Scope 1 and Scope 2 emissions (operational mitigation). | N/A | N/A | 2020/2021: Complete work on a plan to achieve a 45% reduction in operational emissions by 2030  
January 2021: Finalise targets in line with AGIF  
1 March 2021: Baseline established and roadmap targets published in our next SOI  
30 September 2021: Report on first target and publish targets through to 2024 in the 2021-2024 SOI |
| **New measure** | Water is precious – We continue to encourage our customers to be mindful of their water use  
- **Measure:** The average consumption of water per residential connection.  
- **Measure:** The average consumption of water per non-domestic connection. | NA | NA | 1 March 2021: Baseline established, and sector targets published in our next SOI  
30 September 2021: Report on target and publish targets through to 2024 in the 2021-2024 SOI |
“I care, we care, Watercare”

The collective knowledge and experience of our people is essential for us to deliver on our core purpose effectively and consistently.

We continue to invest heavily in our people, their training and safety at work

Health and safety in and around our worksites is paramount to us and always has been. Wellness, including our people’s mental health, is also an integral part of the company’s commitment to our people. The concept of “I care, we care, Watercare” is embedded throughout our organisation. We want our people to be safe, healthy and engaged at work, and for them to go home safely to their families each night.

We monitor our people’s health and safety using traditional health and safety metrics such as the Lost-Time Injury Frequency Rate (LTIFR) and Total Recordable Injuries Frequency Rate (TRIFR), absence levels and employee turnover.

In 2019, we introduced two digital solutions for career development and individual learning. These tools encourage our people to set personal career goals and work systematically towards achieving them.

Given the limited availability of talent in our labour market, it is essential our company grows skills and talent and also attracts a diverse range of new talent. We are achieving this by working with industry partners and tertiary education providers to deliver graduate programmes as well as apprenticeship and internship opportunities.

We have been encouraging our people to increase their understanding of tikanga Māori as well as their ability to speak te reo by running an intensive ‘Te Kāne o Te Aro Tikanga’ course offered by Te Whananga o Aotearoa. In this course our people learn about the tikanga values that underpin everything that is Māori, including: whanaungatanga (our relationships with others); manaakitanga (taking care of the people around you); rangatiratanga (leadership); kaitiakitanga (guardianship of the land, water, sky); and mātauranga (sharing of knowledge).

Belonging at Watercare

We conduct surveys quarterly to measure our people’s level of work satisfaction and engagement. In 2019, we brought this survey in-house (our Employee Net Promoter Score (eNPS)) so we can conduct these assessments more regularly, at lower cost, and be more responsive to our people’s feedback. This SOI includes the eNPS as a new performance measure.

During the COVID-19 lockdown around 800 people worked from home. The company continued to function well in that work mode; taking into account the dual challenges of Covid-19 and the drought. The opportunity is being taken to consider a reset of our future ways of working based on flexibility, efficiency and cost savings.

In 2019 we also established an employee-led Diversity, Inclusion and Belonging Committee (DIBC). The committee’s mission is to help Watercare’s people to reflect the diverse communities we serve. The committee champions inclusion so that every single one of our people can bring their whole, authentic selves to work and feel a true sense of belonging at Watercare.

We are committed to the Diversity Agenda Accord, which defines a clear set of tenets for firms to commit to, with the submission of a yearly report on how they have adhered to the tenets, together with the compulsory completion of a survey to back up the report with data. The accord is an initiative of Engineering New Zealand and the Te Kāhui Whaihanganga New Zealand Institute of Architects.

Our company also plans to develop diversity and inclusion plans for areas of the business that have low levels of diversity and will continue to focus our recruitment efforts to attract diversity in the people applying to work and ultimately joining us as employees of Watercare.

Over the coming year, our Te Tangata subcommittee of the board, together with our DIBC, will set diversity measures and targets.
### People and culture – performance measures

<table>
<thead>
<tr>
<th>Source</th>
<th>Measure</th>
<th>2018/19 Actual</th>
<th>2019/20 Target</th>
<th>2020/21 Target</th>
<th>2021/22 Target</th>
<th>2022/23 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>New measure</td>
<td>We will improve our employee engagement.</td>
<td>N/A</td>
<td>N/A</td>
<td>≥20</td>
<td>≥20</td>
<td>≥20</td>
</tr>
<tr>
<td></td>
<td>• Measure: eNPS</td>
<td></td>
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</tr>
<tr>
<td>New measure</td>
<td>Watercare has committed to the Diversity Agenda Accord.</td>
<td>N/A</td>
<td>N/A</td>
<td>Identify 2020/21 baselines and improve on baseline</td>
<td>Improve on previous year</td>
<td>Improve on previous year</td>
</tr>
<tr>
<td></td>
<td>• Measure 1: Improve gender workforce split in departments where the split is uneven</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New measure</td>
<td>• Measure 2: Attract a more diverse range of applicants to apply for jobs at Watercare</td>
<td>Identify 2020/21 baselines and improve on baseline</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

Graduate engineer Lucas Gan (right) listens to the flow of water in the pipes at Mt Wellington

Watercare Servicios Limited – 2020-2023 Statement of Intent
Working together to achieve the vision for Auckland

Watercare is committed to working with the Council group to implement the Auckland Plan 2050, including the Development Strategy, relevant performance measures and any associated guidance. Appendix D sets out the Auckland Plan outcomes, and how Watercare contributes to these outcomes.

Trusted by our communities for exceptional performance everyday

As a company, we work hard to gain and maintain the trust of the communities we serve. We do this in numerous ways – by delivering safe and reliable water and wastewater services every day and by engaging with our communities on the things that matter to them.

We have a sense of responsibility and dedication to provide our customers with safe and high-quality drinking water that consistently meets the expectations of the New Zealand Drinking Water Safety Plan Framework; the requirements of the Health (Drinking Water) Amendment Act 2007; the Drinking Water Standards for New Zealand; and other regulatory and consumer requirements. We continue to supply ‘A’-graded, 100% bacterial and protozoal-compliant, safe and high-quality drinking water to our customers and collect, treat and discharge their wastewater in an environmentally-sustainable manner. We are committed to providing great service, whether it is fixing a leak, clearing a blockage, resolving a bill query or partnering with the community to ensure effective outcomes. We currently take guidance from the Department of Internal Affairs (DIA) non-financial measures for water and wastewater operators (refer Appendix E); and we set targets for these measures to make sure we maintain the trust of our customers. We regularly review the targets we set for these measures to ensure we remain a minimum-cost, cost-efficient and financially-stable service provider to our customers. For 2020, we do not plan to change any of the customer-related targets. However, the introduction of a national water regulator is likely to see amendments to these measures and targets in the future.

We continuously measure how well we are servicing the needs of our customers and report on this via our Net Promoter Score (NPS), which is a SOI performance measure.

Building trust through education, transparency and by engaging with our customers and communities

As part of Watercare’s ongoing commitment to educate our customers and the wider community about the value of water, we provide a free water education programme to schools. To date, over 100,000 students from schools across Auckland have received lessons and practical experiments on water and the environment.

Watercare educator Sally Smith (centre) celebrating the milestone with students from Room 7 at Long Bay Primary School

Watercare Services Limited – 2020-2023 Statement of Intent
We also have a relationship with the EcoMatters Environment Trust, which provides a free water-saving advice service to assist households in their efforts to use water more efficiently. Complementing this, we also have the Water For Life (www.waterforlife.org.nz) website, which carries the “Water is Precious” message and provides water-saving tips for Aucklanders to adopt in their homes.

In 2019, we partnered with Plunket to promote awareness about the proper disposal of wet-wipes by families. Wet-wipes are often marketed as flushable but do not break down when flushed down the toilet; as a result, they frequently cause blockages in our wastewater network. Our campaign reached families across the Plunket network and was covered in newspapers and on TV.

In addition, we have an active social media presence on Facebook and LinkedIn. By sharing our activities and projects with the wider public, we are providing our communities with insights into what we do behind the scenes to ensure they enjoy water and wastewater services 24/7. Ultimately this helps to build trust in Watercare and our services.

We acknowledge that our operations and construction activities have an impact on the community. We make every effort to engage and consult with the communities affected before, during and after our construction programmes. We organise open days and site blessings.

We maintain strong relationships with the Local Boards by providing timely and accurate information on Watercare-related matters, including infrastructure planning and construction projects in the interests of no-surprises. We also help form Community Liaison Groups (CLGs) in areas where Watercare and our activities may affect neighbouring communities for some time (e.g. the Huia Water Treatment Plant CLG, Western Isthmus CLG and the St Mary’s Day Project CLG).

At a regional level we collaborate with other infrastructure providers on projects (New Zealand Transport Agency, Auckland Transport, Vector) so we deliver programmes more effectively and minimise disruption to the community.

Enhancing our strong relationships with Māori and promoting Māori outcomes

We will continue our focus on enhancing our relationship with iwi groups and promoting Māori outcomes. Kānōhī kē kānōhī, rangatira ki te rangatira (face-to-face, leader-to-leader) hui (meetings) and kōrero (discussions) have been hugely important in building early engagement, transparency and collaboration with mana whenua.

During this SOI period, we will refocus Watercare’s Māori Responsiveness Plan to achieve Māori outcomes. This will involve continuing to regularly meet with representatives of the 19 mandated mana whenua entities. We will listen to feedback from the 19 mandated mana whenua entities to understand their priorities in relation to promoting Māori outcomes. Watercare is also committed to working on the Council group’s Te WāKE Aanga Mua initiative to make the engagement process with all 19 mana whenua entities more effective and efficient. This SOI includes a new performance measure aligned with this commitment.

Watercare develops and maintains relationships with mana whenua affected by our operations and initiatives, ensuring effective Māori participation and strong Māori communities and outcomes, in the following ways:

- We participate in the Mana Whenua Karitauki Forum (MWKF). Watercare maintains our relationship with MWKF at an operational level through bimonthly meetings with the Watercare Mana Whenua Karitauki Managers’ Forum – Water Sector – and continues to expand this sector’s work by facilitating group meetings with other relevant stakeholders. The Auckland’s Water Strategy is a prime example of this. Watercare will continue to work with Council to optimise the governance for engaging with mana whenua across the Council group.

- We work closely with mana whenua to develop social outcomes connected with our projects, which will have positive, real benefits for mana whenua

- We work to increase our people’s capability and understanding of Māori values and cultural impact

- We provide technical advice related to water supply and septic tanks to promote the health of marae, Papakāinga and Māori housing.

- We realise rangatiratanga’s potential, including proactively promoting the scholarships and summer internships to Māori.

We also continue our strong partnership with Waikato Tainui by working with their representatives and executive management team. This relationship commenced when Watercare first applied to take water from the Waikato River to assist In meeting Auckland’s need for water. With the projected growth for Auckland, a second application to take water was lodged in 2013. We are working closely with Waikato Tainui to ensure that the health and well-being of the Waikato River remains paramount.

In 2015, we introduced a Te Rau Māori and Tikanga Framework for all Watercare board members and this curriculum will continue to be refined and rolled out over the next three years.
Working with Council for effective customer, stakeholder and Māori outcomes

- Watercare commits to continuing to work collaboratively and share information with elected members (via the Mayoral Office, Council Chief Executive and/or CCO Governance, as appropriate), including adherence with the no-surprises protocols set out in the Governance Manual for substantive CCOs.

- We will continue to collaborate with Council and the wider Council group to improve Māori outcomes to mana whenua and mātauranga (kinship group) in Tāmaki Makaua. For example, we are working closely with Council on an ongoing basis on the refined priorities of Te Toa Takitimu (Māori outcomes portfolio) and are collaborating with Te Waka Angamua ki Uta.

- Watercare will maintain the promotion of te reo Māori outcomes and support of Council’s Te Reo Māori Implementation Plan – Strategic Framework for 2020-2023.

- We will continue to participate and implement the findings of the current Council group’s Tiriti o Waitangi Audit.

- Watercare will continue working with the Tūpuna Maunga of Tāmaki Makaua Authority in relation to Watercare infrastructure on maunga.

- We will continue to prioritise positive and proactive dialogue and engagement with the community to lift trust levels among our community and stakeholders. This type of engagement is a key part of all significant projects, including the Central Interceptor, the Huia Water Treatment Plant and the Western Isthmus Water Quality Improvement Programme.

- Watercare will continue to collaborate with Council to refine the Council group’s position and response to any proposals from central government’s water reforms.

- We will continue to collaborate with Council on submissions relating to bills, policy statements, regional plans and similar documents and consult with the Council before making its own submissions in cases where Watercare has a specialist need to submit. Recent examples are:
  - Proposed Regulatory Framework for Dam Safety
  - Action for Healthy Waterways – Essential Freshwater reform proposals
  - Proposals for a Biodiversity Strategy for NZ
  - Proposed net promoter scores (NPS) for Urban Development
  - Urban Development Bill.

Customer and stakeholder relationships – performance measures

<table>
<thead>
<tr>
<th>Source</th>
<th>Measure</th>
<th>2018/19 Actual</th>
<th>2019/20 Target</th>
<th>2020/21</th>
<th>2021/22</th>
<th>2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing SOI measure</td>
<td>We will strengthen our relationship with customers.</td>
<td>40</td>
<td>33</td>
<td>38</td>
<td>40</td>
<td>45</td>
</tr>
<tr>
<td></td>
<td><strong>Measure 1: NPS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New measure</td>
<td>We contribute to the delivery of Māori outcomes and deliver on the joint outcomes agreed by Council and CCOs.</td>
<td>N/A</td>
<td>N/A</td>
<td>At least one kōrero with each of the 19 iwi every year and work with them to develop meaningful measures for Māori outcomes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DIA</td>
<td>Watercare will operate responsibly.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Measure</strong>: We will meet the 10 DIA targets that relate to customer and stakeholder relationships (refer Appendix E, numbers 3–12).</td>
<td>New bundled measure</td>
<td>Meet 100% of DIA targets</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Watercare Services Limited – 2020-2023 Statement of Intent

[Table and text continued from the document]
Auckland is growing at an unprecedented pace

Over the next 35 years, Auckland’s population is predicted to grow by another 800,000 people to reach 2.5 million; this means another 320,000 dwellings and another 270,000 jobs. With this growth comes further demands on the supply and conveyance of potable water and the provision of safe and reliable wastewater services for our domestic customers and commercial businesses. Growth of this scale is significant, and we need to ensure we have a clear understanding of where and when investment in planning and infrastructure will be made.

Location, scale and timing of new development is crucial when planning for growth. Watercare works closely with the Council group to identify areas where there is capacity to support growth in the short to medium term. We also align our longer-term planning of new or upgraded infrastructure to meet Council’s spatial development priorities and give effect to Auckland’s Long Term Plan and Future Urban Land Supply Strategy (FULSS).

The alignment of service provision with the FULSS, and vice versa, allows Watercare to plan, consent and construct bulk water and wastewater infrastructure efficiently to enable Council’s growth requirements. Development that is not aligned with the FULSS can lead to inefficient investment, particularly if the development does not border existing serviced land.

The planning and construction of water and wastewater infrastructure can have long lead times and is an intergenerational investment. New water sources for the supply of water to our customers takes significant planning and new traditional water sources are scarce. It is likely that in the medium-term future water will draw on ‘alternative’ sources of supply, including aquifer recharge, water reuse or desalination. These potential sources will come at a cost, and the decisions need to be carefully worked through with our customers, Iwi, stakeholders and the council group.

Our major infrastructure projects

The resilience of Watercare’s water and wastewater supply systems was demonstrated during a number of extreme weather events over the past few years. Watercare will continue to build on our strong foundations with a series of planned upgrades and replacements within our water and wastewater supply network over the next three years. Appendix F lists our major water and wastewater projects and the work that will be carried out over the SOI period. However, the reason for the current water use restrictions relate not to the water network infrastructure, but the record-breaking period of low rainfall (i.e. lack of raw material).

Our Enterprise Model for delivering capital programmes will leverage the scale of this forward works programme to deliver more sustainable, cost-efficient infrastructure in a safer way using our 40:20:20 vision (refer to pages 16-17 for more detail).

Central Interceptor

Watercare’s biggest infrastructure project is the Central Interceptor wastewater tunnel. In March 2019, Watercare signed a contract with Ghella Abertgele Joint Venture for the construction of the Central Interceptor – a $1.2 billion tunnel that will improve the health of our waterways, estuaries and beaches in central Auckland.

The Central Interceptor will be Auckland’s largest wastewater tunnel and the biggest wastewater project ever undertaken in New Zealand. It will run for 13 kilometres from Western Springs to a new pump station at the Māngere Wastewater Treatment Plant. It will be extended a further 1.625 kilometres to Grey Lynn, allowing Council and Watercare to work towards the goals that form part of the Western Isthmus Water Quality Improvement Programme.

In August 2019, we began to prepare the sites at Māngere and May Road, Mt Roskill. Work on these sites included creation of access roads, site fencing, delivery of key machinery and building platforms for the drop shafts. In 2020, we will start construction at a further seven sites to build the drop shafts that will eventually connect to the main tunnel. Our tunnelling machine is scheduled to arrive at the end of 2020 and will begin tunnelling from Māngere in early 2021. The commissioning of the completed Central Interceptor is estimated to happen in 2025.

Together, the Central Interceptor and the Western Isthmus Water Quality Improvement Programme will reduce overflows in the area by up to 80%.
Working with Council for effective assets and infrastructure outcomes

- Watercare will reflect agreed changes in our own strategic planning and AMP. Specific strategies and plans where we are working with Council include:
  - Development of Auckland’s Waters Strategy
  - Development of watershed plans
  - Developing Council’s approach to implementing the National Policy Statement for Freshwater Management
  - Auckland’s Drought Response

- We will continue to notify Council of any substantive changes made to our AMP outside of the annual updates provided.

- Watercare acknowledges Council’s request for the CCDs to actively participate in the integrated governance of urban regeneration priority areas, and we are committed to work with Council. In particular, we are working proactively with the wider Council group and the Government to enable regeneration of existing urban areas with a significant social housing component.

### Assets and infrastructure – performance measures

<table>
<thead>
<tr>
<th>Source</th>
<th>Measure</th>
<th>2018/19 Actual</th>
<th>2019/20 Target</th>
<th>2020/21</th>
<th>2021/22</th>
<th>2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIA and Auckland Plan</td>
<td>Watercare will operate responsibly. Measure 1: We will meet the 2 DIA targets that relate to assets and infrastructure (refer Appendix E, numbers 14 and 15).</td>
<td>New bundled measure</td>
<td>Meet 100% of the DIA and Auckland Plan targets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New measure</td>
<td>We will develop and use talent, processes and technologies to manage non-revenue water and ensure optimal supply efficiency.</td>
<td>N/A</td>
<td>N/A</td>
<td>Establish baseline and demonstrate continuous improvements on previous year</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Maintenance serviceperson Nischal Shekar on his way to a call-out*
Watercare – Becoming Future Fit

As New Zealand’s largest water company, we are committed to leading the industry in technical excellence. Our treatment processes are some of the most advanced in the world and our customers can rest easy knowing that they receive reliable, high-quality water at the turn of their taps.

We will continue to focus our efforts on transforming Watercare into a utility of the future – one that leverages best practice not only in its core operations but in all areas of the company as well. Through Covid-19 we have seen the critical role that technology plays as an enabler for our business. We will continue to leverage our technology investment to deliver value for our customers and our staff.

More sustainable and cost-effective infrastructure for Auckland

Watercare is one of the few companies in New Zealand that has a fully-funded infrastructure programme that is locked in for 10 years. To capitalise on this, in 2019, Watercare launched two significant initiatives – our 40:20:20 vision and the Enterprise Model framework.

Our ambitious 40:20:20 vision seeks to achieve wins in sustainability, safety and costs. The 40:20:20 targets are:

- Reduce carbon in construction by 40% by 2024
- Reduce the cost to deliver our infrastructure programme by 20% by 2024
- 20% year-on-year improvement in health, safety and well-being.

A significant portion of the 40:20:20 vision will be delivered through our new Enterprise Model framework. We have partnered with two construction companies, Fulton Hogan and Fletcher Construction, for the delivery of $2.4 billion worth of water and wastewater infrastructure for Auckland over the next 10 years. The long-term and collaborative nature of the Enterprise Model framework is a first for New Zealand. It seeks to address many of the challenges faced by the construction industry, while also achieving our ambitious 40:20:20 targets.

The Enterprise Model framework supports the development of a high-performing construction sector in New Zealand and enhances the resilience of our partners, who have long-term agreements with us. They will be able to invest in people and we are allocating risk in a fair way. We will have a mature and collaborative way of working to ensure our customers, company and partners are looked after. This framework involves a commitment to deliver a programme of work – rather than discrete projects – that will drive greater cost-efficiency and innovation.

The Enterprise Model contract was delivered in September 2019 and since then Watercare and the construction partners have been assessing the customer outcomes that are to be achieved and the opportunities to extract maximum value from the programme through supply chain and programme optimisation. This has been achieved through strong collaboration between Watercare and its Enterprise Model construction and design partners. A resulting new programme of works will emerge that is cognisant of achieving the 40:20:20 targets together with Watercare’s energy savings and climate change aspirations. The effect the Enterprise Model is having on the company is already significant and heralds a new way of working for increased productivity while growing market capability and improving the well-being of those involved.

Working with Council for effective intellectual capital outcomes

We are working together with Healthy Waters to develop a ‘carbon portal’ for use in New Zealand. This will allow us to meaningfully measure the carbon impact of our planned infrastructure projects and will be a critical tool in delivering assets that meet the 40:20:20 vision. This is being adapted to New Zealand conditions, asset types and emissions factors, in collaboration with Healthy Waters, and will have the potential to evolve to other asset types in the Council group and around New Zealand in the future.
### Intellectual capital – performance measures

|----------|-------------------------------------------------------------------------|---------------|----------------|---------|---------|---------|
| New measure | **We create new value in our infrastructure supply chain through the Enterprise Model.**  
- **Measure 1:** Establish and implement an Infrastructure Carbon Portal and corresponding toolkit to assess ways to reduce carbon emissions during the construction of water and wastewater assets. | N/A           | N/A            | Deliver and implement portal and toolkit.  
For the Enterprise Model, monitor and report on the target of a 40% reduction post 2024. |         |         |         |
| New measure | **Measure 2:** Establish and implement an Infrastructure Cost toolkit across the programme and project to deliver new ways to reduce costs during the construction of water and wastewater assets. | N/A           | N/A            | Deliver and implement the toolkit.  
For the Enterprise Model, monitor and report on the target of a 20% reduction post 2024. |         |         |         |
**Watercare – A minimum-cost, cost efficient and financially-stable provider**

Water is a universal resource, essential for thriving communities and cities. As a utility delivering essential lifeline services, we take our financial responsibilities very seriously.

We are mandated by legislation to manage operations efficiently, keeping costs to customers (collectively) at minimum levels whilst maintaining the long-term integrity of our assets. We therefore ensure we invest in providing safe and reliable services not just today but for decades to come.

We understand and appreciate that our customers expect us to be financially responsible as every dollar we spend has an impact on the price they pay for water and wastewater services.

Watercare funds its operating costs and capital projects through water and wastewater service charges, and infrastructure growth charges, financing any balance through borrowings. We operate under a full self-financing model. Our financial performance and position enables us to fulfil the $9.5 billion commitment we have made to the communities we serve in our AMP over the 2020–2038 period. Watercare’s funding envelope has been aligned for the provision of service identified in the Auckland Council Long Term Plan (including relevant plans such as the FullSS).

Our financial management is underpinned by robust plans and policies, supported by a comprehensive risk and audit programme.

To be financially stable over the long term, we consider risk, future demand, debt levels, interest costs and inter-generational equity when managing our capital investment programme. Our AMP, which is a 20 year forward looking document, defines Watercare’s best engineering and business judgment of the capital investment required to maintain the integrity of our infrastructure base.

It helps us to decide what, where, how, when and how much we invest to build and maintain our water and wastewater assets.

We have implemented efficiency initiatives across major areas of expenditure, including a network efficiency programme and a capital delivery optimisation programme. Watercare will continue to keep a tight focus on ensuring the heavy programme of capital development, including the Central Interceptor, is delivered to scope, time and budget.

Watercare is also working with the Water Industry Commission for Scotland (WICS) to help us prepare for the introduction of a national regulator for the New Zealand water industry. This will include a benchmarking exercise by WICS of Watercare against UK water utilities to identify the potential for improvement opportunities.

**We continue to pursue new revenue opportunities**

*Contract of service with Waikato District Council*

In October 2019, Watercare started providing ‘three waters’ services to Waikato District Council (WDC) via a contract of service for a period of up to 28 years and has a strong focus on better environmental outcomes and affordable water services.

WDC continues to own all assets, while Watercare manages the infrastructure above and below the ground. This includes 16 treatment plants (9 wastewater, 7 water), 106 pump stations, 805 kilometres of water pipes, 323 kilometres of wastewater pipes, 154 kilometres of stormwater pipes, 31 reservoirs and 16,644 homes and businesses in the region. A total of 29 WDC employees are now Watercare employees.

During the 21-month transition period, Waikato customers continue to deal with WDC for billing, faults and leaks. Watercare is using the transitional period to develop the AMP, a funding plan, and a subsequent long-term pricing plan, all of which will be agreed by the WDC Waters Governance Board. In 2021, we will consult with Auckland customers, as required under Section 137 of the Local Government Act. The outcome of this consultation, together with agreement on the asset management and funding plans, will provide the direction for the remaining years of the contract.

Watercare plans to make an acceptable return under the contract so we can assure our Auckland customers they will not be cross-subsidising services to Waikato. We are ensuring our service to our Auckland customers is not compromised while we provide the services to Waikato district customers.

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Watercare Services Limited – 2020-2023 Statement of Intent

19
**Acquisition of shares in Lutra Limited**

In January 2020, Watercare became the majority shareholder of Wellington-based software and process engineering company Lutra, acquiring 67% of the company.

Lutra provides software and technical services to improve the performance of people and processes involved in water and wastewater operations. The company has a strong team which includes highly-skilled process engineers, software developers and data analysts; and has strong relationships with a number of New Zealand Councils and commercial customers.

With this acquisition, Watercare will be able to gain efficiencies by implementing Lutra’s software at our sites and we will be able to utilise their training platform for our employees and contractors. We will also be able to grow the Watercare group’s revenue without compromising the services we provide to Auckland customers.

**Working with Council for effective financial capital outcomes**

- We will continue to participate in any work involving the Crown and Council regarding alternative financing options.
- Watercare will continue to actively participate in Council group procurement activities, including the development of the Group Procurement Strategy, Group Digital Roadmap Framework and the Supplier Code of Conduct.
- We will continue to work with Council and the other CCOs to maximise the savings and benefits in relation to its combined insurance programme.
- In the 2020/2021 financial year, Watercare will support Council in preparing its 10-year budget for 2021–2031.
- Watercare will continue to collaborate with Council and other members of the Council group to closer integrate its planning to assist in addressing infrastructure challenges for Auckland.
- Watercare will also continue to contribute to the development of the Asset Management Co-ordination Group. This has led to the creation of common summary Asset Management Plans being published and examination of the ways in which our asset management frameworks may be aligned.
- Watercare will continue to investigate commercial arrangements and other funding sources to either achieve savings, or develop alternative revenue sources, where this is in the best interests of our customers and the Council group.

In achieving the above, Watercare may form new entities, or acquire shares in other entities. These entities will remain separate from Watercare to:
- ensure transparency;
- separate any new commercial arrangements from Watercare’s day-to-day business in the Auckland region; and
- manage the associated risks.

Some new entities may be majority owned by Watercare, and therefore become Council Controlled Trading Organisations (CCTOs). An example of this is Lutra Limited. In relation to these types of new Watercare group entities, Watercare will:
- keep Council informed of any new entities formed or acquired (in whole or part), on a no-surprises basis;
- include details of any new CCTO activities in Watercare’s future Statements of Intent; and
- work with Council to establish the reporting requirements for any separate entity’s activities and progress.

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*Watercare Services Limited – 2020-2023 Statement of Intent*
### Financial capital and resources – Performance measures

|----------------|-------------------------------------------------------------------------|---------------|---------------|---------|---------|---------|
| New measure    | We manage operations efficiently, keeping costs to customers (collectively) at minimum levels.  
|                | - Measure: Percentage of household expenditure on water supply services relative to the average household income | N/A           | N/A           | ≤1.5 %  | ≤1.5 %  | ≤1.5 %  |
| New measure    | We are a financially-sustainable business.  
|                | - Measure: Watercare group’s debt headroom | N/A           | N/A           | Set measure in conjunction with Council and establish baseline | To be confirmed | To be confirmed |
### Schedule 1

**Operating Budget**

<table>
<thead>
<tr>
<th>Operating budgets (Smillion)</th>
<th>2018/19 Actual</th>
<th>2019/20 Revised LTP*</th>
<th>2020/21 Annual Plan</th>
<th>2021/22 Revised LTP*</th>
<th>2022/23 Revised LTP*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>549.2</td>
<td>561.9</td>
<td>563.4</td>
<td>632.0</td>
<td>674.8</td>
</tr>
<tr>
<td>Fees and charges</td>
<td>515.6</td>
<td>533.2</td>
<td>506.2</td>
<td>558.9</td>
<td>596.1</td>
</tr>
<tr>
<td>Grants and subsidies</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Other revenue</td>
<td>33.6</td>
<td>28.7</td>
<td>57.2</td>
<td>73.1</td>
<td>78.7</td>
</tr>
<tr>
<td><strong>Direct expenditure</strong></td>
<td><strong>226.6</strong></td>
<td><strong>228.1</strong></td>
<td><strong>273.9</strong></td>
<td><strong>271.9</strong></td>
<td><strong>274.5</strong></td>
</tr>
<tr>
<td>Employee related costs</td>
<td>73.2</td>
<td>77.9</td>
<td>83.2</td>
<td>82.4</td>
<td>83.8</td>
</tr>
<tr>
<td>Grants, contributions, sponsorship</td>
<td>0.8</td>
<td>0.7</td>
<td>0.7</td>
<td>0.7</td>
<td>0.8</td>
</tr>
<tr>
<td>Other expenditure</td>
<td>152.6</td>
<td>149.5</td>
<td>190.0</td>
<td>188.8</td>
<td>189.9</td>
</tr>
<tr>
<td><strong>Net direct expenditure (Income)</strong></td>
<td>(322.6)</td>
<td>(333.8)</td>
<td>(289.6)</td>
<td>(360.1)</td>
<td>(400.3)</td>
</tr>
<tr>
<td>Funding from Auckland Council</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Revenue from vested assets</td>
<td>(62.2)</td>
<td>(20.8)</td>
<td>(21.5)</td>
<td>(22.2)</td>
<td>(23.0)</td>
</tr>
<tr>
<td>Other non-operating income</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
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<tr>
<td>Net finance expense</td>
<td>66.5</td>
<td>84.3</td>
<td>71.7</td>
<td>71.0</td>
<td>71.6</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>245.8</td>
<td>252.4</td>
<td>256.5</td>
<td>287.8</td>
<td>292.8</td>
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<tr>
<td>Net losses (gains)</td>
<td>13.2</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
<td>8.0</td>
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<tr>
<td>Income tax</td>
<td>55.5</td>
<td>44.2</td>
<td>24.4</td>
<td>40.2</td>
<td>50.2</td>
</tr>
<tr>
<td><strong>NET EXPENDITURE (INCOME)</strong></td>
<td>(3.8)</td>
<td>34.3</td>
<td>49.6</td>
<td>24.8</td>
<td>(0.6)</td>
</tr>
</tbody>
</table>

### Net direct expenditure by area

<table>
<thead>
<tr>
<th>Expenditure (Smillion)</th>
<th>2018/19 Actual</th>
<th>2019/20 Revised LTP*</th>
<th>2020/21 Annual Plan</th>
<th>2021/22 Revised LTP*</th>
<th>2022/23 Revised LTP*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net direct expenditure (Income)</td>
<td>(322.6)</td>
<td>(333.8)</td>
<td>(289.6)</td>
<td>(360.1)</td>
<td>(400.3)</td>
</tr>
<tr>
<td>Wastewater Service</td>
<td>(229.3)</td>
<td>(242.5)</td>
<td>(214.3)</td>
<td>(260.9)</td>
<td>(287.7)</td>
</tr>
<tr>
<td>Water Supply</td>
<td>(93.3)</td>
<td>(91.3)</td>
<td>(75.3)</td>
<td>(99.1)</td>
<td>(112.5)</td>
</tr>
</tbody>
</table>

### Capital expenditure

For detailed capital expenditure list, please refer to Appendix A

<table>
<thead>
<tr>
<th>Expenditure (Smillion)</th>
<th>2018/19 Actual</th>
<th>2019/20 Revised LTP*</th>
<th>2020/21 Annual Plan</th>
<th>2021/22 Revised LTP*</th>
<th>2022/23 Revised LTP*</th>
</tr>
</thead>
<tbody>
<tr>
<td>- to meet additional demand</td>
<td>245.8</td>
<td>381.1</td>
<td>309.0</td>
<td>325.3</td>
<td>289.6</td>
</tr>
<tr>
<td>- to improve the level of service</td>
<td>78.9</td>
<td>76.3</td>
<td>71.5</td>
<td>77.2</td>
<td>98.4</td>
</tr>
<tr>
<td>- to replace existing assets</td>
<td>133.0</td>
<td>160.8</td>
<td>133.1</td>
<td>148.1</td>
<td>195.1</td>
</tr>
<tr>
<td>Total capital expenditure excluding capitalised interest</td>
<td>427.7</td>
<td>618.2</td>
<td>513.6</td>
<td>550.6</td>
<td>583.1</td>
</tr>
<tr>
<td>Capitalised interest</td>
<td>19.7</td>
<td>17.7</td>
<td>20.1</td>
<td>25.8</td>
<td>29.3</td>
</tr>
<tr>
<td>Total capital expenditure including capitalised interest</td>
<td>447.4</td>
<td>635.9</td>
<td>533.7</td>
<td>576.4</td>
<td>612.4</td>
</tr>
</tbody>
</table>
## Shareholder comments on revised draft CCO Statements of Intent, 2020-2023

### Sources of capital funding

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Infrastructure growth charge</td>
<td>103.8</td>
<td>101.1</td>
<td>82.0</td>
<td>86.1</td>
<td>83.7</td>
</tr>
<tr>
<td>Debt</td>
<td>85.0</td>
<td>285.3</td>
<td>233.9</td>
<td>201.3</td>
<td>200.0</td>
</tr>
<tr>
<td>Asset sales</td>
<td>2.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operating surplus (Net direct income less finance expense)</td>
<td>256.1</td>
<td>249.5</td>
<td>217.8</td>
<td>289.0</td>
<td>328.6</td>
</tr>
</tbody>
</table>

### Specific expenditure towards Māori outcomes

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Iwi engagement on Watercare projects</td>
<td>1,430.7</td>
<td>1,290.0</td>
<td>1,290.0</td>
<td>1,350.0</td>
<td>1,438.3</td>
</tr>
</tbody>
</table>

### Other financial information

- **Current value of assets**: The current value of Watercare’s assets as 30 June 2019 was $10.4 billion based on the net asset value of the Watercare group as disclosed in the audited financial statements.

- **Accounting policies**: Watercare’s accounting policies are consistent with those of the Auckland Council group policies with nominated exceptions (e.g., interest capitalisation).

- **Financial reporting**: Watercare’s financial reporting to Auckland Council will be in accordance with the requirements of the CCO Governance Manual.

<table>
<thead>
<tr>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset sales (Smillion)</td>
<td>2.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Shareholder equity ratio</td>
<td>68%</td>
<td>66%</td>
<td>66%</td>
<td>65%</td>
<td>63%</td>
</tr>
</tbody>
</table>

* The revised budget in the financial tables represents the LTP budget adjusted for approved changes and estimated impact of Covid-19.

** On 24 January 2020 Watercare acquired 67% of Lutra Limited. The revised LTP numbers include consolidation of Lutra’s budgeted results.
### Appendix A

#### Detailed capital expenditure list

<table>
<thead>
<tr>
<th>Expenditure (million)**</th>
<th>2018/19 Actual</th>
<th>2019/20 Revised LTP*</th>
<th>2020/21 Annual Plan</th>
<th>2021/22 Revised LTP*</th>
<th>2022/23 Revised LTP*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wastewater</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Interceptor</td>
<td>12.5</td>
<td>137.0</td>
<td>197.0</td>
<td>212.4</td>
<td>270.7</td>
</tr>
<tr>
<td>Collection System</td>
<td>76.9</td>
<td>37.9</td>
<td>33.0</td>
<td>18.0</td>
<td>29.2</td>
</tr>
<tr>
<td>Northern Interceptor</td>
<td>18.7</td>
<td>76.5</td>
<td>28.6</td>
<td>30.4</td>
<td>17.3</td>
</tr>
<tr>
<td>Other Projects &lt; $250k</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>0.1</td>
</tr>
<tr>
<td>Shared Services Plant &amp; Equipment</td>
<td>7.9</td>
<td>7.1</td>
<td>2.7</td>
<td>4.0</td>
<td>6.3</td>
</tr>
<tr>
<td>Shared Services Process Improvement</td>
<td>25.5</td>
<td>14.5</td>
<td>3.4</td>
<td>3.7</td>
<td>4.4</td>
</tr>
<tr>
<td>Southern Interceptor Augmentation</td>
<td>4.4</td>
<td>3.0</td>
<td>5.7</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>South-West Wastewater Servicing</td>
<td>0.9</td>
<td>10.3</td>
<td>46.4</td>
<td>63.9</td>
<td>-</td>
</tr>
<tr>
<td>Warkworth-Snells-Aigles Wastewater Servicing</td>
<td>7.8</td>
<td>77.9</td>
<td>40.7</td>
<td>25.0</td>
<td>13.4</td>
</tr>
<tr>
<td><strong>Wastewater ECS</strong></td>
<td>7.5</td>
<td>3.5</td>
<td>1.3</td>
<td>0.8</td>
<td>2.5</td>
</tr>
<tr>
<td><strong>Wastewater Treatment</strong></td>
<td>113.5</td>
<td>56.8</td>
<td>42.9</td>
<td>44.7</td>
<td>108.2</td>
</tr>
<tr>
<td><strong>Western Isthmus Programme</strong></td>
<td>3.3</td>
<td>19.2</td>
<td>15.9</td>
<td>32.1</td>
<td>32.5</td>
</tr>
<tr>
<td><strong>WWTP Regulatory Compliance</strong></td>
<td>0.6</td>
<td>1.7</td>
<td>1.3</td>
<td>-</td>
<td>0.3</td>
</tr>
<tr>
<td>Capex Efficiency</td>
<td>-</td>
<td>(20.3)</td>
<td>(19.7)</td>
<td>(19.2)</td>
<td>(22.8)</td>
</tr>
</tbody>
</table>

#### Water supply

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>2018/19 Actual</th>
<th>2019/20 Revised LTP*</th>
<th>2020/21 Annual Plan</th>
<th>2021/22 Revised LTP*</th>
<th>2022/23 Revised LTP*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dam Rehabiliation</td>
<td>0.4</td>
<td>0.7</td>
<td>0.6</td>
<td>0.7</td>
<td>4.3</td>
</tr>
<tr>
<td>Hua Water Treatment Plant Upgrades</td>
<td>2.3</td>
<td>-</td>
<td>5.1</td>
<td>10.7</td>
<td>27.1</td>
</tr>
<tr>
<td>Hühna No. 4 Water Supply Scheme</td>
<td>17.2</td>
<td>45.8</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>North Harbour 2 Watermain</td>
<td>8.6</td>
<td>10.4</td>
<td>18.5</td>
<td>19.0</td>
<td>18.6</td>
</tr>
<tr>
<td>Other Projects &lt; $250k</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Shared Services Plant &amp; Equipment</td>
<td>3.4</td>
<td>3.7</td>
<td>1.4</td>
<td>2.0</td>
<td>3.3</td>
</tr>
<tr>
<td>Shared Services Process Improvement</td>
<td>9.8</td>
<td>4.2</td>
<td>1.8</td>
<td>1.9</td>
<td>2.3</td>
</tr>
<tr>
<td>Treated Water Network</td>
<td>79.0</td>
<td>113.5</td>
<td>82.8</td>
<td>101.6</td>
<td>68.0</td>
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<tr>
<td>Waikato WTP Augmentation</td>
<td>1.5</td>
<td>10.0</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Water ECS</td>
<td>0.8</td>
<td>0.9</td>
<td>0.8</td>
<td>1.3</td>
<td>2.0</td>
</tr>
<tr>
<td>Water Source and Headworks</td>
<td>-</td>
<td>2.2</td>
<td>4.2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Water Sources Regulatory Compliance</td>
<td>0.7</td>
<td>0.5</td>
<td>0.5</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

---

*Attachment E*

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Watercare Services Limited – 2020-2023 Statement of Intent

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Shareholder comments on revised draft CCO Statements of Intent, 2020-2023

Page 231
<table>
<thead>
<tr>
<th></th>
<th>24.6</th>
<th>10.1</th>
<th>4.6</th>
<th>4.7</th>
<th>4.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water Treatment Plant</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Treatment Plant Regulatory Compliance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capex Efficiency</td>
<td></td>
<td>(9.7)</td>
<td>(6.0)</td>
<td>(7.1)</td>
<td>(8.4)</td>
</tr>
</tbody>
</table>

* The revised budget in the financial tables represents the LTP budget adjusted for approved changes.

** The capital programme is not adjusted for emergency drought response capital spend estimated to be an additional $50-$180 million.
Appendix B: Governance and how we manage and measure our performance

Watercare’s board is ultimately responsible for all decision-making by the company. The directors and the management team are committed to ensuring the company applies best-practice governance policies and procedures. As at 1 March 2020, there are five subcommittees being: 1) Audit and Risk, 2) Te Tangata, 3) a subcommittee to oversee the Strategic Transformation Programme, 4) a subcommittee to oversee the Asset Management Plan, and all major capital expenditure projects over $100 million including the Central Interceptor, and 5) and a subcommittee to oversee Climate Action.

Our board undergoes board performance reviews biannually, in line with the Council-adopted process.

Watercare ensures we fulfill the public meetings stipulation of the Local Government (Auckland Council) Act 2009 which requires Auckland Council’s CCOS to hold two public meetings a year and the timing for these is set out below. Dates and times are publicly notified in advance with agendas and minutes made available on our website.

<table>
<thead>
<tr>
<th>Date</th>
<th>Purpose</th>
<th>Form of public notification</th>
</tr>
</thead>
<tbody>
<tr>
<td>28 July 2020</td>
<td>Consider shareholder comments on draft SOI</td>
<td>Public notice</td>
</tr>
<tr>
<td>27 October 2020</td>
<td>Consider performance against SOI targets</td>
<td>Public notice</td>
</tr>
<tr>
<td>May 2021</td>
<td>Consider shareholder comments on draft SOI</td>
<td>Public notice</td>
</tr>
</tbody>
</table>

Watercare works diligently to meet our legal obligations and act in accordance with the Governance Manual for substantive CCOS, which sits alongside this SOI and forms part of the annual binding agreement between Council and Watercare. Page 28 of the CCO Governance Manual includes the procedures when CCOS subscribe for, purchase or otherwise acquire shares in any company or other organisation, as required under Schedule 5, Clause 9(1), of the Local Government Act 2002. We operate under a no-surprises policy and inform the Mayor, councillors or Local Boards (as appropriate) well in advance of any events, transactions or issues that could attract public interest, whether positive or negative.

We are committed to participating in the design and implementation of group-wide policies. Watercare is also supportive of the development of Council group foundation principles and standards (where required).

See Our legislative framework in Appendix C for more information on our legal responsibilities.

Managing risk

We have an established risk management policy and framework, which follows the guidance of the ISO 31000 risk management standard. Risks are identified and evaluated using likelihood and consequence scores and ranked. The highest-ranked and significant emerging risks are regularly reviewed by senior management and the board via management and board-level reporting.

As part of the risk management framework, Watercare management has a Risk Management Steering Committee to monitor emerging risk and risk-mitigating actions and strategies.

The internal audit function produces an annual plan that is approved by our Audit and Risk Committee with management’s quarterly reporting against the plan to the committee. The Audit and Risk Committee maintains oversight of progress and must be satisfied that recommendations arising from internal audit’s work are fully addressed by management.

Watercare also provides Council’s Audit and Risk Committee with a quarterly report outlining our risk management framework, approach, processes and an overview of the top risks with associated mitigation actions. We proactively report on all significant risks and issues and their management to ensure no surprises, transparency and that significant risks are being appropriately managed.
Measuring our performance

We have an agreed set of performance measures and targets which form the basis for accountability to delivering on Council’s strategic direction, priorities and targets. These are reported on a quarterly basis in accordance with the governance manual for substantive CCOs.

The measures and targets include those aligned with our six capitals, including the mandated non-financial measures of the Department of Internal Affairs and those that were agreed with Council as part of the Long-Term Plan 2018–2028.

Our commitment

Watercare supports the Council’s drive for greater transparency in budgeting, operating expenditure and reporting and is committed to:

- Demonstrating value for money across all expenditure
- Continuing to work with Council to align our capital investment programme with Council’s 10-year budget. We will also help Council prepare for the 10-year budget 2021–2031. In particular, Watercare will:
  - (a) take account of political direction on key changes proposed by the Mayor and governing body; and
  - (b) continue to undertake comprehensive reviews of our AMP, performance trends, budgets and fee settings. In doing so, we will follow best practice asset planning processes and do so in a highly transparent manner.
- Sharing key information in our AMP (which includes asset condition, renewals planning, maintenance and repairs procurement, asset-related cost trends and asset planning for growth)
- Benchmarking front-line and back-office expenditure, including regularly publishing results on Watercare’s website
- Exploring alternative operating revenue streams wherever possible. In this regard, we will work with Council to establish the reporting and any risk parameters that are appropriate to enable this activity while ensuring adequate accountability
- Keeping a strong focus on managing sensitive expenditure lines.

Watercare recognises challenges the Council faces and we acknowledge that there is limited capacity for new cost pressures, new funding request or unforeseen events in relation to funding and we commit to continuing to work with Council in this regard. We also keep Council informed, via our quarterly reports, of any significant operational challenges that might occur in the future.

We commit to optimise efficiency and value and remove unnecessary duplication. We will continue to work closely with Council staff on providing consistent and transparent financial and performance information.

We also commit to consider, where appropriate, different approaches to core systems and business processes, shared back-office delivery and alignment with the Council group’s investment.
Appendix C: Our legislative framework

Watercare is a limited-liability company registered under the Companies Act 1993, and a local government organisation under the Local Government Act 2002. Watercare is subject to regulation governing planning, health and environmental matters.

We became a substantive Council-controlled organisation (CCO) on 1 July 2012.

The principal regulators include Auckland Council, Waikato Regional Council and the Ministry of Health. We provide these and other regulatory bodies with information on the impacts of existing policy and regulation on our activities. We also contribute and respond to the development of relevant statutory and regulatory changes affecting water, wastewater and the lifeline utility sector.

The legislative framework enabling and governing our operations as the provider of water and wastewater services in Auckland is found largely in six Acts and amendments:

- Local Government Act 2002
- Local Government (Tāmaki Makaurau Reorganisation) Act 2009
- Local Government (Auckland Council) Act 2009
- Companies Act 1993

As a CCO, we have principal objectives under Section 59 of the Local Government Act 2002 in carrying out our activities and functions, including to:

- Achieve the objectives of Auckland Council, both commercial and non-commercial, as specified in this Statement of Intent (SOI)
- Be a good employer (as defined in Clause 36 of Schedule 7 of the Local Government Act 2002)
- Exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which we operate and by endeavouring to accommodate or encourage these interests when we are able to do so.

Our obligations to deliver water and wastewater services for Auckland are established under Part 5, Section 57(1), of the Local Government (Auckland Council) Act 2009, which stipulates that an Auckland water organisation:

- Must manage its operations efficiently with a view to keeping the overall costs of water supply and wastewater services to its customers (collectively) at the minimum levels, consistent with the effective conduct of its undertakings and the maintenance of the long-term integrity of its assets
- Must not pay any dividend or distribute any surplus in any way, directly or indirectly, to any owner or shareholder
- Is not required to comply with Section 68(b) of the Local Government Act 2002 (avoiding the requirement to pay a dividend)
- Must have regard for public safety (e.g. the safety of children in urban areas) in relation to its structures.

Also under the legislative framework:

- We must give effect to the relevant aspects of the Council's Long-Term Plan, act consistently with other specified plans and strategies of the Council and ensure compliance at all times with Sections 57 and 58 of the Local Government (Auckland Council) Act 2009.
- At least two board meetings a year are required to be held in public: one before 30 June to consider the Council’s comments on the draft SOI for the upcoming financial year, and one after 1 July to consider our performance under the SOI for the previous financial year. In practice, all our board meetings are open to the members of the public (with our constitution and Section 7 of the Local Government Official Information and Meetings Act 1987 permitting certain private matters to be dealt with in private).
- Our financial statements, the SOI and specified long-term plans must be audited by the Auditor-General, or by an auditor acting on behalf of the Auditor-General.

The Auditor-General is the auditor of Watercare's financial statements. The Auditor-General has appointed Brett Tomkins, using the staff and resources of Deloitte, to undertake the external audit work on behalf of the Auditor-General, in accordance with the Auditor-General's Audit Standards, which incorporate New Zealand Auditing Standards. Deloitte must satisfy the independence requirements of the Auditor-General and External Reporting Board.

Watercare Services Limited – 2020-2023 Statement of Intent
### Appendix D: Working together to achieve the vision for Auckland

We are fully committed to working with the Council group to implement the Auckland Plan 2050, including the Development Strategy, relevant performance measures and any associated guidance. The table below sets out the Auckland Plan outcomes, and how Watercare contributes to these outcomes.

<table>
<thead>
<tr>
<th>Auckland Plan outcomes</th>
<th>Degree of contribution</th>
<th>How Watercare contributes</th>
</tr>
</thead>
</table>
| Māori identity and well-being | Primary | • By actively fostering and maintaining relationships with local Māori, including via the Mana Whenua Kai Takihi Forum  
• By providing technical advice related to water supply and septic tanks in marae  
• By realising rangatahi (our youth’s) potential and promoting scholarships for Māori  
• By integrating Māori identifiers including a focus on te reo Māori |
| Homes and places | Primary | • By collaborating with the wider Council group to support areas of growth identified by Council; growth adjacent to transport nodes  
• By aligning major infrastructure development for future urban areas with Council’s Future Urban Land Supply Strategy (FULSS)  
• By proactively engaging with Kāinga Ora to plan, fund and deliver water and wastewater infrastructure to support its major urban transformation programmes - in particular, Northcote, Mt Roskill, Māngere, Ōtāhuhu and Oranger  
• By reliably and efficiently delivering high-quality Aa-grade water to all our customers  
• By reliably collecting and treating wastewater and returning it safely to the environment  
• By ensuring customers experiencing financial hardship can access support through the Watercare-funded Water Utility Consumer Assistance Trust |
| Environment and cultural heritage | Primary | • By working with Council on the Auckland’s Waters Strategy to achieve the Auckland Plan 2050’s objectives of adapting to a changing water future  
• By planning and providing resilient infrastructure that is adaptive to future changes including climate change  
• By collecting and treating wastewater effectively, and managing the effects on receiving environments  
• By actively promoting water-efficient technologies and behaviours to consumers and homeowners  
• By working to reduce water demand through operational improvements  
• By working with Council on the Watercare Heritage Assessment Project to determine approaches for protecting and promoting historic heritage  
• By consulting with affected parties on our development plans |
| Belonging and participation | Secondary | • By reliably delivering ‘Aa’ grade water to all our customers  
• By reliably collecting and treating wastewater and returning it safely to the environment  
• By holding open days at our water and wastewater plants  
• By providing a free water education programme to schools |
| Transport and access | Secondary | • By ensuring Watercare works with Council, Auckland Transport, New Zealand Transport Agency and other utilities to align infrastructure projects wherever possible, to minimise the impacts on traffic and neighbourhoods |
| Opportunity and prosperity | Secondary | • By providing a pipeline of employment opportunities  
• By building a resilient workforce in the water and wastewater industry  
• By working with industry partners and tertiary education providers to deliver graduate programmes as well as apprenticeship and internship opportunities. |
## Appendix E: 14 x Department of Internal Affairs non-financial measures and 1 x Auckland Plan* Measure

<table>
<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>Compliance with the Watercare’s resource consents for discharge from our sewerage system measured by the number of:</td>
<td>(a) 0</td>
<td>(e) ≤2</td>
<td>(a) ≤2</td>
<td>(a) ≤2</td>
<td>(a) ≤2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(a) abatement notices</td>
<td>(b) 0</td>
<td>(f) ≤2</td>
<td>(b) ≤2</td>
<td>(b) ≤2</td>
<td>(b) ≤2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(b) infringement notices</td>
<td>(c) 0</td>
<td>(g) ≤2</td>
<td>(c) ≤2</td>
<td>(c) ≤2</td>
<td>(c) ≤2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(c) enforcement orders</td>
<td>(d) 0</td>
<td>(h) 0</td>
<td>(d) 0</td>
<td>(d) 0</td>
<td>(d) 0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>received by Watercare in relation to those resource consents</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>The average consumption of drinking water per day per resident within the territorial authority district (12-month rolling average)</td>
<td>270.7</td>
<td>264 +/- 2.5%</td>
<td>262 +/- 2.5%</td>
<td>260 +/- 2.5%</td>
<td>258 +/- 2.5%</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>The extent to which Watercare’s drinking water supply complies with Part 4 of the Drinking Water Standards New Zealand (bacteria compliance criteria)</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>The extent to which Watercare’s drinking water supply complies with Part 5 of the Drinking Water Standards New Zealand (protocol compliance criteria)</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>Median response time for attendance for urgent call-outs: from the time that Watercare receives notification to the time that our service personnel reach the site</td>
<td>50 mins</td>
<td>≤60 mins</td>
<td>≤60 mins</td>
<td>≤60 mins</td>
<td>≤60 mins</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>Median response time for resolution of urgent call-outs: from the time that Watercare receives notification to the time that our service personnel confirm resolution of the fault or interruption</td>
<td>2.8 hours</td>
<td>≤5 hours</td>
<td>≤5 hours</td>
<td>≤5 hours</td>
<td>≤5 hours</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>Median response time for attendance for non-urgent call-outs: from the time that Watercare receives notification to the time that our service personnel reach the site</td>
<td>1.3 days</td>
<td>≤5 days</td>
<td>≤5 days</td>
<td>≤5 days</td>
<td>≤5 days</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>Median response time for resolution of non-urgent call-outs: from the time that Watercare receives notification to the time that our service personnel confirm resolution of the fault or interruption</td>
<td>2.1 days</td>
<td>≤6 days</td>
<td>≤6 days</td>
<td>≤6 days</td>
<td>≤6 days</td>
</tr>
<tr>
<td>9</td>
<td></td>
<td>The total number of complaints received by Watercare about any of the following:</td>
<td>4.4</td>
<td>≤10</td>
<td>≤10</td>
<td>≤10</td>
<td>≤10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(a) drinking water clarity</td>
<td>(b) drinking water taste</td>
<td>(c) drinking water odour</td>
<td>(d) drinking water pressure or flow</td>
<td>(e) continuity of supply</td>
<td>(f) Watercare’s response to any of these issues expressed per 1000 connections to the local authority’s networked reticulation system</td>
</tr>
<tr>
<td>10</td>
<td></td>
<td>Attendance at sewerage overflows resulting from blockages or other faults: median response time for attendance – from the time that Watercare receives notification to the time that our service personnel reach the site</td>
<td>44 mins</td>
<td>≤60 mins</td>
<td>≤60 mins</td>
<td>≤60 mins</td>
<td>≤60 mins</td>
</tr>
<tr>
<td>11</td>
<td></td>
<td>Attendance at sewerage overflows resulting from blockages or other faults: median response time for resolution – from the time that Watercare receives notification to the time that our service personnel</td>
<td>2.9 hours</td>
<td>≤5 hours</td>
<td>≤5 hours</td>
<td>≤5 hours</td>
<td>≤5 hours</td>
</tr>
<tr>
<td>-----</td>
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<td>-------------------------------------------------------------------------</td>
<td>----------------</td>
<td>----------------</td>
<td>---------</td>
<td>---------</td>
<td>---------</td>
</tr>
<tr>
<td>12</td>
<td></td>
<td>The total number of complaints received by Watercare about any of the following:</td>
<td>18.6</td>
<td>≤50</td>
<td>≤50</td>
<td>≤50</td>
<td>≤50</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(a) sewerage odour</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(b) sewerage system faults</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(c) sewerage system blockages</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(d) Watercare’s response to issues with its sewerage system expressed per 1000 connections to the Watercare’s sewerage system</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td></td>
<td>The percentage of real water loss from Watercare’s networked reticulation system (12-month rolling average)</td>
<td>13.1%</td>
<td>&lt;13%</td>
<td>&lt;13%</td>
<td>&lt;13%</td>
<td>&lt;13%</td>
</tr>
<tr>
<td>14</td>
<td></td>
<td>The number of dry-weather overflows from Watercare’s sewerage system, expressed per 1000 sewerage connections to that sewerage system</td>
<td>0.59%</td>
<td>&lt;5%</td>
<td>&lt;5%</td>
<td>&lt;5%</td>
<td>&lt;5%</td>
</tr>
<tr>
<td>15</td>
<td></td>
<td>Average number of wet-weather overflows per engineered overflow point per discharge location in the transmission system (12-month rolling average)*</td>
<td>1.21</td>
<td>≤2 overflows per year</td>
<td>≤2 overflows per year</td>
<td>≤2 overflows per year</td>
<td>≤2 overflows per year</td>
</tr>
</tbody>
</table>
## Appendix F: Our major water and wastewater projects

<table>
<thead>
<tr>
<th>No.</th>
<th>Major water projects</th>
<th>Description</th>
<th>Work to be carried out over the next three years</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hūnia 4 Watermain</td>
<td>Construction of the 32-kilometre-long watermain that will run from Redoubt Road Reservoir to Khyber Reservoir in central Auckland</td>
<td>Construction has commenced on the final stage from Market Road to the Khyber Pass Reservoir. Ninety per cent of the construction will be tunnelled, thereby avoiding significant congestion down Manukau Road and through to the Khyber Pass Reservoir. Completion due early 2021.</td>
</tr>
<tr>
<td>2</td>
<td>North Harbour Watermain Duplication</td>
<td>Construction of the North Harbour No. 2 Watermain, which will run for 33 kilometres from Titirangi to Albany</td>
<td>Duplication of the watermain is being progressively constructed in stages. The section from Upper Harbour to Albany will be completed over the next three years, with the remainder to be completed by 2026.</td>
</tr>
<tr>
<td>3</td>
<td>Puketuke East Reservoirs</td>
<td>Construction of two additional water storage reservoirs to maintain security of supply and cater for growth</td>
<td>The first reservoir will be in service by August 2020.</td>
</tr>
<tr>
<td>4</td>
<td>Waikato Water Treatment Plant Expansion 1</td>
<td>Expansion of the capacity of the existing water treatment plant to cater for additional demand arising from growth</td>
<td>The plant capacity increase from 150MLD to 175MLD has been completed. Additional process improvements are under way to provide sustainable peak production; these will be completed in 2022.</td>
</tr>
<tr>
<td>5</td>
<td>Waikato Water Treatment Plant Expansion 2</td>
<td>Provision of additional water abstraction, treatment and conveyance capacity from the Waikato River to cater for additional demand arising from growth</td>
<td>A consent has been lodged for an additional take from the Waikato River and awaiting processing by Waikato Regional Council. As a result of processing delays an alternative option is being considered that will allow early construction of the second treatment plant to meet the high growth currently being experienced.</td>
</tr>
<tr>
<td>6</td>
<td>Nihotupu No. 1 and Hīua No. 3 Watermain replacement</td>
<td>Replacement of two critical watermains which are nearing the end of their design lives</td>
<td>Construction has commenced and will be completed in stages with the final stage commissioned by early 2022.</td>
</tr>
<tr>
<td>7</td>
<td>Hīua Water Treatment Plant Upgrade</td>
<td>Replacement of the Hīua Water Treatment Plant which is reaching the end of its design life and the provision of better treatment processes that will maintain supply and improve levels of service</td>
<td>The consent process is to be completed and detailed design commenced during this period.</td>
</tr>
<tr>
<td>8</td>
<td>Orewa No. 1 Watermain Replacement</td>
<td>Completion of a staged bypass of the most vulnerable section of the existing watermain that runs between Silverdale and North Orewa</td>
<td>The northern 4.3km of this watermain will be constructed through the Millwater development, across Orewa River, and connect to the Maire Road Reservoir. The southern 0.3km will be constructed through Silverdale and will facilitate the commissioning of the entire 7km replacement between Silverdale and the Maire Road Reservoir.</td>
</tr>
<tr>
<td>9</td>
<td>Redoubt Road Reservoir Expansion</td>
<td>Construction of an additional 50ML treated water storage reservoir to maintain security of supply and cater for growth</td>
<td>Early works are due to start during 2020 and the project completed 2022.</td>
</tr>
<tr>
<td>No.</td>
<td>Major wastewater projects</td>
<td>Description</td>
<td>Work to be carried out over the next three years</td>
</tr>
<tr>
<td>-----</td>
<td>----------------------------</td>
<td>-------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>1</td>
<td>Central Interceptor</td>
<td>Construction of a new wastewater conveyance and storage pipeline to service central Auckland as well as the isthmus, east and south</td>
<td>The scope of the project has expanded to improve service to the Grey Lynn catchment. Construction commenced in 2019 and will be completed by December 2025.</td>
</tr>
<tr>
<td>2</td>
<td>Northern Interceptor: Hobsonville to Rosedale</td>
<td>Construction of a new wastewater pipeline which will divert flows from the Māngere Wastewater Treatment Plant to Rosedale Wastewater Treatment Plant</td>
<td>Construction is to be completed by early 2021.</td>
</tr>
<tr>
<td>3</td>
<td>Northern Interceptor: Westgate to Hobsonville</td>
<td>Construction of the second stage of the Northern Interceptor to divert wastewater flows from Whauwau, Rodhills, Kumeu, Huapai and Riverhead catchments to the Rosedale Wastewater Treatment Plant. The project also includes trunk sewers servicing local catchments to provide for growth</td>
<td>The necessary consents, landowner approvals and detailed design are to be obtained during this period with completion due by 2024.</td>
</tr>
<tr>
<td>4</td>
<td>Rosedale Wastewater Treatment Plant Upgrade</td>
<td>Provision of additional treatment capacity to cater for population growth in the North Shore and treat diverted wastewater flows from West Auckland, which are currently served by the Māngere Wastewater Treatment Plant</td>
<td>The design and construction are to be completed during 2020.</td>
</tr>
<tr>
<td>5</td>
<td>Pukekohe Wastewater Treatment Plant Upgrade</td>
<td>Construction of additional treatment capacity to cater for population growth in the Pukekohe Wastewater Treatment Plant catchment</td>
<td>Construction has commenced and the capacity increase will be completed in stages by 2023, in line with growth expectations.</td>
</tr>
<tr>
<td>6</td>
<td>Southern Auckland Wastewater Servicing Scheme</td>
<td>Duplication of the Southern Interceptor sewer between Hingaia and Manurewa to cater for growth</td>
<td>The project is expected to be completed in 2023.</td>
</tr>
<tr>
<td>7</td>
<td>Puketutu Island/Te Motu a Hiaoa</td>
<td>Rehabilitation of Puketutu Island using treated biosolids from the adjacent Māngere Wastewater Treatment Plant</td>
<td>The mofill operation to rehabilitate Puketutu Island is to be continued.</td>
</tr>
<tr>
<td>8</td>
<td>Warkworth-Snells-Alges Wastewater Services</td>
<td>Construction of a new wastewater treatment plant, new wastewater pipeline, pump stations and ocean outfall at Snells Beach</td>
<td>Design has commenced and construction is targeted for completion by 2022.</td>
</tr>
<tr>
<td>9</td>
<td>South-west Wastewater Servicing</td>
<td>Construction of a new wastewater treatment plant at Waiuku; new wastewater pipeline, pump stations and harbour outfall at Clarks Beach</td>
<td>Consent has been obtained. Design has commenced and construction completed by 2026.</td>
</tr>
<tr>
<td>10</td>
<td>Western Isthmus Water Quality Improvement Programme</td>
<td>Joint initiative with Healthy Waters to develop and implement specific improvement programmes in the priority catchments of Westmere, Avondale, Freemans Bay, Grey Lynn, Herne Bay, Maola Road, Motions Road, Oatley, Pt Chevaller, St Mary's Bay and Waterview</td>
<td>This programme is at the planning and construction stages. The target completion date remains 2028.</td>
</tr>
</tbody>
</table>
DRAFT STATEMENT OF INTENT
2020/21 TO 2022/23

MAHERE WHĀINGA WHAKAARO

Community Education Trust Auckland, Te Hononga Akoranga (COMET Auckland).
PO Box 3430, Shortland Street, Auckland 1140. Phone 09 307 2101.
www.cometauckland.org.nz

An Auckland Council controlled organisation.
HE WHAKATAUĀKĪ

E kore e taea e te whenu kotahi ki te raranga i te whāriki
kia mōhio tātou ki ā tātou.
Mā te mahi tahi ō ngā whenu,
mā te mahi tahi ō ngā kairaranga,
ka oti tēnei whāriki.
I te otinga
me titiro tātou ki ngā mea pai ka puta mai.
Ā tana wā,
me titiro hoki
ki ngā raranga i makere
nā te mea, he kōrero ano kei reira.

The tapestry of understanding
can not be woven by one strand alone.
Only by the working together of strands
and the working together of weavers
will such a tapestry be completed.
With its completion
let us look at the good that comes from it
and, in time we should also look
at those stitches which have been dropped,
because they also have a message

nā Kūkupa Tirikatene

E Papa Kūkupa, moe mai
i roto i ngā ringaringa o te Kaihanga.
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PURPOSE OF STATEMENT OF INTENT

In accordance with the Local Government Act 2002, this annual Statement of Intent (SOI) publicly states the activities and intentions of Community Education Trust Auckland, Te Hononga Akoranga (COMET Auckland) for the next three years, and the objectives that those activities will contribute to. This SOI takes shareholder comments into consideration and includes performance measures and targets as the basis of organisational accountability.

ABOUT COMET AUCKLAND

COMET Auckland is a Council Controlled Organisation of Auckland Council, and also an independent Charitable Trust. Our role is to support education and skills across Auckland, contributing to the relevant social and economic goals in the Auckland Plan.

As a charitable trust and CCO of Auckland Council, we are uniquely placed to drive change in Auckland’s education and skills system because we are the only Auckland-based organisation that takes a cross-sector, helicopter view of our education and skills system and that can focus long-term on the learning-related goals and targets in the Auckland Plan.

Note: The Auckland Council funds some of COMET Auckland’s work towards these actions. The Trust also seeks funding from government, industry and philanthropic sources for specific projects. In general, we are able to obtain external funding for established projects. We depend on Auckland Council funding for our core strategic leadership role (on which all our other work depends), and also for the establishment phase of new projects, until we have amassed enough evidence of effectiveness to be able to attract other funding.
## COMET AUCKLAND CONTRIBUTION TO AUCKLAND COUNCIL PLANS AND OBJECTIVES

The Auckland Plan is Auckland Council’s roadmap to deliver on Auckland’s vision of a world class city where talent wants to live. The Auckland Plan is a thirty year plan that is underpinned by a set of outcomes to achieve this vision.

COMET Auckland plays a critical part in delivering on outcomes, actions and targets in the Auckland Plan as outlined in the table below.

<table>
<thead>
<tr>
<th>Auckland Plan outcomes</th>
<th>Degree of contribution</th>
<th>How COMET Auckland contributes</th>
</tr>
</thead>
</table>
| Belonging and participation | Primary | COMET Auckland supports more effective and equitable learning pathways for children and young people through:  
- Strategic leadership, data reports, policy advice  
- Talking Matters – early oral language  
- Youth Employability Programme  
- SouthSci science in society project  
- Learning Auckland youth magazine |
| Māori identity and wellbeing | Primary | COMET Auckland supports more equitable learning outcomes for Māori and greater recognition of Māori knowledge and aspirations through:  
- Strategic leadership, data reports, policy advice  
- Tāmaki Makaurau Education Forum  
- Youth Advisory Roopu  
- Rangatahi consultation and advisory group  
- Te Reo normalisation  
- Kaupapa Māori youth employability model  
- Talking Matters Kōrero tō mai |
| Homes and places | Not applicable |  
| Transport and access | Not applicable |  
| Environment and cultural heritage | Primary | COMET Auckland advocates for the value of Auckland’s cultural and linguistic diversity through:  
- Strategic leadership, data reports, policy advice  
- Auckland Languages Strategy  
- Talking Matters |
| Opportunity and prosperity | Primary | COMET Auckland supports skill-building for adults to enable their own and their family’s economic development through:  
- Strategic leadership, data reports, policy advice  
- Talking Matters – training parent coaches & champions |

Other Auckland Council plans and documents that COMET Auckland’s work contributes to include:  
- I Am Auckland (Auckland Council’s strategic plan for children and young people)  
- Economic Development Strategy  
- Shared Economic Agenda  
- Independent Māori Statutory Board Plan  
- Southern Initiative  
- Western Initiative
COMET AUCKLAND STRATEGIC OBJECTIVES

Our mission:
Driving systems change to make education and skills more effective and equitable across Auckland.

Our vision:
All Aucklanders have the right to shine and realise their dreams through lifelong learning.

Long Term Outcome:
Parity of educational outcomes

The Pathways to Success diagram on the right identifies the key milestones that evidence shows enable learners to reach their aspirations and contribute to their family and community. Together these milestones create a continuous pathway of learning for Aucklanders of all ages. COMET Auckland’s work aims to bring about greater equity of outcomes against these milestones.

Our strategy:
Using our mission and vision as the origin point for everything we do, we use the evidence-based milestones for learners in the above Pathway to Success diagram to guide our planning.
We then work with partners to prioritise the areas in the Pathway to Success where we can jointly make the biggest difference for equity.

Briefly, our work involves:
- **Sector leadership** – mapping data and evidence, working with sector leaders to identify and prioritise the most pressing areas of focus, and connecting people around that common agenda, to plan collaborative action.
- **Advocacy for change** through responding to inquiries, bringing data to the attention of leaders, supporting partners to amend their business as usual, or trialling new ways of working (incubation projects).
- **Incubation projects** generally develop through scoping and planning to trialling, and then implementation and evaluation, with the goal of handing them on once they are fully developed, so we can move on to focus on another part of the system.
RESPONDING TO COVID-19

Health and safety
The wellbeing and safety of our team and project partners is paramount. We cancelled all external meetings from mid March and all COMET staff worked from home during Covid-19 Levels 3 and 4. Our office opened from Level 2, with all necessary hygiene, contact tracing and physical distancing precautions, and most staff still working from home when possible.

Business continuity and responsiveness
Thanks to our business continuity plan, all our staff have been able to continue working throughout this period. All our files are Cloud-based, and we provided office laptops to those staff who did not have a suitable computer at home. Our managers instituted regular formal and informal catch-ups to support their teams. We are grateful to our staff for the dedication they showed in continuing to work in often less-than-ideal circumstances.

Our project teams have worked hard to pivot delivery of our projects to online models:
- **Re-shaping YEP for online delivery:** Since the start of lockdown the YEP team has produced online resources for schools and youth organisations delivering YEP remotely, and for young people to use themselves. The resources caught attention from MSD, who are funding additional resource sets for use by youth services organisations. Recognising that work experience will be difficult to obtain this year, YEP will be recognising 2020 students for the parts of the programme they are able to complete, through a revised achievement certificate.
- **PD for ECE sector:** Talking Matters is developing webinars and other online resources for teachers and centre managers. These offer upskilling opportunities in a sector facing significant upheaval as Aotearoa adjusts to impacts on both the economy and work. These are likely to evolve into resources for a growing home-based ECE sub-sector.
- **Reaching families via social media:** Our Talking Matters team have found creative ways to support families as they adapted to life with young children in lockdown. This has included a dedicated Facebook group aimed at practitioners working with families with small children, and videos for families sharing how one of our community activators and his family are supporting learning for their one-year-old.
- **Online consultation:** We are holding a series of online consultations in May and June that will inform our advocacy in the lead-up to the election, as well as our future work programmes. We expect the online platform will allow us to reach more people and hear from more diverse groups.
- **Celebrating Māori leaders:** Our Manager Education Māori organised and led a panel discussion on Facebook with young Māori elected representatives from across Aotearoa, sharing their community response to Covid-19 and their advice to young Māori wanting to run for elected office.

While kanohi ki te kanohi relationships will always be important, online delivery is opening up opportunities to reach new communities. We expect to continue many of these new delivery models alongside face to face engagement once that becomes possible.

Impact on education and skills needs
Over the next period we are predicting significant areas of need in education and skills, related to the impacts of the Covid-19 crisis and its aftermath.
- Rising youth unemployment (NEETs), impacting on youth well-being, current and future income and long-term benefit dependence
- Financial pressure on families, leading more young people to leave school or training to find work, impacting on equitable participation in education
- High job losses in major industries, creating increased need for re-training and for re-purposing existing skills
- Delays in learning due to time lost during lockdown, especially for Māori and Pasifika learners in low-decile secondary schools, leading to increasing disparities
- Increasing need for digital skills as more businesses shift more of their work online
- Social and emotional stresses on individuals, families and communities, with increasing need for support to build resilience and wellbeing for people of all ages, and ongoing pressure on mental health and social support agencies
- Greater recognition of the value of science for our everyday lives, which may lead to increased demand for science-related learning
- Increased recognition of the value of early childhood education for child development, learning and literacy and whānau wellbeing.

We note that government is moving to support a number of the above issues, not least through Budget 2020. COMET Auckland is well-placed to contribute through our programmes and also through our cross-sector connecting role.

**Impact of Covid-19 on non-Council funding**
While need is increasing, funding is becoming much harder to obtain. The implications of the Covid-19 emergency have been severe for the philanthropic sector which is the source of most of our funding. Their investment incomes are constrained or even negative and many have closed their normal funding rounds indefinitely. We are already seeing the impact of this on our revenue streams. Our budget is always tight and we manage funds carefully, pay modest salaries, access services at reduced price wherever possible and avoid unnecessary costs. In response to the tight fiscal environment, we have based our 2020/21 budget on zero salary adjustments for all staff and have cut back on operational costs where possible.

**Proposed changes to Auckland Council funding**
COMET Auckland has a current funding contract with Auckland Council for the funding period from 1 July 2018 to 30 June 2021, at $558,000 per annum. Our funding from Auckland Council has remained at $558,000 since we took our last funding cut in 2015/16, with no adjustment for inflation. Cumulative inflation between 2015 and 2020 amounts to 7.9%, meaning that our funding has dropped by $44,000 per year in real terms.

Auckland Council has signalled significant fiscal constraints in 2020/21 as a result of COVID-19. It has asked COMET Auckland for probable implications of two possible scenarios for COMET Auckland’s funding from Auckland Council for 2020/21:
1. Total funding reduces by $50,000 (approx. 10%)
2. Total funding reduces by $100,000 (approx. 20%)

We have carefully considered the implications of these proposed funding cuts. We are also experiencing significant tightening in our other funding sources and have already planned cost-cutting changes as described above. Any further reduction in funding would result in cuts to staffing and therefore programme delivery. We have identified projects that do not yet have assured funding and that will need to be halted in each of the above scenarios. These are described below and are marked “funding dependent” in the work plan tables.
Scenario 1 - $50,000 reduction
The impact of a $50,000 drop would be a dramatic reduction in the number of Auckland young people able to participate in our Youth Employability Programme (YEP) which helps 14-24 year olds gain insight, confidence and skills to get work, keep work and create careers. YEP has helped transition well over 1,000 job seekers into employment or further training in the last five years.

Most of our current external funding for YEP ends in June and due to the impact of Covid-19 on most of our potential external funders, we have not been able to secure replacement funding for YEP. Auckland Council funding enables us to keep providing this essential support to existing programme sites.

We would use reserves to honour our MOUs with existing sites in 2020 but would not be able to provide critical support (such as logistical support, training and coordination) in 2021. Our estimate is that two-thirds to three-quarters of current sites would pull out of YEP as a result of this loss of support, which would mean between 200 and 300 Auckland young people will miss out on building employability skills. With the increasing unemployment that is predicted post-Covid, these young people will be at even greater risk of long-term unemployment.

Scenario 2 - $100,000 reduction
In addition to the above loss of support for youth employability, losing $100,000 would also mean that we would not be able to produce our annual Auckland education data snapshot, or the set of snapshots for each local board area which would otherwise be due in early 2021.

The last local board snapshots were produced before the latest census data was available so an update is particularly important this year. Making updated data available to decision-makers will also be especially important in 2020/21 as we will see the first impacts of Covid-19 on the education and skills pipeline.

Feedback from councillors, local board members, educators and policy-makers shows that our snapshots are highly sought-after and well-used and valued to support quality decision-making. Without the snapshots, hundreds of elected representatives, officials and educators would lose hours of productive time finding the education and skills data they need.

Budget impact
In both scenarios, the main costs are for staffing, so approximately 80% of the impact on our expenditure would be in the personnel category. The remainder would be under other expenses (mainly printing and other programme-related costs). Due to COMET's size and the specialist nature of our work, loss of staff will mean significant loss of expertise, connections and institutional knowledge, all of which will be expensive to replace.

Māori responsiveness implications
Our commitment to Te Tiriti o Waitangi is a high priority for COMET Auckland. In preparing the above response we have protected our Manager Education Māori role, so we can continue our coordination of the Tāmaki Makaurau Education Forum and support for Te Reo Revitalisation, and ensure our programmes are as effective as possible for Māori learners.

However, cutting our youth employability and snapshot work would have an impact on Māori.

- Our data snapshots highlight system issues in Māori education and are an important way to keep government and educators accountable to Māori.
- In most years, 30 to 40% of YEP participants are Māori, so we could expect that between 60 and 120 Māori young people would miss out on building employability skills in 2021 due to the proposed budget cuts.
THREE YEAR WORKPLAN TO DELIVER ON STRATEGIC DIRECTION

The following are the key initiatives/projects to deliver on COMET Auckland’s strategic objectives. Note that items marked “leveraged with external funds” can only proceed if we are able to obtain the additional funds required.

<table>
<thead>
<tr>
<th>Key projects &amp; initiatives</th>
<th>Description</th>
<th>Auckland Council connections</th>
<th>Contribution to strategic objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Youth Employability</strong> <em>(Funding dependent after December 2020)</em></td>
<td>Create and spread messaging across a range of local and national platforms regarding the critical importance of the youth employability agenda in the post-COVID recovery period and beyond. Convene the Youth Employability Aotearoa collaboration with national partners to map, unite and support initiatives that impact on employment, equity and wellbeing outcomes locally regionally and nationally in the post-Covid economy. Partner with MSD to create online youth employability resources for use by youth service centres across Aotearoa. Continue to expand the reach of YEP License to Work by at least 15% per year, from 45 sites in 2019 to at least 52 in 2020, 60 in 2021 and 68 in 2022. Support quality implementation of YEP and use data on participation and outcomes for annual continuous improvement. Continue to implement a “train the trainer” programme in 2021 to build capacity and capability and to support scale-up while maintaining consistent quality. Engage with diverse organisational partners to build customised Māori and Pasifika resources, training and programme pedagogy to support increased Māori and Pasifika student participation and achievement. Continue to customise resources and training opportunities to extend reach to disengaged youth, youth in prisons and second chance learners. Connect with relevant government departments/providers and draw on local, regional and national (un)employment data to demonstrate the need for government support for sustainable delivery and rollout of YEP by 2022.</td>
<td>ATEED TSI / TWI incl. Youth Connections</td>
<td>Incubation project to ensure young people have the employability skills they need to gain and retain stable, quality work Contributes to the learning pathway milestone “successful transition to study or work”</td>
</tr>
<tr>
<td><strong>Talking Matters</strong> <em>(Leveraged with external funds – full funding secured to April 2021)</em></td>
<td>Over seven years (late 2016 to early 2024): Implement projects, in a range of contexts and locations, that promote responsive interaction and talk with children aged under 3. Partnerships in Tāmaki, Puketapapa &amp; Manukau with family facing organisations that use science, data and goal setting to support</td>
<td>The Southern Initiative Auckland Libraries Community and Social Policy</td>
<td>Campaign to support whānau and communities to build young children’s oral language, so children thrive as talkers, readers and thinkers</td>
</tr>
<tr>
<td>Key projects &amp; initiatives</td>
<td>Description</td>
<td>Auckland Council connections</td>
<td>Contribution to strategic objectives</td>
</tr>
<tr>
<td>---------------------------</td>
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</tr>
<tr>
<td>families and services to promote rich language environments for babies and small children.</td>
<td>An intensive and iterative project in Tamaki trains parents to coach other whānau in responsive communication skills which are transmitted whānau to whānau both within and beyond the intensive intervention. Measurable Goals: 100 families participate in the intensive intervention reaching 500 families through whānau to whānau transmission of skills and knowledge; whānau report on enriched language environments at home and enhanced connection/wellbeing. Partnerships with ECE services using data and reflective processes to support teachers to build rich language environments for children, in alignment with Te Whariki. Measurable Goals: 3 ECE centres participate in an intensive intervention; teachers/managers report enhanced knowledge and practices around EOL; 100 ECE centres engage with Talking Matters resources including Talking Tips. Partnerships with social services to support social workers to incorporate an intentional focus on talk into their practice. Measurable Goals: 6 social workers participate in intensive trials using data to influence practice; at least one significant service provider incorporates Talking Matters skills and knowledge as BAU in their home visiting services. Support Māori-led initiatives focused on te reo Māori language revitalisation, EOL, whānau wellbeing. Measurable Goals: 1 partnership, 50 whānau. Support Pasifika-led initiatives focused on children’s early language, aiga wellbeing and affirming cultural and identity; Measurable Goals 1 partnership, 50 aiga; Share messages on social media that inspire and support wide-ranging and inclusive strategies to grow and sustain rich language environments for babies and children. Measurable Goals: Talking Matters resources are available in multiple languages; 1000 parents and practitioners actively engage with Talking Matters messages; Talking Matters video stories are used by health and education services to support their own work with families. Gather evidence on the impact and value-add on children’s early language and whānau wellbeing, to shape campaign future.</td>
<td>Healthy Families South Auckland Local boards Te Waka Anga Mua</td>
<td>Contributes to a number of learning pathway milestones • Stable and loving relationship with care-giver who understands developmental milestones • Whānau support learning • Strong cultural identity • Access to parenting support Contributions to Auckland Council outcome: Māori identity and wellbeing in particular the focus areas: - Meet the needs and support the aspirations of tamaki and their whānau - Celebrate Māori culture and support te reo Māori to flourish</td>
</tr>
<tr>
<td>Key projects &amp; initiatives</td>
<td>Description</td>
<td>Auckland Council connections</td>
<td>Contribution to strategic objectives</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-------------</td>
<td>-----------------------------</td>
<td>-------------------------------------</td>
</tr>
<tr>
<td>SouthSci Science in Society (Leveraged with external funds – full funding secured to December 2021)</td>
<td>Influence the way science is taught and young people are engaged in science, and how academics collaborate with community groups by co-developing, selecting, monitoring and supporting at least eight community-based science projects per year that meet the Participatory Science Programme criteria. Support this systems change through teacher professional development by presenting at conferences and holding workshops for teachers in collaboration with our science and education partners throughout the year. Establish a membership-based STEM Alliance Aotearoa by June 2021 to form a community of practice among science-focused corporates and content providers to promote ongoing coordination, improvement and refinement of practice around community engagement.</td>
<td>Sustainable Schools, Auckland Libraries, TSI</td>
<td>Incubation project to enable children, young people and community members to work with scientists to answer questions that are relevant to them. Contributes to increasing engagement in science, aligning with workforce needs</td>
</tr>
<tr>
<td>Highlight priority education and skills issues (Funding dependent)</td>
<td>Publish information to raise awareness of key education and skills issues, through social media and external news media. Publish a summary of Auckland education and skills data annually, including data for each local board every second year (in 2021 and 2023) to inform decision-making. Support young people to have and share their voice on education and skills issues with education leaders and decision-makers, through at least one action or communication per year.</td>
<td>RIMU ATEED</td>
<td>Mapping system performance. Providing data and evidence to support decision-making by education and community organisations</td>
</tr>
<tr>
<td>Policy input</td>
<td>Make at least 4 submissions and representations per year on education and skills issues. Lead a campaign to raise post-Covid education and skills issues in the lead-up to the 2020 election. Lead the Auckland Languages Strategy Working Group, including assembling and analysing a database of language-related organisations in 2020 and publishing a report on language organisations by June 2021.</td>
<td>Communications</td>
<td>Advocacy and advice for greater effectiveness and equity in the system. Coordinating actions to support the social and economic benefits of language learning and use across all age groups</td>
</tr>
</tbody>
</table>
### SPECIFIC PROJECTS DELIVERING ON MĀORI RESPONSIVENESS

<table>
<thead>
<tr>
<th>Key projects &amp; initiatives</th>
<th>Description</th>
<th>Auckland Council connections</th>
<th>Contribution to uplifting Māori wellbeing or enabling better outcomes for Māori</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tamaki Makaurau Education Forum</td>
<td>Coordinate the Tamaki Makaurau Education Forum, including hosting two meetings per year to develop and share models of Māori success including online forums. Work with rangatahi leaders and educators to shape and scope one or more collaborative actions to address issues raised from the 2018 rangatahi consultation, for implementation 2020/21</td>
<td>He Waka Angamua IMSB</td>
<td>Contributes to the learning pathway milestone “strong cultural identity” Supporting rangatahi voice in their education</td>
</tr>
<tr>
<td>Mātauranga Māori</td>
<td>Liaise with Kāhui Ako, Kāhui a-Rone, Marae, Schools and IMSB to support their education and skills outcomes through connecting with appropriate experts. Encourage rangatahi Māori voice in the design of Teacher Education programmes in order to influence future teachers to be more effective for Māori learners. (See also Youth Employability, SouthSci and Highlight Priority Education and Skills issues sections)</td>
<td>He Waka Angamua IMSB</td>
<td>Identifying and leading actions that will make the greatest difference to enable Māori young people and whānau to reach their own goals and aspirations</td>
</tr>
<tr>
<td>Te Reo Māori Normalisation</td>
<td>Advocate for Te Reo Māori for all Auckland school students Work with Auckland Council family to support at least one action each year to promote te reo Māori as a thriving community language that is seen, heard, and spoken across public domains. (See also Talking Matters and Policy Input sections)</td>
<td>He Waka Angamua IMSB Council-controlled organisations (CCOs) Parks and Reserves Media and Communications</td>
<td>Contributes to the learning pathway milestones “strong cultural identity” and “participates in life-long learning” Celebrate Māori culture and support te reo Māori to flourish Supporting the transformation of Tamaki Makaurau Auckland to a fully bi-lingual city will create a place where Aucklanders can see, hear and use te reo Māori daily.</td>
</tr>
</tbody>
</table>
PERFORMANCE OUTLOOK

COMET Auckland has an agreed set of performance measures and targets which form the basis for accountability to delivering on council’s strategic direction, priorities and targets. These are reported on a six-monthly basis.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivering initiatives and projects to agreed timeframes and outputs</td>
<td>% of initiatives that fully meet timelines and outputs as listed in the SI</td>
<td>95%</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
</tr>
<tr>
<td>Quality of work to support education and skills</td>
<td>% of stakeholders who rate COMET Auckland's work as valuable or very valuable</td>
<td>85.2%</td>
<td>75%</td>
<td>75%</td>
<td>75%</td>
<td>75%</td>
</tr>
<tr>
<td>Influencing action towards more effective and equitable education and skills in Auckland</td>
<td>% of stakeholders who attended COMET Auckland events rating them moderately to highly valuable for influencing action</td>
<td>86.3%</td>
<td>75%</td>
<td>75%</td>
<td>75%</td>
<td>75%</td>
</tr>
<tr>
<td>Raising awareness of key education and skills issues</td>
<td>Number of media articles generated</td>
<td>29</td>
<td>32</td>
<td>35</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>Providing data and information that is valued and used by stakeholders</td>
<td>% of stakeholders rating COMET Auckland reports as moderately to highly valuable</td>
<td>81%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>Leveraging Auckland Council support</td>
<td>Value of external funding as a percentage of Auckland Council grant</td>
<td>261%</td>
<td>358%</td>
<td>&gt;300%</td>
<td>&gt;300%</td>
<td>&gt;300%</td>
</tr>
</tbody>
</table>

* Note: The 2018/19 to 2021/22 external funding levels are significantly higher than normal due to the large limited-term funding from NEXT Foundation for Talking Matters. Note also that this funding is dependent on annual approval from the funder.

In addition to the above quantitative measures, COMET Auckland tracks examples of systems change that result from our work. A selection of these are reported as case studies in our newsletters, on our website and in our Annual Report.
## SUMMARY OF FINANCIALS
### NGĀ PŪTEA WHAKAPAE

### Operating expenditure ($ thousands)

<table>
<thead>
<tr>
<th></th>
<th>2018/19 Actual</th>
<th>2019/20 Forecast</th>
<th>2020/21 Budget</th>
<th>2021/22 LTP</th>
<th>2022/23 LTP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel costs</td>
<td>1,315</td>
<td>1,777</td>
<td>1,934</td>
<td>1,973</td>
<td>2,012</td>
</tr>
<tr>
<td>Other expenses</td>
<td>626</td>
<td>786</td>
<td>928</td>
<td>970</td>
<td>970</td>
</tr>
<tr>
<td>Interest</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Depreciation</td>
<td>27</td>
<td>34</td>
<td>25</td>
<td>20</td>
<td>18</td>
</tr>
<tr>
<td><strong>Total operating expenditure</strong></td>
<td><strong>1,968</strong></td>
<td><strong>2,597</strong></td>
<td><strong>2,887</strong></td>
<td><strong>2,963</strong></td>
<td><strong>3,000</strong></td>
</tr>
</tbody>
</table>

### Operating expenditure to be funded¹

<table>
<thead>
<tr>
<th></th>
<th>2018/19 Actual</th>
<th>2019/20 Forecast</th>
<th>2020/21 Budget</th>
<th>2021/22 LTP</th>
<th>2022/23 LTP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funded by:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External grants and other revenue</td>
<td>1,455</td>
<td>1,996</td>
<td>2,316</td>
<td>2,405</td>
<td>2,442</td>
</tr>
<tr>
<td>Auckland Council funding</td>
<td>558</td>
<td>558</td>
<td>558</td>
<td>558</td>
<td>558</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>2,013</strong></td>
<td><strong>2,554</strong></td>
<td><strong>2,874</strong></td>
<td><strong>2,963</strong></td>
<td><strong>3,000</strong></td>
</tr>
<tr>
<td>Surplus/ (deficit)</td>
<td>45</td>
<td>-43</td>
<td>-13</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### Capital expenditure ($ thousands)

<table>
<thead>
<tr>
<th></th>
<th>2018/19 Actual</th>
<th>2019/20 Forecast</th>
<th>2020/21 Budget</th>
<th>2021/22 LTP</th>
<th>2022/23 LTP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>34</td>
<td>17</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Level of service</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Renewals</td>
<td>29</td>
<td>9</td>
<td>0</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td><strong>Total capital expenditure</strong></td>
<td><strong>63</strong></td>
<td><strong>26</strong></td>
<td><strong>0</strong></td>
<td><strong>12</strong></td>
<td><strong>12</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018/19 Actual</th>
<th>2019/20 Forecast</th>
<th>2020/21 Budget</th>
<th>2021/22 LTP</th>
<th>2022/23 LTP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funded by:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>External grants and other revenue</td>
<td>63</td>
<td>26</td>
<td>0</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Auckland Council funding</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>63</strong></td>
<td><strong>26</strong></td>
<td><strong>0</strong></td>
<td><strong>12</strong></td>
<td><strong>12</strong></td>
</tr>
</tbody>
</table>

Please note: all figures in this page are in thousands.
## Māori responsiveness expenditure ($ thousands)

<table>
<thead>
<tr>
<th>Initiative</th>
<th>2018/19 Actual</th>
<th>2019/20 Forecast</th>
<th>2020/21 Budget</th>
<th>2021/22 LTP</th>
<th>2022/23 LTP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution to uplifting Māori well-being or enabling better outcomes with Māori</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Māori Education Leadership (including coordination of TMEF, Mātauranga Māori projects and Te Reo Revitalisation projects)</td>
<td>136</td>
<td>115</td>
<td>136</td>
<td>167</td>
<td>167</td>
</tr>
<tr>
<td>Total expenditure</td>
<td>136</td>
<td>115</td>
<td>136</td>
<td>167</td>
<td>167</td>
</tr>
</tbody>
</table>

## Other financial information

<table>
<thead>
<tr>
<th>Current value of assets</th>
<th>The current value of COMET Auckland assets as at 30 June 2019 is $501,518.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholder equity ratio</td>
<td>The latest shareholder equity ratio for COMET Auckland as at 30 June 2019 is 100%.</td>
</tr>
<tr>
<td>Accounting Policies</td>
<td>COMET Auckland accounting policies are consistent with those of the Auckland Council group policies.</td>
</tr>
<tr>
<td>Financial Reporting</td>
<td>COMET Auckland financial reporting is in accordance with requirements of the CCO Governance Manual.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Asset sales ($ million)</th>
<th>2018/19 Actual</th>
<th>2019/20 Forecast</th>
<th>2020/21 Budget</th>
<th>2021/22 LTP</th>
<th>2022/23 LTP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
ACCOUNTING POLICIES
NGĀ KAUPAPA TŪPONO PŪTEA

REPORTING ENTITY

Community Education Trust Auckland (the Trust) is a charitable trust registered under the Charities Act 2005 and is domiciled in New Zealand. The Trust is a council-controlled organisation under Auckland Council as defined under section 6 of the Local Government Act 2002, by virtue of Auckland Council’s right to appoint the Board of Trustees.

The primary objectives of the Trust are to undertake actions, programmes and initiatives that support and promote education and improve educational outcomes for persons living in Auckland, rather than making a financial return. Accordingly, the Trust has designated itself as a public sector public benefit entity for the purpose of External Reporting Board Standard A1 Accounting Standards Framework (XRB A1).

BASIS OF PREPARATION

Statement of compliance

The financial statements of the Trust have been prepared in accordance with the requirement of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The Trust has elected to apply Public Benefit Entity Simple Format Reporting - Accrual (Public Sector) (PBE SFR-A (PS)) on the basis that it does not have public accountability and until 2018/19 had total annual expenses of equal to or less than $2,000,000, therefore eligible to report in accordance with Tier 3 Public Sector PBE Accounting Standards. This will be reviewed for 2020/21 if expenses are still above $2,000,000. All transactions in the financial statements are reported using the accrual basis of accounting.

Going concern

The financial statements have been prepared on the basis that the Trust is a going concern. This assumption is dependant on the continuing funding from Auckland Council.

Measurement base

The financial statements are prepared on a historical cost basis.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Trust is New Zealand dollars (NZ$).

Bank Accounts and Cash

Bank Accounts and Cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

Changes in Accounting Policies

There have been no changes in accounting policies during the financial year (last year - nil).

SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies, which materially affect the measurement of earnings and financial position, have been applied.

Revenue

Revenue from the sale of goods and services is measured at the fair value of the consideration received or receivable.
Grants

Grants received from Auckland Council are a significant source of funding to the Trust and are restricted for the purpose of the Trust meeting its objectives as specified in the Trust’s Trust Deed. The Trust also receives other assistance for specific purposes, and these grants usually contain restrictions on their use.

Council, government and non-government grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions are not met. If there is such an obligation, the grants are initially recorded as grants received in advance (deposits for future services) and recognised as revenue when conditions of the grant are satisfied.

Interest income

Interest income is recognised as it accrues, using the effective interest method.

Partnership contributions received

Partnership contributions received are contributions received from our partners for co-hosting specific events. Partnership contributions are recognised as revenue when they become receivable.

Expenses

Expenses are recorded on the occurrence of recognition events.

Partnership contributions

Partnership contribution expenses relate to the Trust’s revenue which are passed on to partners as part of whole-project activities.

Property, plant, and equipment

Property, plant, and equipment are stated at cost, less accumulated depreciation.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the assets. Gains and losses on disposals are presented net in the surplus or deficit.

Depreciation

Depreciation is calculated on a diminishing value basis over the expected useful economic lives of the assets concerned. The following rates have been used:

- Furniture and fittings: 0% - 16%
- Office equipment: 20% - 67%
- Computers: 30% - 50%

Intangible assets

Costs of software licence, website design and database development are capitalised. Amortisation is calculated at 40% - 80% per annum on a diminishing value basis over the expected useful economic lives.

Impairment

Financial assets

The Trust assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.
Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar characteristics. All impairment losses are recognised in profit or loss and reflected in an allowance account against receivables.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Receivables with a short duration are not discounted. For trade receivables, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default in payments are considered indicators that the receivable is impaired.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

Property, plant, and equipment and intangible assets

Property, plant, and equipment and intangible assets are reviewed for indicators of impairment as at each balance date. When there is an indicator of impairment, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the service potential of the asset is not primarily dependent on the asset's ability to generate net cash inflows and where the Trust would, if deprived of the asset, replace its remaining service potential.

If an asset’s carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written-down to the recoverable amount. The impairment loss is recognised in the surplus or deficit.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees’ services up to the reporting date, and are measured at the amounts expected to be paid when the liabilities are settled on an undiscounted basis.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that it will be used by staff to cover those future absences.

Defined contribution pension plans

Obligations for contributions to defined contribution pension plans (including KiwiSaver) are recognised as an expense in profit or loss when they are due.

Deposits for future services

Deposits for future services are recognised as current liabilities for income received for specific projects, which have not completed at balance date. The amount is calculated based on the income and expenses incurred for the specific projects.

Goods and services tax

These financial statements have been prepared exclusive of goods and services tax (GST), except for accounts receivables and accounts payables which are GST inclusive.

Income tax

The Trust is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for this exemption.
APPROACH TO GOVERNANCE
TE TAKOTO HUANGA, TIKANGA WHAKAHAERE

Auckland Council works in partnership with its CCOs and the agreed approach to governance, including risk management, is outlined within the CCO Governance Manual which sits alongside this SOI. COMET Auckland will act in accordance with guidance provided within the CCO Governance Manual.

Auckland Council CCOs are required to hold public board meetings. In particular two public meetings a year are required for the following purposes:

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Date</th>
<th>Form of Public Notification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consider shareholder comments on draft SOI</td>
<td>May</td>
<td>Newsletter invite</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Website</td>
</tr>
<tr>
<td>Consider performance against SOI targets</td>
<td>October</td>
<td>Newsletter invite</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Website</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Public notice in newspaper</td>
</tr>
</tbody>
</table>

REPORTING

This draft Statement of Intent will be delivered to Council by February 28th, 2019 and will be revised based on feedback from Council and stakeholders at a consultation meeting in May. The final draft, based on further stakeholder feedback will be delivered by June 30th 2019. The Council is required to approve the Statement of Intent by August 1st, 2019.

A draft half-yearly report and draft annual report will be available within two months of the end of the respective financial periods. These reports will contain the information necessary to enable an informed assessment of the Trust’s operations, including a comparison of the performance of the Trust with this Statement of Intent.

COMET Auckland aspires to be a high quality, high performance Trust that leads innovative, leading edge local government practice in education and learning.

The Trust will provide reports to other parties, as agreed. The Trust is committed to maintaining an open, co-operative and harmonious relationship with Council.

GOVERNANCE

COMET Auckland (The Trust) was established on July 1st 2012, by re-settlement from the City of Manukau Education Trust (the former trust).

The Trust’s Constitution is the Trust Deed. Up to twelve trustees may be appointed for three-year terms, and a maximum of two terms. Trustees are not paid. As at February 28th 2020, the trustees are:

- Ginnie Denny (Chairperson; appointed July 2015; second term expires July 2021)
- F’avae Gagamoie (appointed December 2019; first term expires October 2022)
- Janinitta Pilisi (appointed July 2015; second term expires July 2021)
- Jignasha Patel (appointed August 2016 to casual vacancy; reappointed 2018; first term expires November 2021)
- Melissa Crawford (appointed October 2019; first term expires October 2022)
- Richard Thornton (appointed December 2018; first term expires June 2021)
- Tracy Massam (appointed December 2018; first term expires June 2021)

Amohau

TAME TE RANGI, REREATA MAHIKA

Chief Executive Officer

SUSAN WARREN
2020-23 Statement of Intent

Graeme Atkins, Alex Mordelth, Natalie Robertson, Kahanewriter-Smith and Andrea Yates-Smith, ‘Te reo reo pūparoa parawiwhenua ki Te Moana-Roa-Kia, 2019 (installation). Multi-channel video installation Commissioned by Te Tuhi, Auckland, with support from Auckland University of Technology and University of Auckland. Photo by Sam Hartnett.

tetuhi.org.nz
Tel. +64 9 577 0128

Te Tuhi
13 Reeves Road
PO Box 51021, Pakuranga
Auckland, New Zealand

Attachment G
1. CHAIR & CEO FOREWORD

The Board of Trustees of the Contemporary Art Foundation (CAF) is pleased to present its Statement of Intent for 1 July 2020 to 30 June 2023.

CAF is committed to contemporary art that is locally engaged, regionally responsive, and internationally ambitious.

CAF’s vision is:
- To be the contemporary art organisation in New Zealand that is nationally and internationally renowned for its art, engagement and participation practices.
- To be a catalyst for new ways of engaging with communities, new ways of supporting and developing creative practices and new ways of thinking.
- To further its contemporary art, education and residency programmes throughout Auckland and beyond.
- To play a significant role in the arts and culture sector in Auckland and New Zealand, making Auckland a culturally rich and creative city.

CAF makes a unique and considerable contribution to the arts and culture sector in Auckland, ensuring that Aucklanders have high quality art and cultural experiences through Te Tuhi’s exhibition and education programmes featuring leading national and international contemporary artists.

<table>
<thead>
<tr>
<th>Te Tuhi 2018–19</th>
</tr>
</thead>
<tbody>
<tr>
<td>143,590 visitors</td>
</tr>
<tr>
<td>20 exhibitions</td>
</tr>
<tr>
<td>44 artists</td>
</tr>
<tr>
<td>14 new artworks commissioned</td>
</tr>
<tr>
<td>82 existing works shown</td>
</tr>
<tr>
<td>25 public programmes</td>
</tr>
<tr>
<td>5,280 school students</td>
</tr>
<tr>
<td>81 workshops &amp; classes</td>
</tr>
</tbody>
</table>

Recent Highlights

In August 2019, Te Tuhi opened the major group exhibition Moana Don’t Cry curated by Gabriela Salgado. Including the works of 3 international artists and 11 local artists, the show explored the Pacific Ocean Te-Moana-Nui-a-Kiwa from a number of angles, presenting a call to action through relational political ecologies. The exhibition included works by renowned Belgian-born, Mexico-based artist Francis Alÿs, Vietnamese filmmaker Tuan Andrew Nguyen and Sāmoan New Zealand artist Ioane Ioane. New commissions by New Zealand artists Numangatini Mackenzie and Elliot Collins were also presented on Te Tuhi’s Project Wall and Billboards.

In December 2019, Te Tuhi opened 4 solo and group exhibitions. Rebellious Modernities curated by Gabriela Salgado presents the works of 3 local artists and 1 international artist in an exhibition which destabilises the modernist parameters that underpin architectural value and celebrates collectivism and political auto-construction. Projects by Karen Rubado, Vanessa Crofskey were also unveiled, while Elliot Collins’ Billboards travelled from Reeves Road to the Parnell Train Station Billboards.

Between July and December 2019, 2,068 students participated in Te Tuhi’s Learning Experiences Outside the Classroom (LEOTC) programme funded by the Ministry of Education. Each student took part in practical art making exercises and discussion of works in the galleries.
In May 2019 we launched Te Tuhi Studios at Cheshire St, an artist studio and gallery complex located within the Parnell Train Station building. A project initiated by Stephanie Post and developed in association with Auckland Transport, this project aims to support contemporary artists who have an interest in experimental and social practices by providing an environment in which artists can develop their practices and expand their networks. CAF has a 3 year lease on the building, to May 2022.

The 2019 Iris Fisher Scholarship was awarded to Emily Parr. The scholarship enabled Parr to travel to her ancestral homelands to complete her Master of Visual Arts thesis at Auckland University of Technology. Elam School of Fine Arts alumni Andrew Rankin and Caroline Faigan were announced as the two recipients of the 2020 Graduate Studio Award at Te Tuhi Studios at Cheshire St, and will commence their 12 month studio residency in January 2020. The inaugural 2019 Yorkshire Sculpture Park UK Residency Award was awarded to Tauranga-based artist Darcell Apelu, who completed her 6-week residency in September and used the opportunity to research her family tree.

In the first half of 2020, Te Tuhi has a rich artistic programme scheduled. Alongside projects with Raúl Ortega Ayala, Daren Kamali and Ole Maiava, Natalie Guy and Matt Ritani, Te Tuhi will also present a major offsite project Chromointerference for Auckland Arts Festival 2020 by Venezuelan-French artist Carlos Cruz-Diez (1923–2019). Realised in partnership with Auckland Live, the project employs colour to create projected moving patterns and light creating spellbinding ‘events’ in a monumental scale.

**Strategic Issues**

Te Tuhi has ambitious plans for the next three years and will continue to develop its successful and aspirational programmes, both onsite and offsite, with a particular focus on increasing and diversifying audiences both for Te Tuhi and for the arts and culture sector across Auckland. Te Tuhi’s success and growth is based upon a reputation for innovation and placemaking, however there continue to be significant challenges for the future of Te Tuhi.

Auckland Council is carrying out a review of legacy CCOs, and a review of the Cultural Heritage Sector as a whole. While CAF is not one of the institutions being reviewed under the Cultural Heritage Sector review, the outcome of this review will have an impact on the wider sector. CAF acknowledges the need for consistency across the governance of arts institutions, and supports the proposal to bring arts institutions across Auckland under one governing body. CAF has requested that any review of its CCO status be held until the outcome of the Cultural Heritage Sector review is known, so that it can align with the sector in the most appropriate way.

In the 2020 to 2023 period Te Tuhi faces considerable uncertainty for its future operation in Pakuranga from the impact of Auckland Transport’s AMETI project, and the Reeves Road Flyover in particular. Te Tuhi is committed to engage fully with the AMETI project team to ensure the best possible outcomes from the design process, with a view to mitigating as far as possible any negative environmental and operational impacts, particularly around the provision of parking for access to the Pakuranga building.

However, the impact of road works, beginning in 2019 and continuing for an estimated 4 to 5 years, will have a considerable impact on the ability of Te Tuhi to raise 60% of its operational budget from commercial activity, and its ability to maintain visitor numbers.

The Contemporary Art Foundation seeks to maintain the existing operation in Pakuranga for as long as viably possible and will continue to work with key project stakeholders to secure the future of Te Tuhi, while at the same time pursuing options which may include substantial mitigation work and/or relocation of part or all of its programmes to more appropriate venues.

Since 2008/09 CAF has had a real-terms decrease in funding from Auckland Council of 9% or $58,000, and an increase in depreciation charges of 27% or $14,000. As a result the amount of funding available for Te Tuhi’s operating costs has fallen from 52% in 2008/09 to a projected 39% in 2019/20. This is creating a significantly increased income generation burden for Te Tuhi.
In order to maintain a reasonable level of funding to Te Tuhi to deliver the requirements of its funding agreement with Auckland Council, CAF has reported a cash surplus, but an accounting deficit, since 2011/12.

While these are significant challenges for the future, CAF looks forward to continuing to make significant contributions to the ecosystem of contemporary art in Auckland and beyond.

James McCarthy  Hiraani Himona
Chair  Chief Executive Officer
2. PURPOSE OF STATEMENT OF INTENT

In accordance with the Local Government Act 2002, this annual Statement of Intent (SOI) publicly states the activities and intentions of the Contemporary Art Foundation for the next three years, and the objectives that those activities will contribute to. This SOI takes shareholder comments into consideration and includes performance measures and targets as the basis of organisational accountability.

3. ABOUT THE CONTEMPORARY ART FOUNDATION (CAF)

CAF is a Council Controlled Organisation under the Local Government Act 2002, established with the assistance of the former Manukau City Council, now Auckland Council and incorporated under the Charitable Trusts Act 1957 in September 2000.

The objects of CAF are to promote, encourage and support the arts within Auckland for the benefit and enjoyment of the Auckland community and the public at large. The support, promotion and encouragement of the arts within Auckland may include without limitation:

- The purchase and/or lease of property within Auckland and the development of facilities on that property or properties that will enable the greater Auckland community and the public at large to enjoy and experience the arts.
- The provision of grants and/or loans either with or without interest, to any organisation, group or society within Auckland that is involved with the arts in any of their forms.
- Any other action, initiative or programme in relation to the arts that benefits the city and Auckland community and public at large.

CAF delivers high quality contemporary art to the Auckland region through the Te Tuhi Contemporary Art Trust (Te Tuhi). Both CAF and Te Tuhi are registered charitable trusts and not-for-profit entities. Te Tuhi receives funds from CAF to deliver on the funding agreement with Auckland Council. Funding from Auckland Council amounts to approximately 40% of its annual running costs. Te Tuhi proactively raises its operational shortfall through a range of activities including grants, sales of Te Tuhi products, art classes and the hiring of spaces within the gallery complex. It also relies on the support of individuals and private organisations.

The joint delivery mechanism provides a dynamic model of financial viability, and enables Te Tuhi to be fleet footed and responsive to new opportunities as they arise.

Attachment G

Item 15

Governing Body
25 June 2020

Shareholder comments on revised draft CCO Statements of Intent, 2020-2023

Auckland Council

Contemporary Art Foundation

Statement of Intent

Strategic Plan

May deliver:
- exceptional strategic projects
- exceptional building maintenance

Annual Funding Agreement

Management Agreement & Licence to Occupy sub-contracts fulfilling Auckland Council grant requirements

Owner
May deliver exceptional building maintenance

Lessee

13 Reeves Road
Subleases
- MSO
- Cafe
- Barnardos

Reserve land

te tuhi
contemporary art trust

Strategic Plan which fulfils CAF Strategic Plan

Delivery of CAF Council grant requirements plus other arts, culture and community activities.

Raises more than 55% of funds from commercial and charitable sources

Management Agreement & Licence to Occupy grants occupation for sole purpose of fulfilling management agreement

Responsible for building maintenance
4. ABOUT TE TUHI CONTEMPORARY ART TRUST (TE TUHI)

Te Tuhi, the mark of a great explorer

"A national leader in presenting international and New Zealand artists' work that engages with the world."
– Mark Amery, The Big Idea

Te Tuhi’s name was gifted by the tangata whenua Ngā Tai Iwi (the local indigenous tribe) and is in reference to their ancestor Manawatere - a great explorer who signalled his arrival in Aotearoa New Zealand by making his tuhi, or mark, on a pohutukawa tree using karamia, a red ochre.

Te Tuhi strives to live up to this legacy of exploration by being one of New Zealand’s foremost contemporary art spaces known for its core function of commissioning ambitious new artworks by a diverse selection of artists.

The organisation is also renowned for supporting curatorial research resulting in exhibitions that are locally engaged, regionally responsive and internationally ambitious with a strong awareness of social, political and environmental issues.

Te Tuhi’s annual programmes include four seasons of major group and solo exhibitions and a series of live events and offsite projects.

These are supported by a range of education and public programs that actively engage school students, local artists and makers, community and cultural organisations and the general public with the contemporary art world.

Te Tuhi’s Legacy

“Te Tuhi is rapidly turning into the most important contemporary art institution in Auckland.”
– John Hurrell, Eye Contact

Te Tuhi has worked with many nationally and internationally established artists such as The Otolith Group, Jonathas de Andrade, L. Budd, Phil Dadson, Julian Dashper, Tehching Hsieh, Dieneke Jansen, Maddie Leach, Alex Monteith, Kate Newby, Michael Parekowhai, William Pope.L, James Richards, Ann Shelton, Santiago Sierra and Artur Zmijewski.

In recognising emerging artistic talent, Te Tuhi has also been influential in the careers of artists such as Sonya Lacey, Louise Menzies, Sorawit Songsataya, Shannon Te Ao, Luke Willis Thompson and Kalisolaite ‘Uhila amongst many others whose artworks commissioned by Te Tuhi have been nominated for national and international art awards or acquired for significant collections and exhibited in galleries and museums around the world.

Te Tuhi’s history can be traced back to the 1980s with the formation of the Pakuranga Arts Society. Founded by a group of forward-thinking creative women, the Arts Society held their first meetings in a garden shed before going on to open New Zealand’s first purpose-built arts centre in 1975. In the decades that followed, Te Tuhi created a legacy of supporting the careers of New Zealand’s most accomplished artists.
5. CONTEMPORARY ART FOUNDATION & TE TUHI CONTEMPORARY ART TRUST
STRATEGIC AIMS

Aims

1. To be at the forefront of researching and commissioning contemporary art in New Zealand and a leader in supporting experimental practice and processes.
2. To respect the Treaty of Waitangi, reflect Auckland’s cultural identity and work to increase the diversity of participants and audiences in the arts and creative sector.
3. To provide engagement and participation opportunities and to encourage debate.
4. To better communicate with, and grow, our audiences.
5. To provide arts, creative, and community facilities.
6. To contribute to the arts and creative sector throughout Auckland and New Zealand.
7. To be a socially responsible, sustainable and resilient organisation, managed and governed in line with national and international best practice.

### 6. THREE YEAR WORKPLAN TO DELIVER ON STRATEGIC DIRECTION

The following are the key initiatives/projects to deliver on the strategic aims:

<table>
<thead>
<tr>
<th>Key project and initiatives</th>
<th>Description</th>
<th>Contribution to strategic aims</th>
</tr>
</thead>
</table>
| **Exhibition Programme**            | **Solo and Group Exhibitions:**  
• Internationally recognised artists who have not been exhibited in a public space in Auckland for a significant period of time, and have an idea for a project or show which compellingly engages with Te Tuhis spaces and audience.  
• Nationally recognised artists who may already have had a solo show in Auckland, but not on the scale that Te Tuhii can provide and who are sufficiently accomplished to be able to rise to the challenge.  
• Local emerging and mid-career artists whose work is of a high standard and whose work might be under-represented within the art scene nationally.  

**Smaller Projects:**  
A variety of small-scale platforms for artists to experiment within set restrictions.  
• Project Wall: an ongoing series that explores wall-based work. Situated in Te Tuhis busy foyer this is one of the galleries most visible exhibition spaces.  
• Billboards: an ongoing series of public billboards, located across the road from the gallery.  
• Speaker Space: an experimental platform for sound works, located at the entrance of Te Tuhii.  

**Offsite Programme**  
The offsite programme includes outdoor projects, pop-up, temporary, or semi-permanent exhibition spaces in venues across Auckland and beyond.                                                                                                                                                                                                                      | 12,3,4,5,6,7                  |
| **Professional Development Opportunities for Artists** | Develop artists' practices with practical support, resulting in new work and public participation. Including:  
**Iris Fisher Scholarship**  
A $5,000 annual award to support a postgraduate student enrolled in the visual arts.  
**Yorkshire Sculpture Park Residency**  
A six week opportunity for an early career artist to work at Yorkshire Sculpture Park and networking opportunities in London.  
**Parnell Train Station Artist Studios**  
Subsidised artist studios in a meanwhile complex.                                                                                                                                                                                                                                                             | 12,3,4,6,7                    |
| **Public Programme**                | **Artist Talks**  
Artist talks give the public a unique opportunity to learn more about their ideas and work.                                                                                                                                                                                                                                                                                                                                                     | 12,3,4,5,6,7                  |
<table>
<thead>
<tr>
<th>Key project and initiatives</th>
<th>Description</th>
<th>Contribution to strategic aims</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Live Art, Performance and Film Programme</strong></td>
<td>The programme encompasses sound, performance and social engagement practices.</td>
<td>1,2,3,4,5,6,7</td>
</tr>
<tr>
<td><strong>Publications</strong></td>
<td>Te Tuhi publishes a range of publications that document the exhibition programme and engage in critical dialogue through short and long form essays by some of New Zealand’s leading art writers and academics.</td>
<td>1,2,3,4,5,6,7</td>
</tr>
<tr>
<td><strong>Schools Programme</strong></td>
<td>Te Tuhi’s programme offers primary, intermediate and secondary school students and teachers a creative experience that builds on classroom learning and underpins the principles of the National Curriculum and Government priorities. Practical art-making workshops – 2 and a half hour long workshops related to specific themes, incorporating an introduction to the art gallery context and works currently on display in the gallery, and art-making that builds practical and analytical skills. <strong>Tailored projects and workshops</strong> – developed with and for groups of students, individual schools and teachers, we offer a range of tailored projects and workshops including in-depth gallery tours and activities; secondary student development programmes, collaborative artist-led projects, and residencies for artists in schools. <strong>Digital resources</strong> – Te Tuhi offers a range of digital resources to be used either in conjunction with a visit to Te Tuhi, or as stand-alone resources for schools.</td>
<td>1,2,3,4,5,6,7</td>
</tr>
<tr>
<td><strong>Youth Programme</strong></td>
<td><strong>Young Creatives</strong> A long-term, peer-led project with young people.</td>
<td>1,2,3,4,5,6,7</td>
</tr>
<tr>
<td><strong>Art and Creative Industry Classes</strong></td>
<td><strong>Art Today</strong> is a 3 year-long course about contemporary art. This course acts as an introduction to the inspiring and provocative world of art today – from the unique perspective of Auckland. Students learn to negotiate the complex system of politics, practice, philosophy, economics and jargon which contemporary art offers the viewer and in doing so become active participants in the arts community. <strong>The Nanette Cameron School</strong> offers a two year course teaching the basics of interior design, along with other design and professional development classes. <strong>Art classes</strong> for adults and children including drawing, painting, mixed media and clay.</td>
<td>2,3,4,5,6,7</td>
</tr>
</tbody>
</table>
### Sector Development

- Contributing to the arts and creative sector throughout Auckland and New Zealand through collaborations with the wider sector.
- To play a critical part in delivering the outcomes and targets of: the Auckland Plan; Auckland’s Arts and Culture Strategic Action Plan; the Arts and Culture Plan for the Howick Local Board Area; the Economic Strategy; and the Māori Plan.

### Marketing & Communications

- Increase Te Tuhik’s digital presence, including an informative and inspiring website, integrated with blogs, social media and other digital content.
- Increasing Te Tuhik’s marketing savvy and brand presentation in order to raise the profile of the gallery and grow audiences.
- Recognising and celebrating the history of Te Tuhik, including researching, developing and providing access to the archives.

### Development

- Increasing income from existing commercial activity through improved efficiency and increasing reach.
- Increasing income through additional activity such as sales of products and editions, including Ngātahi Editions and Publications at Auckland Art Fair.
- Investigate new models of support from individuals and events.

### Management & Governance

- Review systems, policies and procedures to ensure that Te Tuhik is operating in line with best practice in all areas of work.

---

### Specific projects delivering on Māori outcomes

Te Tuhik recognises both mataawaka and mana whenua in its activities.

<table>
<thead>
<tr>
<th>Key project and initiatives</th>
<th>Description</th>
<th>Contribution to Māori outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exhibition Programme Public Programme</td>
<td>To showcase contemporary Māori art and provide opportunities for Māori artists.</td>
<td>Promote distinct identity Ensure sustainable futures Develop vibrant communities Improve quality of life</td>
</tr>
<tr>
<td>Schools Programme Youth Programme</td>
<td>To showcase contemporary Māori art and develop opportunities for Māori school children to engage with the arts and creative sector as audiences and participants and highlight vocational pathways into the creative sector.</td>
<td>Promote distinct identity Ensure sustainable futures Develop vibrant communities Improve quality of life</td>
</tr>
</tbody>
</table>
Through its strategic objectives and key projects and initiatives the Contemporary Art Foundation plays a critical part in delivering on outcomes and targets from:
- the Auckland Plan;
- Auckland’s Arts and Culture Strategic Action Plan;
- the Arts and Culture Plan for Howick Local Board;
- the Economic Development Strategy; and
- The Māori Plan.

**Strategic Aims**
1. To be at the forefront of researching and commissioning contemporary art in New Zealand and a leader in supporting experimental practice and processes.
2. To respect the Treaty of Waitangi, reflect Auckland’s cultural identity and work to increase the diversity of participants and audiences in the arts and creative sector.
3. To provide engagement and participation opportunities and to encourage debate.
4. To better communicate with, and grow, our audiences.
5. To provide arts, creative, and community facilities.
6. To contribute to the arts and creative sector throughout Auckland and New Zealand.
7. To be a socially responsible, sustainable and resilient organisation, managed and governed in line with national and international best practice.

**Key Projects and Initiatives**
1. Exhibition Programme
2. Residencies and Scholarships
3. Public Programme
4. Publications
5. Schools Programme
6. Youth Programme
7. Art and Creative Industry Classes

Degree of contribution: Primary/ Secondary / Not applicable

<table>
<thead>
<tr>
<th>Auckland Plan Outcomes</th>
<th>Degree of contribution</th>
<th>How the Contemporary Art Foundation contributes</th>
</tr>
</thead>
<tbody>
<tr>
<td>A fair, safe and healthy Auckland</td>
<td>Secondary</td>
<td>Strategic Aims: 2,3,4,5&lt;br&gt;Key Projects and Initiatives: 1,2,3,4,5,6,7</td>
</tr>
<tr>
<td>An Auckland of prosperity and opportunity</td>
<td>Secondary</td>
<td>Strategic Aims: 1,2,3,4,5,6,7&lt;br&gt;Key Projects and Initiatives: 1,2,3,4,5,6,7</td>
</tr>
<tr>
<td>A beautiful Auckland, loved by its people</td>
<td>Secondary</td>
<td>Strategic Aims: 1,2,3,4,5,6,7&lt;br&gt;Key Projects and Initiatives: 1,2,3,4,5,6,7</td>
</tr>
<tr>
<td>A culturally rich and creative Auckland</td>
<td>Primary</td>
<td>Strategic Aims: 1,2,3,4,5,6&lt;br&gt;Key Projects and Initiatives: 1,2,3,4,5,6</td>
</tr>
<tr>
<td>A Māori identity that is Auckland’s point of difference in the world</td>
<td>Primary</td>
<td>Strategic Aims: 1,2,3,4,5,6&lt;br&gt;Key Projects and Initiatives: 1,2,3,4,5,6</td>
</tr>
</tbody>
</table>
### Auckland's Arts and Culture Strategic Action Plan Goals

<table>
<thead>
<tr>
<th>Goal</th>
<th>Degree of Contribution</th>
<th>How the Contemporary Art Foundation contributes</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Aucklanders can access and participate in arts and culture</td>
<td>Primary</td>
<td>Strategic Aims: 1,2,3,4,5,6,7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Key Projects and Initiatives: 12,3,4,5,6,7</td>
</tr>
<tr>
<td>Auckland values and invests in arts and culture</td>
<td>Primary</td>
<td>Strategic Aims: 1,2,3,4,5,6,7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Key Projects and Initiatives: 12,3,4,5,6,7</td>
</tr>
<tr>
<td>A network of vibrant arts and culture organisations and facilities</td>
<td>Primary</td>
<td>Strategic Aims: 1,2,3,4,5,6,7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Key Projects and Initiatives: 12,3,4,5,6,7</td>
</tr>
<tr>
<td>Arts and culture is intrinsic to Auckland's place-making</td>
<td>Primary</td>
<td>Strategic Aims: 1,2,3,4,5,6,7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Key Projects and Initiatives: 12,3,4,5,6,7</td>
</tr>
<tr>
<td>Auckland celebrates a unique cultural identity</td>
<td>Primary</td>
<td>Strategic Aims: 1,2,3,4,5,6,7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Key Projects and Initiatives: 12,3,4,5,6,7</td>
</tr>
<tr>
<td>Auckland has a robust and flourishing creative economy</td>
<td>Primary</td>
<td>Strategic Aims: 1,2,3,4,5,6,7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Key Projects and Initiatives: 12,3,4,5,6,7</td>
</tr>
</tbody>
</table>

### Howick Local Board Arts and Culture Plan

<table>
<thead>
<tr>
<th>Goal</th>
<th>Degree of Contribution</th>
<th>How the Contemporary Art Foundation contributes</th>
</tr>
</thead>
<tbody>
<tr>
<td>A strong arts and culture infrastructure</td>
<td>Primary</td>
<td>Strategic Aims: 1,2,3,4,5,6,7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Key Projects and Initiatives: 12,3,4,5,6,7</td>
</tr>
<tr>
<td>Events and programmes that showcase arts and culture</td>
<td>Primary</td>
<td>Strategic Aims: 1,2,3,4,5,6,7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Key Projects and Initiatives: 12,3,4,5,6,7</td>
</tr>
<tr>
<td>Community development, social cohesion and positive cultural diversity</td>
<td>Primary</td>
<td>Strategic Aims: 1,2,3,4,5,6,7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Key Projects and Initiatives: 12,3,4,5,6,7</td>
</tr>
</tbody>
</table>

### The Economic Development Strategy

<table>
<thead>
<tr>
<th>Goal</th>
<th>Degree of Contribution</th>
<th>How the Contemporary Art Foundation contributes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop a vibrant, creative international city</td>
<td>Primary</td>
<td>Strategic Aims: 1,2,3,4,5,6,7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Key Projects and Initiatives: 12,3,4,5,6,7</td>
</tr>
</tbody>
</table>

### The Maori Plan

<table>
<thead>
<tr>
<th>Goal</th>
<th>Degree of Contribution</th>
<th>How the Contemporary Art Foundation contributes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop vibrant communities</td>
<td>Secondary</td>
<td>Strategic Aims: 1,2,3,4,5,6,7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Key Projects and Initiatives: 12,3,4,5,6,7</td>
</tr>
<tr>
<td>Improve quality of life</td>
<td>Secondary</td>
<td>Strategic Aims: 1,2,3,4,5,6,7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Key Projects and Initiatives: 12,3,4,5,6,7</td>
</tr>
<tr>
<td>Promote distinct identity</td>
<td>Primary</td>
<td>Strategic Aims: 1,2,3,4,5,6,7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Key Projects and Initiatives: 12,3,4,5,6,7</td>
</tr>
<tr>
<td>Ensure sustainable futures</td>
<td>Primary</td>
<td>Strategic Aims: 1,2,3,4,5,6,7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Key Projects and Initiatives: 12,3,4,5,6,7</td>
</tr>
</tbody>
</table>
8. PERFORMANCE OUTLOOK

The Contemporary Art Foundation has an agreed set of performance measures and targets which form the basis for accountability to delivering on council’s strategic direction, priorities and targets. These are reported on a six monthly basis.

Annual Performance Targets

1. Total number of visitors: 150,000
2. Number of exhibitions: 12
3. Number of artists: 15
4. Number of commissions: 6
5. Number of school students participating in programmes: 5,000
6. Number of workshops and classes: 50
7. Number of public events: 15
8. Customer satisfaction: greater than 80% positive responses

9. SUMMARY OF FINANCIALS

The following summary of financials supports the delivery of the strategic objectives and performance targets for the Contemporary Art Foundation.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auckland Council funding</td>
<td>560,273</td>
<td>569,798</td>
<td>581,194</td>
<td>587,006</td>
<td>592,876</td>
</tr>
<tr>
<td>Sub-leases</td>
<td>55,848</td>
<td>58,398</td>
<td>84,748</td>
<td>84,748</td>
<td>84,748</td>
</tr>
<tr>
<td>Other Income</td>
<td></td>
<td></td>
<td>22,240</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>3,612</td>
<td>3,715</td>
<td>2,673</td>
<td>3,546</td>
<td>3,546</td>
</tr>
<tr>
<td>Total income</td>
<td>619,733</td>
<td>654,151</td>
<td>668,615</td>
<td>675,300</td>
<td>681,170</td>
</tr>
<tr>
<td>Expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Funding of TTCAT</td>
<td>569,300</td>
<td>569,798</td>
<td>581,194</td>
<td>587,006</td>
<td>592,876</td>
</tr>
<tr>
<td>Audit &amp; Accounting</td>
<td>7,365</td>
<td>9,866</td>
<td>8,100</td>
<td>8,059</td>
<td>8,300</td>
</tr>
<tr>
<td>Insurance</td>
<td>4,425</td>
<td>5,700</td>
<td>21,965</td>
<td>22,624</td>
<td>23,303</td>
</tr>
<tr>
<td>Professional fees and costs</td>
<td>1,180</td>
<td>4,200</td>
<td>9,200</td>
<td>5,500</td>
<td>9,200</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>202</td>
<td>31,633</td>
<td>28,869</td>
<td>28,745</td>
<td>28,745</td>
</tr>
<tr>
<td>Interest</td>
<td>14,123</td>
<td>11,970</td>
<td>9,688</td>
<td>9,088</td>
<td>8,232</td>
</tr>
<tr>
<td>Total expenditure</td>
<td>587,886</td>
<td>602,116</td>
<td>659,016</td>
<td>661,022</td>
<td>670,856</td>
</tr>
<tr>
<td>Surplus/(deficit)</td>
<td>32,048</td>
<td>25,184</td>
<td>10,168</td>
<td>14,278</td>
<td>10,618</td>
</tr>
<tr>
<td>Depreciation</td>
<td>115,404</td>
<td>182,525</td>
<td>182,525</td>
<td>182,525</td>
<td>182,525</td>
</tr>
<tr>
<td>Gain/(Loss) on revaluation of property</td>
<td>(4,08,494)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Comprehensive revenue and expense</td>
<td>(491,85)</td>
<td>(157,34)</td>
<td>(172,926)</td>
<td>(168,247)</td>
<td>(172,010)</td>
</tr>
</tbody>
</table>

While CAF makes accounting losses due to depreciation, it has sufficient funds to maintain the buildings in line with its maintenance plan. This statement of intent indicates the level of income and on-going investment into fixed assets.

From 2019/20 Auckland Council will no longer cover the cost of insuring CAF’s building and CAF’s insurance costs will increase.

Other financial information

| Current value of assets                     | The current value of the Contemporary Art Foundation assets as at 30/06/19 is $5,454,009 |
| Shareholder equity ratio                   | The latest shareholder equity ratio for the Contemporary Art Foundation as at 30/06/19 is $0 |
| Accounting Policies                        | The Contemporary Art Foundation’s accounting policies are consistent with the requirements of the Local Government Act 2002. |
| Financial Reporting                        | The Contemporary Art Trust financial reporting is in accordance with requirements of the CCO Governance Manual. |

10. APPROACH TO GOVERNANCE

Auckland Council works in partnership with its CCOs and the agreed approach to governance is outlined within the CCO Governance Manual which sits alongside this SOI and also forms part of the annual binding agreement between council and the Contemporary Art Foundation.

Auckland Council CCOs are required to hold two public meetings a year (Local Government (Auckland Council) Act 2009):

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Date</th>
<th>Form of Public Notification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consider shareholder comments on draft SOI</td>
<td>24 Jun 2019</td>
<td>Advertisement in local paper</td>
</tr>
<tr>
<td>Consider performance against SOI targets</td>
<td>2 Dec 2019</td>
<td>Advertisement in local paper</td>
</tr>
</tbody>
</table>
Manukau Beautification Charitable Trust

Statement of Intent 2020-2023
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1. Purpose of Statement of Intent
2. SPECIAL AMENDMENTS TO THE DRAFT SOI IN LIGHT OF COVID 19 (added 2 June 2020)
3. Introduction to the Manukau Beautification Charitable Trust
4. MBCT contribution to the Auckland Plan 2050
5. MBCT strategic objectives
6. Three year work plan to deliver on the strategic direction
7. Performance outlook
8. Summary of financials
9. Accounting policies
10. Approach to governance

PURPOSE OF THE STATEMENT OF INTENT

In accordance with the Local Government Act 2002, this annual Statement of Intent (SOI) publicly states the activities and intentions of the Manukau Beautification Charitable Trust for the next three years, and the objectives that those activities will contribute to. This SOI takes stakeholder comments into consideration and includes performance measures and targets as the basis or organisational accountability.

SPECIAL AMENDMENTS TO THE SOI IN LIGHT OF COVID

These amendments to the Draft Statement of Intent have been added as at 4 June 2020, to take into account the Trust’s reflections and decisions relating to the serious impact that the world-wide pandemic Covid-19 has had on the physical and mental health and well-being of New Zealanders in particular. The re-drafting of the SOI takes into account the stress on Council’s (and Government’s) fiscal ability to continue its usual funding of community-based projects and services.

The board and management team of the Manukau Beautification Charitable Trust have been diligent and creative in considering a range of alternative community-safe modes for delivering all of its services and projects, particularly in light of what is believed will be a longer-term need for social distancing. The Trust is mindful that historically, most of its community-based projects have involved large groups of people; working together in close proximity (groups often range between 40 and 400 individuals; with between 8,000 and 10,000 people attending the Trust’s largest annual event) and that this mode of working will be neither safe nor appealing to Covid-weary participants. With this duty of care at front-of-mind, and given the short time-frame for which this draft is...
required, the Trust has provided some modifications to the events it reported in the original draft SOI in May 2020, in the summarised changes below. It has also added measures that it intends to take in regards to this report, specifically in terms of the management of health and safety of both its staff and community volunteers and participants.

In fundamental terms, over the course of the next financial year we aim to more deliberately weave an environmental education aspect into all of the community projects that we undertake; including town centre clean ups and beautification projects. This may be done through projects of a much smaller scale than previously carried out. The emphasis will be on delivering quality environmental and civic-pride educational opportunities that will support mitigating the chance of a re-emergence of Covid-19 in our communities.

Our partners will continue to be key players in these initiatives as they provide expert messaging for relevant environmental issues that we address. We will investigate better ways to support and facilitate the skills and passion that our partners bring in safe and sensible ways.

**These intended changes and improvements for the 2020/2021 financial year includes:**

1. **Eye on Nature Family Day and School Days**

   The Trust will investigate the benefits of dividing the Trust’s premier event, Eye on Nature Family Day (a one-day event at the Auckland Botanic Gardens, in Manurewa, with an attendance of about 8,000 to 10,000 visitors), into four smaller events across the southern local board areas. The Trust foresees each smaller event to occur at a hands-on, physical environmental project where planting natives, waste minimisation and/or stream-cleaning might be the focus. Each project will provide the opportunity for high-quality, hands-on environmental learning to take place, through the engagement of the Trust’s expert environmental partners. The Trust will maintain the three-day school programme in March 2021. The Trust will also look to collaborate with programme partners and education-based organisations to further enrich the learning experience from EON within schools year-round; facilitating and inspiring more schools to become Kaitiaki of their local park or stream.

2. **Eye on Nature Wearable Art Competition**

   Due to the social interactivity of the Wearable Art Fashion Show; this competition is being re-designed (at least for the short-term) to operate as a ‘virtual’ event via video format in August 2020. It is hoped that the event will return as a physical presence, usually held at Vodafone Event Centre, in Manukau, in 2021.

3. **Eye on Nature Creative Art Competition**

   The EON Creative Art Competition is usually run during the EON Family Day. For 2020 it will continue as a smaller exhibition, with less crowd, at the Auckland Botanic Gardens Gallery in July.

4. **Town Centre Clean-ups.**

   Though a town centre clean-up project is planned for Mangere Bridge later in 2020; the Trust will trial a large-scale clean up, with an online/social media component, to allow for the engagement of local residents and community groups, as a contingency if social distancing needs to be adhered to.
5. **Puhinui Stream Regeneration Project**

The Trust is hoping to continue working with Panuku, as a community engagement partner, for this project. Though the continuation of this project is sensitive to Council’s and Government’s funding, the Trust expects to continue assisting Panuku with building relationships with community organisations and schools, over the next year, in preparation for the start of the actual work.

6. **Illegal Dumping Community Initiative**

A three-year plan has been submitted to Council; pending approval of funding.

7. **Adopt a Spot Based Projects**

The Trust seeks to develop Adopt a Spot based programmes through schools. E.g.: we are currently in discussions with a Pukekohe school and our environmental educational partners (the Trust has 40+ partners of this type) to adopt the school’s nearby stream. The Trust has a proven track-record as instigators, facilitators and contributing providers of resources for this type of project.

8. **Boomer Business**

We continue to experience a considerable and growing demand for the Community Shed workshops, where socialisation opportunities have naturally been provided for the last six years. The Covid-19 lock-down period demonstrated clearly the demand for facilities such as Boomer Business; given the large number of requests we received to open the shed, regardless of the restrictions. Boomer Business will definitely continue but with the required constraints of numbers, good hygiene practices and social distancing being adhered to in relation to the Covid-19 alert levels.

9. **Health and Safety**

The Trust has for many years provided a diverse range of services and projects to the South Auckland community. These projects have proven a magnet for community participation. Many tens of thousands of volunteer hours have been initiated, managed and supported by the Trust over its 18 year journey. The number of participants and volunteers to Trust projects and events number in the thousands annually. However, with this large number of willing and highly valued participants comes the current risk of breaching good community health measures, particularly given the threat of a Covid-19 re-emergence. The Trust’s board is very conscientious of supporting Council’s and Government’s initiatives to mitigate Covid-19.

In order to reinforce its own position, the Trust has instigated:

a. A new governance policy on the management of pandemic
b. Has recently re-visited all of its health and safety related policies
c. A renewed emphasis on staff well-being with special reference to professional support for wellness
d. Implemented the provision for managers to continue to work from home on a rotational basis so as to minimise personal contact in the office setting
10. **Financial Control and Budgeting**

The Trust Board and its accountants have proposed that given the current fiscal constraints being considered within Council, that the Trust continues to work on a ‘business as usual’ principle for the first half of the 2020/2021 financial year. The budget will be reviewed at a later date (December 2021) for the second half of the year when more information is available. In the interim, the Trust is working on the premise that it will retain its current contract for graffiti management with Auckland Council, at its current level of income.

11. **Strategic Business Plan**

The 2012-17 Strategic Business plan was accepted by the board as fit for purpose for the period to ending of 2020 and a review is currently underway for the next 5 year period and will be available for the next SOL.

**ABOUT MANUKAU BEAUTIFICATION CHARITABLE TRUST**

MBCT is a Council Controlled Organisation of Auckland Council, and also an independent Charitable Trust. The objects of the Trust as recorded in its founding document - its Trust Deed - are to ‘...promote, support and undertake programmes, actions and initiatives to beautify Manukau City’s urban and rural environment for the benefit and enjoyment of the Manukau Community and the public at large.’

MBCT was settled by the former Manukau City Council in 2001. However, following the amalgamation of Auckland’s councils in 2010, the specific geographic designation ‘Manukau’ defaulted to ‘Auckland’. Whilst in principle the Trust can now operate across the wider Auckland region, the Trust’s board made the decision, for logistical reasons, to concentrate its efforts within the six local boards to the south of Auckland area, namely: the Franklin, Howick, Mangere-Otahuhu, Manurewa, Otara-Papatoetoe and Papakura Local Board.

In 2012 the Trust crafted a carefully worded vision statement that clearly embodies its purpose; ‘Together, with our community, beautifying and enriching our living environment.’ Therein resides the fundamental philosophy informing the Trust’s work – ‘together with the community’. In other words, the Trust’s focus is on educating and resourcing the community to initiate and complete its own projects that lead to a profound sense of civic pride and environmental-wellbeing.

The Trust operates as a social business - it is substantially self-supporting (over 99%) and reinvests its surpluses from commercial contracts primarily back into the South Auckland community.

The Trust has an average annual turnover of just over $2M.

On the revenue side, the Trust earns its income from commercial contracts for services for which it periodically (generally five yearly) competes on an open-market basis.

Currently, the primary contracts held by the Trust are for services in the six southern local board areas and include:
- Graffiti management for the Auckland Council (to June 30th 2023);
- Graffiti management, weed and rubbish control of the Kiwi Rail corridor with Auckland Transport / Kiwi Rail; (month x month basis)
- Graffiti management of electricity utility boxes for Vector Ltd. (annual basis)

On the **social side** the Trust fulfils its charitable status by carefully re-investing the reserves it is able to accrue from its commercial contract activities, by applying them into community civic-pride education and environmental education programmes.

**For Profit**

*Income generation through commercial contracts*

**Not for Profit**

*Returning leveraged social investment back into the Community*

**SOCIAL BUSINESS: A balancing act**

The primary challenges for the Trust are to:

1. In the first instance, win and retain its commercial contracts, given that it now competes for them on an open market (unprotected) basis.

2. To operate with sufficient leanness in order to generate a surplus.

3. To meet the governance board’s mandate to re-invest between $.22 cents - $.25 cents of every dollar of revenue (gross revenue) earned back into the community with as much leveraged value as possible: through cash, materials and services. The foci point of that investment being civic pride education and environmental sustainability education.

**THE TRUST’S STRATEGIC DOCUMENTS**

Two foundational documents that - when read together - provide the rationales for the decision making on the Trust’s strategic direction are:

1. *The Trust Deed (October 2001, Amended June 2010)*


**1. The Trust Deed**

The Objects of the Trust as incorporated into its founding document the **Trust Deed (Clause 3)** are:

To promote, support and undertake programmes, actions and initiatives to beautify Auckland City’s urban and rural environment for the benefit and enjoyment of the Auckland Community and the public at large.
The programmes, actions and initiatives to beautify Auckland City’s urban and rural environment may include, without limitation:

(a) the encouragement of community participation in civic beautification programmes that enhance and improve Auckland’s appearance and image;

(b) the education of the Auckland Community:

(i) to foster pride in Auckland City’s appearance and image; and

(ii) to change attitudes and behaviour about litter and graffiti;

(c) examining and promoting appropriate legislation, planning practice and bylaws to improve environmental care, litter and graffiti abatement and related issues;

(d) the eradication of graffiti and litter;

(e) the provision of grants and/or loans, either with or without interest to any organisation, group or society within Auckland City that is undertaking any programme of civic beautification;

(f) Working with government agencies, local authorities, business organisations, educational institutes and other organisations to carry out programmes of civic beautification and improvement in Auckland City.”

2. The Strategic Business Plan 2012-2017

The Strategic Business Plan 2012-2017 was carefully formulated by the Trust Board over a twelve month period during the 2011-2012 financial years.

Between 2004 and 2012 the Trust’s range of activities had grown significantly not only in size but also variety.

The number of worthy requests for assistance from the community for project support grew ever more frequent and substantial in light of the awareness of the Trust’s benevolence.

The development of the Strategic Business Plan therefore became vital in response to the growing need to more clearly inform decision making about what should constitute the Trust’s scope of work.

The objects of the Trust Deed though foundational, were relatively general mandates, and no longer proved adequate for informing the Board’s need to decide upon the best allocation of the Trust’s resources.
The Strategic Business Plan 2012-2017 served to sharpen the purpose of the Trust and gave rise to the formalising of its first Vision and Mission statements.

**Our Vision**

“Together, with our community, beautifying and enriching our living environment”

**Our Mission**

“We promote, support and undertake programmes, actions and initiatives to beautify Auckland”.

The Strategic Business planning process also provided the opportunity for codifying a more relevant set of strategic objectives (which of necessity retained the integrity of and provided alignment with the Trust Deed 2002 objects).
Strategic Objects 1 through 5 relate fundamentally to the effectiveness of the ‘business’ of the Trust, whereas Strategic Objective 6 has in practice provided the impetus for the main thrust of the community engagement work (the philanthropic – charitable trust function of the Trust for the last decade, namely:

Leadership in environmental education.

It is with this in mind that the next section shows the indispensable alignment between the Auckland Plan 2050 and the strategic objectives of MBCT.
AUSTRALIAN COUNCIL’S 2050 PLAN

‘The Auckland Plan 2050 describes Auckland in general terms, outlines the major challenges that we face, and sets the direction for tackling these challenges. It includes the values that will shape how we work together.’ (Auckland Plan 2050 p6)

The Plan is grounded on the aspirational statement –

‘Auckland ‘a world class city where talent wants to live.’

The Plan, ‘...has identified six important areas [outcomes] in which we must make significant progress, so that Auckland can continue to be a place where people want to live, work and visit. For each area the plan describes the desired outcome, why it is important for Auckland’s future and what we need to focus on to bring about that change.’ (Auckland Plan 2050 p6)

The six outcome areas are:

1. Belonging and Participation
2. Maori Identity and Wellbeing
3. Homes and Places
4. Transport and Access
5. Environmental and Cultural Heritage
6. Opportunity and Prosperity

MBCT’S CONTRIBUTION TO THE AUCKLAND PLAN 2050

As a Council Controlled Organisation of the Auckland Council the Trust has explicitly purposed to achieve as close-fitting alignment as possible with the six outcomes with the Plan and their respective directions and focal points. The Trust is confident that in doing so it provides for its stakeholders, the best possible deployment of its skills and resources.

Whilst MBCT has a vested interest in the achievement by Aucklanders of all six of the outcomes in the Auckland plan 2050, the Trust has determined that commensurate with the objects of its Trust Deed, the objectives in the Strategic Business Plan (2012-2017) and its available skills and resources, that it is best positioned to contribute most effectively in the delivery of relevant aspects of three of the six outcomes:


The following table indicates the points of direct connectedness between the Directions and Focal point/s of the Auckland Plan 2050 and the Trust’s own strategic directions, for each of the three outcomes.

Draft Statement of Intent 2020-2023 Ver. 9 (4.6.2020) Page 10
<table>
<thead>
<tr>
<th>Auckland Plan Outcome</th>
<th>Direction and Focus Areas</th>
<th>How this can be done</th>
<th>Measures for success</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DIRECTION 1</strong></td>
<td><strong>Foster an inclusive Auckland where everyone belongs</strong></td>
<td>- Provide festivals and events, including events that are accessible and free, especially at local level, that create opportunities to interact and learn about each other.</td>
<td>1. Aucklanders’ sense of community in their neighbourhood</td>
</tr>
<tr>
<td><strong>KEY PREMISE</strong></td>
<td></td>
<td>- Supporting activities which actively foster relationships between different communities.</td>
<td>2. Aucklanders’ sense of safety in their homes and neighbourhood</td>
</tr>
<tr>
<td>Auckland is experiencing rapid growth and social change – we have a diverse population – we need to ensure a sense of belonging and positive life experiences for all Aucklanders</td>
<td>- Provide support to and share decision-making with local people and organisations so they can actively shape, influence, lead and be part of what happens in their communities and how it happen</td>
<td>3. Aucklanders’ quality of life</td>
<td></td>
</tr>
<tr>
<td><strong>FOCUS AREAS</strong></td>
<td></td>
<td>- Encouraging all Aucklanders to engage and interact positively with Maori and Maori culture, values and ways of doing things to help build intercultural understanding.</td>
<td>4. Aucklanders’ health</td>
</tr>
<tr>
<td>1. Create safe opportunities for people to meet, connect, participate in, and enjoy community civic life</td>
<td>- Provide a range of arts, culture and heritage experiences that all Aucklanders can enjoy.</td>
<td>5. Treaty of Waitangi awareness and understanding</td>
<td></td>
</tr>
<tr>
<td>3. Support and work with communities to develop the resilience to thrive in a changing world</td>
<td>- Provide innovative and flexible options to meet the changing lifestyles of all Aucklanders, including programmes for older and disabled people.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auckland Plan Outcome</td>
<td>Direction and Focus Areas</td>
<td>How this can be done</td>
<td>Measures for success</td>
</tr>
<tr>
<td>-----------------------</td>
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</tr>
<tr>
<td></td>
<td><strong>DIRECTION 4</strong></td>
<td></td>
<td>1. Resident satisfaction with the built environment at a neighbourhood level</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Connect areas and residents to each other and to the public amenities they value</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Provide sufficient public places and spaces that are inclusive accessible and contribute to urban living.</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>KEY PREMISE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Public places and spaces provide “breathing space” for people. Our urban public places will play an increasingly vital role in the future as Auckland grows and intensifies</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>FOCUS AREA</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. Create urban places for the future</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aucklanders live in secure, healthy, and affordable homes and have access to a range of inclusive public places</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auckland Plan Outcome</td>
<td>Direction and Focus Areas</td>
<td>How this can be done</td>
<td>Measures for success</td>
</tr>
<tr>
<td>-----------------------</td>
<td>---------------------------</td>
<td>----------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td><strong>DIRECTION 1</strong></td>
<td><strong>Ensure Auckland's natural environment and cultural heritage is valued and cared for</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| **KEY PREMISE**       | The natural environment supports and sustains us in many different ways - we must actively seek opportunities to protect and enhance it. | • Better understand where and how our natural environments are degraded  
• Actively seek opportunities to restore natural environments and ecosystems as growth and redevelopment happens  
• Minimise our negative effects on water quality and quantity, in both freshwater and marine environments  
• Maintain and improve water quality in freshwater environments  
• Improve our ability to manage and respond to the water-related impacts of climate change such as flooding and droughts | 1. The state and quality of locally, regionally and nationally significant environments  
2. Water quality  
3. Air quality and greenhouse gas emissions  
4. Protection of the environment  
5. Resilience to natural threats  
6. Treasuring the environment |
| **FOCAL AREAS**       | 1. Encourage all Aucklanders to be stewards of the natural environment, and to make sustainable choices  
2. Focus on restoring environments as Auckland grows  
5. Adapt to a changing water future | | |
## MBCT KEY PROGRAMMES THAT SUPPORT THE AUCKLAND PLAN 2050 OUTCOMES: 2020-2023

<table>
<thead>
<tr>
<th>Direction &amp; Focus Area</th>
<th>Activity</th>
<th>How these key projects contribute toward the desired Outcomes of the Auckland Plan</th>
</tr>
</thead>
</table>
| **BELONGING & PARTICIPATION** | Provide festivals and events, including events that are accessible and free, especially at local level, that create opportunities to interact and learn about each other. | **COLLABORATION IS A KEY VALUE OF THE TRUST**  
MBCT’s key value is “collaboration” - ‘...together with our community...’  
Each of the following key project areas is predicated on the principle of engaging with community and involving them where practicable with the planning and enacting of the program. Each activity also is explicitly designed to draw upon the diverse backgrounds of the residents of Auckland - their ethnicity, cultural and religious world-views. |
| **DIRECTION 1** | Supporting activities which actively foster relationships between different communities. | **EYE ON NATURE**  
Eye on Nature is the largest of the Trust’s environmental education programmes. It is a free event that has been run annually for over seven years at the Auckland Botanic Gardens in Manurewa. The programme aims to engage children and families and attracts between 8,000 and 12,000 people each year.  
The event is a collaboration between MBCT, Auckland Botanic Gardens and up to 45 organisations involved in aspects of environmental well-being; many being Auckland Council sister departments, such as Auckland Zoo, Auckland Museum, Biosecurity, Biodiversity, Parks and Sustainable Schools.  
The programme runs over a four-day period, generally in late March; the first three days being for children from around 40 South Auckland schools, who during the week are transported to and from the Auckland Botanic Gardens, by bus, and who receive one themed day of environmental |
| Foster an inclusive Auckland where everyone belongs | Provide support to and share decision-making with local people and organisations so they can actively shape, influences, lead and be part of what happens in their communities and how it happen | |
| **FOCUS AREAS** |  
No 1. Create safe opportunities for people to meet, connect, participate in, and enjoy community civic life  
No 3. Support and work with communities to develop the resilience to thrive in a changing world  
No 4. Value and provide for Te Tiriti o Waitangi as the bicultural foundation for an intercultural Auckland | |
| No 5. Recognise the value of arts, culture, sport | | |

Draft Statement of Intent 2020-2023 Ver. 9 (4.6.2020)  
Attachment H  
Item 15
Encouraging all Aucklanders to engage and interact positively with Māori and Māori culture, values and ways of doing things to help build intercultural understanding.

Provide a range of arts, culture and heritage experiences that all Aucklanders can enjoy.

Provide innovative and flexible options to meet the changing lifestyles of all Aucklanders including programmes for older and disabled people.

education (the theme being on a four-year rotation). On the Saturday of the same week, the Trust provides a large variety of home-grown educational and entertainment activities at the Eye on Nature Family Day, which are designed to reinforce the environmental learning that the school children have received during their previous week-day sessions. Whilst the programme is funded by the Trust since its inception, it is also supported, in part, by financial contributions from the six southern local boards. The programme is a staple part of the Trust’s community engagement work and takes the concerted effort of a number of staff and volunteers; the preparation for which stretches the entire year. The explicit development and exposition of Tikanga Māori is a key focus of the Eye on Nature programme with the deliberate inclusion of teachers skilled in Mātauranga Māori, as well as a special emphasis on show-casing Māori (and Pacifica) talent through performances by tamariki and rangatahi.

EYE ON NATURE WEARABLE ART COMPETITION

Whilst previously, one aspect of the Eye on Nature annual Family Day, the Trust determined one year ago, that its long-standing Wearable Arts Competition had grown to the point where it would benefit from being repositioned from the Auckland Botanic Gardens to a professional venue, the Vodafone Events Centre in Manukau, the first time being in 2019. The competition is designed as a strategic development of the environmental theme employed in that year’s Eye on Nature programme. The Wearable Art is run as a competition for school children from primary to secondary ages and is, as of this last year, open to entrants from the entire Auckland region. Whilst this event is primarily funded by the Trust, it has become a prime opportunity to collaborate with educational organisations. Excellent relationships have developed with AUT and MIT in particular, and these relationships provide opportunities for students at these academies to be involved, on a paid basis, with the creative aspects of event productions. Māori world-views, particularly with regard to nature, are a focal factor in the Wearable Arts competition.

COMMUNITY CLEAN-UPS

For many years the Trust has been involved in organising community volunteer-based town centre clean-ups.
Starting primarily back in 2011 in response to the Rugby World Cup, these community clean-ups have remained a primary part of the Trust’s work. Attendances range from 40 to around 400 participants and are a key opportunity for members of local board areas to spend time—usually on morning—improving the appearance of a local town centre area, the restoration of a park, planting native trees or garden beds, or any number of civic-enhancement projects. These clean-up’s, though managed by the Trust are a collaboration with local boards and business associations.

BOOMER BUSINESS
COMMUNITY SHED
Boomer Business is a concept that the Trust developed and promoted for providing equal-gender workshops space for mainly early-retirees of the south Auckland area. Started on a two-morning a week basis in 2012, the project has been an outstanding success on every level and now operates five mornings a week. Though originally funded by the Trust, it has a paid membership of over 80 members. The Trust continues to subsidise the running of the ‘shed’, which now has an annual attendance of well over 5,000. The Trust provides a full-time manager for the “Shed” – which is a financial member of the "Viens Shed" Association of New Zealand. The primary benefit is to the community of older folk, but there is a significant benefit to the Trust as many of the Boomer members are able to contribute their skills to the preparation of teaching materials for the environmental education programmes.

COMMUNITY ARTS PROJECTS
MBCT has been an avid supporter of individuals and organisations (schools in particular) who wish to beautify their communities by creating...
art works in community spaces.
The Trust has resourced and or managed many, many projects - predominantly in South Auckland - including murals, sculptures, gardens, both food producing and aesthetic and orchards. It routinely provides materials, labour, project-oversight, health and safety planning, event management and even traffic management, as well as cash contributions.
The Trust has also acted for several years as an agent for companies such as Chorus and Vector Energy Ltd who wish to encourage young creative talent in the community; the Trust provides competitions and the logistics of having the winners decorate these companies’ utility boxes. The net result is that well-crafted art-works become publically admired in those places where of unsightly graffiti previously tended to proliferate.

<table>
<thead>
<tr>
<th>HOMES &amp; PLACES</th>
<th>BUILDING VOLUNTEERISM</th>
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<tbody>
<tr>
<td><strong>DIRECTION No 4</strong> Connect areas and residents to each other and to the public</td>
<td>MBCF has three primary contracts which include graffiti management as a key element, but the Trust also provides services for civil landscape maintenance including weed management, tree control, rubbish removal and native tree planting to the rail</td>
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</table>
Aucklanders live in secure, healthy, and affordable homes and have access to a range of inclusive public places

**FOCUS AREA**

**No 5.** Create urban places for the future

<table>
<thead>
<tr>
<th>ENVIRONMENTAL &amp; CULTURAL HERITAGE</th>
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<tbody>
<tr>
<td><strong>DIRECTION No 1</strong></td>
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Better understand where and how our natural environments are

- corridor. Operating in each of these activities
  Simultaneously, as the Trust does, provides efficiencies and a scale of economy.
  Graffiti and illegally dumped rubbish are ubiquitous problems worldwide, particularly in urbanised cities.
  Fundamental to the on-going success in each of these problem areas - being that they are most often in publically visible places - is the support of the community.
  It is recognised that voluntarism by the community can help mitigate these problem by agencies such as Council (and their agents - MBCT e.g.) taking a lead role in encouraging the public to become involved.

- One of the important mandates built into the Trust’s primary contracts is to encourage ownership by the community of public spaces. This is done through:
  The public reporting graffiti and illegally dumped rubbish issues as they arise, and
  Involving volunteers in community clean ups managed by the Trust.
  It has long been maintained by social scientists that there is a direct correlation between the degree of graffiti visually evident within a community and the sense of safety that those residents report. This is therefore can be used as a measure of relative success under this section.

**EYE ON NATURE**

As noted previously, Eye on Nature is the largest of the Trust’s environmental education programmes. It is a free event that has been run annually for over seven years at Auckland Botanic Gardens in Manurewa. Eye on Nature aims to engage children and families and attracts between 8,000 and 12,000 people each year. The programme is a
**Ensure Auckland’s natural heritage environment is valued and cared for**

<table>
<thead>
<tr>
<th>FOCUS AREAS</th>
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<tbody>
<tr>
<td>No 1. Encourage all Aucklanders to be stewards of the natural environment, and to make sustainable choices</td>
</tr>
<tr>
<td>No 2. Focus on restoring environments as Auckland grows</td>
</tr>
<tr>
<td>No 3. Adapt to a changing water future</td>
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<table>
<thead>
<tr>
<th>degraded</th>
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<tbody>
<tr>
<td>Actively seek opportunities to restore natural environments and ecosystems as growth and redevelopment happens</td>
</tr>
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</table>

Minimise our negative effects on water quality and quantity, in both freshwater and marine environments

Maintain and improve water quality in freshwater environments

Improve our ability to manage and respond to the water-related impacts of climate change such as flooding and droughts

**collaboration between MBCT, Auckland Botanic Gardens and up to 45 organisations involved in aspects of environmental well-being; many being Auckland Council sister departments, such as Auckland Zoo, Auckland Museum, Biosecurity, Biodiversity, Parks and Sustainable Schools. The key purpose underlying this programme is to enable children (but also by default, their whanau) access to the very important lessons about environmental sustainability, with a focus on communicating what can be reasonably done at an every-day and local level. This includes education in recycling and re-purposing, composting and conservation of natural resources. This education also includes helping the community to understand and take action, in small steps, to restore the natural environment by such tasks as encouraging wild-life back into urban environments, treating waterways with respect and also understanding the effects of climate change. Physical well-being and self-management of health through diet and exercise have also become an important part of the Trust’s Eye on Nature programme.**

**EYE ON NATURE WEARABLE ART COMPETITION**
The Wearable Arts competition focuses particularly on messages about creatively using recycled materials, and rewarding their imaginative use.

**PUHINUI REGENERATION PROJECT**
MBCT has been working collaboratively for the last three or so years with Auckland Council’s Panuku environmental placemaking team. This relationship has focused on the regeneration of the Puhinui Stream which has been adopted as the central motif for Panuku’s redevelopment of Manukau Central precinct. The precinct has the lower reaches of the Puhinui stream (12km in total) running through it to the Manukau harbour. MBCT has accepted a
MANUREWA’S WASTE MINIMISATION LONG TERM PLAN FOR MITIGATING ILLEGAL DUMPING

MBCT has been partnering for the last two years on a project aimed at educating residents about the proper disposal of waste, i.e., disposing of it appropriately rather than dumping it illegally. Called the PRIDE PROJECT- a collaborative project between Talking Trash, Kainga Ora, Manurewa Local Board Auckland Council and MBCT- the project has already had significant success in reducing the incidence of illegally dumped rubbish. The project is designed primarily to educate about illegal dumping, but has also places a strong emphasis on how residents might recycle and re-use products they no longer require. The use of street-champions has become a key aspect of this project.

TIMELINE FOR MBCT PROGRAMMES 2020-2021 Financial Years

<table>
<thead>
<tr>
<th>Programme</th>
<th>Description</th>
<th>2020 - 2021</th>
<th>2021 - 2022</th>
<th>2022 - 2023</th>
<th>Performance Measures and Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graffiti Contract</td>
<td>• 24/7 Graffiti management for the six southern local board areas of Auckland • Contracted to Auckland Council 2018- June 30th 2023</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>• Attain the key performance indicators (KPIs) required within the retentions-based contract • Monthly reports to Council including community engagement and education</td>
</tr>
</tbody>
</table>
| Kiwi Rail / Auckland Transport joint Rail Corridor enhancement | • Graffiti, weed and rubbish control (NMT Pukekohe to Sylvia park and Onehunga and Manukau spur-lines)  
• Retained on month x month purchase order basis | ✓ | ✓ | ✓ | • Monthly performance reports (no specific targets required) |
|---|---|---|---|---|---|
| Vector Power Ltd Contract | • Utilities maintenance removing graffiti  
• Annual contract contingent of holding main graffiti contract with Auckland Council | ✓ | ✓ | ✓ | • Quarterly reports (no specific targets required) |
| Eye On Nature Environmental Education Programme | • The Trust’s largest single community education event held in March annually:  
• Schools days (1500 children-40 south Auckland Schools over 3 days)  
• Family Day (8,000+attendees)  
• Collaboration with 45 partner organisations including Auckland Council departments  
• New initiative to develop a Virtual Eye On Nature programme in tandem with | ✓ | ✓ | ✓ | • Environmental education of 1500 children from - 40 South Auckland Schools over 3 days by 40+ partner organisations including Auckland Council departments  
• Family Environmental Education Day (8,000+attendees)  
• Virtual Social media-based Eye On Nature programme (2000 visits to media site p.a.) |
| Eye On Nature Wearable Arts | • Environmental Education (recycled materials) | ✓ | ✓ | ✓ | • 80 entries  
• 500 public attendees at the event evening |
<table>
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<tr>
<th>Item 15</th>
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<tbody>
<tr>
<td><strong>Community Clean Ups</strong></td>
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</tbody>
</table>
| • Volunteer-based town centre, park stream and public space clean-up projects, both led and resourced by MBCT | ✓ ✓ ✓ | • 4 major town centre clean-ups annually  
• 10 other volunteer-based lesser-scale clean-ups |
| **Boomer Business Community Shed** |  |
| • Gender- equal workshops providing skills and socialisation for early retirees. Skills and product support by shed members to MBCT environmental education programme and community projects.  
• Also members providing tutelage to small student groups in South Auckland Schools | ✓ ✓ ✓ | • 5,000 single attendances per annum  
• 100 paid-up members |
| **Community-based arts projects** |  |
| • Murals, sculptures and other community-based art installations, managed and or resourced by MBCT | ✓ ✓ ✓ | • Involvement in (support via management cash and materials resourcing) of 10  
community-based (public) arts projects per annum; applicants to have project support approved by MBCT board with retrospective reporting required  
Total fund available of $100,000 |
| **Building Volunteerism** |  |
| • Volunteerism crosses over all MBCT projects, but building volunteerism refers to MBCT providing social occasions and educational opportunities to engender volunteer engagement  
• Providing on-going support of | ✓ ✓ ✓ | Two major volunteer-encouraging social events per annum  
• Mid-winter event  
• Christmas event |
## Item 15

### Puhinui Stream Regeneration
- Community-based environmental regeneration projects
  - Blackgate Project with Panuku

### Illegal Dumping Project
- Long-term collaborative project with community groups and Council to educate the public about correct disposal of waste and recycling-re-purposing. The Trust acts on a paid basis to deliver this programme.

### Tiaki Environmental Initiative Fund
- $50,000 fund made available annually for community group/individual environmental problem-solving/education initiatives/

- Achievement of agreed KPIs with Auckland Council
- Monthly reporting to Council

$50,000 expended annually on 10 high-quality environmental research-education projects (with preference given to school groups). Retrospective reporting by recipients required.