

Date: Wednesday 16 April 2025
Time: 11:45 am
Meeting Room: Room 1, Level 26
Venue: Te Wharau o Tāmaki - Auckland House
 135 Albert Street, Auckland

**Komiti mō te Whakahaere Tikanga me te Aro ki te Pae Tawhiti
 mō ngā Whakahaere ka Whakahaerehia e te Kaunihera / Te
 Komiti mō te Tūnuku, mō te Manawaroa me te Tūāhanga**

**Council Controlled Organisation Direction and Oversight
 Committee / Transport, Resilience and Infrastructure
 Committee**

**Shareholder feedback on CCO Draft Statements of Intent 2025-
 2028**

OPEN NOTES ATTACHMENTS

ITEM	TABLE OF CONTENTS	PAGE
5	OPEN Workshop - Shareholder feedback on CCO Draft Statements of Intent 2025-2028	
A.	16 April 2025, OPEN CCO Direction and Oversight Committee and Transport, Resilience and Infrastructure Committee Joint Workshop - Shareholder feedback on CCO Draft Statements of Intent 2025-2028, Item 3 - presentation	3
B.	Auckland Future Fund Trustee Limited Checklist Draft Statement of Intent 2025-2028	45
C.	Auckland Transport Checklist Draft Statement of Intent 2025-2028	47
D.	Tātaki Auckland Unlimited Checklist Draft Statement of Intent 2025-2028	55
E.	Watercare Checklist Draft Statement of Intent 2025-2028	59



Shareholder feedback

Draft Statements of Intent 2025-2028: Auckland Transport Tātaki Auckland Unlimited Watercare Auckland Future Fund

Joint workshop: CCO Direction and Oversight Committee
Transport and Infrastructure Committee

16 April 2025

Proposed agenda

We intend to do an introduction to the SOI process, an overview with comments proposed for all SOIs and then discuss them one at a time

1. Introduction – Statement of Intent (SOI) process
2. Overview and comments proposed for all SOIs
3. Auckland Transport draft SOI 2025-2028
4. Tātaki Auckland Unlimited draft SOI 2025-2028
5. Watercare draft SOI 2025-2028
6. Auckland Future Fund draft SOI 2025-2028
7. Next steps from here



Statement of intent process

The council reviews SOIs as a key accountability mechanism for CCOs to ensure their activities are strategically aligned.

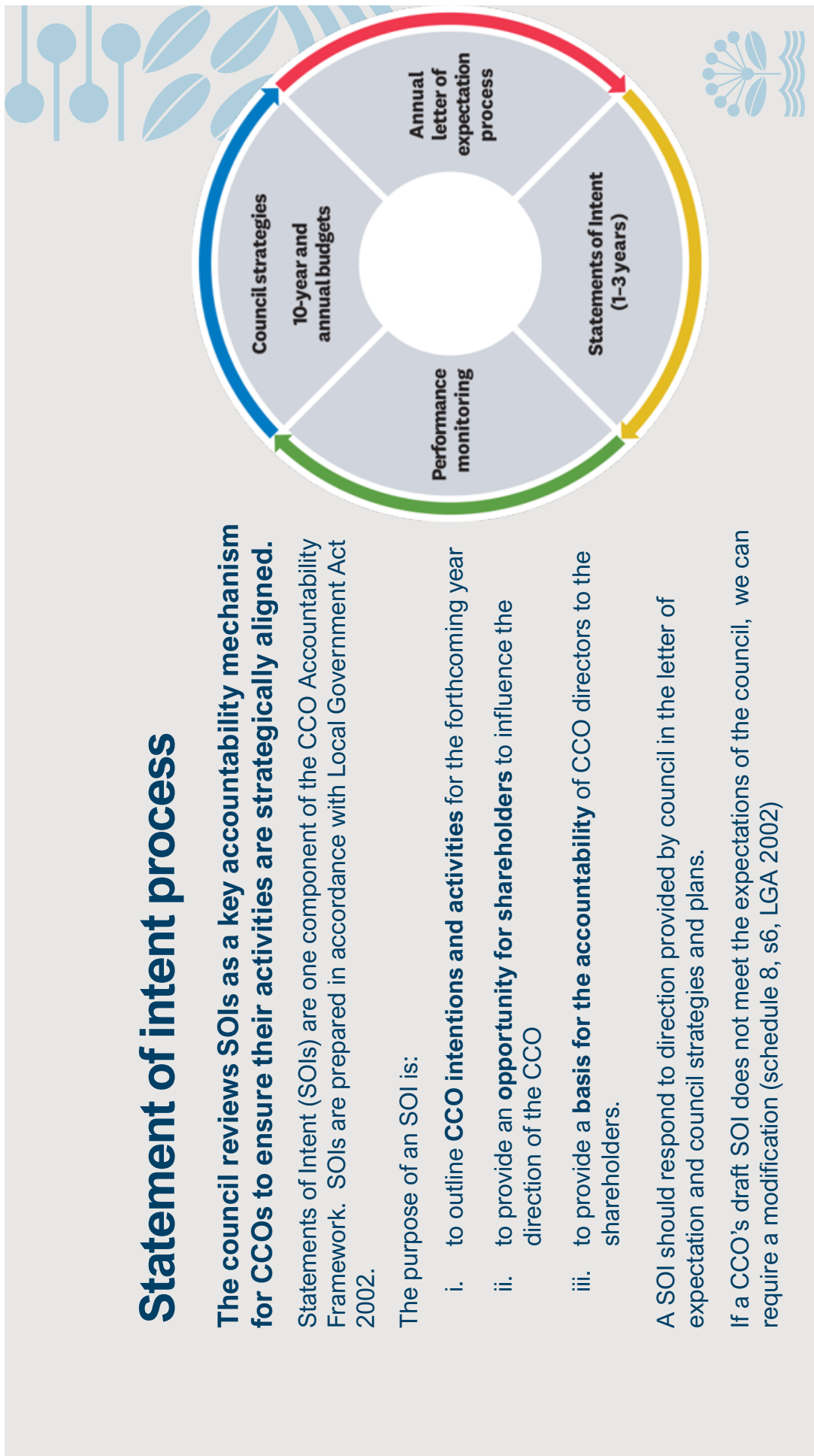
Statements of Intent (SOIs) are one component of the CCO Accountability Framework. SOIs are prepared in accordance with Local Government Act 2002.

The purpose of an SOI is:

- i. to outline **CCO intentions and activities** for the forthcoming year
- ii. to provide an **opportunity for shareholders** to influence the direction of the CCO
- iii. to provide a **basis for the accountability** of CCO directors to the shareholders.

A SOI should respond to direction provided by council in the letter of expectation and council strategies and plans.

If a CCO's draft SOI does not meet the expectations of the council, we can require a modification (schedule 8, s6, LGA 2002)



Council staff have reviewed the CCO's draft SOIs

- Statutory requirements
- Letter of expectation
- Group strategy and policy
- 2024-2034 Long-term plan
- 2025-2026 Annual Plan decision making
- Agreed template
- Presentation of draft SOIs by Chairs of Auckland Transport (3 April), TAU and Watercare at committees (8 April)





Overview and comments proposed for all SOLs

Letters of expectation – General expectations for all

✓ or N/A

Expectations	AFFTL	TAU	Watercare	Auckland Transport
Focusing CCOs on delivery	N/A	✓	✓	✓
Attribution and branding	N/A	✓	Not specifically	Not specifically
Accelerate implementation of group shared services	✓	✓	Partially	Partially
Delivering Auckland Council's commitment in Year 2 of the Long-term Plan and alignment to final Annual Plan 2025/2026	✓	✓	✓	✓
Planning, delivery and paying for growth	N/A	✓	✓	✓
Procurement and effective spending	N/A	✓	✓	✓

Letters of expectation – General expectations for all (cont)

✓ or N/A

	AFFTL	TAU	Watercare	Auckland Transport
Upholding the Group’s Te Tiriti o Waitangi-derived obligations	✓	✓	✓	✓ (lacks specifics)
Quality, timely advice to Local Boards	N/A	✓	✓	✓
Climate change	N/A	✓	✓	✓
Compliance with Statement of Expectations of substantive CCOs	✓	✓	✓	✓
Asset Management Planning in preparation for the LTP 2027-2037	N/A	✓	✓ (lacks specifics)	✓
Work constructively with Investment Area Office	N/A	✓	✓	Not specifically



Capex delivery measures draft SOIs and targets

2025/26

	Capex measures and 2025/26 target
Tātaki Auckland Unlimited	Percentage of milestones completed as per TAU Board agreed capital programme. Target 80% Percentage of critical TAU assets in acceptable condition. Target 95%
Watercare	Removed measure: Deliver capital programme in line with the asset management plan baseline approved by the Board. Removed measure: Reactive spend vs proactive maintenance spend Removed measure: Network pipe renewals New measure: Capital expenditure included in the Business Plan. Target \$1,201 million
Auckland Transport	Percentage of capital budget invested. Target 90% New measure Percentage of capital programme delivery on time. Target 90% Proportion of critical assets in poor condition. Target 20% Percentage of the sealed local road network that is resurfaced or rehabilitated. Target 7%

Proposed shareholder comments to all CCOs

- Final SOIs should reflect **2025/2026 Annual Plan** decisions and any adjustments to reflect CCO reform changes. Financial forecasts in the SOI should align with those submitted to Council Finance for the Annual Plan. We expect consistent figures for FY26 and the projections for FY27 and FY28.
- Final SOIs should include a statement on how the ten delivery principles of the **Better Value Projects** programme will be applied. CCOs are expected to provide case studies of projects when requested to the Revenue, Expenditure and Value Committee and report to council on their progress with reviews, learnings and improvements of their capital spend.
- In addition, through the regular quarterly reporting process, CCOs should report **progress on milestones** for the key capital programmes/projects set out in their SOI
- Reinforce that SOIs should unequivocally commit to **Group Shared Services** (in particular AT and Watercare)
- Request that SOIs include a statement on how the **needs and aspirations of Māori** have been reflected in the CCO's planned activities and deliverables based on Kia Ora Tāmaki Makaurau, Houkura Issues of Significance or CCO's own engagement with Māori
- Expectation that CCOs will **refresh their AMO Plans** as applicable, to account for functional changes from CCO reform, the new Issues of Significance from Houkura and refreshed Kia Ora Tāmaki Makaurau framework



Feedback from Houkura – Independent Māori Statutory Board secretariat

Houkura has recommended SOIs should include:	Comment
Reference to Te Tiriti o Waitangi and requirements of Local Government Act 2002 in introductory section of SOI	Feedback passed to CCOs; requirements set out in CCO Accountability Policy and Statement of Expectations
Reference to Houkura and He Whenua Makaurau - Schedule of Issues of Significance in introductory section of SOI	Feedback passed to CCOs
Specific Māori procurement targets to be identified, with organisation-wide Māori procurement target of 5 per cent	Council group is still working towards a group-wide measure, currently some differences in methodologies
Reporting of Māori outcomes delivery to committees, including deep dive sessions with CCO DOC	Included in quarterly reporting, staff to pick up through future deep dive sessions
Mandate CCOs align activities with Kia Ora Tāmaki Makaurau mana outcomes framework relevant to their functions under the new reform	Expectation that CCOs will refresh their AMO Plans as applicable to account for functional changes from CCO reform, the new Issues of Significance from Houkura and refreshed Kia Ora Tāmaki Makaurau framework
Seeks at least three Māori outcomes measures in SOIs	At least one Māori outcome measure included in all SOIs. Numerous measures in AMO Plans
How each CCO will engage with mana whenua and mātawaka referencing Te Tiriti and legislation	Strongly aligned with direction in the letters of expectations



Auckland Transport (AT)

Item 5

Attachment A

Letter of Expectation – key expectations of AT

Expectation	Response
Work with council on government transport reform	Partial (needs clarification)
Non-legislative reform changes	✓
Continue previous LOE direction and priorities	
- Change how they interact with and listen to Aucklanders	Partial (lacks detail)
- Get the most out of existing network	Partial (lacks detail)
- Improve temporary traffic management	Partial (lacks detail)
- Take direction and oversight from council	Partial (needs clarification)
- Support development of the Integrated Transport Plan	✓
- Reduce delays incurred by utilities and developers	-
- Use low-cost ways to complete the cycling network	Partial
- Reduce AT's cost to council	Partial
- Use cheaper and flexible alternatives for road safety furniture	✓

Letter of Expectation – key expectations of AT (cont)

Expectation	Response
Seek elected member input on matters of high public interest	✓
Improve communication to customers	Partial (lacks detail)
Implementation of City Rail Link and Eastern Busway	Partial (lacks detail)
More detail on the methodology for measures and targets	Will be provided
Planning and paying for growth	✓
Commitment to the Water Strategy and stormwater plans	✓
Publish subcommittee agendas	✓

AT – Summary of proposed comments

- Support the draft SOI based on AT's current roles and responsibilities of AT and positive acknowledgement of transport reform. Signal that a modification of final SOI may be needed when decisions are made on reform
- Clarification needed on roles in transport reform. Auckland Council is leading engagement with government
- Emphasis on AT's commitment to provide timely information and early engagement on key issues and projects to local and regional elected members in the lead up to reform changes
- Expect more detail and milestones in the work programme to be included in the final SOI e.g. on CRL infrastructure and enablement
- Seek more ambitious deliverables and targets
- Request asset condition targets are lifted



Auckland Transport's six focus areas for 2025-2028

1. Making every interaction count
2. Improving network productivity
3. Taking public transport from good to great
4. Value for money
5. Effective governance and advocacy for transport outcomes **Concerned that the role of AT is unclear. The focus area should be refocused as 'preparing for transport reform' and that be clear Auckland Council leads on working with government and Auckland Transport supports the council**
6. Core business and other activities – legislative functions, maintaining our assets, and delivering our capital programme.



Transport reform

- Council supports the key messages in the section 1.2 'Transport sector reform'
- In the final SOI council would expect changes to Focus area **2.5 Effective governance and advocacy for transport outcomes** as concerned could create confusion over roles. It should be clarified as 'preparing for transport reform' and the content is expected to include:
 - clarification that Auckland Council is leading on the reform and working with government. AT's role is to support the council to achieve the best outcome for Auckland and not engage separately with government
 - no separate engagement with or advocacy to government, and all engagement noted in quarterly reports
 - commitment / deliverable for the open and timely provision of information to support legislative and non-legislative transport reform
 - clarity on AT's role to provide support when requested by Auckland Council to the development of the Integrated Transport Plan
 - during this period leading to transport reform, council expects AT's strong commitment to provide timely information and engagement on key issues and projects at the very earliest stage to local and regional elected members. This should include early engagement prior to growth-related decisions
 - work to 'ensure our strategic documents align with Auckland Council direction, embedding a new process to govern the development of any new documents' is paused and findings to date provided to the Transport Reform programme
 - commitment to the implementation of the RLTP 2027 approach in partnership with Auckland Council (noting the Governing Body will consider this for approval mid-2025)
 - Preparedness to delivery any early actions in support of transition
 - Note no new measure of customer perceptions should be developed prior to reform changes



AT – Proposed comments: Strategic overview

1.3 Strategic alignment and key policies

Kia ora Tāmaki Makaurau – The publication of Ka Tupu, Ka Wana Achieving Māori outcomes plan 2024-2027 is welcomed. It would be useful if the SOI referenced which parts of the Kia ora Tāmaki Makaurau it delivers and aligns to

Transport Emissions Reduction Pathway – should be referenced under 'Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan' and under 'Environment and cultural heritage' in Appendix 2

Reducing harm – Improvements in road safety to be based on evidence and cost-effective outcomes

Resilience, renewals and maintenance – Stronger emphasis required on resilience



AT – Statement of performance expectations

Overall - Work with council officers on the deliverables for the focus areas for the final SOI, to ensure that specific deliverables and timings are included that align with council direction

2.1 Making every interaction count

- This is a priority for council and the SOI should have specific deliverables for improving how AT listens to and responds to Aucklanders
- Clarity is sought on actions AT is taking to focus on customer communications to support travel choices and away from promotion of brand. The letter of expectations asked AT to provide greater attribution to the council as the policy maker and funder
- Welcome commitment to enact quality advice standards. Council to work with AT to embed the standards and framework and be more directly involved in surveying members to track local board satisfaction

2.2 Improving network productivity

- Increasing deliverables and more ambitious delivery targets for dynamic lanes, SVLs and smart intersections
- Include role of active modes in improving network productivity including when ‘repurposing parking and kerbside space’
- Include clearer commitments, actions and measurable deliverables to reduce costs and impacts of TTM and improve practices and set out pathway to full implementation of the NZ Guide to Temporary Traffic Management so that progress can be reported



AT – Statement of performance expectations

2.3 Taking public transport from good to great

- More detail on CRL enablement activities required, including dwell times improvements, and how AT is positioning to take the lead role and benefit owner following the completion of the CRL build
- Include deliverables to improve first mile and last mile journey experience

2.4 Value for money

- Expect to see continued focus to reduce AT's cost to Council, and activity to grow non-rates revenue and deliver efficiency targets have dropped out from SOI
- Include the intent for the number of suppliers in the Diverse Supplier Partnership Programme
- Commit to Group Shared Services to deliver value for Aucklanders

2.5 Effective governance and advocacy for transport outcomes (covered under Transport reform)

2.6 Core business and other activities

- More detail on CRL infrastructure required in the final SOI, including the recent decision on acceleration of the programme to remove level crossings at Takaanini and Glen Innes to be reflected in the capital programme
- Include a deliverable for completing the cycling network (done through innovative, value for money approaches) not just progressing existing projects
- A specific target for km of cycle lanes added to the network to be included
- Work collaboratively with the council group on growth



Auckland Transport – KPIs and targets

1. **General lack of explanation** for the reduction of targets from SOI 2024-27
2. Seek **more ambitious targets**, and the expectation is that targets are not lowered unless there are exceptional circumstances and clear reasons for changing targets that were agreed through the Long-term plan:
 - PT boardings; Farebox recovery – do not reduce target trajectory from SOI 2024-27, especially with the CRL opening in 2026
 - Customer perceptions – do not reduce target trajectory. No new measure to be developed at this stage and note Council and AT to work together on a suitable measure following reform.
 - PT utilisation
 - Cycle counts
 - Rail reliability – need to be clear on measure methodology reflecting Kiwirail and AT targets
3. **Bus priority delivery** – Would expect targets to be increasing over 2025-2028 with strong focus in this area and that confirm delivery means more lanes available for more time
4. **Māori procurement** – Houkura strongly advocates that the target trajectory percentage of procurement spend with Māori-owned businesses is retained as in SOI 2024-27 (4% in FY26, 5% in FY27, 5% in FY28), rather than kept at 3%. Watercare's similar target is 5%. There is also no outline in the Draft SOI of the impacts for Māori from the proposed change in targets.
5. **Emissions reduction** – The removal of the operational greenhouse gas emissions reduction target due to audit concerns will cause issues for Auckland Council. Discussions are underway between Council staff, Audit NZ and AT to resolve.
6. **Asset condition** – We do not consider that increasing the target for the proportion of critical assets in poor or very poor condition to 20% is justified as that represents an unacceptable deterioration in critical assets. Council welcomes AT working with council staff on the measure, requests the target is maintained at a minimum of 17% over 2025/26 to 2027/28 and that there is commitment in the SOI to report results by asset sub class.
7. **Other capital measures** – Welcome new measure on timeliness of programme delivery, and request the methodology is finalised in consultation with council staff
8. **Methodology** – Welcome the proposed supplement on measures methodology and target assumptions to be submitted with final SOI, important that council staff support its development so there is common understanding.





**Discussion on the
Auckland Transport draft
SOI**



Item 5

Attachment A



Tātaki Auckland Unlimited (TAU)

Tātaki Auckland Unlimited – Letter of expectation

TAU - specific expectations	Response
Destination and major events strategy and policy sits with council	✓
Consolidation of events and activation activity	✓
Evaluation of major events	✓
Funding of destination and major events activity	✓
Council oversight on stadiums	✓
Alliance of council funded cultural organisations and Tātaki	✓*

*Noting KPIs will not be in place for the organisations' FY26 Annual Plans



Structure of TAU Statement of Intent

- Addresses direction in letter of expectation
- Acknowledge draft SOI developed in period of uncertainty (e.g. major event funding decisions, CCO reform)
- Retains structure but has refreshed purpose and new strategic objective, reflecting decisions to move ED function into council
- **Purpose:** Enrich the cultural life and vibrancy of Tāmaki Makaurau Auckland (formerly economic and cultural life)
- **Strategic outcomes**
 1. **Experiences and events** – inspirational experiences, events and activations drive and enhance Tāmaki Makaurau Auckland's unique identity, vibrancy and prosperity
 2. **Taonga and Places** - Tāmaki Makaurau Auckland's taonga and places are looked after, accessible and enriched for the benefit of current and future generations
 3. **Auckland's reputation** - Tāmaki Makaurau Auckland is known and loved for what makes it unique and attractive
 4. **All Aucklanders** (replaces Auckland's prosperity outcome and ED content) – We positively engage all Aucklanders through our diverse programme of experiences and events and our accessible taonga and places



Tātaki Auckland Unlimited – performance measures

Proposed new performance measures:

- Cost-benefit ratio of major events investment
- Discover Auckland website sessions (www.aucklandnz.com)
- TAU performing arts and conventions venue utilisation

Some **targets incomplete/ missing** and must be added (pending 2025/26 Annual Plan decisions):

- The contribution to regional GDP from major events and business events attracted or supported (FY26-28) (**LTP Measure**)

Removed performance measure (with ED function moving in-house):

- Attributable value of private sector investment secured during the year



Tātaki Auckland Unlimited – Proposed comments

- Align final SOI to decisions from the CCO reform change proposal, particularly events and activations
- For new proposed new measures on events CBA, website sessions and venue utilisation, explore if existing council methodologies in similar areas can be utilised (or NZ Major Events CBA methodology for events)
- For existing critical asset condition measure, update to align to wording of condition grading system used across council group (change 'acceptable' condition to 'fair to very good')
- Consider bringing current *Te Mahera Aronga* measure on "percentage of goods and services spend on diverse suppliers (Māori suppliers, Pacific suppliers, Social Enterprise suppliers)" into SOI KPI set, noting target is 5%, current YTD performance is 6.6%
- Stronger connections and description between key capital projects table and one-year work programme specific deliverables for 2025/2026 (eg. Zoo Masterplan Stage 3 Phase 1, Go Media Stadium renewals, repairs and upgrades)
- Better clarification of TAU's specific role in Aotea Arts Quarter and Western Springs precinct activities within the one-year work programme
- Clarification on work developing a Māori Arts Strategy – understood to be for Auckland Live venues
- Cultural sector alliance – agree KPIs with cultural organisations in time to be incorporated in their 2026/2027 Annual Plans





Discussion on the TAU draft SOI

Item 5

Attachment A






Watercare – Letter of expectation

Key expectations	Response
Financial separation	✓
Compliance with interim economic regulation	✓
Enduring new arrangements for water services	✓
Alignment of growth planning and delivery	✓
Implementation of the Auckland Water Strategy	✓
Improved oversight and accountability of CCOs	✓
Adherence to no surprises	✓

Watercare's six key activities for 2025-2028

1. Delivering safe and reliable water and wastewater services to Aucklanders 24/7
2. Ensuring the successful implementation of Local Water Done Well, including financial separation, compliance with interim economic regulation, namely the Watercare Charter, and the implementation of new arrangements for water services
3. Renewing and building the necessary water and wastewater infrastructure to cater for growth, improve resilience and maintain service levels for our customers
4. Delivering our services and infrastructure projects efficiently, keeping a strong focus on operating costs, so we can minimise price increases
5. Strengthening our relationships with developers, customers, community stakeholders and our Māori partners
6. Improving our organisational performance in relation to our core strategic outcomes, namely: Climate Change (including drought and extreme weather resilience and supply); the health, safety, and wellness of our kaimahi (our employees and contractors); and Māori outcomes



Watercare – Proposed comments (1/3)

1.5 Responses to Council’s strategic objectives and outcomes

- **Māori identity and wellbeing**
 - Watercare’s constructive collaboration is welcomed in piloting the alignment of the Achieving Māori Outcomes plan with the approach within council.
 - It would be useful to reference which parts of the Kia ora Tāmaki Makaurau framework Watercare’s work is aligned to.
 - Reflect Auckland Water Strategy Strategic Shift 1 aim that mana whenua and the council (including CCOs) are ‘partners in the protection, management and enhancement of water’.
- **Belonging and participation**
 - Reflect Auckland Water Strategy Strategic Shift 2 aim that ‘Aucklanders are empowered to shape decisions about, and are prepared for, our changing water future’



Watercare – Proposed comments (2/3)

2.2 Annual work programme

- The review of per capita consumption targets can be removed as this was completed in FY25
- Include the Hunua Range's indigenous restoration project under 'Protect and enhance our natural environment' and consider including other innovative projects underway e.g. on reducing nutrient levels in wastewater
- Clearly reflect Watercare's agreed role in the water literacy work (Auckland Water Strategy Action 2.1), which are to continue generating insights on the water literacy of Aucklanders, delivering communications and education to increase the water literacy of Aucklanders and working with Auckland Council to define, measure and set a target for water literacy

Reporting

Council supports efforts to align regular reporting to regulators and shareholder



Watercare – Proposed comments (3/3)

2.3.3 Renewing and building the necessary water and wastewater infrastructure to cater for growth, improve resilience and maintain service levels for our customers

- The Letter of Expectation set out some of the requirements to achieve Auckland Council Group alignment for asset management plans, including alignment on population growth assumptions. These should be reflected in the SOI.

2.3.4 Delivering our services and infrastructure projects efficiently, keeping a strong focus on operating costs, so we can minimise water charges

- Commit to Group Shared Services to deliver value for Aucklanders

2.3.6 Climate change

- Importance of the review of the decarbonisation roadmap, noting meeting targets for operational emissions by 2030 is at risk



Watercare – Performance measures 1/2

- Substantial changes to measures reflecting charter requirements to Commerce Commission following changes in 2024 to incorporate Taumata Arowai water quality rules.
- Removal of:
 - Three capital programme measures on programme delivery timeliness and budget, reactive v planned renewals and kms of network pipe renewals
 - Two financial measures on debt to revenue and controllable costs. These aspects will be monitored through Charter reporting
 - Measure of adherence to service level agreement with council to provide specialist input to resource consents
 - Health and safety measure on undertaking permit audits on each site
- Added financial measures from Charter:
 - Maintaining investment grade credit rating
 - Maximum allowable revenue from water and wastewater supply
 - Capital expenditure (note requirement for an infrastructure delivery and asset management improvement plan under the Charter)



Watercare – Performance measures 2/2

Other changes

- Target changed for the median target time for attendance at sewage overflows from less than 60 mins to less than 75 mins in 2024. Further change to the target to less than 90 minutes proposed this year. Q2 result was 79 minutes.

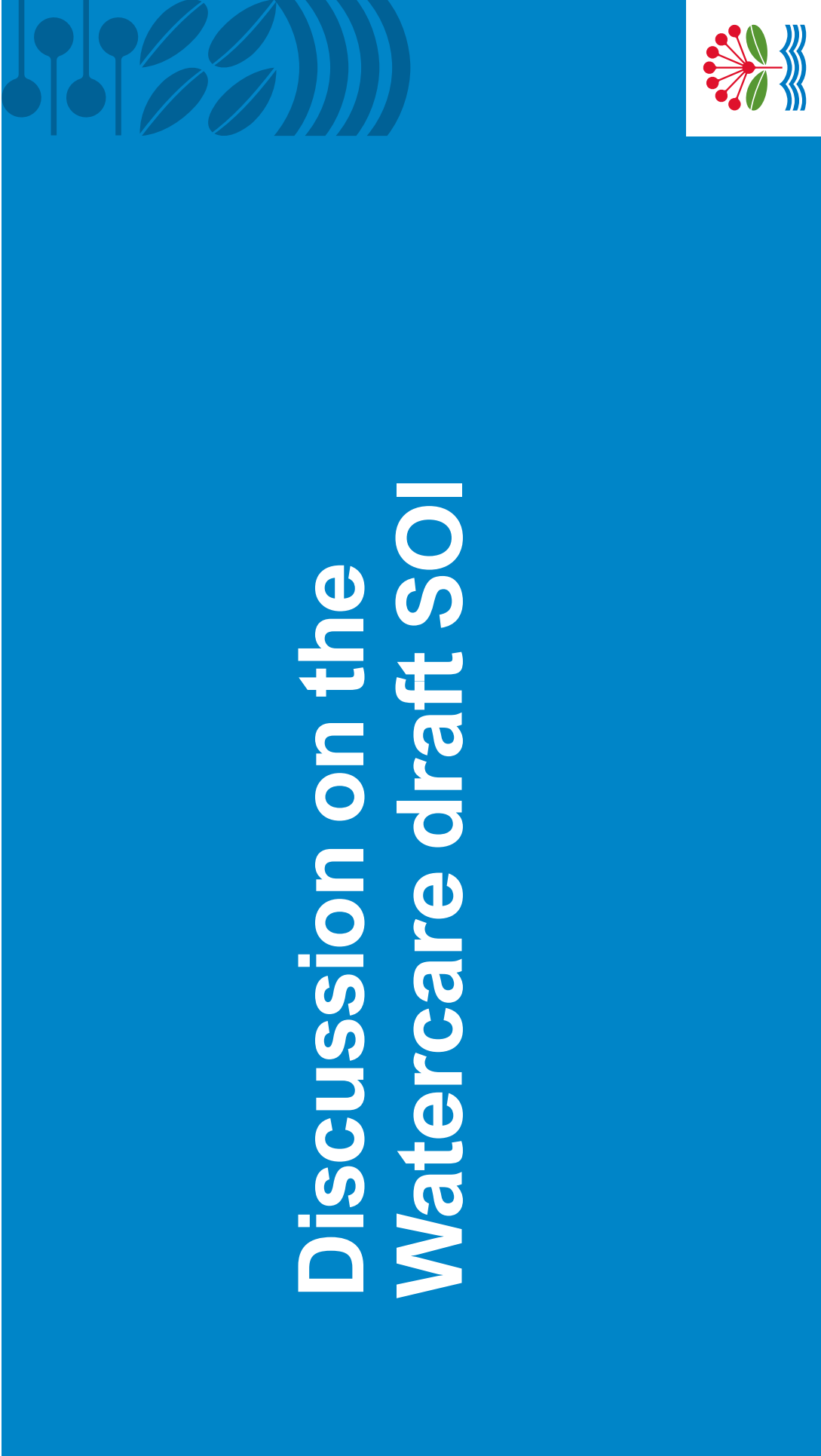
Draft feedback

- Council expects the SOI to include an appropriate Health and Safety measure
- Retain measure of adherence to service level agreement with council to provide specialist input to resource consents
- Retain LTP target for times for attendance at sewage overflows
- Retain capital measures reporting on planned network pipe renewal (actual kilometres delivered/ planned) and reactive maintenance spend vs proactive maintenance spend for FY26, which is expected to be replaced by requirements under the Infrastructure delivery and asset management improvement plan for FY27



Item 5

Attachment A



**Discussion on the
Watercare draft SOI**



Auckland Future Fund Trustee Limited (AFFTL)

Item 5

Attachment A

Auckland Future Fund Trustee Limited – Letter of expectation

AFFTL-specific expectations

Deliver distributions to council from the Fund in 2025/2026 in accordance with the Fund Distribution Policy.

Response



Structure of AFFTL Statement of Intent

- Addresses direction in letter of expectation
- **Purpose**
 - To maintain or increase the real value of assets that are put into the Fund over time so that they can continue to benefit future generations
 - To provide a strong return to Auckland Council to fund services and infrastructure
- **Objectives**
 1. Increase Auckland's financial and physical resilience
 2. Ensure basic infrastructure and services can continue to be delivered affordably
 3. Increase trust and confidence that the Council delivers value for current and future residents
 4. Effective stewardship of the Auckland Future Fund



AFFTL – proposed comments

- Strengthen annual work programme section with content domiciled elsewhere in SOI e.g. jointly with council supporting the passage of the Auckland Council (Auckland Future Fund) Bill
- Include 2024/2025 forecast (pro-rated) column in SOI KPI table
- Note refreshed *Kia Ora Tāmaki Makaurau* will be available from 1 July 2025 to inform the development of the inaugural AFFTL Achieving Māori Outcomes (AMO) plan, noting the AMO will need to be:
 - consistent with the purposes of AFFTL and the Fund itself; and
 - proportionate to the role of AFFTL (which does not deliver services or infrastructure directly to Aucklanders or manage physical assets on council's behalf).





Discussion on the AFFTL draft SOI

Next steps from here

Following this meeting, we will work with CCOs to incorporate your feedback into updated SOIs before the finals are due 31 July 2025

Date	Milestone
16 April	Incorporate feedback from today's workshop into proposed shareholder comments on draft 2025-2028 SOIs
8 May	TRIC meeting - approval of shareholder comments on AT draft SOI
13 May	CCO DOC meeting - approval of shareholder comments on Watercare and TAU draft SOIs
28 May	Budget Committee/Governing Body – decision making on Mayoral Proposal and Annual Budget 2025/2026
29 May	Governing Body meeting - approval of shareholder comments on AFFTL draft SOI
31 July	Final 2025-2028 SOIs due



AFFTL – draft SOI Reconciliation table 2025-2028

Legislative requirements (as per Schedule 8 Local Government Act 2002)	Included in draft SOI?	Page ref
The objectives of the CCO	Yes	p.4-5
A statement of the Board's approach to governance	Yes	p.8
The nature and scope of the activities undertaken by the CCO	Yes	p.5,10
The non-financial performance targets and other measures by which the performance of the group may be judged in relation to its objectives (needs to be a clear link between objectives and measures)	Yes	p.10
The major accounting policies of the organisation or group (NB. a simple statement of compliance is not sufficient)	Yes	p.14-15
Forecast financial statements of the organisation for the financial year to which the SOI relates, each of the 2 following financial years	Yes	p.11-13

Letter of expectation	Is it dealt with in draft SOI?	Page ref
Common expectations for CCOs		
<ul style="list-style-type: none"> CCOs are expected to focus on delivering year two of the LTP 2024-2034. Final SOIs (including financial information and performance measures) should be aligned with the final 2025/2026 Annual Budget and the strategic priorities contained within. 	Yes	p.10-13
<ul style="list-style-type: none"> As part of the CCO reform package approved by the Governing Body on 12 December 2024, council will also be pursuing a range of non-structural changes to support the reset of the CCO model as it applies to all substantive CCOs. Any additional requirements or changes arising from this will be communicated to CCOs. 	Yes	p.6
<ul style="list-style-type: none"> CCOs should adhere to the Statement of Expectations of Substantive CCOs (to be updated in 2025), which explains how CCOs should conduct their business and manage their relationships with council and other interested groups. 	Yes	p.8
<ul style="list-style-type: none"> As such, CCOs should work with the government, only where interests are aligned and messages are consistent with those of Auckland Council. CCOs should inform council of any conversation with the government on any new proposal or legislative reform. These engagements should be summarised in your quarterly reporting. 	Yes	p.3,6
<ul style="list-style-type: none"> Given AFFTL's recent establishment, it is expected that technology, people, procurement, corporate support, data, customer experience and digital services are provided by Group Shared Services and no duplication is created by AFFTL. 	Yes	p.8
<ul style="list-style-type: none"> AFFTL is expected to share this commitment and contribute to its delivery, including through (but not limited to) AFFTL completing its 	Yes	p.6

Item 5

Letter of expectation	Is it dealt with in draft SOI?	Page ref
first Achieving Māori Outcomes (AMO) Plan, which includes key performance indicators to track progress over time. <ul style="list-style-type: none"> Once the AMO is established, AFFTL should report on this as part of the quarterly performance report. As required, work collaboratively with Ngā Mātārae and other Māori Outcomes specialists across the council group to take a whole-of-council-group approach to delivering outcomes for Māori 		
AFFTL-specific expectations		
The key expectation for AFFTL is to deliver distributions to council from the Auckland Future Fund (the Fund) in 2025/2026 in accordance with the Fund Distribution Policy. This is in line with the purposes of the Fund (as set out in the Trust Deed): <ul style="list-style-type: none"> To maintain or increase the real value of assets that are put into the Fund over time so they can continue to benefit future generations; and, To provide a strong return to Auckland Council to fund services and infrastructure. 	Yes	p.5, 10

Attachment B

Auckland Transport – Draft SOI 2025-2028 reconciliation table

Legislative requirements (as per Schedule 8 Local Government Act 2002)	Included in draft SOI?	Page ref
The objectives of the CCO	Yes	Pages 8-10
A statement of the Board's approach to governance	Yes	Pages 35-36
The nature and scope of the activities undertaken by the CCO	Yes	Pages 6-7
The non-financial performance targets and other measures by which the performance of the group may be judged in relation to its objectives (needs to be a clear link between objectives and measures)	Yes	Various Pages 13, 15-16, 18, 24-25, 42
<i>Any additional information that is required to be included in the Statement of Intent</i> <i>For AT and WSL – performance measures and targets specified in a rule made under section 261B</i>	Yes	Page 42
The major accounting policies of the organisation or group (NB. a simple statement of compliance is not sufficient)	Yes	Page 37 - 38
Forecast financial statements of the organisation for the financial year to which the SOI relates, each of the 2 following financial years	N Submitted draft does not include financials	

Letter of expectations	Is it dealt with in draft SOI?	Section/ Page
Common expectations of CCOs		
<i>Focussing CCOs on delivery</i> CCOs are expected to work positively and collaboratively with council to effectively implement the structural and non-structural change decisions on CCO reform. CCOs are also expected to support and actively engage in any section 17A, value for money and other reviews council may commission, as well as supporting integrated development decision-making, delivered by departments in council.	Y	Section 2.4 (Page 19)
<i>Attribution and branding</i> CCOs are expected to provide greater attribution to the council as the policy maker and funder in their public facing services, assets, amenities, communications and branding.	Not specifically	-
<i>Accelerate implementation of group shared services</i>	Y	Page 7 & 19

Letter of expectations	Is it dealt with in draft SOI?	Section/ Page
<p>with the rest of the Auckland Council Group on AMO Plan development, monitoring and reporting for FY27 onwards.</p> <ul style="list-style-type: none"> building strong partnerships with mana whenua and mataawaka. This includes aligning with Council's Mana ki te Mana approach to Māori engagement, where relationships take precedence over issues or projects. work collaboratively with Ngā Mātārae and other Māori Outcomes specialists across the Council Group to take a whole-of-Council-Group approach to delivering outcomes for Māori. This includes continuing to participate in Auckland Council-led activities and hui such as the Kia Ora Tāmaki Makaurau Programme Delivery Board. 	<p>Not specifically</p> <p>Not specifically</p>	-
<p>Quality timely advice to Local Boards</p> <p>CCOs should provide timely, delivery focused, quality, concise advice to local boards and ensure local boards are engaged early on projects and decisions directly impacting their local area.</p> <p>Legislative and CCO Reform will mean there are changes to the roles and responsibilities of local boards. We expect CCOs to work positively to implement forthcoming changes.</p>	Y	Page 12
<p>Climate change</p> <p>CCOs should continue to be guided by <i>Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan</i> by incorporating climate change considerations (whole of life greenhouse gas emissions and resilience) into work programmes and decisions.</p>	Y	Page 9
<p>Compliance with Statement of Expectations for substantive CCOs</p> <p>CCOs should adhere to the Statement of Expectations of substantive CCOs, which explains how CCOs should conduct their business and manage their relationships with council and other interested groups (including matters such as the 'no surprises' principle).</p> <p>As such, CCOs should work with the government, only where interests are aligned and messages are consistent with those of Auckland Council. CCOs should inform council of any conversation with the government on any new proposal or legislative reform. These engagements should be summarised in your quarterly reporting.</p> <p>In responding to council's requests or initiating new programmes, CCOs should consider their role in the group and not just activities that benefit their purpose. CCOs are part of the Auckland Council group and are expected to operate in ways which contribute to the success of the group as a whole and do not create risks for the council group. This extends to the open and sharing of information where that is required to achieve outcomes or for legal purposes.</p>	Y	Page 36
<p>Asset Management Planning in preparation for the LTP 2027-2037</p> <p>CCOs are expected to deliver a draft asset management plan (AMP)</p>	Y	Pages 8 & 22

Letter of expectations	Is it dealt with in draft SOI?	Section/ Page
<p>covering existing and planned assets to inform the development of the LTP 2027-2037. The draft AMP should be available in February 2026 to contribute to the development of the LTP 2027-2037.</p> <p>CCOs are expected to work with Auckland Council's Infrastructure Strategy and Asset Management System teams on the development of AMPs.</p>		
<p>Investment area office</p> <p>Transport is a key investment area for Auckland Council. I expect Auckland Transport to work constructively with the transport investment area office, as well as supporting integrated development decision-making, delivered by departments in council.</p>	Not specifically	-
Auckland Transport-specific expectations		
<p>Work with council on government transport reform for Auckland</p> <p>I expect you to work with council to prepare for and enable the proposed legislative reform announced on the 3 December 2024.</p> <p>I would appreciate it if all communications regarding these reforms could be directed through Auckland Council. I do not expect separate engagement with the government on this matter.</p> <p>For transparency, all engagement should be recorded and noted in your quarterly performance reports to council.</p> <p>To provide staff with clarity and assurance, Auckland Council may consider pursuing a more accelerated timeline with the government. I expect Auckland Transport to accommodate any necessary adjustments to the timeline, where feasible.</p> <p>Similar to the non-legislative reform options noted below, I expect complete, open and timely process around the transfer of information.</p>	Y	Section 1.2 (Page 7) Section 2.5 (Page 21)
<p>Non-legislative reform changes</p> <p>Auckland Council has appointed a transition director, David Rankin to execute the broader CCO Reform programme, including transport reform. Megan Tyler will be the sponsor of this workstream. They will need to work closely with Auckland Transport staff and I expect positive and proactive engagement with them.</p> <p>I expect Auckland Transport to actively support and provide full cooperation with council in the development of this advice and its associated implementation, pending Governing Body decisions. This includes the provision of timely information when requested by council. I also expect a complete and open process around the transfer of information as and when it is requested.</p>	Y	Section 1.2 (Page 7) Section 2.5 (Page 21)
<p>Continue to progress the council's priorities for Auckland Transport</p> <p>The last two letters of expectations have outlined council's</p>		Page 12. Discussed But

Letter of expectations	Is it dealt with in draft SOI?	Section/ Page
<p>expectation for you to:</p> <ul style="list-style-type: none"> continue work to change how they interact with Aucklanders and listen to Aucklanders get the most out of the existing transport network, e.g. implement dynamic lanes, network optimisation, time of use charging, signal improvements improve temporary traffic management, reduce its impact and seek revenue and improve open road traffic management to ensure it is removed when works are complete take direction and oversight from council support development of the Auckland Integrated Transport Plan reduce delays incurred by utilities & developers when working with Auckland Transport implement low-cost opportunities to complete the cycling network, and continuing to focus on completing existing links with minimal disruption reduce AT's cost to Council seek cheaper and more flexible alternatives for road safety furniture <p>I expect you to continue to focus on these priorities and indicate in your statement of intent how you will be delivering on these.</p>	<p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>Y</p> <p>N</p> <p>Y</p> <p>Y</p> <p>Y</p>	<p>no specific actions on how it will be delivered</p> <p>Pages 14 – 15</p> <p>Page 15</p> <p>Page 21 needs clarification Pages 8, 21, 40</p> <p>-</p> <p>Page 23</p> <p>Section 2.4 (Page 19)</p> <p>Page 22</p>
<p>Seek regional and local elected member input on matters of high public interest</p> <p>I expect Auckland Transport to seek input from elected members on matters of high public interest, like the setting of private share.</p> <p>In all matters of high public interest or affecting large numbers of Aucklanders, I expect you to keep the council informed on any consequences, and for this to be initiated at the start of your considerations and not just at the end.</p>	<p>Yes</p>	<p>Page 12</p>
<p>Further work is needed to improve communication to customers</p> <p>Auckland Transport must continue to improve communication to customers about the transport system, particularly in the coming year due to rail disruptions. To be clear, I want you to refocus communications and marketing activities on basic customer communications (especially for public transport) and away from promotion of Auckland Transport's brand and successes.</p>	<p>Yes (more detail needed)</p>	<p>Page 11, 12</p>
<p>Implementation of mega projects like the City Rail Link (CRL) and Eastern Busway</p> <p>As the CRL construction work winds down, the role of Auckland Transport within the project will increase and day-1 readiness will become a stronger focus. I expect to see a clear programme</p>	<p>Y</p>	<p>Section 2.3 (Page 17)</p>

Letter of expectations	Is it dealt with in draft SOI?	Section/ Page
<p>through to day-1, with regular reporting to the Transport, Resilience and Infrastructure Committee.</p> <p>As part of delivering to day-1 and to ensure we get the most efficient use out of our investment we expect you to work with Auckland One Rail and KiwiRail to decrease planned dwell times at stations and report on progress as part of your quarterly performance reporting.</p>		Section 2.6 (Page 22)
<p>More detail is required on the methodology for your statement of intent measures and targets</p> <p>As Auckland Transport transitions to being more of a delivery agency, I expect you to provide council and the public with your methodology, how your measures are calculated and the assumptions that underpins them.</p> <p>Auckland Transport has undertaken to provide council with improved capital expenditure and value for money measures. I expect this to be included in your statement of intent. Merely reporting the percentage spent is not an informing statistic.</p> <p>I also expect a measure that sets out the "Percentage of critical assets in poor or very poor condition (by asset count)". A breakdown of this data by traffic signals, PT, structures and road pavements is also expected.</p>	N	To be provided separately
<p>Planning and paying for growth</p> <p>My Mayoral Proposal notes that by bringing the policy and planning for infrastructure, economic development, land use regulation and urban regeneration into council, will help to bring a more integrated, coordinated and properly prioritised investment. While we transition, I expect any growth-related decisions made by Auckland Transport are canvassed with Auckland Council staff and elected members.</p>	Y	Section 1.3 (Page 8, 9)
<p>Auckland Transport's commitment to the Water Strategy and stormwater plans</p> <p>Auckland Transport has an important role in managing and reducing the environmental impacts of stormwater quality. I expect you to align with the outcomes sought the Council's Water Strategy and ensure that water quality outcomes are included in your delivery programme.</p> <p>I expect Auckland Transport to provide any necessary input, in a timely manner, into the development and implementation of council's Water Service Delivery Plan for stormwater and (proposed) Stormwater Network Risk Management Plan.</p> <p>I also expect Auckland Transport to enter into Service Level Agreements with Auckland Council in relation to stormwater and to keep these Agreements current with changes coming from water reform.</p> <p>I would expect to see Auckland Transport comply with any new</p>	Y	Page 10

Letter of expectations	Is it dealt with in draft SOI?	Section/ Page
standards that might be applied to stormwater because of regulation implemented in the new water reform bill. If consultation is required on draft standards, Auckland Council will take the lead on this, seeking your specialist advice and input.		
<p><i>Auckland Transport's subcommittee agendas should be published</i></p> <p>I expect the agenda items for each subcommittee to be published online, and reports to be included in an open agenda (unless there are valid Local Government Official Information and Meetings Act 1987 reasons for exclusion).</p>	Y	Page 21

Tātaki Auckland Unlimited – draft SOI Reconciliation table 2025-2028

Legislative requirements (as per Schedule 8 Local Government Act 2002)	Included in draft SOI?	Page ref
The objectives of the CCO	Yes	p.6,9
A statement of the Board's approach to governance	Yes	p.13
The nature and scope of the activities undertaken by the CCO	Yes	p.11
The non-financial performance targets and other measures by which the performance of the group may be judged in relation to its objectives (needs to be a clear link between objectives and measures)	Yes	p.27-28
The major accounting policies of the organisation or group (NB. a simple statement of compliance is not sufficient)	Yes	p.40-45
Forecast financial statements of the organisation for the financial year to which the SOI relates, each of the 2 following financial years	Yes	p.29-39

Letter of expectations	Is it dealt with in draft SOI?	Page ref
Common expectations of CCOs		
<i>Focussing CCOs on delivery</i>		
CCOs are expected to work positively and collaboratively with council to effectively implement the structural and non-structural change decisions on CCO reform. CCOs are also expected to support and actively engage in any section 17A, value for money and other reviews council may commission, as well as supporting integrated development decision-making, delivered by departments in council.	Yes (incl for events)	p.16 (p.4,18,21)
<u>Attribution and branding</u>		
CCOs are expected to provide greater attribution to the council as the policy maker and funder in their public facing services, assets, amenities, communications and branding.	Yes	p.16
For Tātaki I expect a clear name that reflects what you actually deliver for Aucklanders.	No	
<i>Accelerate implementation of group shared services</i>		
CCOs are expected to actively support the GSS board with accelerating the transition of functions to the GSS model.	Yes	p.13,16
Demonstrable progress must be evidenced through the movement of functions to GSS through 2025		
In some cases where there is a good reason for part of a function to stay within a CCO, it is still expected that CCOs will utilise common technology platforms or systems and be supported by GSS wherever possible. The expectation is that no new technology platforms or arrangements will be introduced or entered in to by Council or any CCO without the appropriate oversight and approval within GSS.		

Letter of expectations	Is it dealt with in draft SOI?	Page ref
<p>Delivering year two of the Long-term Plan 2024-2034 and alignment to final Annual Budget</p> <p>CCOs are expected to focus on delivering year two of the LTP 2024-2034. This includes \$47 million of savings, on top of other savings targets agreed through previous plans and decisions.</p> <p>Final SOIs (including financial information and performance measures) should be aligned with the final Annual Budget and the strategic priorities contained within.</p>	Yes	p.16
<p>Planning, delivery and paying for growth</p> <p>Council will be developing a framework to support decision-making on growth related issues which takes an integrated group approach. CCOs are expected to actively support and contribute advice and expertise to the development of this framework and its associated implementation.</p>	Yes	p.16
<p>Procurement and effective spending</p> <p>To support improvements, CCOs are expected to align closely with a group approach to procurement where there are clear efficiencies and benefits to be gained, noting the existence of the group procurement function in GSS as an enabler for this.</p> <p>Council's chief executive has established a team to drive improvements and will report back to the Revenue and Expenditure Committee by March 2025. CCOs are expected to actively contribute to and implement these improvements once agreed.</p>	Yes	p.16
<p>Continue upholding Auckland Council Group's Te Tiriti o Waitangi-derived obligations</p> <p>CCOs are expected to share this commitment and contribute to its delivery, including through (but not limited to):</p> <ul style="list-style-type: none"> • reporting on the delivery of Achieving Māori Outcomes (AMO) Plans as part of the Quarterly Performance Report. The reporting should include Key Performance Indicators (KPIs) to track progress over time. • working with Ngā Mātārae regarding the review of the Māori Outcomes Fund and to implement the refreshed Kia Ora Tāmaki Makaurau framework and strategy. This includes contributing to the design of measures and preparing to align with the rest of the Auckland Council Group on AMO Plan development, monitoring and reporting for FY27 onwards. • building strong partnerships with mana whenua and mataawaka. This includes aligning with Council's Mana ki te Mana approach to Māori engagement, where relationships take precedence over issues or projects. • work collaboratively with Ngā Mātārae and other Māori Outcomes specialists across the Council Group to take a whole-of-Council-Group approach to delivering outcomes for Māori. This includes continuing to participate in Auckland Council-led activities and hui such as the Kia Ora Tāmaki Makaurau Programme Delivery Board. 	Yes	p.4,13,17,20
<p>Quality timely advice to Local Boards</p>		

Letter of expectations	Is it dealt with in draft SOI?	Page ref
CCOs should provide timely, delivery focused, quality, concise advice to local boards and ensure local boards are engaged early on projects and decisions directly impacting their local area.	Yes	p.13,17
Climate change CCOs should continue to be guided by <i>Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan</i> by incorporating climate change considerations (whole of life greenhouse gas emissions and resilience) into work programmes and decisions.	Yes	p.17,20
Compliance with Statement of Expectations for substantive CCOs CCOs should adhere to the Statement of Expectations of substantive CCOs, which explains how CCOs should conduct their business and manage their relationships with council and other interested groups (including matters such as the 'no surprises' principle). As such, CCOs should work with the government, only where interests are aligned and messages are consistent with those of Auckland Council. CCOs should inform council of any conversation with the government on any new proposal or legislative reform. These engagements should be summarised in your quarterly reporting. In responding to council's requests or initiating new programmes, CCOs should consider their role in the group and not just activities that benefit their purpose. CCOs are part of the Auckland Council group and are expected to operate in ways which contribute to the success of the group as a whole and do not create risks for the council group. This extends to the open and sharing of information where that is required to achieve outcomes or for legal purposes.	Yes	p.17
Asset Management Planning in preparation for the LTP 2027-2037 CCOs are expected to deliver a draft asset management plan (AMP) covering existing and planned assets to inform the development of the LTP 2027-2037. The draft AMP should be available in February 2026 to contribute to the development of the LTP 2027-2037. CCOs are expected to work with Auckland Council's Infrastructure Strategy and Asset Management System teams on the development of AMPs.	Yes	p.17
Investment area office I expect Tātaki to work constructively with the economic and cultural development investment area office.	Yes	p.17
TAU-specific expectations		
Destination and major events strategy and policy sits with council As such any plans for Tātaki to lead a refresh of the current DestinationAKL 2025 strategy or the Auckland Major Events Strategy 2015-2025 should be paused until further direction from council. Tātaki's expertise will be sought in any refresh of these documents.	Yes	p.10, 21
Consolidation of events and activation activity Options are also sought on how Aucklanders can be provided with greater clarity and focus on council's role as policymaker and funder of	No	

Letter of expectations	Is it dealt with in draft SOI?	Page ref
<p>major events. This should include a potential name change for Tātaki, so that Aucklanders can better understand what you deliver. A sensible suggestion would be 'Auckland Council Events'.</p> <p>Tātaki is expected to actively support and contribute to the development of this advice and its associated implementation, plus advice on how Tātaki can develop and inform the public on a comprehensive calendar of all events in Auckland, particularly those with any council involvement.</p>	Yes	p.4,21
<p>Evaluation of major events</p> <p>Tātaki should focus on cost benefit analysis to evaluate decisions about major events funding on the basis of net regional benefits. This is a move away from traditional economic impact assessment approaches.</p>	Yes – new KPI	p.27
<p>Funding of destination and major events activity</p> <p>Pending outcomes of the consultation process and decisions on the final Annual Plan 2025/2026, Tātaki may need to reduce its 2025/2026 major events portfolio and this will consequentially need to flow through into your final Statement of Intent 2025-2028.</p>	Yes	p.18,26,27
<p>Council oversight on stadiums</p> <p>Council expects that any further decisions on the future of Western Springs (following the expression of interest process that Tātaki has conducted) come before the Governing Body and involve adequate engagement with the Governing Body.</p> <p>Tātaki is expected to engage regularly with council staff on Go Media Stadium master planning and progress with the expression of interest process for operation of some or all of the activity at North Harbour Stadium and Domain Precinct.</p>	Yes	p.4,19,21
<p>Alliance of council funded cultural organisations and Tātaki</p> <p>The Political Working Group recommendations tasked Tātaki with leading discussions with the relevant cultural organisation to agree shared key performance indicators (KPIs).</p> <p>The Tātaki board is expected to report back to council in time for the KPIs to be included in the cultural organisations' Annual Plans 2025/2026.</p> <p><i>*work to agree shared KPIs is included but noting these will not be in place for cultural organisations 2025/2026 Annual Plans</i></p>	Yes*	p.4,8,18, 21

Watercare – Draft SOI 2025-2028 reconciliation table

Legislative requirements (as per Schedule 8 Local Government Act 2002)	Included in draft SOI?	Page ref
The objectives of the CCO	Yes	6-7
A statement of the Board's approach to governance	Yes	8-9
The nature and scope of the activities undertaken by the CCO	Yes	12-22
The non-financial performance targets and other measures by which the performance of the group may be judged in relation to its objectives (needs to be a clear link between objectives and measures)	Yes	32-36
<i>Any additional information that is required to be included in the Statement of Intent</i> <i>For AT and WSL – performance measures and targets specified in a rule made under section 261B</i>	Yes	32
The major accounting policies of the organisation or group (NB. a simple statement of compliance is not sufficient)	Yes	30-31
Forecast financial statements of the organisation for the financial year to which the SOI relates, each of the 2 following financial years	No – these are blank in draft SOI	23-29

Shareholder comment	Included in draft SOI?	Page ref
Common expectations of CCOs		
<i>Focussing CCOs on delivery</i> CCOs are expected to work positively and collaboratively with council to effectively implement the structural and non-structural change decisions on CCO reform. CCOs are also expected to support and actively engage in any section 17A, value for money and other reviews council may commission, as well as supporting integrated development decision-making, delivered by departments in council.	Y	2 Chair's message
<u>Attribution and branding</u> CCOs are expected to provide greater attribution to the council as the policy maker and funder in their public facing services, assets, amenities, communications and branding.	Not directly addressed but branding aligns	
<i>Accelerate implementation of group shared services</i> CCOs are expected to actively support the GSS board with accelerating the transition of functions to the GSS model. Demonstrable progress must be evidenced through the movement of functions to GSS through 2025	Y	18

Shareholder comment	Included in draft SOI?	Page ref
<p>In some cases where there is a good reason for part of a function to stay within a CCO, it is still expected that CCOs will utilise common technology platforms or systems and be supported by GSS wherever possible. The expectation is that no new technology platforms or arrangements will be introduced or entered in to by Council or any CCO without the appropriate oversight and approval within GSS.</p> <p>We understand the importance of services provided by GSS to Watercare being commercial and on arms-length terms with written contracts and suitable charge-back models. These elements are not unique to a council shared service model and Watercare is expected to move at pace to leverage the opportunity provided by GSS. Further, there is benefit for Watercare to leverage the expertise that GSS has so that Watercare can focus on its core services and key priorities leading up to full financial separation.</p>		
<p>Delivering year two of the Long-term Plan 2024-2034 and alignment to final Annual Budget</p> <p>CCOs are expected to focus on delivering year two of the LTP 2024-2034. This includes \$47 million of savings, on top of other savings targets agreed through previous plans and decisions.</p>	<p><i>Not specifically addressed</i></p>	
<p>Planning, delivery and paying for growth</p> <p>Council will be developing a framework to support decision-making on growth related issues which takes an integrated group approach. CCOs are expected to actively support and contribute advice and expertise to the development of this framework and its associated implementation.</p>	<p>Y</p>	<p>17</p>
<p>Procurement and effective spending</p> <p>To support improvements, CCOs are expected to align closely with a group approach to procurement where there are clear efficiencies and benefits to be gained, noting the existence of the group procurement function in GSS as an enabler for this.</p> <p>Council's chief executive has established a team to drive improvements and will report back to the Revenue and Expenditure Committee by March 2025. CCOs are expected to actively contribute to and implement these improvements once agreed.</p> <p>Even though Watercare does not receive rates funding, the expectation is that you will evaluate value for money of all your expenditure.</p>	<p>Y</p>	<p>3 Chair's message</p>
<p>Continue upholding Auckland Council Group's Te Tiriti o Waitangi-derived obligations</p> <p>CCOs are expected to share this commitment and contribute to its delivery, including through (but not limited to):</p> <ul style="list-style-type: none"> reporting on the delivery of Achieving Māori Outcomes (AMO) Plans as part of the Quarterly Performance Report. The reporting should include Key Performance Indicators (KPIs) to track progress over time. 	<p>Y</p>	<p>21</p>

Shareholder comment	Included in draft SOI?	Page ref
<ul style="list-style-type: none"> working with Ngā Mātārae regarding the review of the Māori Outcomes Fund and to implement the refreshed Kia Ora Tāmaki Makaurau framework and strategy. This includes contributing to the design of measures and preparing to align with the rest of the Auckland Council Group on AMO Plan development, monitoring and reporting for FY27 onwards. 	Y	21
<ul style="list-style-type: none"> building strong partnerships with mana whenua and mataawaka. This includes aligning with Council's Mana ki te Mana approach to Māori engagement, where relationships take precedence over issues or projects. 	Y	21-22
<ul style="list-style-type: none"> work collaboratively with Ngā Mātārae and other Māori Outcomes specialists across the Council Group to take a whole-of-Council-Group approach to delivering outcomes for Māori. This includes continuing to participate in Auckland Council-led activities and hui such as the Kia Ora Tāmaki Makaurau Programme Delivery Board. 	Y	22
<p>Quality timely advice to Local Boards</p> <p>CCOs should provide timely, delivery focused, quality, concise advice to local boards and ensure local boards are engaged early on projects and decisions directly impacting their local area.</p>	Y	19
<p>Climate change</p> <p>CCOs should continue to be guided by <i>Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan</i> by incorporating climate change considerations (whole of life greenhouse gas emissions and resilience) into work programmes and decisions.</p>	Y	20-21
<p>Compliance with Statement of Expectations for substantive CCOs</p> <p>CCOs should adhere to the Statement of Expectations of substantive CCOs, which explains how CCOs should conduct their business and manage their relationships with council and other interested groups (including matters such as the 'no surprises' principle).</p> <p>As such, CCOs should work with the government, only where interests are aligned and messages are consistent with those of Auckland Council. CCOs should inform council of any conversation with the government on any new proposal or legislative reform. These engagements should be summarised in your quarterly reporting.</p> <p>In responding to council's requests or initiating new programmes, CCOs should consider their role in the group and not just activities that benefit their purpose. CCOs are part of the Auckland Council group and are expected to operate in ways which contribute to the success of the group as a whole and do not create risks for the council group. This extends to the open and sharing of information where that is required to achieve outcomes or for legal purposes.</p>	Y	2, 9
<p>Asset Management Planning in preparation for the LTP 2027-2037</p> <p>CCOs are expected to deliver a draft asset management plan (AMP) covering existing and planned assets to inform the development of the LTP 2027-2037. The draft AMP should be</p>	Y	17

Shareholder comment	Included in draft SOI?	Page ref
<p>available in February 2026 to contribute to the development of the LTP 2027-2037.</p> <p>CCOs are expected to work with Auckland Council's Infrastructure Strategy and Asset Management System teams on the development of AMPs.</p> <p>Investment area office</p> <p>Drinking water, wastewater and stormwater is a key investment area for Auckland Council. I expect Watercare to work constructively with the water, wastewater and stormwater investment area office.</p>	Y	17
Watercare-specific expectations		
<p>Implementation of the Auckland solution for Local Water Done Well</p> <p>(i) Financial separation - Following financial separation of Watercare from council on 1 July 2025, Watercare will take on debt in its own name and is expected to successfully raise capital to fund the investment approved under the Watercare charter and to meet repayment obligations of approximately \$4.2 billion to council which will be finalised in the Transitional Debt Facility Agreement between the council and Watercare.</p> <p>(ii) Compliance with interim economic regulation - The council expects Watercare to meet the performance and reporting requirements of the Watercare Charter (Charter) which will be formalised through Order in Council early in 2025 and apply from 1 April 2025 to 30 June 2028. The Charter includes minimum service quality standards for water and wastewater and financial performance objectives.</p> <p>I expect Watercare to develop the following three plans in close consultation with council to meet council's objectives where possible and seek formal guidance from council where appropriate.</p> <p>1) <u>Plan for infrastructure growth charges</u></p> <p>A pricing reform roadmap on the proposed approach to review and implement a new methodology for determining infrastructure growth charges and the consequential implications for water and wastewater tariffs, for the Crown Monitor's review and comment by 30 September 2025.</p> <p>2) <u>Plan for operating cost efficiencies</u></p> <p>A draft operating cost efficiency improvement plan (2025-2028) to support Watercare's four per cent annual operational efficiency target to be provided by 31 December 2025 for the Crown Monitor's feedback. Council expects the Group Shared Services model to be reflected in this plan.</p> <p>3) <u>Plan for capital delivery and planned asset management improvements</u></p>	Y	14-15

Shareholder comment	Included in draft SOI?	Page ref
<p>Watercare is to develop a draft 'capital delivery and asset management improvement plan' by 31 August 2025, for the Crown Monitor's feedback and finalise the plan by 31 December 2025.</p> <p>I expect Watercare to provide Auckland Council with all reporting to the Crown Monitor and to give Auckland Council early notice in the event of any unforeseen incident that impacts on your ability to meet the requirements of the charter.</p> <p>(iii) Enduring new arrangements for water services - Watercare should implement the requirements of the Local Government (Water Services) Bill (Bill) when enacted in mid-2025.</p>		
<p>Alignment of growth planning and delivery</p> <p>Watercare should continue to build on recent improvements in the alignment with council's position in relation to private plan changes that do not conform with the Future Development Strategy. Watercare's input will be needed to the Housing and business development capacity assessment and update to Future Development Strategy.</p>	Y	7, 10, 17
<p>Implementation of the Auckland Water Strategy</p> <p>Watercare should continue to collaborate with Auckland Council to implement the Auckland Water Strategy, including continuing to:</p> <ul style="list-style-type: none"> proactively plan for climate change and diverse water supply, including wastewater reuse install smart meters and achieve per capita water use targets. 	Y	7,10, 12-13
<p>Improved oversight and accountability of CCOs</p> <p>While Watercare was out of scope of the structural elements of CCO reform, the expectation is that you will work with council constructively to implement the non-structural changes to improve oversight and accountability of CCOs which will be agreed by council in early 2025.</p> <p>For Watercare, the aim is that the improvements will support and be aligned with the requirements associated with interim economic regulation and the new enduring planning and accountability requirements and economic regulation framework for water services established when the Bill is enacted.</p>	Y	9
<p>Adherence to no surprises</p> <p>Watercare should ensure compliance with the council group's no surprises principle, including in the context of iwi relationships, government engagement, seasonal impacts on water supply and potential drought conditions, and as water reform is implemented to ensure the best outcome for Auckland</p>	Y	Chair's message 3 9, 19