

19 December 2025

Richard Leggat
Chair
Auckland Transport
[By email](#)

Tēnā koe Richard

Letter of Expectation for Public Transport CCO's Statement of Intent 2026-2029

This letter of expectation sets out the council's priorities and expectations to inform the development of the draft Statement of Intent (SOI) 2026-2029 of the Public Transport CCO.

Significant changes to Auckland's transport system and governance arrangements are expected in 2026, with the passing of the Local Government (Auckland Council) (Transport Governance) Amendment Bill (the Bill). Indications are that the Bill will become law in March 2026, and the six-month implementation period will mean the new public transport entity and a new Auckland Council structure to accommodate the remaining transport functions will need to be in place in September 2026. This coincides with the period for the development and start of the SOI for the Public Transport CCO.

For the avoidance of doubt, the proposed letter of expectations to Auckland Transport covers an extended period to ensure that the council's expectations for both Auckland Transport and the new Public Transport CCO are clear. This includes the four stages as outlined in the Mayoral Proposal - **Get Ready** (now until legislation is enacted), the **Get it Done** (legislation enacted until the end of the 6-month period), the **Get Going** (from end of transition until June 30, 2027) and the **Go Faster** (post July 1, 2027).

Part 1 of this letter also sets out the common expectations across all council-controlled organisations (CCOs). The expectations specific to Auckland Transport / Public Transport CCO are in Part 2.

The content of this letter was approved by the Budget and Performance Committee on 15 December 2025, with delegation to the Mayor and Chair, Transport and Infrastructure Delivery Committee to finalise and issue this letter of expectation. It also reflects decisions made by the Budget and Performance Committee on the Mayoral Proposal (insert reference).

The Budget and Performance Committee approved extensions of the statutory deadlines for the SOI process, as is allowed in the Local Government Act 2002, Schedule 8, section 4. This means the due dates for the process are:

- date of submission of the draft SOIs is on or before 1 April 2026.
- date for final submission of SOIs is on or before 31 July 2026.

Council looks forward to receiving a draft of the Auckland Transport / Public Transport CCO SOI no later than 1 April 2025. We invite you to attend the April 2025 meeting of the Transport and Infrastructure Delivery Committee to present your draft SOI and discuss how you have responded to the expectations set out in this letter. A calendar invitation will follow.

Shareholder feedback on your draft SOI will be considered at the May 2026 Transport and Infrastructure Delivery Committee.

Part 1. Expectations of all CCOs

i. Delivering year three of the Long-term Plan 2024-2034

CCOs are expected to work positively and collaboratively with the council to deliver against the LTP investment commitments. Overall financial settings are being maintained. This includes the group savings target of \$20 million, on top of other savings targets agreed through previous plans and decisions, as well as delivering on work programme commitments.

The council will commence public consultation on the draft Annual Budget 2026/2027 in late February 2026. Following consultation and deliberations, the final Annual Budget 2026/2027 will be adopted in June 2026. Once this occurs, final SOIs (including financial information and performance measures) should be aligned with the final annual budget and the strategic priorities contained within.

ii. Preparation for the Long-term Plan 2027–2037

CCOs are expected to provide updates to their draft asset management plans (AMPs) to inform the Long-term Plan 2027- 2037 and input as requested on strategic advice and options development (as applicable to their CCO) for the next Long-term Plan, including assessing strategic alignment and spatial investment priorities.

CCOs deliver on the AMP requirements outlined in the 2025/2026 letters of expectations, and AMPs are updated alongside the Long-term Plan 2027-2037 (as appropriate). CCOs are expected to continue to work with the council's Infrastructure Strategy and Asset Management System teams on the development of asset management plans.

iii. Accelerating group shared services

As previously communicated, CCOs are expected to actively support the Group Shared Services (GSS) board in accelerating the transition of functions to the GSS model to achieve strong financial and other benefits. Transport reform will be a key lever to achieve this. It is particularly important to have a group view of new technology platforms and arrangements of all entities to ensure that Aucklanders are getting the best value from digital investments.

iv. Planning, delivery and paying for growth

Coordinating investment in infrastructure across the council group is important to ensure we can deliver for Auckland's growth. CCO plans and investment should be aligned with the Future Development Strategy, and CCOs are expected to work with the Auckland Urban Development Office on coordinated and effective group planning and delivery and the achievement of the council's urban development outcomes.

Advice from CCOs will be required to support integrated decision-making and the council's consideration of Plan Change 120 and the government's resource management changes.

v. Effective spending

CCOs are expected to continue to focus on value for money initiatives, deliver better value projects and collaborate with the council on reviewing design standards, increasing the focus on benefits and place-based investment, and group procurement rules.

vi. Upholding te Tiriti o Waitangi derived obligations

The council group is committed to upholding its obligations derived from te Tiriti o Waitangi and to achieving better outcomes for Māori. CCOs are expected to share this commitment and contribute to its delivery, including through (but not limited to):

- aligning with Tāmaki Ora Māori Outcomes Strategy and Performance Measurement Framework 2025 – 2027, particularly Achieving Māori Outcomes (AMO) plans
- reporting on the delivery of their AMO plans as part of the quarterly performance reports. The reporting should include key performance indicators (KPIs) to track progress over time.
- building strong partnerships with mana whenua and mataawaka, and advancing Iwi Ora (iwi wellbeing) and Te Hapori Ora (whānau and community wellbeing). This includes aligning with the council's Mana ki te Mana approach to Māori engagement, where relationships take precedence over issues or projects. This approach respects the unique mana motuhake of each iwi and mataawaka entity by prioritising their needs and aspirations.

- working collaboratively with Ngā Mātārae to progress the shared outcomes across Auckland Council namely Whai Rawa Ora (economic wellbeing and focus on sustainable procurement), Te Hapori Ora (opportunities for young people particularly rangatahi Māori), Tūāpapa Hononga and Tūāpapa Hāngai (mana ki te mana approach to engagement with Māori, and Māori Outcomes staff engagement and connections)
- working 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 council-led activities and hui such as the Tāmaki Ora Programme Delivery Board (or any internal governance equivalent).

vii. Quality advice

CCOs should provide timely, delivery-focused, quality, concise advice to all elected members, and ensure local boards are engaged early on projects and decisions directly impacting their local area. This supports the 'More Empowered Local Boards' approach, consistent with the council's shared governance model.

viii. Climate change

CCOs should continue to be guided by Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan by incorporating climate change considerations (whole of life greenhouse gas emissions and resilience), adaptation and mitigation, into work programmes and decisions.

ix. City centre

CCOs are expected to work with the council and partners to support a vibrant, clean, safe, and welcoming city centre and maximise opportunities arising from the City Rail Link and the New Zealand International Convention Centre openings in 2026, as well as any refresh of the City Centre Master Plan.

CCOs are also expected to comply with the [Statement of Expectations for Substantive Council-Controlled Organisations](#).

Part 2. Key expectations of Auckland Transport /Public Transport CCO

x. Transport Reform

The six-month implementation period provided for in the Bill will mean the new Public Transport CCO and a new Auckland Council structure, will need to be in place in September 2026. The six-month transition period is not long, given the amount of work to be undertaken and our focus needs to be on ensuring that the transition is successful.

In my Mayoral Proposal I identified four policy objectives for transport reform. The objectives are:

1. a public transport entity delivering efficient, effective and safe services from day one.
2. delivery of transport infrastructure with stronger network-wide thinking, cost control and improved public acceptance.
3. integrated land-use and transport planning
4. a mature partnership with central government through a 30-year integrated transport plan and improved funding certainty.

I expect Auckland Transport / the Public Transport CCO to work with the council to ensure the transition is a priority and resourced appropriately. The focus is on enabling clearer accountability, reduced duplication and ensuring that we lift public trust and confidence in our transport system.

To meet these obligations, we recommend that Auckland Transport / the Public Transport CCO structure the Public Transport CCO's SOI in two parts. The two parts recommended are:

- **Part One** – outlines the activities and priorities for the Public Transport CCO during the **Get it done** period, noting that these activities will transfer to the council at the end of the six-month transition period.
- **Part Two** – sets out the objectives, activities, deliverables and performance measures and targets for the **Public Transport CCO** responsible for delivering high-quality passenger transport services in the **Get Going and Go Faster** periods. At the end of the transition period, this part of the SOI will form the SOI for the Public Transport CCO. This will assist the Public Transport CCO to be clear on its deliverables and performance measures from the outset and not require a new SOI to be developed and agreed at the end of the transition period.

Part One: Get ready and get it done

In **Part One** of the SOI, we expect Auckland Transport / the Public Transport CCO to:

xi. Collaborate with the council on implementing the government's transport reform for Auckland, by:

- continuing to apply current (GB/2025/154) and any future operating rules approved by the council, including escalating and making visible decisions as required
- carefully considering the joint strategic work programme (GB/2025/93) and refocusing resources away from non-urgent tasks / medium priority plans to those required to support reform, including determining the Road Classification Framework, and any work needed to support the new Auckland Regional Transport Committee
- assist the council to design new, efficient processes for governance of transport matters.
- ensure local board views are considered carefully on programmes or projects where the local boards will become the decision makers for future projects.

- actively support local boards by delivering timely, solution-focused advice that empowers them to make informed decisions and drive outcomes.

xii. *Advance the council's key priorities for transport in Auckland, including:*

- work with the council on a review of design standards that will cut costs for both the Council Group and the private sector.
- maximising the existing transport network through dynamic lanes, special vehicle lanes, network optimisation, and signal improvements. There should be an extra focus on quick changes in the city centre that improve bus and general traffic flow, similar to my 2025/26 Letter of Expectation.
- improving temporary traffic management practices, minimising disruption, and ensuring timely removal of open road traffic management once work is complete
- supporting development of Auckland Council's Transport Policy Statement, the 30-year Transport Plan and the Regional Land Transport Plan.
- working with City Rail Link Limited, and delivery partners to ensure operational readiness and safe, timely delivery of the City Rail Link.
- continuing progress on the Eastern Busway, other rapid transit network projects and the Level Crossing Removal Programme.
- Support the Council Group review of the City Centre Masterplan when requested.
- Review design and consenting processes.

Part Two: Get Going and Go Faster

xiii. *Develop an organisation that reflects the agreed functions of the Public Transport CCO and delivers a well-functioning public transport network*

In my Mayoral Proposal I have identified the following functions to be sitting with the Public Transport CCO, subject to any changes made in the legislative process:

1. Management of bus, rail and ferry contracts, and oversight of day-to-day public transport operations.
2. Public transport service and public transport route planning, including supporting Auckland Council in any review of the Regional Public Transport Plan.
3. Responsibility for successful delivery of the City Rail Link, including staff required to complete asset handover from CRL & integration of technology systems. It is important that the transition, including decisions around transfer of functions, should not disrupt the successful delivery of the City Rail Link.
4. Control and operation of public transport assets (such as rail and bus stations, and ferry terminals), including facilities management, and planned and responsive maintenance.
5. Minor public transport capital works, including for example small-scale safety improvements, amenity enhancements, bus operational improvements, and customer information upgrades.

6. Oversight of both operator safety and safety onboard public transport services.
7. Minimal corporate support in the Public Transport CCO, with finance, human resources and other corporate functions delivered through Group Shared Services or Auckland Council where appropriate.
8. Public transport specific technology support (AT Mobile, Real Time Information, AT HOP etc) or other business-specific technology should remain with the PT entity, with all non-business-specific technology as part of Group Shared Services.
9. Customer service functions focussed on public transport, including the contact centre and customer service staff in stations, plus a small communications and marketing team focussed on public transport service changes & marketing of public transport services.

Public Transport CCOI expect your SOI to reflect these decisions and further decisions made through the transport reform programme.

Auckland Transport's public transport functions generally perform well, though transport reform offers an opportunity for a focussed CCO to make our public transport world class, so I want to ensure that opportunity is taken.

xiv. Collaborate with the council to establish appropriate performance measures

The council and public expect you to deliver a well-functioning public transport network, with efficient, reliable and integrated services. A core objective will be to increase patronage and continue to deliver the council's key public transport priorities noted above.

I expect you to work with the council to establish appropriate performance measures and targets for the Public Transport CCO (e.g. punctuality, reliability, safety, customer satisfaction, utilisation, farebox recovery).

xv. Optimise and ensure a responsive public transport network

Public transport patronage has not reached the level we collectively would like. I expect public transport patronage to grow strongly in coming years, given the significant investment in the City Rail Link and Eastern Busway, and significant number of new frequent bus routes that are or will soon be delivered.

You should work with council to ensure improved alignment of bus & rail services (including improved interchanges) to support uptake of the City Rail Link. This should also include reviewing how journey patterns change post City Rail Link, and redirecting bus resources away from services parallel with the rail network, and towards improved feeder services.

The Public Transport CCO should refresh its approach to marketing, with a new focus on providing basic information to new and existing passengers about services, rather than expensive branding campaigns.

xvi. Collaborate with the council to successfully plan and deliver the public transport capital programme

I expect CCOs, along with the council to focus on providing value for money and the adoption of the ten spending rules. With the split in responsibilities for delivering public transport and roading functions, the council and the Public Transport CCO will need to work together to ensure capital delivery is aligned and efficient. Practical tools such as service level agreements will need to be developed and I expect this to be done in a timely and cost-effective manner. I do not expect agreements to take years to develop and agree, with hordes of lawyers being involved.

xvii. Ensure public transport service contracts are efficient, cost-effective,

In a similar manner I expect the Public Transport CCO to consider the Value for Money rules when procuring public transport services. Operators must maintain high standards of quality and meet safety requirements.

xviii. Improve customer service by focusing on getting the basics right and managing complaints

I expect the Public Transport CCO to continue to ensure high levels of public transport customer satisfaction. Customers should have access to clear communications and are kept well informed throughout their journey. This should be done through a range of methods to ensure all customers have access to information, including website, mobile applications, at stops & stations and on-board services. Many of these areas require a refresh and transport reform provides an opportunity to do this. The Public Transport CCO should focus on getting the basics right first,

I expect you to continue to address the recommendations of the Auditor-General and communicate effectively with the public.

xix. Take direction from the council on public transport issues

I expect the Public Transport CCO to engage early with elected members and comply with the no-surprises policy on public transport issues, for example fare strategy, safety, revenue and public transport fleet decarbonisation. I also expect the Board and entity to take direction from your shareholder on public transport matters.

xx. Make use of the group's shared services

The new Public Transport CCO will have some limited corporate support in house but would also be expected to make use of the group's shared services.

Opportunities should also be considered for further integration of public transport technology and data with Group Shared Services over time, and the teams should work closely together, sharing their knowledge and experience.

I have asked staff for further advice to consider the impacts of the rollout of the National Ticketing System and whether, at a later date, there will be opportunities to consider further integration of certain functions, such as the integration of the public transport contact centre with Auckland Council. I expect you to work with staff to provide me with this advice.

Ngā mihi

A handwritten signature in blue ink that reads "Wayne Brown". The signature is written in a cursive, flowing style.

Wayne Brown
Mayor of Auckland

Cc:

Cr Andrew Baker, Chair Transport and Infrastructure Delivery Committee
Dean Kimpton, Chief Executive, Auckland Transport
Alastair Cameron, Manager CCO Governance and External Partnerships
Tamsyn Matchett, Chief of Staff, Mayoral Office