



## Waka Kotahi tauākī o nga tūmanako whakatutukinga

Waka Kotahi NZ Transport Agency  
statement of performance expectations  
2022/23

SPE 2022/23

**Waka Kotahi NZ Transport Agency**

Published June 2022 (22-094)

ISSN 1173-2237 (print)

ISSN 1173-2296 (online)

Copyright: June 2022

Waka Kotahi NZ Transport Agency

NZBN: 9429041910085



If you have questions, call our contact centre on 0800 699 000 or write to us:

Waka Kotahi NZ Transport Agency  
Private Bag 6995  
Wellington 6141

This publication is also available on our website [www.nzta.govt.nz](http://www.nzta.govt.nz)

The Official Information Act 1982 (OIA) is an important tool and safeguard in New Zealand's democracy. Waka Kotahi NZ Transport Agency is committed to transparency of government and the principles of freedom and availability of information under the OIA. We make the official information we hold as a government agency available to the public, unless there is good reason to withhold it. Making our official information available to the public enables more effective participation in our country's democracy, promotes accountability, enhances respect for the law and promotes the good government of New Zealand. Equally, withholding information is important when it is in the public interest to protect the information or the information is commercially sensitive or necessary to protect personal privacy. If we withhold any information, we state the grounds under the OIA on which we are relying.

# Contents

## Statement of responsibility

### Introduction

Safety and infrastructure	
Environment and climate change	
Connecting people and destinations	
Our commitment to working with iwi	
Improving freight networks	
Increasing our efficiency and effectiveness	
COVID-19 impacts and response	

### Te kāpehu - our strategic direction

Our performance framework	
System outcome measures	
External results measures	
Internal results measures	

### What we'll deliver in 2022/23

Safe	50
Environmentally sustainable	53
Effectively and efficiently moving people and freight	57
Meeting current and future needs	61
Our output class measures	63

<b>3</b>	<b>Use of the National Land Transport Fund</b>	<b>65</b>
5	Progress to deliver on the 2021-24 National Land Transport Programme	65
6		
7	<b>Prospective financial statements</b>	<b>70</b>
7	<b>Waka Kotahi</b>	<b>71</b>
8	Financial overview	71
8	Prospective financial statements	72
8	Notes to the prospective financial statements	76
9	Output class funding and expenditure	96
<b>17</b>	<b>National Land Transport Fund</b>	<b>108</b>
21	Financial overview	108
24	Prospective financial statements	109
33	Notes to the prospective financial statements	111
45		
	<b>Appendix 1: Output class performance</b>	<b>117</b>
<b>50</b>	<b>Appendix 2: Milestones for significant capital projects</b>	<b>140</b>
50		
53		
	<b>Appendix 3: Vote transport appropriation measures</b>	<b>145</b>
57		
61		
63		



# Tauākī haepapatanga

## Statement of responsibility

The information contained in the Waka Kotahi NZ Transport Agency statement of performance expectations 2022/23 has been prepared in accordance with the Crown Entities Act 2004. In signing this statement, we acknowledge our responsibility for the information in this statement of performance expectations and confirm the appropriateness of the assumptions underlying the prospective operations and financial statements of Waka Kotahi NZ Transport Agency.

Signed on behalf of the Waka Kotahi Board



---

**Sir Brian Roche**

Chair, Waka Kotahi Board  
17 June 2022



---

**Cassandra Crowley**

Deputy Chair, Waka Kotahi Board  
17 June 2022



# Kupu whakataki

## Introduction

Waka Kotahi is the kaitiaki of a modern walking, cycling, bus and vehicle land transport network that is used by every person in Aotearoa New Zealand.

Our vision is a land transport system that connects people, products and places; gives access to important social and economic opportunities; and moves people and freight efficiently.

It's our role to ensure everything in the system works together as an integrated whole.

When everything works together, people are able to travel easily and safely, products and produce flow freely and Aotearoa thrives.

This statement of performance expectations outlines what we will deliver in 2022/23 and how we will measure our progress. Our areas of focus reflect our strategic direction, Te kāpehu | Our compass, and align with the Government Policy Statement on land transport 2021/22 - 2030/31 (GPS 2021).

### **Safety and infrastructure**

Death and injuries on Aotearoa roads have a devastating and wide-reaching impact on family, friends and communities. These tragic events should not be an inevitable cost of travelling, and this toll on human life is unacceptable. They come with a social cost to Aotearoa estimated at nearly \$4.7 billion a year.

Developing a transport system where no one is killed or seriously injured is a key strategic priority of GPS 2021. The national road safety strategy, Road to Zero, is moving us closer to achieving this, with an initial target of reducing deaths and serious injuries by 40 percent by 2030 (from 2018 levels).

Now in its third year, Road to Zero has launched a public information campaign to help New Zealanders understand their roles and responsibilities in creating a safe system for the land transport network. Making the roads safer is a shared responsibility, and all New Zealanders have a part to play.

This public outreach will work with the continued implementation of safety interventions such as median barriers and intersection improvements. This infrastructure work will target the areas of the road network across Aotearoa where the highest concentrations of deaths and serious injuries occur.

Speed management, including a new regulatory framework for speed management planning, the move to safer speeds around schools and the adoption of a new approach to safety cameras, will be an important tool in helping us meet our Road to Zero targets. We're working with local partners to find the right safety solutions for each region, making state highways and local roads across Aotearoa safer.

Our vision is a land transport system that connects people, products and places; gives access to important social and economic opportunities; and moves people and freight efficiently.

Our regulatory function continues to play an important role in achieving these safety outcomes. We're focused on working with people, so they understand the rules and how to be safe, and we take action to enforce compliance when we need to. We do this to keep everyone safe on the road and rail networks.

We will continue our refresh of Tū ake, tū māia, our regulatory strategy, which, in turn, will strengthen our commitment to a safe, fair and sustainable land transport system for everyone and lift the performance of the regulatory system as a whole.

## Environment and climate change

The release of the government's Emissions Reduction Plan in May 2022 brings more certainty around expectations for transport's role in emissions reduction in Aotearoa.

It has been signalled that transport has a significant role to play in lowering carbon emissions and there is an expectation that transport emissions will need to drop by 41 percent over the next 14 years to meet the proposed climate change budgets. To achieve this will require a transformation in urban travel choices and the vehicles we travel in. Investing in Aotearoa infrastructure and systems, encouraging changes to behaviour, and adopting technologies that are available now and improving fast such as vehicle electrification will also play a major role.

Making this change is not something we can do alone, and partnerships with central and local government, iwi and commercial stakeholders will be vital in making these shifts happen quickly, effectively and efficiently.

Our programme of environmental change supports these innovations, and we will continue to implement Toitū te taiao, our sustainability action plan. This plan sets out a suite of actions that tackle four big challenges: reducing greenhouse gas emissions, improving public health, reducing environmental impact and reducing our corporate emissions. These actions include the carbon emissions mitigation work related to corporate and infrastructure activities being undertaken as part of our commitment to the Carbon Neutral Government Programme.

Strengthening the resilience of the land transport system is also crucial as the network is increasingly subjected to climate-related weather events such as storms and floods. These events disrupt supply chains and impact on the ability of people and communities to connect with critical and lifeline services. The land transport system is also exposed to risks of increasing sea-level rise.

We will look to implement the recommendations of the National Adaptation Plan when it is released this year and will continue to plan for climate change adaptation and build our evidence base and capability in this area.

It has been signalled that transport has a significant role to play in lowering carbon emissions and there is an expectation that transport emissions will need to drop by 41 percent over the next 14 years to meet the proposed climate change budgets.

## Connecting people and destinations

Investment in the land transport system delivers a variety of outcomes and benefits that make Aotearoa cities and towns great places to live. By working to support integrated land use and transport planning, we will make it easy for people to move around to access jobs, education and essential services.

Transport has an important role in the successful creation of new communities, particularly in the development of new housing. We will work with central government, local government and mana whenua in the main urban areas to invest in sustainable public transport connections that will see these new developments thrive.

To support growth in main urban areas, Aotearoa needs a transport system that reduces the need to travel by car, encourages increased travel by shared and active modes, and enables the uptake of low-emission vehicles. Increasing the uptake of public transport and active modes ('mode shift') is one of our most important tools for reducing greenhouse gas emissions, air and noise pollution, and traffic congestion.

We will continue to work with our local government partners in Auckland, Wellington, Hamilton, Tauranga, Christchurch and Queenstown to deliver new walking and cycling facilities where we can achieve the greatest shift in the way people move. Alongside this, we will make it easier for people in those communities to access and use public transport, by offering better connections, a greater frequency of services and bus prioritisation to reduce travel times.

More funding has been made available in the 2021-24 National Land Transport Programme (NLTP) for new metro rail activities in Auckland and Wellington. This includes activities within the Auckland Transport Alignment Project and Let's Get Wellington Moving.

By encouraging people to travel in different ways and making it easier for them to do so, we can reduce light vehicle movements in towns and cities, reducing transport emissions, improving quality of life and wellbeing, and making communities more attractive spaces for people to live, work and play in.

## Our commitment to working with iwi

Waka Kotahi recognises and respects Te Tiriti o Waitangi and is committed to building strong, beneficial relationships with Māori.

Guided by Te ara kotahi, which sets the strategic direction for how we work with and respond to Māori as the Crown's Tiriti partner, we will continue to recognise Māoritanga in practical ways. This includes highlighting and restoring sites of cultural significance as we develop our infrastructure projects, sharing stories of place through the installation of cultural artworks and supporting the use of te reo Māori as we expand our bi-lingual road signage programme.

To support growth in main urban areas, Aotearoa needs a transport system that reduces the need to travel by car, encourages increased travel by shared and active modes, and enables the uptake of low-emission vehicles.

Te Mātangi, our Māori partnerships team, will continue to work across Waka Kotahi, helping to support the organisation to fulfil the vision, aspirations and key priorities of Te ara kotahi and, in turn, fulfilling Māori land transport needs and aspirations.

## Improving freight networks

The Aotearoa economy depends on having access to a safe, reliable and resilient transport network. To protect economic wellbeing as the population grows, we need road, rail and coastal shipping to all play their part in moving freight around the country, particularly as we move to reduce emissions to meet our climate change commitments.

Ninety-three percent of freight in Aotearoa is currently moved by road. While three-quarters of all freight stays within its region of origin, there are opportunities to increase the volume of long-distance freight carried by rail and coastal shipping to meet future demand and reduce emissions.

The development and implementation of our Freight Action Plan is an important step in the process of diversifying how we move freight nationally. Increased investment in rail through the 2021-24 NLTP will improve the resilience and reliability of the existing rail network and provide a platform for growth in the efficient movement of freight by rail around the country. This investment will support the climate change objectives of GPS 2021, improve road safety and lessen the wear and tear on roads by reducing road freight traffic.

Work will also continue on defining coastal shipping's role within the network. We are working with the sector to identify actions and activities for building a more resilient, sustainable and competitive domestic coastal shipping sector, so enable coastal shipping can play a greater role in moving freight.

Partnership is vital as we work to provide more choice for the freight industry. A strong relationship with KiwiRail is important in supporting the long-term work to grow rail freight, particularly as we work to develop shared approaches to inter-regional corridors.

We also have a role in supporting the development of the national freight and supply chain strategy Te Manatū Waka Ministry of Transport is developing.

## Increasing our efficiency and effectiveness

Funding for Waka Kotahi activities has been under significant pressure in recent years. COVID-19, our expanded areas of responsibility, technology changes, rising costs and labour shortages have all affected our budgets and ability to deliver the NLTP within the existing funding envelope.

Partnership is vital as we work to provide more choice for the freight industry.



The review of our regulatory services funding model announced last year is essential to ensuring a sustainable and efficient basis for funding and delivering a modern risk-based service.

Waka Kotahi will undertake, in collaboration with the Ministry of Transport, a value-for-money review of its cost structure. One of the key purposes of the review and any follow-up activity will be to assess the efficiency of Waka Kotahi operational expenditure. The full scope is currently being finalised.

We are also supporting the Ministry of Transport- and Treasury-led process to review the funding for the wider transport sector given the financial pressures arising from growing demands on the National Land Transport Fund (NLTF). This is an important step in future-proofing the land transport network, particularly as we start to address significant climate change challenges.

We are committed to building on the work already done to strengthen our relationships with iwi, central and local government, and other stakeholders nationally and regionally. We will continue to look for more and better ways to communicate, engage and work with these groups, particularly as we make moves to improve service quality and stakeholder satisfaction with our investment processes by making them easier to work through.

We're also looking to explore new ways to partner with stakeholders where it is critical we work closer together to achieve the outcomes being sought by government, particularly in relation to new housing initiatives and developing communities that are well connected with safe, reliable travel options to reduce private vehicle travel.

## **COVID-19 impacts and response**

COVID-19 has had, and will continue to have, significant impacts on the way we work. The pandemic has had a substantial financial impact through reduced land transport revenue, increased costs of project delivery, additional funding requirements for public transport services, and reduced regulatory transactions and revenue.

Following significant support over 2020/21, Waka Kotahi has received limited financial support from the government to offset these direct effects in 2021/22. There are also related inflationary pressures that will increase the costs of most of our activities. Temporary reductions in fuel excise duty and road user charges announced in March 2022 further impact on land transport revenue. Our financial projections assume that these tax reductions are fully compensated by additional Crown funding.

We're also looking to explore new ways to partner with stakeholders where it is critical we work closer together to achieve the outcomes being sought by government, particularly in relation to new housing initiatives and developing communities that are well connected with safe, reliable travel options to reduce private vehicle travel.

We know that sectors of the economy continue to be affected by COVID-19 and loss of tourism. Through connecting people, products and places, Waka Kotahi has an important role to play in supporting Aotearoa's social and economic recovery from the pandemic.

We also know that many of our partners need to re-prioritise their transport investments to meet their communities' changing needs. Within the financial constraints facing the sector as a whole, we are committed to working closely with our co-investment partners, so our investment in the land transport system supports recovery from the pandemic.

We will continue to be guided by Te kāpehu | Our compass. Te kāpehu sets out our strategic direction, outlining our place and aspirations within the wider land transport system and what we want to achieve as an organisation, how we will go about this and why we are here. Our organisation is energised around this direction, and we look forward to achieving progress on our road map to deliver our aspirations over the coming year.



---

**Sir Brian Roche**

Chair, Waka Kotahi Board  
17 June 2022



---

**Nicole Rosie**

Chief Executive  
17 June 2022

# Kupu whakataki

## Introduction

Ko Waka Kotahi te kaitiaki o tētahi kōtuitui ikiiki whenua hīkoi, eke pahikara, pahi me te waka e whakamahia ana e ia tangata i Aotearoa.

Ko tā mātau matakite ko tētahi pūnaha ikiiki whenua e hono ana i te tangata, ngā hua me ngā wāhi; e tuwhera ana ki ngā whai wāhitanga pāpori me te ōhanga hira me te tōtika o te nekeneke i te tangata me ngā kawenga.

Ko tā mātau he whakarite kei te tika ngā mea katoa i roto i te pūnaha hei āhuatanga kōmitimiti whānui.

Ina mahi ngātahi ana ngā mea katoa, ka māmā, ka haumaruru te haere a te tangata, ka ngāwari te rere a ngā hua me ngā kai, ā, ka momoho a Aotearoa.

Kei roto i tēnei tauākī whakatutukitanga ko ngā mea ka whakaratoa e mātau i te 2022/2023 me te āhua o tā mātau ine i te anga whakamua. E whakaata ana ō mātau wāhi ka arotahitia i Te kāpehu, tā mātau ahunga rautaki me te whakahāngai ki te Tauākī Kaupapahere a te Kāwanatanga mō te ikiiki whenua 2021/22-2030/31 (GPS 2021).

### Haumaruru me te hanganga

He kino, he whānui te pānga o ngā mate me ngā wharanga i ngā rori ki ngā whānau, ngā hoa me ō tātau hapori. Kāore e tika koinei te utu o te hāereere, ka mutu kāore e pai ko te mate te mutunga atu. Ko te utu ā-pāpori ki Aotearoa o tēnei kei te takiwā o te \$4.7 piriona i te tau.

Ko te waihanga i tētahi pūnaha ikiiki kia kore ai e mate, e whara kino rānei he tangata tētahi kaupapa matua rautaki o te Tauākī Kaupapahere a te Kāwanatanga mō te ikiiki whenua 2021 (GPS 2021). E whakatata haere atu ana tā mātau rautaki haumaruru rori ā-motu te Ara ki te Kore ki te whakatutuki i tēnei, ā, ko te whāinga tuatahi o te whakaiti matenga me ngā wharanga kino mā te 40 ōrau i mua o te tau 2030 (mai i ngā taumata o te tau 2018).

Koinei te tau tuatoru, kua whakarewahia e te Ara ki te Kore tētahi kaupapa whakatairanga mōhiohio tūmatanui hei āwhina i a Ngāi Aotearoa kia mārara ki tā rātau mahi me ō rātau herenga mō te hanga i tētahi pūnaha haumaruru mō tā tātau kōtuitui ikiiki whenua. Kei te katoa te mahi kia haumaruru ake ai ō tātau rori, ā, he wāhanga tō tēnā, tō tēnā.

Ko tā tēnei kaupapa tūmatanui ka whakatinana haere i ngā whakataunga haumaruru pērā i ngā ārai paewehe me ngā whakapaitanga ki ngā pūtahitanga. Ka arotahi ēnei mahi hanganga ki ngā wāhi o tō mātau kōtuitui rori puta noa i Aotearoa e tino pā mai ai ngā mate me ngā wharanga kino.

He tikanga hira te whakahaere tere, tae atu ki tētahi pou tarāwaho waeture hou mō te whakarite mahere whakahaere tere, te whakauru mai i ngā tere haumaruru ake i ngā takiwā kura me te whakatinana i tētahi kaupapa hou mō ngā kāmera haumaruru, mō te āwhina i a mātau kia ki ngā whāinga o te Ara ki te Kore. Kei te mahi mātau me ngā pātui o te rohe kia kitea ai ngā rongoā haumaruru tika mō ia rohe, e haumaruru ake ai ngā huarahi matua me ngā rori o ngā rohe puta noa i Aotearoa.

**Ko tā mātau matakite ko tētahi pūnaha ikiiki whenua e hono ana i te tangata, ngā hua me ngā wāhi; e tuwhera ana ki ngā whai wāhitanga pāpori me te ōhanga hira me te tōtika o te nekeneke i te tangata me ngā kawenga.**

He hira tonu tō mātau mana waeture mō te whakatutuki i ēnei putanga haumarū. E arotahi ana mātau ki te mahi me ngā tāngata, kia mārama ai rātau ki ngā ture, ā, me pēhea te noho haumarū, ā, ka whakapau kaha mātau hei whakaū kia whai i ngā ture ina hiahiatia. Ka oti tēnei kia noho haumarū ai ngā tāngata katoa i ō tātau kōtuitui rori me te rēra.

Ka haere tonu tā mātau whakahou i te rautaki waeture o Tū ake, tū māia, ā, ka whakakaha i tō tātau hāpori ki tētahi pūnaha ikiiki whenua haumarū, tika me te toitū mō te katoa me te hiki i te pūnaha waeture whānui.

## **Te whakaiti i ngā tukunga hau kati kōtuhi**

Nā te whakaputanga o te Mahere Whakaiti Tukunga Wari a te Kāwanatanga i te Mei 2022 ka pūmau ake ō tātau tūmanako mō te wāhanga o te ikiiki i roto i te whakaiti tukunga waro i Aotearoa.

Kua tohua he wāhanga hira tō te ikiiki mō te whakaheke i ngā tukunga waro, ā, ko te tūmanako me heke ngā tukunga ikiiki mā te 41 ōrau i roto i te 14 tau e heke nei kia ū ai ki ngā tahua huringa āhuarangi e marohitia ana. Kia tutuki ai tēnei me tino takahuri ngā kōwhiringa haerenga ā-tāone me ngā waka e haere nei tātau. He wāhanga nui tō te haumi ki ā tātau hanganga, pūnaha hoki, te whakatenatena i ngā huringa ki ngā whanonga, me te whai i ngā hangarau e wātea ana ināiane, e tere nei te pai ake, pērā i ngā waka hiko.

Kāore e taea e mātau anake tēnei huringa, ā, me mea hira ngā pātuitanga me ngā kaunihera me te kāwanatanga, ngā iwi me te hunga whai pānga mai arumoni kia tere, kia whaitake, kia kakama ai te whakatutuki i ēnei nekehanga.

E tautoko ana tā mātau kaupapa o ngā huringa taiao i ēnei auahatanga, ā, ka ū tonu mātau ki te whakatinanatanga o Toitū Te Taiao. Kei roto i tēnei mahere ko ngā mahi ka whakarite i ngā wero nui e whā; te whakaiti i ngā tukunga hau kati kōtuhi, te whakapai ake i te hauora tūmatanui, te whakaiti i te pānga taiao me te whakaiti i ā tātau ake tukunga waro rangatōpū. Kei roto i tēnei ko ngā mahi whakaiti tukunga waro e pā ana ki ngā mahi rangatōpū me te hanganga e whakahaerehia ana i raro i tō mātau pūmau ki te Kaupapa Kore Waro a te Kāwanatanga.

He mea nui anō te whakakaha i te pakari o te pūnaha ikiiki whenua i te mea kei te pāngia anō te kōtuitui e ngā āhuatanga huarere ā-āhuarangi pērā i ngā marangai me te waipuke. Ka whakararu ēnei āhuatanga i ngā ara ratonga me te whai pānga ki te kaha o ngā tāngata me ngā hāpori ki te tūhono ki ngā ratonga taketake, waiwai oranga hoki. E tuwhera anō te pūnaha ikiiki whenua ki ngā mōrea o te piki o te moana.

Ka tirotiro mātau ki te whakatinana i ngā tūtohutanga o te Mahere Urutaunga ā-Motu ina whakaputaina i tēnei tau, ā, ka whakariterite tonu mō te urutaunga huringa āhuarangi me te whakatipu i ā mātau taunakitanga me te kaha i roto i tēnei wāhanga.

**Kua tohua he wāhanga hira tō te ikiiki mō te whakaheke i ngā tukunga waro, ā, ko te tūmanako me heke ngā tukunga ikiiki mā te 41 ōrau i roto i te 14 tau e heke nei kia ū ai ki ngā tahua huringa āhuarangi e marohitia ana.**

## Te tūhono i ngā tāngata me ngā ūnga

Ka puta i te haumitanga ki te pūnaha ikiiki whenua ko ngā tūmomo putanga, painga hoki e rawe ai ō tātau tāonenui, tāone hoki ki te noho. Mā te mahi ki te tautoko i te whakamahi whenua kōmitimiti me te hanga mahere ikiiki, ka māmā tēnei mō te tangata ki te nekeneke haere ki ngā mahi, te mātauranga me ngā ratonga waiwai.

He wāhanga hira tō te ikiiki kia angitu ai te hanga hapori hou, otirā mō te hanga whare hou. Ka mahi tahi mātau me te kāwanatanga, ngā kaunihera me ngā mana whenua i ō mātau wāhi tāone matua ki te haumi ki ngā tūhononga ikiiki tūmatanui toitū e momoho ai ēnei whanaketanga hou.

Hei tautoko i te tipu o ō tātau wāhi tāone matua, me whai tātau i tētahi pūnaha ikiiki e whakaiti ana i te hiahia ki te haere mā runga motukā, he whakahau kia nui ake te haere mā ngā tauira tuari me te hohe, ā, ka nui ake te whai i ngā waka iti te tukunga waro. Ko te whakanui ake i te hāpai i te ikiiki tūmatanui me ngā tauira hohe ('momo haerenga hou') tētahi o ā mātau tikanga hira rawa mō te whakaiti i ngā tukunga hau kati kōtuhi, parahanga hau me te turituri, me ngā pokenga ikiiki.

Ka whakapau kaha tonu mātau ki te mahi me ō mātau pātui kaunihera i Tāmaki Makaurau, Te Whanganui-a-Tara, Kirikiriroa, Tauranga, Ōtautahi me Tāhuna ki te whakarato i ngā whakaurunga hīkoi me te eke pahikara hou e taea ai te nekehanga nui rawa mō te āhua o te neke a te tangata. I te taha o tēnei, ka whakarite mātau kia māmā ake mō te hunga kei aua hapori kia āhei atu me te whakamahi ikiiki tūmatanui, mā te whakarato i ngā hononga pai ake, kia nui ake te auau o ngā ratonga me ngā whakaarotau i ngā pahi hei whakaiti i ngā wā haere.

Kia nui ake ngā pūtea e wātea ana i roto i te Kaupapa Ikiiki Whenua ā-Motu 2021-24 (NLTP) mō ngā mahinga rēra i Tāmaki Makaurau me Te Whanganui-a-Tara. Kei roto i tēnei ko ngā mahinga i roto i te Kaupapa Whakahāngai Ikiiki o Tāmaki Makaurau me Let's Get Wellington Moving.

Mā te whakahau i te tangata kia haere mā ngā āhuatanga rerekē, me te whakarite kia māmā mō rātau tēnei, ka taea e mātau te whakaiti ngā nekehanga waka māmā i ō tātau tāone, tāonenui hoki, me te whakaiti i ngā tukunga waro ikiiki me te whakapai ake i te kounga ora me te oranga me te whakarite ka hiahia te tangata ki te noho, te mahi, me te whakangahau i ō tātau hapori.

## Tō mātau paiherenga ki te mahi tahi me ngā iwi

E āhukahuka ana, e whakaaronui ana a Waka Kotahi ki Te Tiriti o Waitangi, ā, e pūmau ana ki te tuitui i ngā taura here kaha, whaihua me te Maori.

Ka arahina e Te Ara Kotahi e whakarārangi ana i te hunga rautaki mō te āhua o tā mātau mahi me te urupare ki te Māori hei pātui Tiriti nō te Karauna, ka whakamana tonu mātau i te Māoritanga mā ngā tikanga whaikiko.

Hei tautoko i te tipu o ō tātau wāhi tāone matua, me whai tātau i tētahi pūnaha ikiiki e whakaiti ana i te hiahia ki te haere mā runga motukā, he whakahau kia nui ake te haere mā ngā tauira tuari me te hohe, ā, ka nui ake te whai i ngā waka iti te tukunga waro.

Arā, ko te whakaatu me te whakaora i ngā wāhi ahurea whakahirahira i a mātau e hanga ana i ngā kaupapa hanganga, te tuari i ngā kōrero wāhi mā te whakauru mai i ngā mahi toi ahurea me te tautoko i te whakamahinga o Te Reo i a mātau e whakawhānui ana i tā mātau tohu rori reorua.

Ka mahi tahi a Te Mātangi, tō mātau rōpū Māori Pātuitanga, puta noa i a Waka Kotahi, ki te āwhina ki te tautoko i tō mātau whakahaere ki te whakatinana i te matakitenga, ngā wawata me ngā kaupapa matua hira a Te Ara Kotahi me te whakatutuki i ngā hiahia me ngā wawata ikiiki whenua Māori.

## **Te whakapai ake i te tōtika o ngā kōtuitui kawenga**

E whirinaki ana te ōhanga o Aotearoa ki te āhei atu ki tētahi kōtuitui ikiiki haumaruru, whai kiko me te pakari. Hei whakamaru i tō tātau oranga ōhanga i te wā e tipu ana tō tātau taupori, me whakarite mātau ka tutuki te wāhi ki te rori, rēra me ngā waka kawenga moana mō te nekeneke kawenga puta noa i te motu, otirā i a tātau e whakaiti nei i ngā tukunga waro kia ū ki ō tātau paiherenga huringa āhuarangi.

93% o ngā kawenga i Aotearoa kei te haere mā runga rori. Ahakoa he toru hauwhā o ngā kawenga katoa ka noho ki tōna anō rohe, kei reira ngā whai wāhitanga hei whakarahi ake i te nui o ngā kawenga haere tawhiti e kawea ana mā runga tereina me te moana kia ū ai ki ngā tononga ā muri ake me te whakaiti tukunga waro.

Ko te waihanga me te whakatinanatanga o tā mātau Mahere Mahi Kawenga tētahi mahi hira i roto i te tukunga o te whakawhānui ake i te āhua o tā mātau neke kawenga i te motu. Nā te piki o te haumitanga o te rēra i roto i te 2021-24 NLTP ka pakari ake, ka whai kiko ake te kōtuitui rēra onāiane me te whakarato i tētahi kaupapa kia nui ake te tōtika o te neke kawenga mā runga tereina i te motu. Ka tautoko tēnei i ngā whāinga huringa āhuarangi o te GPS 2021, te whakapai ake i te haumaruru rori me te whakaiti i te taiākotikoti o ngā rori mā te whakaiti i te ikiiki kawenga rori.

Ka haere tonu ngā mahi kia mārama ake te wāhanga ki te kawenga moana i roto i te kōtuitui. Kei te mahi tahi mātau me te rāngai ki te tautuhi i ngā mahi tauwhāiti me ngā mahi kia pakari ake, kia toitū ake, kia nui ake te whakataetae o te rāngai kawenga moana o te motu, kia nui ake te wāhi o te ikiiki moana mō te nekeneke kawenga.

He mea hira te pātuitanga i a mātau e mahi ana ki te whakarato kōwhiringa anō mō te ahumahi kawenga. He mea nui tētahi hononga kaha me KiwiRail mō te tautoko i ngā mahi wā roa kia tipu ai te kawenga rēra, otirā i a mātau e mahi nei ki te waihanga kaupapa ngātahi ki ngā ara i waenga rohe.

He wāhanga anō tō mātau mō te tautoko i te waihanganatanga o te rautaki Kawenga ā-Motu me te Ara Ratonga e hangaia ana e Te Manatū Waka i tēnei wā.

He mea hira te pātuitanga i a mātau e mahi ana ki te whakarato kōwhiringa anō mō te ahumahi kawenga.

## Te whakapiki ake i te tōtika me te whaitake

E tino pēhia ana ngā pūtea mō ngā mahi a Waka Kotahi i ēnei tau nei. Nā te KOWHEORI-19, te whānui haere o ō mātau haepapa, ngā huringa hangarau, te piki o ngā utu me te poto o ngā kaimahi i pā katoa ki ā mātau tahua me tō mātau kaha ki te whakarato i te NLTP i raro i te kōpaki pūtea onāiane.

He mea waiwai te arotake i te taurira pūtea ratonga waeture i whakaputaina i tērā tau mō te whakarite i tētahi pūtake toitū me te tōtika mō ngā pūtea me te whakarato i tētahi ratonga ā-mōrea hou.

Ka whakahaerehia e Waka Kotahi, i te taha o Te Manatū Waka, tētahi arotake "e whai uara ai ngā moni" ki tōna hanganga utu. Ko tētahi o ngā kaupapa hira o te arotake me ngā mahi whai ake ko te āta tiroiro i te tōtika me te whaitake o ngā whakapaunga whakahaere tae atu ki te whakaarotanga o tana rārangi mahi.

Kei te tautoko anō mātau i Te Manatū Waka me te tukanga a Te Tai Ōhanga mō te arotake i ngā pūtea mō te rāngai ikiiki whānui ake nā ngā taumahatanga pūtea i ara ake i ngā tononga nui ake ki Te Pūtea Ikiiki Whenua ā-Motu (NLTF).

He mahi hira mō te whakarite ka tū pakari tā tātau kōtuitui ikiiki whenua ā tōna wā, otirā ina tīmata mātau ki te whakarite i ngā whakapātaritari huringa āhuarangi nui.

Kei te pūmau mātau ki te whakawhānui ake i ngā mahi kua oti kē mō te whakakaha i ō tātau hononga ki ngā iwi, te kāwanatanga me ngā kaunihera me ētahi atu hunga pānga i te motu me ngā rohe. Ka rapua haeretia tonu e mātau ngā tikanga nui ake, pai ake mō te whakawhitihiti kōrero, te torotoro me te mahi tahi me ēnei rōpū, otirā i a mātau e whakareri nei ki te whakapai ake i te kounga ratonga me te rata o te hunga whai pānga ki ā mātau tukanga haumitanga mā te whakarite kia māmā ake te whai.

Kei te tiroiro anō mātau ki te hōrapa i ngā tikanga hou hei pātui ki te hunga whai pānga e tino hira nei te mahi ngātahi kia tutuki ai ngā putanga e rapua ana e te kāwanatanga, otirā e pā ana ki ngā kaupapa whare hou me te whakawhanake hapori e tino hono ana ki ngā kōwhiringa haerenga haumarū, whai kiko hei whakaiti i te haere mā runga waka tūmataiti.

## Te urupare ki te KOWHEORI-19 me ōna pānga

I whai pānga, ka whai pānga nui tonu te KOWHEORI-19 ki te āhua o tā mātau mahi. He pānga nui tō te mate urutā ki ngā pūtea mā te heke o ngā moni whiwhi ikiiki whenua; te piki o ngā utu o te whakarato i te kaupapa; me ngā whakaritenga pūtea tāpiri mō ngā ratonga ikiiki tūmatanui; me te heke o ngā tauwhitinga/moni whiwhi waeture.

Kei te tiroiro anō mātau ki te hōrapa i ngā tikanga hou hei pātui ki te hunga whai pānga e tino hira nei te mahi ngātahi kia tutuki ai ngā putanga e rapua ana e te kāwanatanga, otirā e pā ana ki ngā kaupapa whare hou me te whakawhanake hapori e tino hono ana ki ngā kōwhiringa haerenga haumarū, whai kiko hei whakaiti i te haere mā runga waka tūmataiti.

Whai muri i ngā tautoko nui i te tau 2020/21, he iti noa ngā pūtea tautoko i whiwhi i a Waka Kotahi mai i te kāwanatanga hei whakangāwari i ēnei pānga i te tau 2021/22. Kei reira anō ngā pēhitanga pikinga utu e piki ai ngā utu mō te nuinga o ā tātau mahi. Ka whai pānga ngā moni whiwhi ikiiki whenua i ngā whakahekenga wā poto ki ngā tāke penehīni me ngā utu kaiwhakamahi rori i whakaputaina i te Maehe 2022. Ko te whakapae a ā mātau matapae pūtea mā ngā pūtea tāpiri a te Karauna e whakaea te katoa o ēnei whakahekenga tāke. Kei te mōhio tātau kei te whai pānga tonu te KOWHEORI-19 ki ngā rāngai o te ōhanga me ngā ngaronga ki te rāngai tāpoi. Mā te honohono i te tangata, ngā hua me ngā wāhi, he wāhanga hira tō Waka Kotahi mō te tautoko i te whakaoranga ā-pāpori, ā-ōhanga o Aotearoa mai i te mate urutā.

E mōhio anō mātau me whakaraupapa anō e mātau pātui maha ā rātau haumitanga ikiiki kia ū ai ki ngā hiahia hurihuri o ō rātau hapori. I roto i ngā whakatiki pūtea kei runga i te rāngai whānui, e pūmau ai ki te mahi tahi me ō mātau pātui haumitanga ngātahi ki te whakarite ka tautoko tā mātau haumitanga ki te pūnaha ikiiki whenua i te whakaoranga mai i te mate urutā.

Ka arahina tonutia mātau e Te kāpehu. Kei roto i Te kāpehu tā mātau ahunga rautaki, e whakarārangi ana i te wāhi ki a mātau me ngā wawata i roto i te pūnaha ikiiki whenua whānui ake me ngā mea e hiahia ana mātau ki te whakatutuki hei whakahaere, ka pēhea tā mātau whai i tēnei, me te take kei konei mātau. Kua ihiihi katoa tā mātau whakahaere i tēnei ahunga, ā, e rikarika ana mātau ki te anga whakamua i tā tātau mahere rori hei whakarato i ō mātau wawata i te tau e heke iho nei.



---

**Tā Brian Roche**  
Heamana  
17 Pipiri 2022



---

**Nicole Rosie**  
Pou Whakahaere  
17 Pipiri 2022

# Te kāpehu – tō mātou anga rautaki

## Te kāpehu – our strategic direction

In 2020, we launched our new strategic direction, Te kāpehu.

Our strategic direction, Te kāpehu, sets out our vision of a land transport system that connects people, products and places for a thriving Aotearoa (see figure 1). It also identifies our roles, our values and behaviours, and the system outcomes we'll need to achieve to realise our vision.

Our roles set out the big things we need to do to achieve our vision:

- **Kia hoe ngātahi | Move together as one**  
We lead with others to achieve valuable transport outcomes.
- **Te anamata | Leave great legacies**  
We shape and invest in a sustainable transport system for everyone.
- **Kia tika te mahi | Deliver the right things**  
We partner and invest to maintain, operate and improve the land transport system.
- **Kia marutau | Enable a safe system**  
We reduce harm to people and the environment.

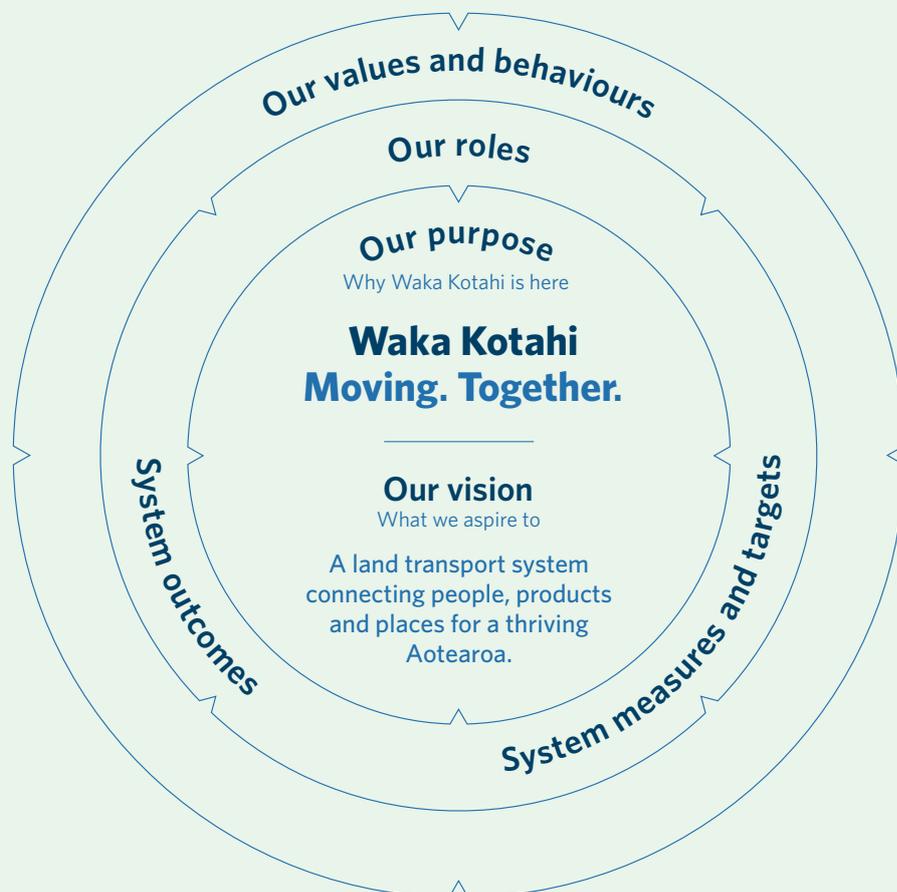


Figure 1 – Te kāpehu

Our system outcomes are the changes to the transport system we will focus on to realise our vision. We want Aotearoa to have a land transport system that is safe, environmentally sustainable, effectively and efficiently moving people and freight, and meeting current and future needs.

### Safe

ensuring no one is killed or seriously injured when using or working on the transport system

### Environmentally sustainable

reducing harm to and improving the environment with a focus on reducing greenhouse gas emissions

### Effectively and efficiently moving people and freight

ensuring networks are available and reliable at consistent levels of service with a focus on increasing the uptake of efficient, cost effective, low carbon transport options

### Meeting current and future needs

ensuring we have access to the people, funding and systems we need

Our system outcomes, measures and targets align with the Transport Outcomes Framework and reflect the priorities of GPS 2021. Together with our partners, we contribute to, but do not always directly control, these outcomes.

We have also identified a set of results that reflect the changes we need to see if we are to achieve our outcomes. For detailed descriptions of our system outcomes and results and the relationships between them, see our statement of intent 2021-26.

This statement of performance expectations sets out how we plan to deliver on Te kāpehu in 2022/23 and how we'll measure our performance.

## Our operating context

Our priorities for 2022/23 reflect the significant and diverse demands on Waka Kotahi as we manage ever greater government expectations alongside new and existing delivery commitments. At the same time, in common with our partners, stakeholders, suppliers, along with our staff we continue to grapple with the enduring impacts of COVID-19.

The scope of Waka Kotahi activities has expanded further with Budget 2022 and decisions relating to the Climate Emergency Response Fund (CERF). Reducing carbon emissions in line with the first Emissions Reduction Plan (ERP) will require transformational change to the transport system. Waka Kotahi is central to that change and must adapt its activities and investments accordingly. We also need to plan for, partner, design and deliver new CERF-funded activities to:

- avoid and reduce the need for travel by car especially in the largest cities
- significantly increase the access to and use of public transport, walking and cycling
- improve the energy efficiency of the vehicle fleet and fuels.

We continue to operationalise recent legislative changes that gave Waka Kotahi new and enhanced responsibilities, including: the low emission vehicle scheme and standard; advising on rail investment; oversight of public transport planning, operation, implementation and delivery nationally.

As our ambit grows we must actively manage the prioritisation of projects to ensure our key priorities are adequately resourced under very trying conditions.

The impacts of COVID-19 will be felt for some time particularly on reduced land transport revenue; increased costs of project delivery; additional funding requirements for public transport services; and reduced regulatory transactions and revenue.

Activities are taking longer and cost more than was initially expected or budgeted. Workforce sickness and absenteeism is impacting on productivity and project delivery. Shipping, supply chain costs and competing demand for materials is leading to significant inflation impacting on project budgets. Workforce resourcing in the construction sector is also a longer-term issue. We face uncertainty as the border re-opens, with other countries competing to resource their large infrastructure programmes.

The pressures on our funding and delivering the expanded range of responsibilities and services expected of Waka Kotahi will continue in 2022/23. We are undertaking a range of mitigation measures to manage risks to delivering our ambitious work programme alongside core services. These include engaging with the supply chain, implementing phased procurement approaches and improving forward planning to match market capacity. Cost estimations processes are being adjusted to ensure more regular reviews and updates, with programmes and budgets being adjusted as required.

The combined impact of higher costs, delays and lower revenue means that the outputs achieved in the 2021-24 National Land Transport Programme (NLTP) will be below those originally planned, creating a legacy of delayed or deferred activities to be addressed in the 2024-27 NLTP.

In summary, our operating environment will continue to pose challenges as we plan and prepare to implement new major initiatives.



# Te āhua o tā mātou ine i ā mātou mahi

## How we'll measure our performance

### Our performance framework

In 2020/21, we developed a new performance framework (shown in figure 2) to enable us to track our progress toward realising our strategic direction, Te kāpehu, and achieving our vision of a land transport system that connects people, products and places for a thriving Aotearoa.

Our performance framework aligns with our programme-specific frameworks, including those embedded in Road to Zero; Toitū te taiao, our sustainability action plan; Tiakina te taiao, our sustainability monitoring report; and Tū ake, tū maia, our regulatory strategy.

Our performance framework includes the following layers.

**System outcome measures** Our **system outcome measures and targets** help us track our progress toward achieving our four system outcomes. Each system outcome has outcome measures with quantitative or directional targets that reflect the long timeframe and system-wide effort required to see change. We and our partners contribute to, but do not always directly control, these outcomes.

**Results measures** Our **external results** are the five-year changes we need to achieve if we are to realise our system outcomes. They reflect system changes that we, with our partners, have a reasonable degree of influence over. The measures and targets for our external results will help us see whether we are tracking towards the system changes.

Our **internal results** are the changes to our delivery capability and collaboration that we need to see to achieve our external results. The measures and targets for our internal results will help us see whether we're tracking towards our delivery and collaboration goals.

**Delivery measures** Our **delivery measures** are the **output class measures**. Our output classes tell us what we need to invest in to deliver our significant activities, perform our regulatory function and complete our significant capital projects. Our output class measures (appendix 1) tell us whether we're effective in undertaking those activities.

Our significant activities (from page 42) capture the milestones we want to achieve in 2022/23 to deliver on government priorities for the land transport system and realise the vision of Te kāpehu. Together, our output class measures and our significant activities tell us whether we're delivering what we need to deliver to support the changes we want to make.

Our significant capital projects milestones (appendix 2) provide additional information on the significant capital projects we plan to deliver over 2022/23. We also have Vote Transport performance measures (appendix 3), as Vote Transport funds land transport infrastructure investments, services and regulatory activities.

The relationships between results and outcomes aren't linear – our results influence each other and will work together to help us achieve our system outcomes. We intend to continually improve our measures, including adding annual targets, particularly as sector targets become available, so they remain meaningful and relevant.

# Our vision: A land transport system that connects people, products and places for a thriving Aotearoa

## System outcomes and measures <sup>A</sup>

Are we achieving the long-term outcomes we need to achieve to realise our vision?

### Safe

Number of road deaths and serious injuries (DSIs)  
 ✓ 30%  
 Sector target: 40% reduction in DSIs (from 2018 levels) by 2030  
 Significant incident frequency rate  
 ✓ Decrease

### Environmentally sustainable

Greenhouse gas emissions from the land transport system  
 ✓ Decrease by December 2026  
 Proportion of the light vehicle fleet that are low/no carbon vehicles  
 ⬆ Increase  
 Sector target(s) to be added when available

### Effectively and efficiently moving people and freight

User experience of transport network by mode  
 ⬆ Improving for public transport and active modes  
 Freight mode share of road and rail  
 ✓ Decrease for road  
 ⬆ Increase for rail

### Meeting current and future needs

Funding sustainability (Measure being finalised)  
 Proportion of the state highway network that meets minimum asset condition requirements  
 ⬆ ⬆ Maintain or increase

←  
 Light vehicle kilometres travelled in major urban areas  
 ✓  
 Decreasing  
 ● ● ●

←

## Results and measures <sup>A</sup>

Are we seeing the changes we need to achieve our system outcomes?

Are we influencing the right external changes?

### Safer travel and infrastructure ● ●

Number of DSIs where the speed limit does not align with the safe and appropriate speed  
 ✓ 40%  
 Number of head-on, run-off-road and intersection DSIs  
 ✓ 30%

### Safer vehicles ● ●

Number of DSIs involving a vehicle with a low safety rating  
 ✓ 20%

### Improved resilience to disruptive events ●

Proportion of unplanned road closures resolved within standard timeframes  
 ⓪ Weather event ≥50%  
 ⓪ Other events ≥90%

### Increased share of travel by public transport, walking and cycling ● ● ●

Mode share of public transport and active modes in urban areas  
 ⬆ Increase

Are we making the right internal changes?

### Effective delivery ● ● ● ●

Staff engagement  
 ⬆ ⬆ Maintain or increase  
 Investment performance  
 ⬆ Improve investor confidence rating  
 Service quality (ease of transacting with us)  
 ⬆ ⬆ Maintain or increase  
 Regulatory performance  
 Progress in delivering the regulatory strategy

Figure 2 – Performance framework

### Safer road user choices ●●

Number of DSIs associated with behavioural risk factors  
 ✓ 20%

### Increased protection of the environment ●

Forecast Infrastructure Sustainability Council – Infrastructure Sustainability rating scheme points for applicable projects  
 ➤ ➤ Maintain or increase  
 Waka Kotahi corporate carbon footprint  
 ✓ 44% by 2025

### More reliable freight network ●●●

Interpeak predictability of travel times on priority freight routes  
 ➤ ➤ Maintain or increase

### Improved connections to key destinations ●●●

Access to social and economic opportunities by mode  
 ➤ Increase for public transport and active modes  
 Proportion of recently built residential dwellings in major urban areas with access to frequent public transport services  
 ➤ Increase

### Effective collaboration ●●●●

Partnership and engagement with Māori  
 ➤ Improve  
 Partnership and engagement with stakeholders  
 ➤ Improve

## Delivery & measures

### Are we delivering what we need to deliver to support these changes?

Are our **key programmes, strategies and initiatives** being delivered as intended?

#### Significant activities in 2022/23

Our significant activities capture the milestones we want to achieve in 2022/23 to help us progress towards our system outcomes and respond to government priorities for the land transport system. These are detailed in the What we'll deliver in 2022/23 section (pages 50 - 64).

How are we delivering and investing in our **products and services (output classes)** in terms of quantity, quality, timeliness and cost?

#### Significant capital projects as part of:

- National Land Transport Programme
- New Zealand Upgrade Programme

#### Output classes:

- Road to Zero
- State highway improvements
- State highway maintenance
- Local road improvements
- Local road maintenance
- Walking & cycling improvements
- Public transport services & infrastructure
- Rail network
- Coastal shipping
- Investment management
- Driver licensing and testing
- Vehicle safety and certification
- Regulation of commercial transport operators
- Regulation of the rail transport system
- Revenue collection and administration (including tolling)

<sup>A</sup> Unless otherwise stated, the timeframe for achieving our system outcome and result measure targets is 30 June 2026.

## System outcome measures

Our statement of intent 2021-26 sets out measures and five-year targets we want to achieve by 30 June 2026, unless otherwise stated. In this statement of performance expectations, we have included annual quantitative targets for 30 June 2023 where appropriate. Annual targets will help us understand if we're on track to achieve our June 2026 targets and where we need to focus more attention. For our external and internal results, measures and targets, see pages 33 - 49.

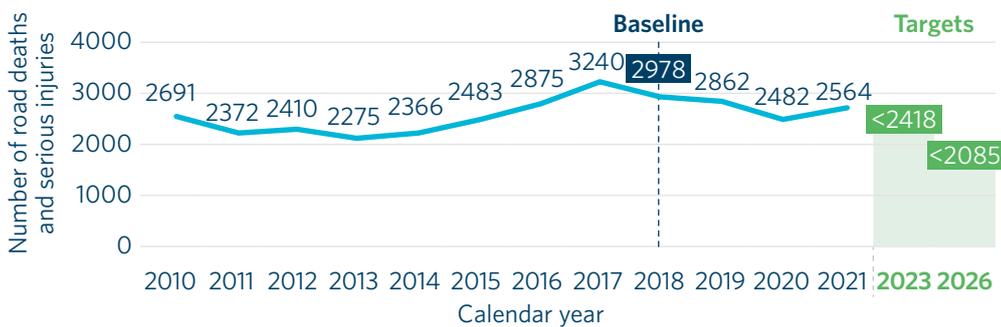
Our system outcomes are the long-term changes to the transport system we will focus on to realise our vision. For a detailed description of our system outcomes and their relationships to our results, see our statement of intent 2021-26.

### Safe

Ensuring no one is killed or seriously injured when using or working on the transport system

#### Deaths and serious injuries SAFE1

Baseline	2023 target	2026 target
2978 deaths and serious injuries in 2018	<span style="color: green;">✔</span> Reduce below 2418 by 30 June 2023 (19% decrease from the baseline) <sup>A</sup>	<span style="color: green;">✔</span> Reduce below 2085 by 30 June 2026 (30% decrease from the baseline)



<sup>A</sup> The annual target for June 2023 has been calculated based on a straight-line trajectory from 2018 to 2026.

### Why is this measure important?

This measure will help us track our progress toward achieving the overall target of Road to Zero to reduce deaths and serious injuries from land transport by 40 percent (from 2018 levels) by 2030.

On average, one person is killed every day on Aotearoa roads and another seven people are seriously injured. Deaths and serious injuries should not be an inevitable cost of travelling. We're working toward Vision Zero - A New Zealand where no one is killed or seriously injured while travelling or working on the land transport system.

To achieve Vision Zero, we're working with the Ministry of Transport and our local partners to implement Road to Zero. We'll also continue to implement our regulatory strategy, Tū ake, tū maia, and to invest in safe, low carbon, multimodal travel through the NLTP and New Zealand Upgrade Programme.

Significant incident frequency rate <small>SAFE2</small>		
Baseline	2023 target	2026 target
12.82 significant incidents per million hours worked (12-month rolling average) <sup>A</sup>	✔ Reduce below 9.0 per million hours worked by 30 June 2023 <sup>B</sup>	✔ Reduce below 6.41 per million hours worked by 30 June 2026 <sup>C</sup>



<sup>A</sup> Significant incidents are incidents that result in significant injury (medical treatment, lost time, death), are reportable to a regulator or have a high potential for impact or injury. The figure was incorrectly calculated as 18.97 in the previous statement of performance expectations and has now been corrected to 12.82.

<sup>B</sup> Straight-line forecasted targets have also been calculated with an approximately 10 percent reduction for 2022/23, 10 percent for 2023/24, 20 percent for 2024/25 (higher reduction anticipated from planned improvements in the process) and 10 percent for 2025/26 (all from the baseline).

<sup>C</sup> The previous statement of expectations had a directional 2026 target of 'decreasing' from the 18.97 baseline. The 2026 target has now been revised to achieve a 50 percent reduction from the corrected 12.82 baseline.

### Why is this measure important?

This measure will indicate how well our health and safety and critical risk controls are keeping our people (staff and contractors) safe when working on the land transport system.

We are responsible for keeping our people safe while they are working on the land transport system. Safety of our people and partners is considered a cultural imperative in line with our new values – ngākau aroha, in particular. We want to have heart and show care for our people. Work-related road safety is in addition to the five Road to Zero focus areas aimed at ensuring road safety is treated as a critical health and safety at work issue.

A significant incident rate allows Waka Kotahi to monitor systematic issues, risks and potential harm, by including near misses, or incidents that have high potential of harm, not just injuries.

We have prioritised improving our health and safety systems for our people and committed to halving our incident frequency rate by 30 June 2026 and elevating its importance and focus to an enterprise level. To determine this ambitious target, we have compared ourselves with other government agencies and the construction sector through our association with World Class Construction Health and Safety and Government Health and Safety Lead.

## Environmentally sustainable

Reducing harm to and improving the environment with a focus on reducing greenhouse gas emissions

### Greenhouse gas emissions from the land transport system ENV1

#### Baseline

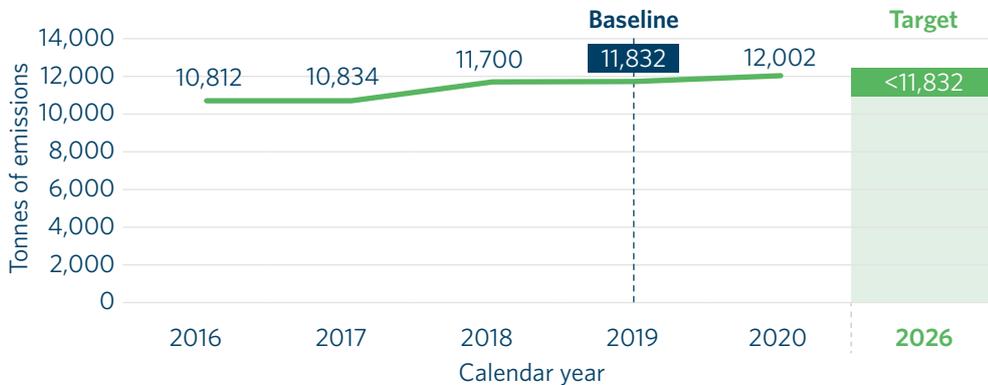
11,832 kilotonnes in 2019

#### 2023 target

To be determined once sector targets are available <sup>A</sup>

#### 2026 target

✔ Decrease by 31 December 2026 (sector targets to be added once available)



<sup>A</sup> Further work to revise the baseline and target will be undertaken in 2022/23 to ensure alignment with the ERP sector targets.

### Why is this measure important?

This measure will help us track progress toward the 2050 target of net zero carbon emissions from the land transport system. In Aotearoa, transport accounts for about 20 percent of greenhouse gas emissions, more than 90 percent of which arise from road transport. The light vehicle fleet accounts for 73 percent of road transport emissions and is the fastest growing source of such emissions. These emissions are concentrated in major urban areas.

In 2019, the government committed to a target of net zero greenhouse gas emissions by 2050 (excluding biological methane). The actions we will take to play our part in achieving this target are outlined in Toitū te taiao, our sustainability action plan.

### Proportion of light vehicle fleet that are low or no carbon vehicles <sup>ENV2</sup>

#### Baseline

0.59% of the light vehicle fleet are electric vehicles (EVs) and hybrid EVs <sup>A</sup>

#### 2023 target

To be determined once sector targets are available <sup>B</sup>

#### 2026 target

✔ Increase by 30 June 2026



<sup>A</sup> Baseline is for quarter 2 of the 2020/21 financial year.

<sup>B</sup> Further work to revise the baseline and target will be undertaken in 2022/23 to ensure alignment with the ERP sector targets.

### Why is this measure important?

This measure will help us track the progress of our and the wider transport sector's efforts toward a low carbon vehicle fleet. The light vehicle fleet is responsible for about 73 percent of road transport emissions and is the fastest growing source of them. Toitū te taiao, our sustainability action plan, includes a workstream to increase the uptake of safe, clean and efficient vehicles.

We will work with the government to implement its policies to increase the uptake of clean cars (such as the Clean Car Reforms). We can also encourage the uptake of EVs by using our promotional expertise and regulatory touchpoints, collaborating with our local partners and other government agencies such as the Energy Efficiency & Conservation Authority, and providing information and data to support the development and use of a national charging network.

## Effectively and efficiently moving people and freight

Ensuring networks are available and reliable at consistent levels of service with a focus on increasing the uptake of efficient, cost-effective, low carbon transport options

### Light vehicle kilometres travelled in main urban areas MOVE1

#### Baseline

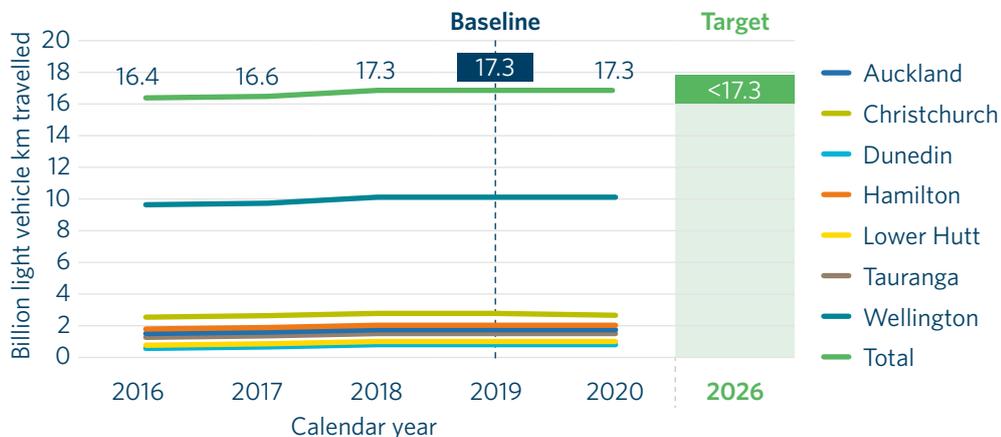
17.3 billion km travelled in main urban areas in 2019 <sup>A</sup>

#### 2023 target

To be determined once sector targets are available <sup>B</sup>

#### 2026 target

✔ Decrease by 31 December 2026



<sup>A</sup> Baseline is for the 2019 calendar year. Main urban areas are Auckland, Christchurch, Dunedin, Hamilton, Lower Hutt, Tauranga and Wellington.

<sup>B</sup> Further work to revise the baseline and target will be undertaken in 2022/23 to ensure alignment with the ERP sector targets.

### Why is this measure important?

This measure will provide a way for us to estimate reliance on private vehicles for travel in larger towns and cities where the problems associated with private vehicle use are most significant. Changes to this measure will help us understand whether we're reducing the amount of travel in private vehicles. Together with our mode-shift measures, this measure will help tell us whether the land transport sector has been successful in increasing the uptake of efficient, cost-effective and low carbon transport options for people and freight.

We, together with our partners, are investing in safe, low carbon, multimodal travel through the NLTP and New Zealand Upgrade Programme. Our investment will help to reduce the number of vehicles on the road by moving more freight by safer, lower carbon modes and will make it easier and safer for people to use shared and active modes to connect to key destinations.

While this measure is listed under effectively and efficiently moving people and freight, changes to it are also indicative of progress toward being more safe and environmentally sustainable.

Further work to revise the baseline and target will be undertaken in 2022/23 once the sector targets are available, when final decisions on the first three emissions budgets are made and published alongside the first Emissions Reduction Plan.

## User experience of the transport network by mode MOVE2

### Baseline

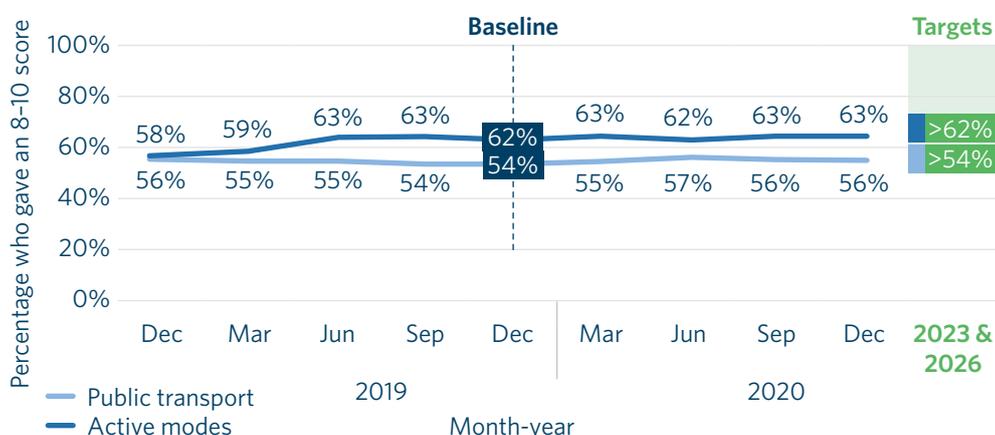
Public transport: 54% gave an 8-10 score <sup>A</sup>  
Active modes: 62% gave an 8-10 score <sup>A</sup>

### 2023 target

↑ Improve by 30 June 2023 for public transport and active modes

### 2026 target

↑ Improve by 30 June 2026 for public transport and active modes



<sup>A</sup> Baseline is as of 31 December 2020, based on the 12-month rolling average. Overall experience (based on the Waka Kotahi customer journey monitor survey) with recent journeys by main transport mode scored from 1 to 10, where 10 is the highest. Active modes include walking and cycling.

### Why is this measure important?

This measure will help us understand whether our investment in public transport and active modes is helping to improve our customers' experiences of travelling using these modes. We expect that improved customer experience of public transport, walking and cycling will help increase the uptake of efficient, cost-effective, low carbon transport options.

## Freight mode share of road and rail MOVE3

### Baseline

To be baselined - 2021/22 will be the baseline year <sup>A</sup>

### 2023 target

To be set once baseline and methodology are finalised <sup>A</sup>

### 2026 target

✓ Decrease by 30 June 2026 for road  
✓ Increase by 30 June 2026 for rail

<sup>A</sup> The methodology, baseline and 2023 target are being finalised and will be provided in the Waka Kotahi 2021/22 annual report.

## Why is this measure important?

This measure will help us understand whether our work with our local partners and KiwiRail is helping to move more freight by lower carbon transport modes.

GPS 2021 sets out how the land transport sector should work toward efficient, reliable and resilient connections that support productive economic activity. This includes moving more freight by lower emissions transport modes such as heavy rail and coastal shipping, which will help to improve environmental sustainability by reducing emissions and pollutants. Less freight travelling on the roads will also help to reduce traffic congestion and improve road safety.

We have developed a freight action plan, which captures what we're doing to improve freight connections across heavy rail, road and coastal shipping and how use of different modes can be optimised. We also worked with KiwiRail to develop the Rail Network Investment Programme and with our partners to develop an investment plan for coastal shipping. For more information, see our key activities for 2022/23 relating to the movement of freight from page 59.

## Meeting current and future needs

Ensuring we have access to the people, funding and systems we need

### Funding sustainability MEET1

#### New measure under development

Our current funding situation is not sustainable, so we are developing a measure of funding sustainability that aims to capture the investment needed for the transport system of Aotearoa compared with what we and our co-investment partners can sustainably fund through the NLTF or financing. The development of this measure is deferred pending the conclusion of the Ministry of Transport and Treasury-led revenue sustainability review in the first half of 2022/23.

#### Interim measure

Direct COVID-19 impact on NLTF revenue and net costs

Estimated cumulative impact on NLTF during the 2021/22 NLTP from reduced revenue and increased costs: approximately \$500m (as at April 2022)

### Why is this measure important?

While we are developing our strategic measure of funding sustainability, we continue to closely monitor the impact of COVID-19 on our revenue and costs. Less money available through reduced revenue and higher costs mean we cannot deliver as much of the NLTP as initially planned. For example, construction projects are subject to contractual claims for level 3 and level 4 COVID-related disruptions and use of public transport services still hasn't returned to pre-COVID levels, meaning significantly less farebox revenue, so net higher costs. These changes increase costs and reduce the revenue into the NLTF (for example, from fuel excise duty and road user charges).

This interim measure of direct COVID-19 impacts indicates the funding pressures we're facing. From a cash point of view, offsetting some of these increases are delays in Waka Kotahi projects and those of Approved Organisations co-funded from the NLTF. Ultimately, this means fewer improvements and less maintenance of the transport system than would otherwise have been made without COVID-19 impacts.

**Proportion of the state highway network that meets minimum asset condition requirements** MEET2

Baseline	2023 target	2026 target
To be baselined – 2021/22 will be the baseline year <sup>A</sup>	 Maintain or increase by 30 June 2023	 Maintain or increase by 30 June 2023 <sup>6</sup>

<sup>A</sup> The baseline is being finalised and will be provided in the Waka Kotahi 2021/22 annual report.

### Why is this measure important?

This measure will help us understand whether the condition of state highways supports the safety and resilience of the land transport system.

The state highway network is one of the country's most important assets. It provides a strategic roading link helping to facilitate the safe and effective movement of people and goods throughout the entire country. State highways play an important role in delivering public transport solutions and link main population centres to industrial hubs and tourism destinations.

The condition of state highways has been deteriorating as a consequence of funding for renewal programmes being lower than what is required to sustain network condition over the last 10 years. Proper maintenance is critical to ensure the safety and resilience of the state highway network and helps to manage any impacts on human health and the environment.

We'll continue to invest in maintaining and improving the state highway network, including through the NLTP, supported by the \$2 billion loan facility provided by the Crown in 2021.

## External results measures

Our external results are the five-year changes we need to achieve if we are to realise our system outcomes. They reflect system changes that we, with our partners, have a reasonable degree of influence over. The relationships between results and outcomes aren't linear – the results influence each other and will work together to help us achieve our system outcomes. We've used the following key to indicate the outcomes each result contributes to:

- Safe
- Environmentally sustainable
- Effectively and efficiently moving people and freight
- Meeting current and future needs

For a detailed description of our system outcomes and their relationships to our results, see our statement of intent 2021–26.

## Safer travel and infrastructure ●●

Improving the safety of transport infrastructure and setting safe speed limits to improve the safety of travel across all modes

### Number of deaths and serious injuries where the speed limit does not align with the safe and appropriate speed <sup>ST11</sup>

Baseline	2023 target	2026 target
1542 deaths and serious injuries where the speed limit does not align with the safe and appropriate speed <sup>A</sup>	✓ Reduce below 1233 by 30 June 2023 (20% decrease from the baseline) <sup>B</sup>	✓ Reduce below 925 by 30 June 2026 (40% decrease from the baseline)



<sup>A</sup> Baseline is for the 2019/20 financial year. No prior trend data is available. Safe and appropriate speeds are calculated for all roads based on their function, safety and use.

<sup>B</sup> The annual target for June 2023 has been calculated based on a straight-line trajectory to 2026.

### Why is this measure important?

This measure will help us understand whether our work to set safe and appropriate speeds limits on the roads is helping to reduce deaths and serious injuries related to speed limits.

In Aotearoa, about 87 percent of speed limits are not appropriate for road conditions.

Reducing travel speeds is one of the most important things we can do to make roads safer. Faster travel speeds reduce everyone’s ability to avoid or recover from mistakes and increase the trauma experienced by everyone involved in a crash.

Safer travel speeds will save lives. They will also reduce the stress for other road users, including passengers, and help other people feel safe to walk, bike or travel with children. Slower speeds will also reduce harmful emissions. The general contentious nature of reducing speeds means we must work with our partners like local councils to encourage better support for setting safe speed limits.

### Number of head-on, run-off-road and intersection deaths and serious injuries STI2

#### Baseline

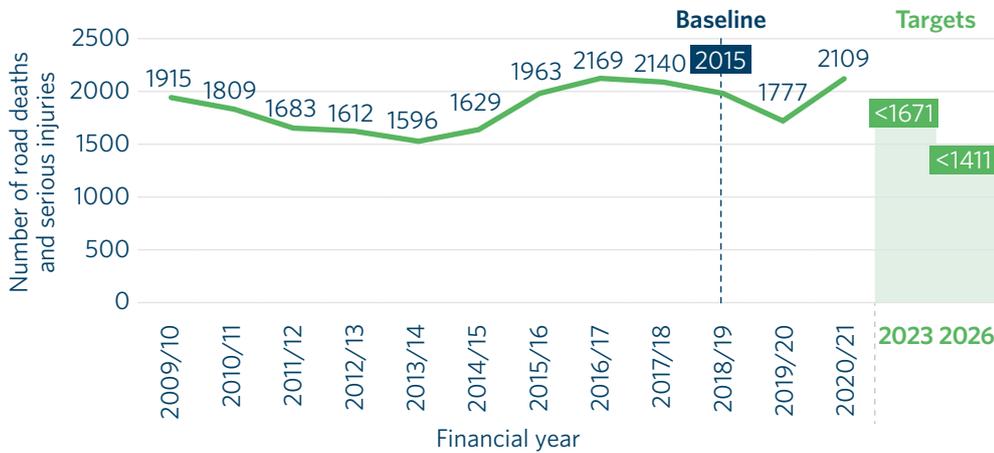
2015 deaths and serious injuries associated with head-on, run-off-road and intersection crashes <sup>A</sup>

#### 2023 target

✔ Reduce below 1671 by 30 June 2023 (17% decrease from the baseline) <sup>B</sup>

#### 2026 target

✔ Reduce below 1411 by 30 June 2026 (30% decrease from the baseline)



<sup>A</sup> Baseline is for the 2018/19 financial year.

<sup>B</sup> The annual target for June 2023 has been calculated based on a straight-line trajectory to 2026.

### Why is this measure important?

This measure will help us understand whether our work to improve the safety of road infrastructure is helping to reduce deaths and serious injuries related to road design.

Safety for all modes of transport and improved accessibility need to be priorities through the infrastructure lifecycle and in investment decision-making. We need to improve our standards and guidelines to deliver a nationally consistent approach to infrastructure design and maintenance. Opportunities also exist to better integrate transport with urban and land use planning to deliberately shape how the road network is used and what infrastructure investments are required.

## Safer vehicles ●●

Encouraging more people to buy safe vehicles

### Number of deaths and serious injuries involving a vehicle with a low safety rating <sup>SV1</sup>

#### Baseline

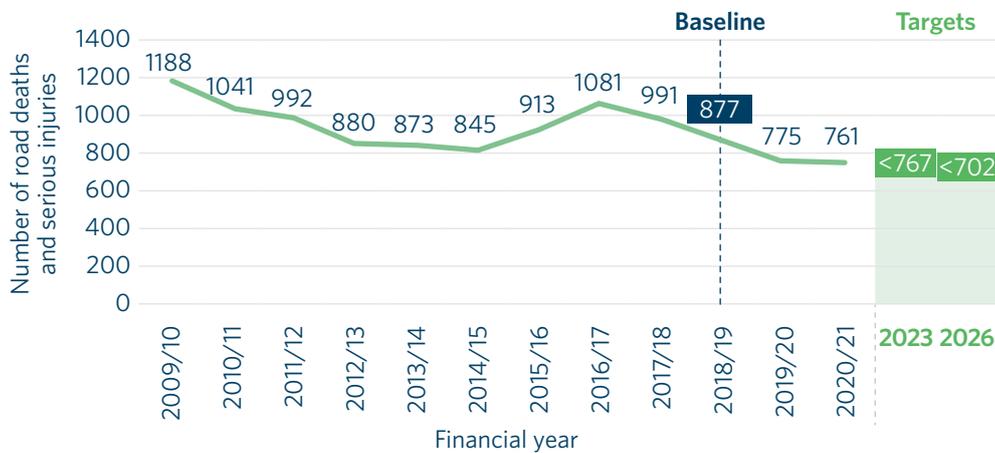
877 deaths and serious injuries associated with vehicles with a low safety rating <sup>A</sup>

#### 2023 target

✔ Reduce below 767 by 30 June 2023 (12.5% decrease from the baseline) <sup>B</sup>

#### 2026 target

✔ Reduce below 702 by 30 June 2026 (20% decrease from the baseline)



<sup>A</sup> Baseline is for the 2018/19 financial year.

<sup>B</sup> The annual target for June 2023 has been calculated based on a straight-line trajectory to June 2026.

### Why is this measure important?

The measure will help us monitor whether our work to help raise awareness of vehicle safety is helping to reduce deaths and serious injuries due to vehicles with a low safety rating.

The safety rating of vehicles matters – a person is twice as likely to be seriously or fatally injured in a crash in a 1-star vehicle than in a 5-star vehicle. Aotearoa has a large proportion of unsafe vehicles in its fleet (41 percent of light vehicles have 1- and 2-star safety ratings).

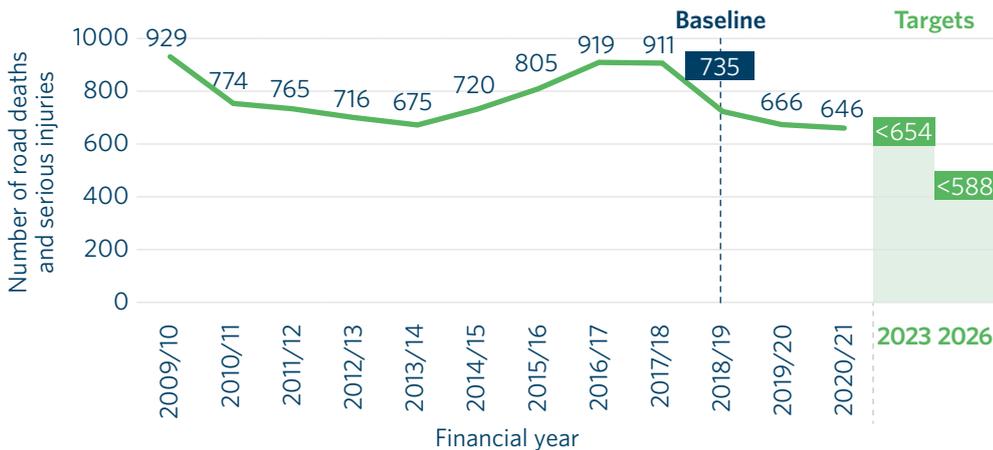
We are raising awareness of vehicle safety through the Road to Zero Action Plan. Through our regulatory function, we also play a role in helping to ensure vehicles already in the fleet are as safe as they can be, for example, by issuing warrants and certificates of fitness.

## Safer road user choices ●●

Encouraging safer road user choices and behaviours

### Number of deaths and serious injuries associated with behavioural risk <sup>SRUC1</sup>

Baseline	2023 target	2026 target
735 deaths and serious injuries associated with behavioural risk factors <sup>A</sup>	✔ Reduce below 654 by 30 June 2023 (11% decrease from the baseline) <sup>B</sup>	✔ Reduce below 588 by 30 June 2026 (20% decrease from the baseline)



<sup>A</sup> Baseline is for the 2018/19 financial year. Behavioural risk factors include use of alcohol and other drugs and driver fatigue and distraction.

<sup>B</sup> The annual target for June 2023 has been calculated based on a straight-line trajectory to 2026.

### Why is this measure important?

This measure will help us understand whether our and New Zealand Police’s collective road safety promotion efforts are helping to reduce deaths and serious injuries related to road user choices.

We know that if everyone followed the rules, stayed alert and sober, drove at safe travel speeds, stayed off their phones and wore a seatbelt, deaths and serious injuries on the roads would decrease.

We will work with our partners to support good road user choices. We’ll do this by continuing to work with New Zealand Police to promote safer road user choices and behaviours, targeting highest risk factors (use of alcohol and other drugs, fatigue and distraction while driving).

Through our regulatory role, we also promote safe road user choices and behaviours by providing access to driver licensing and training.

## Increased protection of the environment ●

Investing in the land transport system in a way that is sustainable and reduces harm

### Forecast Infrastructure Sustainability Council-Infrastructure Sustainability (ISC-IS) rating scheme points for applicable projects <sup>A</sup> IPOE1

Baseline	2023 target	2026 target
25 forecast point totals per project <sup>B</sup>	➤➡ Maintain or increase by 30 June 2023	➤➡ Maintain or increase by 30 June 2026 <sup>C</sup>

<sup>A</sup> The Infrastructure Sustainability Council of Australia rebranded as the ISC in late 2021. The unit of measure was incorrectly stated as 'credits' instead of 'points' in the statement of performance expectations 2021/22. This was a mistake in the terminology we used and also applies to the baseline.

<sup>B</sup> Baseline set as '25 forecast point totals per project' as a minimum point total of 25 (commended rating) at project completion is required for ISC certification. For more information on the ISC rating scheme, see [www.iscouncil.org/is-ratings/](http://www.iscouncil.org/is-ratings/)

<sup>C</sup> The 2026 target was to maintain or increase from 25 forecast credit totals on average per project in the statement of performance expectations 2021/22. As noted above, 'credit' was the incorrect terminology. In addition, 'on average' has been removed as weighting will not be applied.

### Why is this measure important?

This measure will help us understand whether the infrastructure we invest in is positioned to meet best practice standards for sustainability performance.

We are partnering with the ISC (formerly the Infrastructure Sustainability Council of Australia) network to deliver sustainable outcomes across land transport infrastructure projects. The ISC-IS rating scheme assesses all aspects of sustainability including governance, economic, environmental and social outcomes.

Our sustainability rating scheme policy requires all projects with an estimated capital value over \$15 million to consider the merits of ISC certification, and for those over \$100 million we must complete ISC certification.

ISC certification is awarded on build completion. As our next ISC-applicable build completion isn't expected until 3-5 years from now, this measure is based on forecast credit totals.

At the initiation of an ISC-applicable project, the project team will produce an IS management plan detailing the credits they aim to achieve and how. The plan will be updated annually with quarterly progress reports on the updated expected credit score at the time of rating (project completion). This provides an up-to-date, quantifiable measure of sustainability outcomes being achieved throughout the project lifetime.

## Waka Kotahi corporate carbon footprint IPOE2

### Baseline

3619.71 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>)

### 2022 target

✔ Reduce below 2544 by 30 June 2022 (30% decrease from the baseline) <sup>A</sup>

### 2025 target

✔ Reduce below 2027 by 30 June 2025 (44% decrease from the baseline) <sup>B</sup>



<sup>A</sup> There is a one-year lag with setting the annual target and reporting the annual result for this measure due to the Toitū Envirocare certification process. In the 2023/24 statement of performance expectations, our certified 2021/22 result will be reported against the 2021/22 target rather than the 2022/23 target.

<sup>B</sup> The target for this measure reflects the decrease we expect to see independent of any further change that may occur should we purchase carbon credits.

### Why is this measure important?

This measure will help us track whether we have been effective in reducing our contribution to greenhouse gas emissions from our corporate activities. We want to lead by example and align our corporate behaviours with our sustainability principles and expectations. The latest achievement in our corporate sustainability journey is receiving Toitū Envirocare carbonreduce certification. To keep our certification, we will be actively measuring our carbon emissions in preparation for annual Toitū Envirocare audits.

Our carbon emissions baseline year (2019/20) was updated during the 2021/22 Toitū Envirocare audit. The change reflects a reduction in freight emissions reported due to New Zealand Couriers changing the way in it calculates the emissions from its courier activities, which was agreed between New Zealand Couriers and Toitū Envirocare. Our reduction targets were revised using the reduction tool developed by the Ministry for the Environment for the Carbon Neutral Government Programme, and is in line with a global emissions pathway that limits warming to no more than 1.5°C.

## Improved resilience to disruptive events ●

Improving the ability of the land transport system to withstand, absorb, adapt, respond and recover from unplanned disruptive events

### Proportion of unplanned road closures resolved within standard timeframes <sup>A</sup> RES1

Baseline	2023 target	2026 target
Weather event: 50% Other events: 90% <sup>B</sup>	Weather event: ≥50% by 30 June 2023 Other events: ≥90% by 30 June 2023	Weather event: ≥50% by 30 June 2026 Other events: ≥90% by 30 June 2026



<sup>A</sup> Standard protocol and timeframes mean road closures are resolved within two hours on urban roads and 12 hours on rural roads.

<sup>B</sup> Baseline is for the 2019/20 financial year.

### Why is this measure important?

This measure will help us track whether we're helping to make the road network more resilient by responding to and resolving road closures within appropriate timeframes. When we respond to disruptions quickly, we're helping communities to stay connected and minimising the time people and businesses are unable to meet their travel needs. As the frequency of natural disasters and severe weather events is anticipated to increase, our ability to respond effectively will become more and more important.

## More reliable freight network ●●●

Improving network predictability

### Interpeak predictability of travel times on priority freight routes MRFN1

#### Baseline

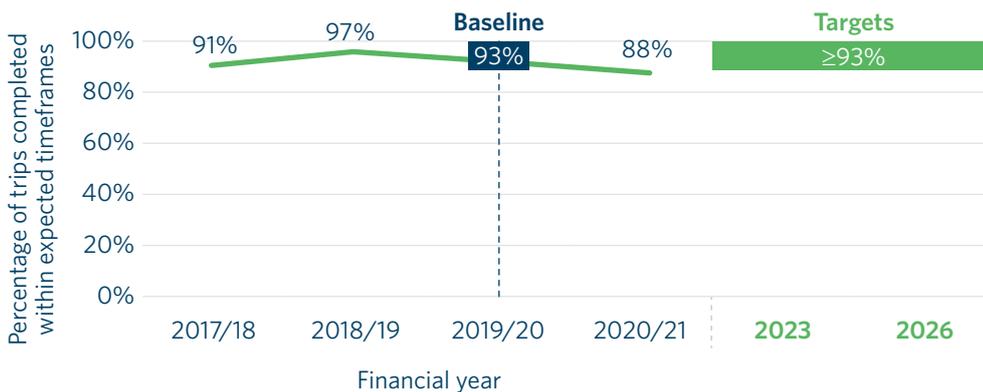
93% of interpeak trips are completed within the expected timeframes <sup>A</sup>

#### 2023 target

➤⬆️ Maintain or increase by 30 June 2023

#### 2026 target

➤⬆️ Maintain or increase by 30 June 2026



<sup>A</sup> Baseline is for the 2019/20 financial year. Expected timeframes are based on average journey times in the previous financial year.

### Why is this measure important?

This measure will help us track whether the work we're doing with our partners is delivering on the GPS 2021 priority to improve freight connections.

GPS 2021 describes how efficient, reliable and resilient freight connections will support productive economic activity. We want freight travel times to be predictable to make it easier for businesses and the freight sector to plan how they'll move their products. We also want to encourage the movement of more freight outside peak times as this will help improve the predictability, reliability and safety of the network for other road users at peak times.

We have developed a freight action plan, which captures what we're doing to improve freight connections across heavy rail, road and coastal shipping and how use of different modes can be optimised. For more information, see our key activities for 2022/23 relating to the movement of freight from page 59.

## Increased share of travel by public transport, walking and cycling ●●●

More people are choosing active and/or shared modes as their preferred method of travel

**Mode share of public transport and active modes in urban areas** SHARE1

Baseline	2023 target	2026 target
19 percent of trips in high-growth urban areas were on public transport and active modes <sup>A</sup>	⬆ Increase by 30 June 2023	⬆ Increase by 30 June 2026



<sup>A</sup> Baseline is for the 2019/20 financial year.

### Why is this measure important?

This measure will help us track whether the work we’re doing with our partners on public transport, active modes and urban development is helping to achieve mode shift.

Mode shift is one of our most important levers for reducing greenhouse gas emissions, air and noise pollution, and traffic congestion. The work we’ll do includes working with our council partners to deliver the NLTP and New Zealand Upgrade Programme and using our regulatory levers to make streets more accessible for walking, cycling and micro-mobility (small, lightweight vehicles operating at speeds typically below 25 km/h and driven by users personally). The improvements we will see are expected to be very gradual, as this is a long-term measure with system-level effort required for the changes we want to achieve.

## Improved connections to key destinations ●●●

Enabling all people to participate in society through access to social and economic opportunities

### Access to social and economic opportunities by mode (opportunities: jobs, GPs, supermarkets and schools) ACCESS1

#### Baseline

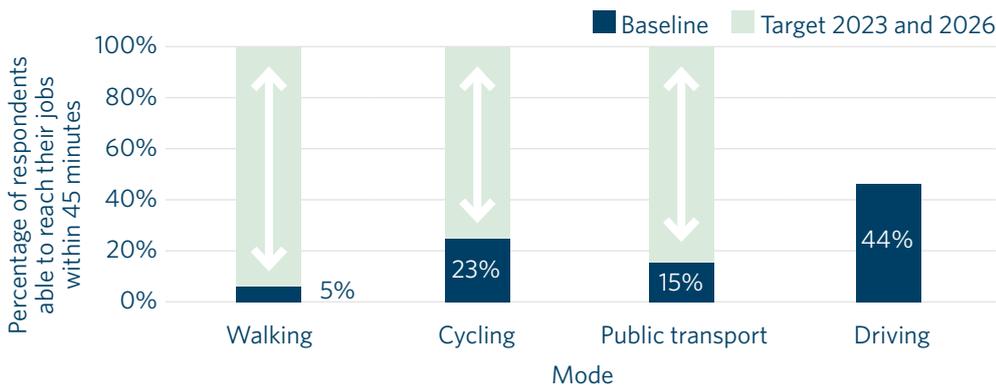
Proportion of jobs within 45 minutes by mode <sup>A</sup>

#### 2023 target

▲ Increase for public transport and active modes by 30 June 2023

#### 2026 target

▲ Increase for public transport and active modes by 30 June 2026



Proportion of population within 15 minutes to nearest school, GP and supermarket <sup>A</sup>

	Walking		Cycling		Public transport		Driving	
	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21	2019/20	2020/21
Jobs	5%	5%	23%	24%	15%	16%	44%	45%
Primary schools	62%	62%	89%	89%	70%	70%	99%	98%
Secondary schools	21%	21%	70%	71%	28%	28%	92%	92%
GPs	51%	52%	82%	83%	62%	62%	95%	95%
Supermarket	40%	40%	82%	82%	51%	51%	95%	95%

<sup>A</sup> Baselines are for the 2019/20 financial year. Due to a change to the method of data calculation from 2019/20, data from previous years is not directly comparable.

### Why is this measure important?

This measure will help us track whether the work we’re doing with our partners on public transport, active modes and urban development is helping to improve urban form and urban mobility.

The layout of urban centres determines the distance people need to travel to access jobs, education and other essential services, and the transport options they have to make those trips.

We need to work in partnership with other central and local government agencies to promote integrated land use and transport planning.

**Proportion of recently built residential dwellings in major urban areas with access to frequent public transport services** ACCESS2

Baseline	2023 target	2026 target
9.5% of recently built residential dwellings in major urban areas with access to frequent public transport services <sup>A</sup>	➔ ➡ Maintain or increase by 30 June 2023 <sup>B</sup>	➡ Increase by 30 June 2026



<sup>A</sup> Baseline is for the 2019/20 financial year. Based on an analysis of morning peak frequent public transport services and building consents issued in major urban areas. No prior trend data is available.

<sup>B</sup> The annual target for 2022/23 is ‘to maintain or increase from 9.5%’ to reflect the observed reduction in the latest 2021/22 result. Our ongoing work with key partners seeks to influence this indicator. This is a long-term measure, and we will continue to monitor city-level data to gain further insights on urban growth patterns linked to public transport provision.

### Why is this measure important?

This measure will help us track whether the work we’re doing with our partners on integrated transport and land use planning is helping to improve access to public transport. This will be important for helping to achieve mode shift, improve connections to key destinations and reduce emissions.

## Internal results measures

Our internal results are the changes to our delivery capability and collaboration that we need to see to achieve our external results. The measures and targets for our internal results will help us see whether we're tracking towards our delivery and collaboration goals.

For a detailed description of our system outcomes and their relationships to our results, see our statement of intent 2021-26.

### Effective delivery ●●●●

#### Staff engagement

#### Staff survey engagement score – based on the overall engagement score, out of a maximum of 10 <sup>DEL1</sup>

Baseline	2023 target	2026 target
7.4 overall engagement score <sup>A</sup>	➤➤ Maintain or increase by 30 June 2023	➤➤ Maintain or increase by 30 June 2026

<sup>A</sup> This is the global benchmark for the overall staff engagement score in quarter 2 of 2021/22, which we have used as our new baseline. This baseline and target are different from that in our latest statement of intent given the change in our survey provider and methodology. The benchmark is based on the average responses from government organisations from New Zealand and comparable locations (Australia, the United Kingdom and the United States). The data is cumulative and is updated only when significant changes in responses occur. For more information on the changes to benchmarks, see the survey provider's website: <https://support.peakon.com/hc/en-us/articles/360020555919-How-Peakon-updates-its-benchmarks#:~:text=Typically%20customers%20will%20select%20their,%3E%20Data%20settings%20%3E%20Benchmarks>

#### Why is this measure important?

This measure will help us track whether we're continuing to improve levels of staff engagement across the organisation. Our people are our greatest asset and through their efforts we will deliver on our vision. Highly engaged staff mean we can retain diverse talent and deliver more effectively.

Our staff engagement scores have been increasing in recent years, and we want to make sure we're continuing to see improvements. Our statement of intent 2021-26 describes our approach to improving our organisational health and capability, including what we're doing to look after our people and improve engagement.

In October 2021, we launched Tapatahi, our new staff engagement survey, which offers a continuous listening approach to measuring engagement at Waka Kotahi. The new survey allows us to benchmark globally, and we hope to shift to a New Zealand benchmark as the survey gains more New Zealand customers.

## Investment performance

### Waka Kotahi investor confidence rating (ICR) - rating scale from A to E, with an A signalling high performance <sup>DEL2</sup>

Baseline	2023 target	2026 target
'C' rating <sup>A</sup>	↑ Improve by 30 June 2023 <sup>B</sup>	↑ Improve by 30 June 2026 <sup>B</sup>

<sup>A</sup> Baseline is for 2018. The rating we obtained in 2015 was a 'B'.

<sup>B</sup> The Treasury is reviewing the ICR process, which may result in changes to the methodology and ratings.

### Why is this measure important?

This measure will help us, the Ministry of Transport and our partners to understand whether we're delivering the right results for the land transport system.

Because of the significant investment we make in the land transport system, we are classified as a tier one investment-intensive agency and are reviewed every three years through The Treasury's ICR. The ICR is a three-yearly assessment of the performance of investment-intensive agencies in managing investments and assets that are critical to the delivery of government services. The ICR indicates the level of confidence that investors (such as Cabinet and ministers) can have in an agency's ability to realise a promised investment result if funding were committed.

## Service quality

### Ease of transacting with Waka Kotahi - based on the Waka Kotahi customer journey monitor survey <sup>DEL3</sup>

Baseline	2023 target	2026 target
63% of survey respondents said that little or no effort was required at service touchpoints <sup>A</sup>	➔ ↑ Maintain or increase by 30 June 2023	➔ ↑ Maintain or increase by 30 June 2026



<sup>A</sup> Baseline is at 31 December 2020.

### Why is this measure important?

This measure will help us understand whether our systems and processes make it easy for customers to use our services. Making transacting with us as easy as possible is important for supporting improved regulatory compliance and ensuring people have access to the information they need.

This measure will also provide useful information to identify areas where we can improve, so we're delivering the right things in the right way.

## Regulatory performance

### Progress in delivering the regulatory strategy DEL4

### Why is this measure important?

Our regulatory function plays an important role to improve safety and reduce the risk of harm in land transport. We continue to strengthen our commitment to a safe, fair and sustainable land transport system for everyone and lift the performance of the regulatory system as a whole. Our updated regulatory strategy, Tū ake, tū māia 2022, is critical in setting this direction.

In 2022/23, we will finalise and obtain Board approval of Tū ake, tū māia 2022. This update reflects our desire to build on our foundations and deliver a strategy informed by good practice that improves the effectiveness, efficiency, durability and accountability of the regulatory system. Our strategy will cover all regulatory functions undertaken by all parts of Waka Kotahi. We are delivering to a 10-year horizon with a review cycle supported by an implementation plan with key workstreams and projects to support delivery.

As well as finalising Tū ake, tū māia 2022, we will develop and start delivery of an implementation plan outlining the roadmap to deliver on our commitments. This implementation plan will articulate the key milestones of our journey to deliver regulatory outcomes in support of our land transport outcomes.

## Effective collaboration ●●●●

### Partnerships and engagement with Māori

#### New measure under development COL1

Baseline	2023 target	2026 target
To be baselined – 2021/22 will be the baseline year <sup>A</sup>	To be set once baseline and methodology is finalised	⬆️ Improve by 30 June 2026

<sup>A</sup> The measure and baseline are being finalised and will be provided in the Waka Kotahi 2021/22 annual report.

#### Why is this measure important?

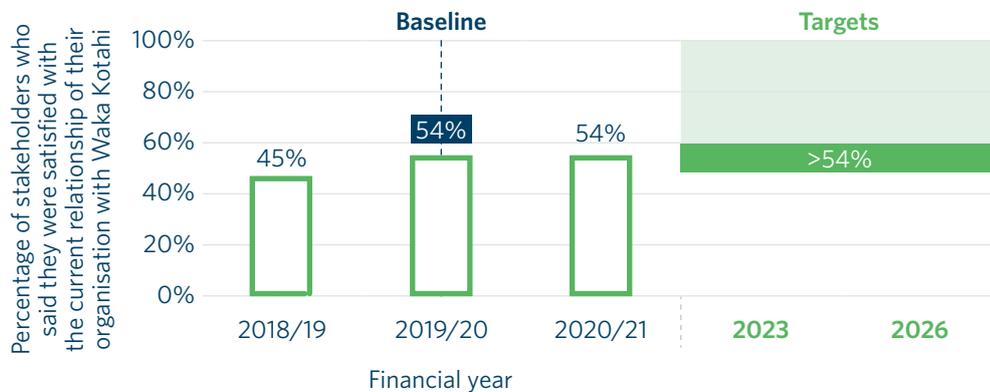
This measure will help us understand whether we’re realising the vision of Te ara kotahi, which provides our strategic direction for working with and responding to Māori as the Crown’s partner under Te Tiriti o Waitangi.

The vision of Te ara kotahi is for Waka Kotahi and Māori to work together to succeed for a better Aotearoa. The name Te ara kotahi symbolises the pathway that Māori and the Crown walk on together as envisaged by Te Tiriti. It also signifies te kotahitanga, the unity and inclusion of all cultures on the foundation of Te Tiriti.

### Partnerships and engagement with stakeholders (co-investment partners)

#### Stakeholder satisfaction COL2

Baseline	2023 target	2026 target
54% of stakeholders said they were satisfied with the current relationship of their organisation with Waka Kotahi <sup>A</sup>	⬆️ Improve by 30 June 2023	⬆️ Improve by 30 June 2026



<sup>A</sup> Baseline is for the 2019/20 financial year (incorrectly stated as calendar year in the 2021/22 statement of performance expectations).

### Why is this measure important?

This measure will help us understand whether we're working with our stakeholders and partners in a way that upholds our value of kotahitanga - better together.

We're relying on our relationships with our stakeholders and partners to help us achieve our system outcomes and our vision. We work with many organisations, including the Ministry of Transport and New Zealand Police, and over 70 council partners. We also work with other agencies across the public and private sectors.

To uphold kotahitanga, we:

- build better relationships
- join up our thinking and our doing
- remove barriers to collaboration
- seek and listen to the perspectives of others to learn and grow
- invite conversation and feedback to always improve.

# Ngā āhuatanga ka tukuna e mātou i te 2022/23

## What we'll deliver in 2022/23

Our significant activities and significant capital project milestones capture what we want to achieve in 2022/23 through our major programmes, strategies and initiatives.

This section identifies what we'll need to deliver and invest in for 2022/23 to help us achieve our system outcomes and respond to government expectations for the land transport system across the system outcomes of:

- Safe
- Environmental sustainability
- Effectively and efficiently moving people and freight
- Meeting current and future needs.

Under each of the system outcomes we identify **significant activities** we'll undertake and specific milestones we want to achieve, as well as **other key activities** we'll be progressing over the year.

Detailed performance information for our output classes, the products and services we deliver and invest in, and significant capital projects are in appendices 1 and 2 (from page 117).

## Safe

### Significant activities for 2022/23

Our significant activities capture important milestones we'll achieve in 2022/23 to ensure we prioritise action to support and have the ability to fund a safe system where no one is killed or seriously injured when using or working on the land transport system.

In 2022/23, we will:

1.1

**Progress implementation of the safety camera management system, including the transfer of functions from New Zealand Police.**

Safety cameras are a key intervention under Road to Zero and help reduce deaths and serious injuries by encouraging people to drive at safe speeds. This activity covers three core work streams to successfully transfer safety cameras and embed the function into Waka Kotahi.

## 1.2

### **Make final recommendations to Cabinet for a revised regulatory funding and fees regime.**

Our regulatory function plays an important role to improve safety and reduce the risk of harm in land transport. The recommended changes are intended to create a more sustainable funding model, which is essential to Waka Kotahi being able to meet the cost of providing high-quality regulatory services.

### **Other key activities for 2022/23**

We will progress other key activities throughout 2022/23 to support the safety outcomes we're seeking to achieve. Along with our significant activities, these will help us give effect to the GPS 2021 safety strategic priority.

### **Road to Zero our national road safety strategy**

The Speed and Infrastructure Programme (previously called the Safe Network Programme) is a key part of Road to Zero. We have clear direction on our programme of safety improvements such as median and side barrier installations, intersection improvements through roundabouts and speed reviews – all contributing to the delivery of Road to Zero's goal of 40 percent fewer people killed or seriously injured on the roads by 2030.

Speed management, including a new regulatory framework for speed management planning, the move to safer speeds around schools and the adoption of a new approach to safety cameras, will be an important tool in helping us meet our Road to Zero targets. We're working with local partners including New Zealand Police, the Ministry of Transport, local government, and WorkSafe to find the right safety solutions for each region, making state highways and local roads across Aotearoa safer.

In line with GPS 2021, Road to Zero has its own output class. We'll also invest in safety improvements through other NLTP activities and the New Zealand Upgrade Programme, which will involve investment across multiple output classes (for example, walking and cycling improvements).

In our role as the land transport regulator for Aotearoa we deliver and invest in the following outputs:

- driver licensing and testing
- vehicle safety and certification
- regulation of commercial transport operators
- regulation of the rail transport system
- revenue collection and administration.

## Delivering infrastructure commitments and land transport planning

In 2022/23, we'll deliver the second year of the 2021-24 NLTP, including multiple infrastructure investments that will help us deliver on GPS 2021. This will include multiple investments in multimodal infrastructure, including those our local partners deliver.

We'll also be delivering major infrastructure improvements through the New Zealand Upgrade Programme. The programme is investing in road, rail, public transport, and walking and cycling infrastructure to get the country's cities moving, save lives and boost productivity. We'll also continue progressing Let's Get Wellington Moving and the Supporting Regional Programme over the year, targeting delivery of these programmes to agreed scope, budget, and timelines.

The state highway network is one of the country's most important assets, playing an important role in delivering public transport solutions and connecting people and goods across the country. These investments are critical to maintaining and improving the state highway network. Together with our other investments, investing in maintaining and improving the network will contribute to improved transport connections, improved safety and improved resilience of the land transport system.

Our performance framework includes a system outcome measure focused on monitoring the condition of the state highway network (see page 121). Information on state highway maintenance and improvement outputs we plan to deliver in 2022/23 are in appendix 1 (from page 117).

Appendix 2 (from page 140) describes the significant capital projects that we'll be undertaking as part of the 2021-24 NLTP. To support safety outcomes, we will also be aiming to reduce the time it takes to implement speed limit reductions on state highways and increase the rate of delivery of state highway median barrier projects.

Delivery of infrastructure programmes will involve investment across multiple output classes, including state highway improvements, state highway maintenance, local road improvements, local road maintenance, walking and cycling improvements, public transport infrastructure and rail network.

See appendix 1 (from page 117) for information on our output class measures.

## How will our planned activity for 2022/23 contribute toward realising our strategic direction?

Results	System outcomes
<p>These activities will contribute to achieving:</p> <ul style="list-style-type: none"> <li>• Safer travel and infrastructure</li> <li>• Safer road user choices</li> <li>• Increased share of travel by public transport, walking and cycling</li> <li>• Safer vehicles</li> <li>• More reliable freight networks</li> <li>• Improved connections to key destinations</li> </ul>	<p>These results will contribute to:</p> <ul style="list-style-type: none"> <li>• Safe</li> <li>• Effective and efficient movement of people and freight</li> <li>• Environmentally sustainable</li> </ul>

## Environmentally sustainable

### Significant activities for 2022/23

Our significant activities capture important milestones we'll achieve in 2022/23 to ensure we're taking tangible actions to be environmentally sustainable, by reducing harm to and improving the environment with a focus on reducing greenhouse gas emissions.

In 2022/23, we will:

**2.1**

**Embed our resource efficiency policy data collection and supplier reporting requirements into new contracts and continue negotiations for existing contracts to prepare for the Carbon Neutral Government Programme (CNGP) requirements.**

This activity will help us collect the information we need to understand the carbon footprint of our infrastructure activities and explore the feasibility and options for transitioning to lower carbon infrastructure provision, maintenance and operation. This activity will put us in a position where we can establish an infrastructure emissions reduction plan, set targets and report on progress as required by the CNGP.

## 2.2

### **Operationalise the Clean Vehicle Discount Scheme.**

Reducing emissions in the transport sector is integral to meeting the government's climate change objectives. Our role in operationalising this scheme will help reduce carbon dioxide emissions by light vehicles in Aotearoa by making electric vehicles and plug-in hybrid electric vehicles more affordable.

## 2.3

### **Establish and commence delivery of an integrated work programme for all Climate Emergency Response Fund (CERF) funded, Emissions Reduction Plan (ERP), and CNGP activities that involve Waka Kotahi.**

The government released the ERP in May 2022 and will fund some of the new initiatives in the ERP through the CERF. The government has also signalled new requirements for Crown entities through the CNGP. For Waka Kotahi, this increased focus on reducing carbon emissions will involve developing a comprehensive programme of work across all our functions to plan for, partner, design and deliver CERF-funded, ERP and CNGP activities.

## 2.4

### **Partner with councils to develop and begin to deliver the 'cleaner transport choices' package, focused on rapid roll out of urban cycle networks; walkable neighbourhoods; safer, greener, and healthier school travel; and more reliable and user-friendly public transport.**

This work aims to grow the share of travel by public transport and active modes by influencing travel demand and transport choices. Strengthening the role and resilience of public transport is an important part of this work. Providing safe and easy access to walking and cycling networks also encourages the uptake of active modes. Working with our partners we will help reduce reliance on private vehicles, and support people to make cleaner transport choices.

## 2.5

### **Publish a national light vehicle kilometres travelled (VKT) reduction plan that is aligned to the national light VKT reduction target in the ERP.**

This work will help support the ERP's ambitious transport targets that collectively, require transport emissions to reduce by around 41 percent by 2035 (compared to 2019 levels). Investments that support people to walk, cycle and use public transport are a critical part of this transition, as reflected through the actions in the ERP. Urban form and partnering with others is also key to ensuring the transport system supports emissions reductions as soon as possible.

## 2.6

### **Partner with councils, iwi/Māori and community representatives on planning for, and initial development of, light VKT reduction programmes for Tier 1 and Tier 2 urban areas that are aligned to relevant sub-national light VKT reduction targets.**

Making it easier for people to travel in different ways can help reduce light vehicle movements in towns and cities, reducing transport emissions. To achieve the ambitious transport targets in the ERP we will commence planning with our partners to reduce light vehicle kilometres travelled in main areas. This work will include integrating transport, land-use and demand management to help improve wellbeing in cities and environmental sustainability outcomes.

## **Other key activities for 2022/23**

We will progress other key activities throughout 2022/23 to support our environmental sustainability goals. Along with our significant activities, these will help us give effect to the GPS 2021 climate change strategic priority.

### **Preparing for the Emissions Reduction Plan and Carbon Neutral Government Programme**

This year, key activities are strongly oriented toward the requirements of the government's ERP and the CNGP. These will have a significant impact on the activities and investments Waka Kotahi makes across all its functions and output classes.

Reducing transport emissions in line with the country's first ERP will require significant transformational change to the transport system in terms of:

- avoiding and reducing the need for travel by car especially in the largest cities
- increasing significantly the access to and use of public transport, walking and cycling
- improving the energy efficiency of the vehicle fleet and fuels.

The CNGP aims to accelerate emission reductions from the public sector and transition to carbon neutrality from 2025. This requires us to reduce our corporate emissions (arising from business travel, office energy and waste) and embodied emissions arising from materials and activities related to the construction, maintenance, operation and end-of-life processing of physical infrastructure. We have been reducing our corporate emissions and exploring options for becoming carbon neutral.

Cabinet has allocated Waka Kotahi funding under the Climate Emergency Response Fund (CERF) in Budget 2022. The CERF has a role in funding ERP initiatives.

We will be supporting and delivering CERF-funded activities including:

- supporting MoT with policy development to inform preferred design and delivery model for trial for the vehicle scrap and replace scheme
- partnering with public transport authorities to extend 50% public transport concessions – for everyone until 31 August 2022, and then for Community Services Cardholders from 1 September 2022, where practical
- working with unions, public transport authorities and operators to agree an approach for allocating new Crown funding, and to identify ongoing requirements, for a sustainable bus driver workforce
- developing a bus fleet transition plan and confirm priority activities for investment in new low-emissions buses and related infrastructure.

### **Developing a prioritised work programme**

We will establish a prioritised programme of work to plan for, partner and deliver what is required in the ERP and CNGP. This work programme will be supported by a robust evidence base and tools, planning and investment decision-making systems, for example, an updated Transport Investment Online is required for targeted and effective investment and delivery of our activities in line with the ERP and CNGP.

### **Updating Toitū te taiao, our sustainability action plan**

We will review and refresh Toitū te taiao to support delivery of the ERP and the CNGP, prepare for the next two ERPs in 2025 and 2030, and continue to embed improvements to public health and environmental outcomes in our planning, investment, regulatory and infrastructure activities.

### **Developing resilience and climate change adaptation**

We are working to develop a more resilient land transport system that is adaptable to climate change, helping to achieve the government's long-term resilience and security outcomes.

We're investing in improving the resilience of the land transport system through the 2021–24 NLTP (including the Rail Network Investment Programme, the New Zealand Upgrade Programme and other Crown-funded infrastructure improvements).

During 2022/23, we will adopt *Tiro rangi*, our climate change adaptation plan, and begin delivery of its implementation plan. We will also look to implement the recommendations of the National Adaptation Plan when it is released this year and will continue to plan for climate change adaptation and build our evidence base and capability in this area.

Investing in improving the resilience of the land transport system spans multiple output classes, including state highway improvements, state highway maintenance, walking and cycling improvements, local road improvements, local road maintenance, public transport services and infrastructure, rail network, coastal shipping and investment management.

See appendix 1 (from page 117) for information on our output class measures.

### How will our planned activity for 2022/23 contribute toward realising our strategic direction?

Results	System outcomes
<p>These activities will contribute to achieving:</p> <ul style="list-style-type: none"> <li>• Improved resilience to disruptive events</li> <li>• More reliable freight network</li> <li>• Safer travel and infrastructure</li> <li>• Increased protection of the environment</li> </ul>	<p>These results will contribute to:</p> <ul style="list-style-type: none"> <li>• Environmentally sustainable</li> <li>• Effectively and efficiently moving people and freight</li> <li>• Safe</li> </ul>

## Effectively and efficiently moving people and freight

### Significant activities for 2022/23

Our significant activities capture important milestones we'll achieve in 2022/23 to help ensure networks are available and reliable at consistent levels of service with a focus on increasing the uptake of efficient, cost-effective, low carbon transport options.

In 2022/23, we will:

**3.1 Continue to implement our freight action plan to improve connections and movement of freight across the land transport system, whilst reducing emissions in line with ERP targets.**

We will continue our focus on supporting movement of freight by lower emissions transport modes such as heavy rail and coastal shipping, which will help to improve environmental sustainability by reducing emissions and pollutants. Increasing freight movement by these modes, which are safer than road travel, will also reduce the safety risks of travel and air pollution in urban centres.

**3.2 Reassess and update land transport corridor plans to ensure longer-term corridor planning is consistent with emissions reduction objectives and ensure projects, landholdings and other asset planning processes are managed consistently with the updated plans.**

Our current plans consider pressures on the system resulting in increased demand or reduced levels of service, the current state of the system and how it is performing, and the Waka Kotahi response; that is, what we are investing in to deliver customer levels of service along the corridor. This work will help ensure emissions reduction objectives are also considered in our plans and asset planning processes.

**3.3 Sign the Participation Agreement for National Ticketing Solution with all parties (including all public transport authorities) and establish the Transport & Ticketing Payments function for piloting and to deliver shared services.**

Ease of payment for public transport is an area where customer preferences and expectations in Aotearoa are changing rapidly. This work will help progress a nationally coordinated approach to regional payment solutions for public transport services to provide, among other things, customers with a better, more consistent and common payment experience across public transport networks.

### 3.4

**Progress planning for future rapid transit projects in Auckland (complete the Auckland Rapid Transit Plan with Auckland Transport Alignment Partners), Wellington (complete an indicative business case with Let's Get Wellington Moving) and Christchurch (progress an indicative business case in line with wider spatial planning work with Future Christchurch).**

Rapid transit can shape land-use, particularly the development of quality, mixed-use and compact urban neighbourhoods centred on rapid transit hubs. We will progress rapid transit planning with partners in Auckland, Wellington and Christchurch (in line with urban growth partnerships in each area). Our aim is to reduce light vehicle movements in towns and cities, reduce transport emissions, improve quality of life and wellbeing, and make communities more attractive spaces for people.

### **Other key activities for 2022/23**

We will progress other key activities throughout 2022/23 to support the effective and efficient movement of people and freight. Along with our significant activities, these activities help us give effect to the GPS 2021 strategic priorities of better travel options and improving freight connections.

#### **Moving freight**

GPS 2021 sets out how the land transport sector should work toward efficient, reliable and resilient connections that support productive economic activity. In May 2021, the government released the New Zealand Rail Plan, which sets out the long-term vision of rail. This plan outlines the commitment to the significant investment needed to achieve a resilient, reliable and safe rail network. It was followed by the release, in July 2021, of the first Rail Network Investment Programme, which sets out how KiwiRail will use funding from the NLTF.

The Rail Network Investment Programme is a three-year investment programme with a 10-year outlook. We supported KiwiRail as it developed the programme. The total programme investment is \$1.35 billion, and an initial \$1.27 billion was approved from the NLTF for rail activities in the programme.

Work will also continue on defining coastal shipping's role within the network. We are working with the sector to identify actions for building a more resilient, sustainable and competitive domestic coastal shipping sector, so coastal shipping can play a greater role in moving freight.

Safe, efficient and reliable freight connections are supported through investment in the local road and state highway maintenance and improvement output classes. Through the rail network and coastal shipping output classes we invest in improving freight connections. See appendix 1 (from page 117) for information on our output class measures.

## Achieving mode shift

We refreshed our national mode-shift plan, *Keeping cities moving*, which describes how we'll work with our partners to improve wellbeing in cities to achieve mode shift (growing the share of travel by public transport, walking and cycling). We're working with our partners to implement the six regional mode-shift plans for Auckland, Hamilton, Tauranga, Wellington, Christchurch and Queenstown.

We will support the review of the total mobility scheme, working collaboratively with stakeholders, including the disabled community, to implement any reforms. Another important project will see us progress initiatives with our partners for a zero-carbon public transport bus fleet. We will also support the operation of the Community Connect Pilot Scheme in Auckland and lead the development of the extension of the Community Connect Scheme nationwide.

We'll invest in multiple output classes to achieve mode shift, including walking and cycling improvements, public transport services, public transport infrastructure and investment management. See appendix 1 (from page 92) for information on our output class measures.

## Integrating transport systems and spatial planning

We work in partnership with others to develop a shared view of the future transport system, planning places, networks and corridors in a variety of scales. Good urban form underpins the efficient transport of goods to market and supports local economic growth. Similarly, rapid transit and other land transport infrastructure and services can shape land-use patterns, particularly the development of quality, mixed-use and compact urban neighbourhoods centred on rapid transit hubs. We will be working with central and local government, and iwi in the main urban areas to contribute to integrated planning initiatives and invest in sustainable public transport connections that will support these new developments.

We'll also continue to work with central government, councils and mana whenua partners in spatial plan development and implementation to integrate transport and land use planning. This work will include identifying opportunities for transit-oriented development.

The NLTP supports significant investments in Wellington through Let's Get Wellington Moving. Let's Get Wellington Moving is a joint initiative between Wellington City Council, Greater Wellington Regional Council and us to transform Wellington's transport system to support growth, reduce congestion and make it safer and easier for everyone to get around. Together with our partners and mana whenua, we will progress this initiative. More information is available on <https://lgwm.nz/all-projects>

We'll invest in multiple output classes to deliver integrated systems and planning initiatives. Our planning work is funded through the investment management activity class. See appendix 1 (from page 117) for information on our output class measures.

## How will our planned activity for 2022/23 contribute toward realising our strategic direction?

Results	System outcomes
<p>These activities will contribute to achieving:</p> <ul style="list-style-type: none"> <li>• Increased share of travel by public transport, walking and cycling</li> <li>• More reliable freight network</li> <li>• Increased protection of the environment</li> <li>• Improved connections to key destinations</li> </ul>	<p>These results will contribute to:</p> <ul style="list-style-type: none"> <li>• Effectively and efficiently moving people and freight</li> <li>• Environmentally sustainable</li> </ul>

## Meeting current and future needs

### Significant activities for 2022/23

Our significant activities capture important milestones we'll achieve in 2022/23 to help ensure we have access to the people, funding and systems we need. We will also target action to support the implementation of our Māori strategy, Te ara kotahi, which provides strategic direction on how we work with and respond to Māori as the Crown's Tiriti o Waitangi partner while delivering transport solutions.

In 2022/23, we will:

4.1

#### Complete a review of value for money of Waka Kotahi operational spend.

The scale and scope of activity we manage has grown significantly. Annual operating and capital expenditure, funded from NLTF and Crown appropriations, increased from \$4.1bn in 2018/19 to a forecast \$6.1bn in 2022/23. The broader scope of activity includes additional accountabilities (for example, public transport and rail, road safety and climate change), new services (for example, the regional fuel tax and clean car programme) and the New Zealand Upgrade Programme. Resourcing levels have also increased. Over a similar period, our operational budget increased from \$346m to a planned \$476m. This increase is primarily driven by an increase in staff numbers to manage the expanded scope, as well as to respond to the regulatory failure identified in 2018.

## 4.2

### **Implement measures to increase capability and capacity for road user charges (RUC) compliance monitoring, debt collection and recovery.**

This work will help us continually improve our regulatory performance with RUC compliance monitoring, debt collection and recovery activities. Improving our capability and capacity in these areas and actively monitoring them will help ensure compliance activities are properly monitored and fees are collected in a fair and equitable way. This work is essential if we are to meet the cost of providing high-quality regulatory services.

## 4.3

### **Identify bilingual traffic signs for consultation.**

This is the first step in a long-term programme of work *He Tohu Huarahi Māori Bilingual Signs Programme*. The purpose of bilingual traffic signs is to promote the everyday use of te reo Māori across Aotearoa. We want to see te reo Māori seen, spoken and heard wherever possible to continue the revitalisation of the language. This work is important as a step towards more inclusiveness in the transport sector for Māori as the Crown's Treaty partner.

## **Other key activities for 2022/23**

We will progress other key activities throughout 2022/23 to help ensure we can meet our current and future needs. Along with our significant activities, these will help us to deliver optimal outcomes for Aotearoa through our people, network, systems and services.

### **Strengthening our risk and assurance**

Effective risk and assurance systems and processes continue to be a priority. In 2022/23, we will continue work to manage current and emerging risks to the land transport system, including those arising from the impacts of climate change. We are continuing to manage and mitigate critical technology and cyber-security risks through Te Hau Ora, our digital change portfolio.

### **Ensuring sustainable funding**

The review of our funding model is essential to ensuring a sustainable and efficient basis for funding and delivering the expanded range of responsibilities, work programmes and services expected of us. We expect to complete this review in the first half of 2022/23, and we will commit the necessary resources to support an effective process given its importance. This review will inform our next steps in future-proofing the land transport network, particularly as we start to address the significant climate change challenges.

## Strengthening organisational foundations

In 2022/23, we will undertake other major activities to improve our organisational capability and performance. These will include enhancing asset security and resilience by integrating Protective Security Requirements with our practices. We are also committed to implementing Te ara kotahi to build strong, meaningful and enduring relationships with Māori to achieve mutually beneficial outcomes.

Work is now well under way on Our Map, which is a programme focused on the key strategic priorities to support the delivery of Te kāpehu: delivery excellence (including our business operating model, operational performance measures and partnering approach), a future focus (including our planning, investment and funding model), acceleration of our digital strategy, and having the right culture and leadership in place.

## How will our planned activity for 2022/23 contribute toward realising our strategic direction?

Results	System outcomes
<p>These activities will contribute to achieving:</p> <ul style="list-style-type: none"><li>• Effective delivery</li><li>• Effective collaboration</li></ul>	<p>These results will contribute to:</p> <ul style="list-style-type: none"><li>• Meeting current and future needs</li></ul>

## Our output class measures

Waka Kotahi is funded to deliver and invest in a variety of products and services across categories known as output classes. These categories reflect the types of activities (activity classes) the government expects us to deliver and invest in to realise the objectives of GPS 2021 and effectively perform our regulatory function.

Waka Kotahi has 16 output classes. In the previous sections (from page 50), we described how the activities we'll deliver in 2022/23 will contribute to our results and system outcomes and the output classes we'll deliver and invest in to complete our significant activities. Table 1 summarises the contribution of each output class to our four system outcomes.

Table 1 - Contribution of each output class to achievement of our system outcomes

Output class	Safe	Environmentally sustainable	Effectively and efficiently moving people and freight	Meeting current and future needs
State highway improvements	P	●		
Local road improvements	P	●		
Walking and cycling improvements	●	●	P	
State highway maintenance	P	●		●
Local road maintenance	P	●		●
Public transport services	●	●	P	
Public transport infrastructure	●	●	P	
Road to Zero	P			
Rail network	●	●	P	
Coastal shipping	●	●	P	
Investment management				P
Driver licensing and testing	P			
Vehicle safety and certification	P			
Regulation of commercial transport operators	P			
Regulation of the rail transport system	P			
Revenue collection and administration				P

P ● P ● indicates which outcome each output class contributes primarily to. Refer to appendix 1 (from page 117) for more details on output classes and measures.

# Te whakamahi i te Pūtea ā-Motu o te Ara Haere ā-Whenua

## Use of the National Land Transport Fund

Waka Kotahi allocates and invests the NLTF and develops the NLTP to give effect to the GPS. The GPS sets out the government's priorities for land transport and the results it wishes to achieve through the allocation of funding from the NLTF.

This section outlines forecast NLTF expenditure against planned levels for the 2021-24 NLTP. The 2021-24 NLTP assumed the use of an additional \$2 billion in debt. The debt and use of \$500 million short-term facilities have been apportioned to support expenditure on the basis of three-year investment targets approved by the Board when the 2021-24 NLTP was adopted.

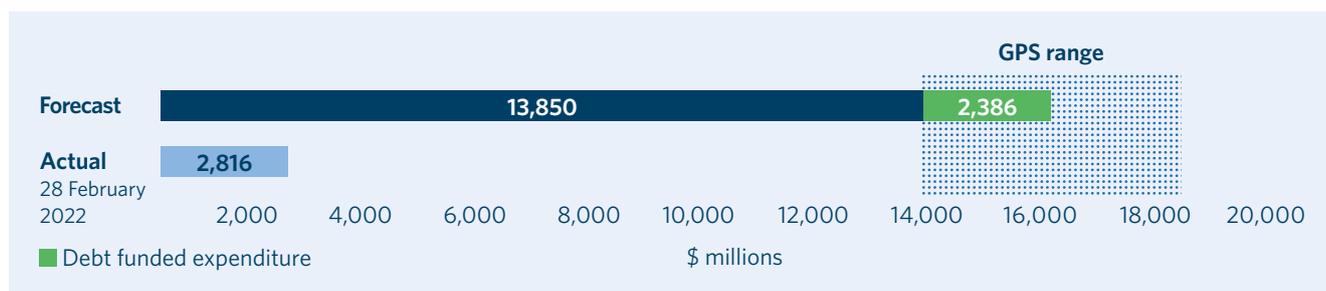
As a result of the temporary (three-month) reduction in fuel excise duties and road user charges announced in March 2022, an additional \$585 million of Crown funding has been provided for the loss of NLTF revenue.

### Progress to deliver on the 2021-24 National Land Transport Programme

The following charts illustrate how the NLTF allocation and commitments are progressing for the 2021-24 NLTP and each GPS activity class. The charts indicate the current forecast spend for the NLTF over the 2021-24 NLTP compared with the GPS ranges and actual expenditure to 28 February 2022. Expenditure forecasts were developed as part of the Budget Economic and Fiscal Update 2022 exercise and largely align with investment targets set at the commencement of the 2021-24 NLTP by the Board. The charts exclude the impact of non-NLTF Crown funding received for specific projects.

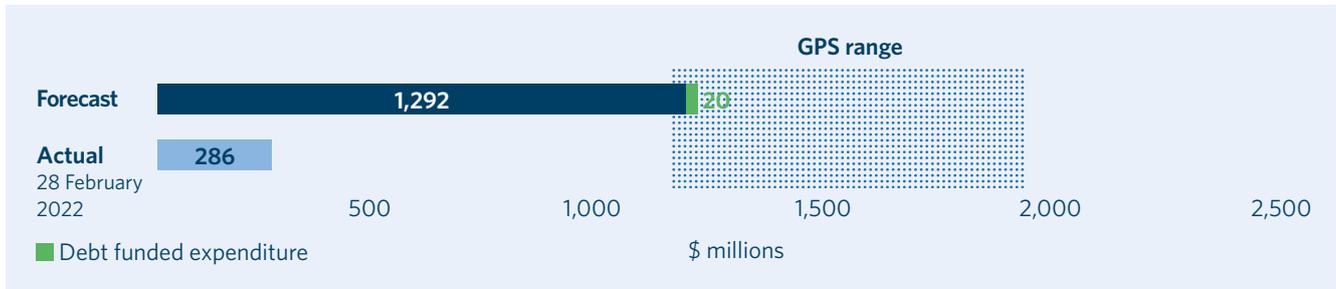
The investment targets set at the start of the 2021-24 NLTP are, in general, unlikely to be met given the deterioration in actual and forecast NLTF revenue since the 2021-24 NLTP was published. Revenue is forecast to be approximately \$600 million lower due to COVID-related lockdowns and other changes in economic conditions. Waka Kotahi is also expecting to deliver fewer activities but with those activities at higher cost given COVID-related delays and significant inflationary pressures.

### Overall use of the National Land Transport Fund



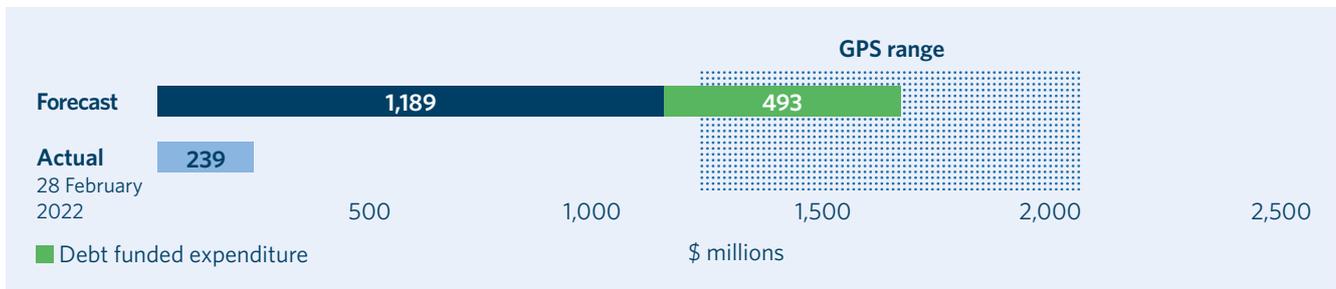
Debt-funded expenditure includes the use of the \$2 billion facility and \$386 million of the \$500 million of short-term facilities.

## Public transport services



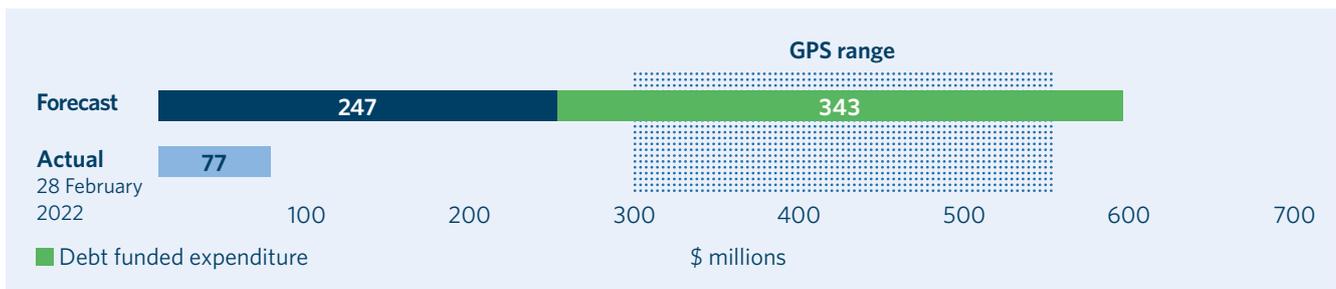
Expenditure to 28 February 2022 for public transport services is above budget. The current forecast is at the lower end of the GPS range but may increase depending on the level of NLTF funding for support of services as a result of lower patronage. Recent government announcements regarding half-price public transport fares are expected to have a financial impact on public transport services expenditure. The related costs (estimated around \$40 million) will be funded by the Crown, so excluded from the forecast above as they relate to a specific project.

## Public transport infrastructure



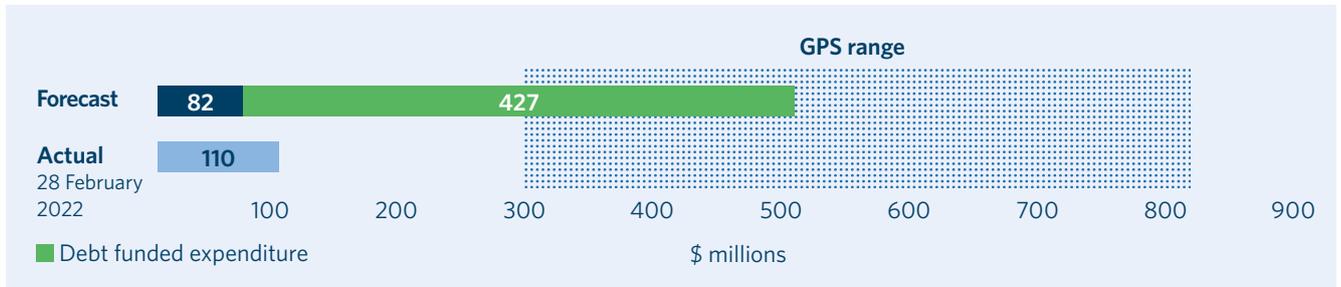
Expenditure to 28 February 2022 for public transport infrastructure is on target. Project delays and uncertainties are being monitored closely to assess the potential impact on the activity class investment target. This activity class has several large projects that could significantly impact on performance against the target.

## Walking and cycling



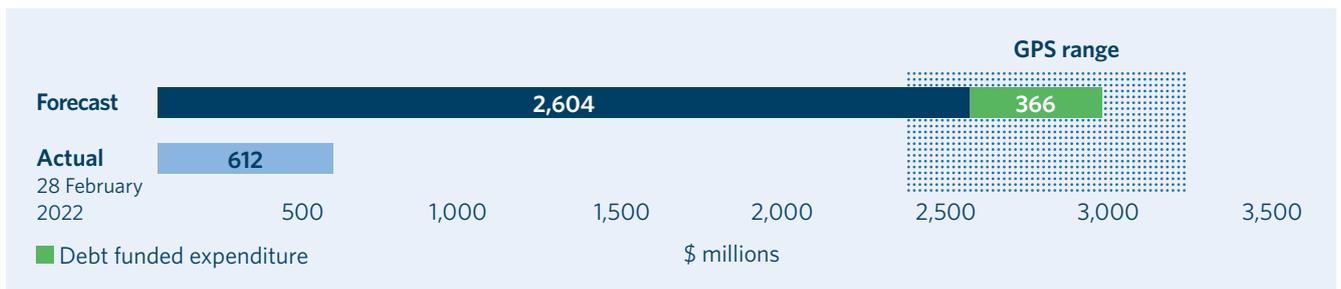
Expenditure to 28 February 2022 for walking and cycling is on budget. The three-year forecast exceeds the top of the GPS range and is being closely monitored. An amendment to the GPS upper range may be required.

## Local road improvements



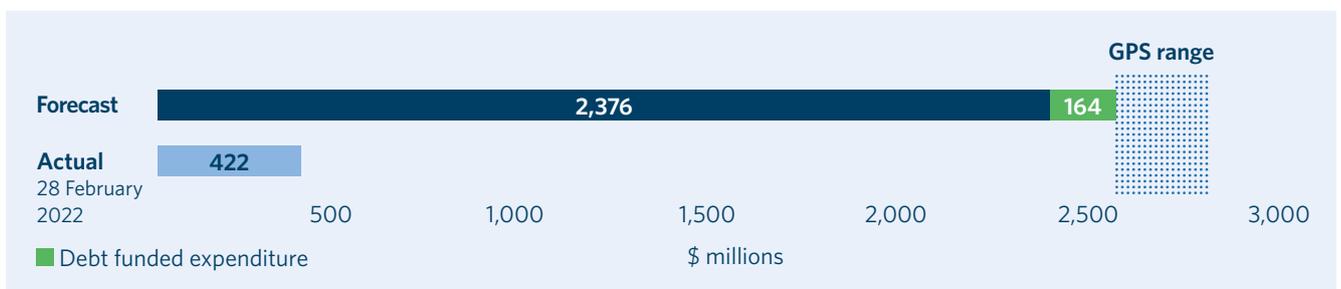
Expenditure to 28 February 2022 for local road improvements is slightly above budget. The three-year forecast indicates expenditure in the middle of the GPS range. The forecast is likely to be affected by reduced activity by approved organisations.

## State highway improvements



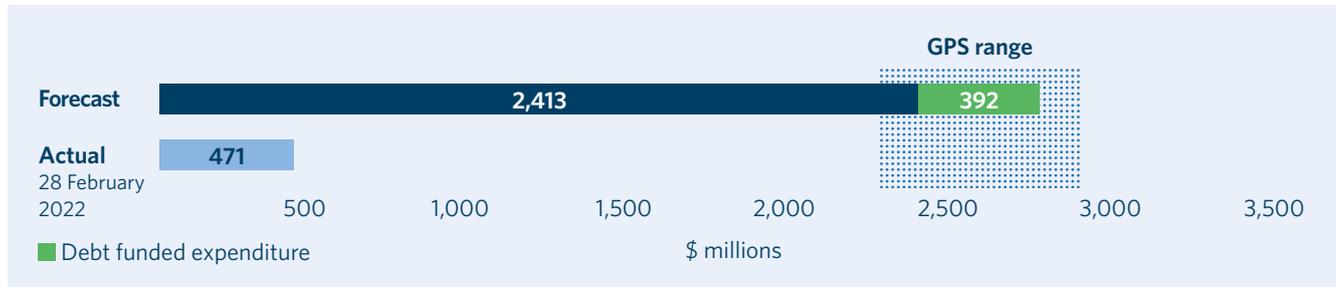
Expenditure to 28 February 2022 for state highway improvements is above forecast with the three-year view falling in the middle of the GPS range. Expenditure has been affected by additional COVID-related costs and cost escalations. Most of the spend in this activity class was committed in prior NLTPs.

## Road to Zero (including road policing)



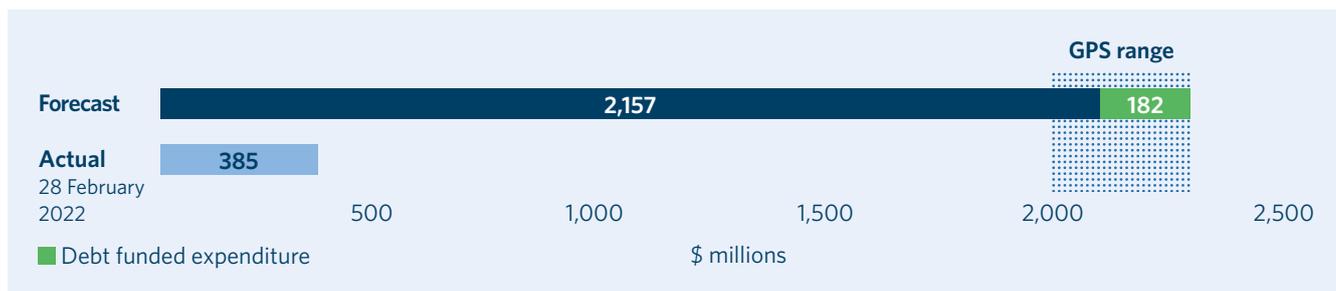
Expenditure to 28 February 2022 for Road to Zero is slightly behind budget. The three-year forecast has the activity class falling at the bottom of the GPS range. It is being closely monitored. The Road to Zero activity class includes roading policing (funding is provided to New Zealand Police), road safety promotion and safety programmes delivered by Waka Kotahi and approved organisations.

## State highway maintenance



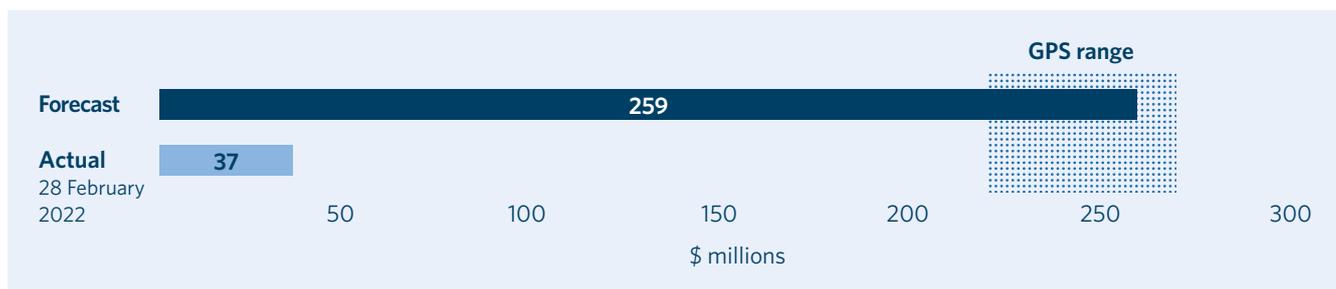
Expenditure to 28 February 2022 for state highway maintenance is below budget. However, the three-year forecast indicates that expenditure will be towards the upper end of the GPS range.

## Local road maintenance



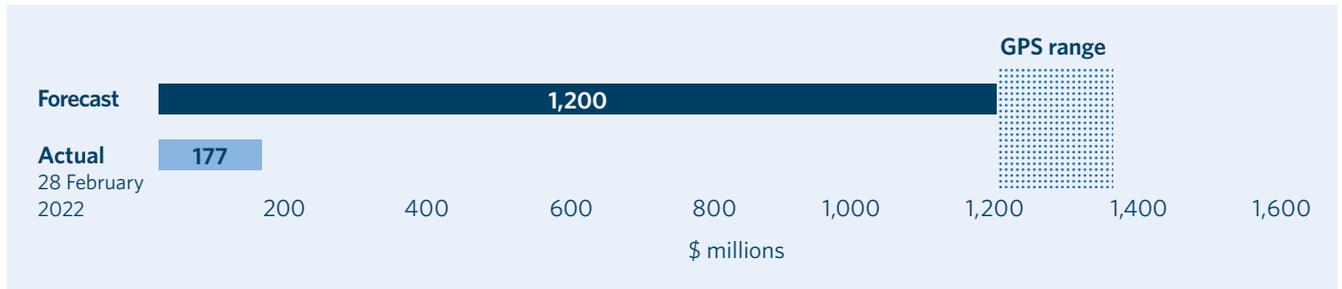
Expenditure to 28 February 2022 for local road maintenance is on budget with the three-year forecast falling towards the upper end of the GPS range.

## Investment management



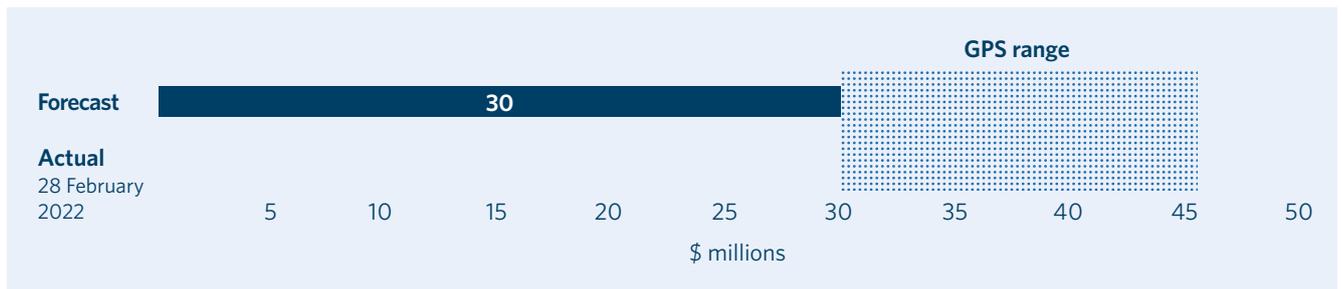
Expenditure to 28 February 2022 for investment management is on budget with the three-year forecast falling toward the upper end of the GPS range.

## Rail network



Expenditure to 28 February 2022 for rail network is below budget due to ongoing supply issues affecting the delivery of renewal work. The three-year forecast shows the activity class falling at the bottom of the GPS range. This activity class includes NLTF and Crown funded expenditure on the Rail Network Investment Programme.

## Coastal shipping



Expenditure to 28 February 2022 for coastal shipping is nil as planning work is being finalised for this new activity class. The three-year forecast shows the activity class falling at the bottom of the GPS range.

# Ngā tauākī pūtea e tūmanakotia ana

## Prospective financial statements

This section provides prospective financial statements for:

- Waka Kotahi NZ Transport Agency (Waka Kotahi)
- the National Land Transport Fund (NLTF).

## Financial overview

These prospective financial statements provide information on the future financial performance, position and cash flows of Waka Kotahi. They are based on assumptions about future events that Waka Kotahi reasonably expects to occur. Actual results for the forecast periods are likely to vary from the information presented, and variations may be material.

Budgeted expenditure of \$6,219.2 million for 2022/23 has been allowed for, comprising \$4,724.2 million operating expenditure and \$1,495.0 million capital expenditure, broken down as:

- **land transport** (\$5,743.5 million), which includes Waka Kotahi investment in the state highway network, walking and cycling, and public transport infrastructure and funding for approved organisations for the delivery of land transport activities and services
- **Waka Kotahi activities** (\$475.7 million), which includes operational costs and activities for which Waka Kotahi is accountable and delivers in-house or contracts out.

## Prospective financial statements

### Prospective statement of comprehensive revenue and expense For the year ending 30 June

	Note	Projected 2021/22 \$m	Budget 2022/23 \$m
<b>Revenue</b>			
Funding from the National Land Transport Fund		3,386.5	4,107.4
Funding from the Crown		434.1	413.3
Revenue from other activities	4	191.5	203.5
<b>Total revenue</b>		<b>4,012.1</b>	<b>4,724.2</b>
<b>Expense</b>			
Land transport funding	7	2,864.1	2,956.9
Personnel costs	6	199.4	227.8
Operating expenses	6	196.7	194.0
Interest and finance costs		80.4	164.9
Depreciation, amortisation and state highway write-off	6,8	687.9	797.9
Assets vested to local authorities		0.0	409.0
<b>Total expense</b>		<b>4,028.5</b>	<b>4,750.5</b>
<b>Surplus/(deficit)</b>	<b>5</b>	<b>(16.4)</b>	<b>(26.3)</b>
<b>Other comprehensive revenue and expense</b>			
Gain/(loss) state highway network revaluations		13,281.7	5,911.4
Net movement in cash flow hedges		84.4	13.1
<b>Total other comprehensive revenue and expense</b>		<b>13,366.1</b>	<b>5,924.5</b>
<b>Total comprehensive revenue and expense</b>		<b>13,349.7</b>	<b>5,898.2</b>

## Prospective statement of financial position As at 30 June

	Note	Projected 2021/22 \$m	Budget 2022/23 \$m
<b>Assets</b>			
Cash and cash equivalents		50.0	50.0
Debtor Crown		208.4	198.4
Receivables and other assets		105.3	110.3
Debtor National Land Transport Fund		314.4	381.3
Debtor National Land Transport Fund - debt related		3,753.0	4,664.7
Property assets held for sale		29.0	50.0
Public-private partnership assets	9	971.4	1,024.6
Property, plant, equipment and intangible assets	8	75.1	99.9
State highway network	8	75,067.0	82,441.1
<b>Total assets</b>		<b>80,573.6</b>	<b>89,020.3</b>
<b>Liabilities</b>			
Payables		456.6	518.5
Employee entitlements		33.8	38.7
Provisions		66.4	66.4
Derivative financial liability		358.3	341.1
Borrowing and other liabilities	10	1,530.7	2,554.2
Public-private partnership liabilities	9	1,939.7	1,916.6
<b>Total liabilities</b>		<b>4,385.5</b>	<b>5,435.5</b>
<b>Net assets</b>		<b>76,188.1</b>	<b>83,584.8</b>
<b>Equity</b>			
Retained funds		(32.8)	(59.0)
Equity derived from the state highway network		76,500.9	83,907.3
Cash flow hedge reserve		(280.0)	(263.5)
<b>Total equity</b>		<b>76,188.1</b>	<b>83,584.8</b>

**Prospective statement of changes in equity**  
**For the year ending 30 June**

	Note	Projected 2021/22 \$m	Budget 2022/23 \$m
Balance at 1 July		61,194.0	76,188.1
Surplus/(deficit)		(16.4)	(26.3)
State highway network revaluations	8	13,281.7	5,911.4
Movement in cash flow hedges		115.8	16.6
Capital contribution		1,613.0	1,495.0
<b>Balance at 30 June</b>		<b>76,188.1</b>	<b>83,584.8</b>

**Prospective statement of cash flows**  
**For the year ending 30 June**

	<b>Projected 2021/22 \$m</b>	<b>Budget 2022/23 \$m</b>
Cash flows from operating activities		
Investing and financing activities		
Receipts from the National Land Transport Fund	2,948.7	3,321.9
Receipts from the Crown	411.7	422.9
Receipts from other revenue	218.8	189.8
Payments to employees	(195.0)	(222.9)
Payments to suppliers	(3,084.6)	(3,089.1)
Goods and services tax (net)	(14.1)	0.0
From operating activities	285.5	622.6
Cash flows from investing activities		
National Land Transport Fund receipts from sale of state highway-held properties	28.0	29.0
Purchase of property, plant and equipment, and intangible assets	(20.2)	(40.0)
Investment in the state highway network	(2,435.9)	(2,780.7)
Net cash flows from investing activities	(2,428.1)	(2,791.7)
Cash flows from financing activities		
Capital contribution from the National Land Transport Fund	896.1	374.5
Capital contribution from the Crown	517.5	908.8
Receipts from borrowing	920.3	1,008.2
Repayment of borrowing	(275.0)	0.0
Interest paid on borrowing	(36.2)	(122.4)
Net cash flows from financing activities	2,022.7	2,169.1
Net increase/(decrease) in cash and cash equivalents	(119.9)	0.0
Cash and cash equivalents at the beginning of the year	169.9	50.0
<b>Cash and cash equivalents at the end of the year</b>	<b>50.0</b>	<b>50.0</b>

## Notes to the prospective financial statements

### 1. Prospective financial statements and assumptions

#### Use of information contained in these prospective financial statements

These prospective financial statements have been prepared in accordance with the Crown Entities Act 2004. They provide information about the future operating intentions and financial position of Waka Kotahi, against which it must report and be formally audited at the end of the financial year.

The information in these financial statements may not be appropriate for purposes other than those described above.

Waka Kotahi has complied with financial reporting standard PBE FRS 42 *Prospective financial statements* in the preparation of these prospective financial statements.

These prospective financial statements are based on significant financial assumptions about future events that Waka Kotahi reasonably expects to occur. Any subsequent changes to these assumptions will not be reflected in these financial statements.

Actual results for the forecast period are likely to vary from the information presented, and variations may be material.

#### Statement of significant underlying assumptions

Waka Kotahi has made assumptions in preparing the prospective financial statements. The most significant of these are outlined below.

Category	Assumptions
Funding from the National Land Transport Fund (NLTF)	<p>Funding from the NLTF is based on the likely expenditure programme in the National Land Transport Programme (2021-24 NLTP) and our expectations on revenue into the NLTF.</p> <p>A \$2 billion borrowing facility from the Crown has been established to support the delivery of 2021-24 NLTP. There is an assumption that sufficient funding or financing is available from the NLTF and Crown to meet the expenditure programme for the NLTP and meet debt repayments and related funding obligations including public-private partnerships (see below). Waka Kotahi has also assumed it can access its \$500 million of short-term facilities if required. Further assumptions on the funding from the NLTF are defined in the NLTF prospective financial statements.</p> <p>Waka Kotahi has also assumed the revenue impact of the 25c per litre tax cut announced in March 2022 will be fully offset by Crown funding.</p>

Category	Assumptions
Funding from the Crown	<p>The government provides Crown funding to progress transport activities outside the NLTF when the activities do not have sufficient priority and/or available funding to be delivered in the current NLTP or they deliver on government policy not covered by the Land Transport Management Act 2003. Waka Kotahi delivers these activities as directed by the government. Investment from the Crown can be an injection of funds or a loan. Crown funding covers both operating and capital expenditure. The forecasts include Crown funding in 2022/23 of \$790.5 million for the New Zealand Upgrade Programme, \$64.6 million for the Supporting Regions Programme to invest in nationally significant and regional infrastructure projects, and \$174.0 million for rebates under the Clean Vehicle Discount Scheme and associated administration costs. Waka Kotahi has also assumed provision of \$370 million in Crown revenue to offset temporary reductions in fuel excise duty and road user charges announced by the government in March 2022.</p> <p>As part of the Budget announcement 2022, additional Crown funding (\$138.1 million for 2022/23) has been allocated to Waka Kotahi under the Climate Emergency Response Fund. The additional Crown funding is provided for operating expenditure. Waka Kotahi has assumed that the funding will go to Waka Kotahi and approved organisations while the detailed programme is being developed. Refer Note 12 - Appropriation estimates for further details.</p>
Regulatory fees and funding	<p>Forecast revenue (and associated costs) are driven by volume projections and type of service channel used (in-person or online). There are slight increases in volume assumptions for 2022/23 compared with the last non-COVID affected year of 2018/19.</p> <p>Waka Kotahi is consulting on new fees and charges that, if approved, will take effect during 2022/23 for LTMA S9(1a) funding and during 2023/24 for new fees.</p>
Personnel costs	<p>Personnel costs reflect increases for capacity and capability as well as an increase in resource levels to meet our regulatory and service delivery obligations.</p>

Category	Assumptions
Expenditure - regulatory activities	<p>The forecast costs for regulatory activities reflect measures to address previously identified weaknesses in Waka Kotahi regulatory governance and services. See note 6 - Waka Kotahi agency expenditure for further details (page 86).</p> <p>Waka Kotahi has aligned its cost allocation drivers to those used to develop the fees and funding consultation.</p>
Expenditure - NLTP	<p>NLTP expenditure reflects forecast 2021-24 NLTP programme costs for 2022/23.</p>
Asset vested	<p>Waka Kotahi has assumed \$409 million of state highway assets will be transferred to local authorities during 2022/23, including revocations associated with Peka Peka to MacKays crossing (SH1), Huntly bypass (SH1) and Christchurch Northern Motorway (SH74).</p>
Capital expenditure	<p>Waka Kotahi is undertaking a programme of capital spending that includes improving and renewing the state highway network, including significant safety improvements, public transport, and walking and cycling infrastructure. Projected costs and timing of expenditure are based on project plans and estimates current when these forecasts were prepared.</p> <p>Capital programmes that are accelerated and funded by public-private partnerships and loans are recognised as capital contributions as the projected expenditure is forecast to be incurred.</p> <p>Waka Kotahi also provides funding to approved organisations to invest in their assets, which are not owned by Waka Kotahi, so are treated as operating expenses by Waka Kotahi.</p>
Debtor National Land Transport Fund - debt related	<p>The category Debtor National Land Transport Fund - debt related consists of operating and capital expenditure for accelerated programmes that are funded by loans and public-private partnerships. It recognises the long-term obligations of the NLTF to repay the debt and public-private partnership unitary charges over the contract period. It is assumed the NLTF will have sufficient funds available at the time loans and public-private partnership liabilities are due.</p>

Category	Assumptions
Asset revaluations	The state highway network is revalued annually using independent expert valuers. The valuation is sensitive to changes in the value of land and other inputs and estimates required for the valuation. Waka Kotahi has assumed it will continue revaluing its assets annually, with the movement in the valuation being primarily driven by capital additions and indexation of unit rate inputs.
Public-private partnerships	Waka Kotahi is working with the parties to the Transmission Gully public-private partnership on responding to the contractual claims due to COVID-19 related disruption in 2021/22 and the subsequent impact on the construction programme and road opening. A similar process is under way in relation to the Pūhoi to Warkworth public-private partnership. Due to uncertainty over the contractors' or subcontractors' contractual entitlements to Change in Costs and other project impacts, Waka Kotahi has not reflected the costs of any future payments to the contractors or subcontractors, liquidated damages or impacts of delays in the forecast expenditure, nor has it reflected any potential Crown contribution to these costs. It has reflected interim payments in the financial statements. Waka Kotahi expects any applicable interim payments made in advance would be offset against the costs of final contractual entitlement. Waka Kotahi has assumed the Transmission Gully asset will be recognised in the state highway network valuation from 30 June 2022, noting that further works will be carried out in 2022/23. It has assumed that Pūhoi to Warkworth asset will be recognised in the valuation from 30 June 2024.
Cash flow hedge reserve	Derivative financial instruments, designated as hedging instruments, are valued semi-annually. Waka Kotahi has assumed hedging relationships will be highly effective with changes in the instruments' fair value being recognised predominantly in the cash flow hedge reserve.
Output class expenditure	Forecast expenditure by output class is based on changes in the NLTF and Crown appropriations, projected operating spend, and the Waka Kotahi organisational structure and associated cost allocation methodology.

## 2. Statement of accounting policies

### Reporting entity

Waka Kotahi is a Crown entity as defined by the Crown Entities Act 2004 and is domiciled and operates in Aotearoa New Zealand. The legislation governing Waka Kotahi operations includes the Crown Entities Act 2004 and the Land Transport Management Act 2003.

The primary objective of Waka Kotahi is to provide services to the citizens of Aotearoa New Zealand. Its purpose is to deliver a land transport system connecting people, products and places for a thriving Aotearoa New Zealand. Waka Kotahi does not operate to make a financial profit.

### Basis of preparation

The prospective financial statements of Waka Kotahi have been prepared in accordance with the requirements of the Crown Entities Act 2004 and the Financial Reporting Act 2013. They comply with generally accepted accounting practice in Aotearoa New Zealand.

Waka Kotahi is designated as a public benefit entity (PBE) for financial reporting purposes. The prospective financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

The prospective financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period. Waka Kotahi is dependent on Crown financing or funding for both its regulatory and NLTF-funded activities given the impact of COVID-19.

The prospective financial statements are presented in New Zealand dollars and all values are in millions rounded to the nearest hundred thousand.

Waka Kotahi has adopted all standards, amendments and interpretations to existing standards that have been published and are mandatory for its accounting periods beginning on 1 July 2022. No material impacts have occurred as a result of these adoptions.

## 3. Summary of significant accounting policies

The following is a summary of the significant accounting policies that affect the prospective financial statements. A comprehensive list of policies is in the Waka Kotahi 2020/21 annual report and will be included in the 2021/22 annual report.

### Revenue

#### Funding from the National Land Transport Fund and the Crown

Waka Kotahi is primarily funded through revenue received from the NLTF and the Crown.

Funding from the National Land Transport Fund and the Crown has been accounted for in accordance with PBE IPSAS 23 *Revenue from non-exchange transactions* and classified and treated as non-exchange revenue. The funding

is used for the specific purpose set out in the founding legislation for Waka Kotahi and the scope of the relevant government appropriations. The funding provider is not entitled to an equivalent value of services or benefits, because no direct exchange relationship exists between the funding provided and receiving services or benefits from Waka Kotahi. Apart from these general restrictions, no unfulfilled conditions or contingencies are attached to this funding, as such revenue is recognised when earned and is reported in the financial period to which it relates.

### **State highway network**

The cost of constructing the state highway network is recognised as an asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future service potential will be realised and the cost can be measured reliably. Repairs and maintenance costs are expensed during the financial period in which they are incurred. After initial recognition, the state highway network is revalued on an annual basis

#### **Valuation**

The state highway network (excluding land and formation) is valued annually (most recently at 30 June 2021) using an optimised depreciated replacement cost methodology based on the estimated current cost of constructing the existing assets by the most appropriate method of construction, reduced by factors for the age, condition and performance of the assets. The estimated current cost is expected to change over time. The land corridor is valued using the across-the-fence methodology, which is based on the premise that the corridor land should be of similar value to the land through which it passes. Formation is valued using unit rates for formation types applied to the carriageway. Land, held properties, formation and the sub-base component of pavement are non-depreciable asset classes. The state highway valuation is performed by WSP Opus and incorporates inputs from BondCM, Darroch Limited and Waka Kotahi.

#### **Estimates, assumptions and judgements**

Due to the unique nature of the state highway network, the value of the assets cannot be measured with precision. Significant estimates and assumptions have been applied to the valuation, which include assumptions about quantities used in the construction of state highway network components, the life of the assets and the unit costs to apply. Changes to the underlying estimates and assumptions can cause a material movement in the state highway valuation and are reviewed on a periodic basis.

The inputs used in the valuation of state highway network assets are the greatest source of estimation uncertainty. These inputs include preliminary and general costs, professional fees, unit costs and brownfield costs.

The following sensitivity analysis, disclosed in the Waka Kotahi annual report financial statements for the year ended 30 June 2021, represents possible impacts on the state highway network valuation based on changes to estimates.

### State highway revaluations – sensitivity analysis

	<b>Change in optimised depreciated replacement cost \$m</b>
Movement in P&G on-costs by 10% (ie from 35.0% to 38.5%)	1,053
Movement in external professional fees by 10%	425
Movement in formation unit costs by 10%	1,432
Movement in bridge unit costs by 10%	893
Movement in unit prices* by 10%	1,795
Movement in land corridor quantities by 10%	1,661
Movement in brownfield costs by 10%	198
Movement in price index by 10%	3,456

\* Relates to bridges, culverts and pavements (surface and other).

The sensitivity analysis above is only an indication of the range of possible impacts and should not be interpreted as the likely actual impact.

### Depreciation

Depreciation is calculated on a straight-line basis on state highway network assets (other than land, held properties, formation and the sub-base component of pavement), at rates that will write off the cost of the assets to their estimated residual values over their useful lives.

State highway network assets are considered non-cash generating and are reviewed for impairment whenever events or changes in circumstances indicate that there may be a reduction in an asset's future service potential. An impairment loss is recognised when the asset's carrying amount exceeds the recoverable service amount. The recoverable service amount is the higher of the asset's fair value less cost to sell and value in use. Impairment of state highway network assets is deducted from the asset revaluation reserve to the extent there is an existing credit balance for that asset class. Any excess is recognised in surplus or deficit.

The estimated useful lives and associated depreciation rates of the major classes of assets are as shown in the following table.

<b>Assets</b>	<b>Useful life (years)</b>	<b>Depreciation rate (%)</b>
State highways – pavement (base)	75-150	0.7 – 1.3
State highways – pavement (surface)	9-14	7.1 – 11.1
State highways – drainage	50	2.0
State highways – traffic facilities	10-25	4.0 – 10
State highways – bridges	90-100	1.0 – 1.1
State highways – culverts and subways	50-75	1.3 – 2.0
State highways – other structures	10-100	1.0 – 10.0

The useful life of classes of asset is reviewed and adjusted, if applicable, at each balance date.

### **Public-private partnership assets and liabilities**

Public-private partnerships for the construction of state highways are treated as service concession arrangements and accounted for in accordance with PBE IPSAS 32 *Service concession arrangements: Grantor*.

During construction, the cumulative cost, including financing, is recognised as an asset. A matching liability represents the obligations of Waka Kotahi under the arrangement should conditions exist such that the arrangement will not continue through to the service commencement date.

From the service commencement date, unitary charge payments are made to the contractor quarterly in arrears, subject to satisfactory performance against agreed service levels. The corresponding reduction in the public-private partnership liability will be recognised in the period incurred.

The operational agreements run for 25 years from the service commencement date, after which the responsibility for ongoing operation and maintenance transfers to Waka Kotahi.

As part of the 2019/20 COVID-19 settlements, early commencement of repayment of the debt component of the unitary charge was agreed ie repayments occur before the service commencement date.

Once operational, public-private partnership assets are accounted for in accordance with the valuation policies adopted by Waka Kotahi in respect of the rest of the state highway asset. For Transmission Gully, operational use of the road has commenced, albeit that further steps are required before final road completion.

These treatments are consistent with the Treasury’s public-private partnership accounting guidelines.

## **Borrowing**

Borrowing is initially recognised at fair value plus transaction costs. After initial recognition, all borrowing is measured at amortised cost using the effective interest method.

## **Debtors**

Debtor National Land Transport Fund and Debtor Crown represent undrawn funds from the operating and capital appropriations relevant to expenditure incurred and not funded by borrowings.

Debtor National Land Transport Fund – debt related represents operating and capital expenditure for accelerated programmes that are funded by loans and public-private partnerships that will be reimbursed by the NLTF over future financial periods. The receivable balance has been discounted over its term at the effective interest rate at the transaction date.

## **Derivative financial instruments and hedging**

Waka Kotahi uses interest rate swaps to mitigate risks associated with interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date at which a derivative contract is entered into and are subsequently re-measured to fair value at balance date. The fair value of interest rate swaps is determined using a valuation technique based on cash flows discounted to present value using current market interest rates.

The hedge relationship is designated as a cash flow hedge, and Waka Kotahi formally designates and documents the hedge relationship as well as the risk management objective and strategy for undertaking the hedge. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine whether they have been highly effective throughout the financial reporting periods for which they were designated.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Generally, when market interest rates are below the fixed interest rates of the interest rate swap, then the interest rate swap will be in a liability position.

#### 4. Revenue from other activities

	Projected 2021/22 \$m	Budget 2022/23 \$m
<b>Fees and charges</b>		
Border inspection fees	0.7	0.5
Certification review fees	11.9	11.1
Driver licensing fees	28.9	40.9
Driver testing fees	29.3	27.2
Motor vehicle licensing fees	47.9	44.2
Over dimension permits	0.3	0.7
Rail licensing fees	2.0	2.2
Road user charges collections	12.1	11.3
Standards development fee and certification levies	7.3	6.8
Transport licensing fees	10.6	9.4
<b>Total fees and charges</b>	<b>151.0</b>	<b>154.3</b>
Tolling fees and contributions	15.2	18.3
Interest and finance income	18.6	22.3
Levy on personalised plates for community road safety initiatives	5.8	7.7
Recoveries from NLTP activities and miscellaneous revenue	0.9	0.9
<b>Total revenue from other activities</b>	<b>191.5</b>	<b>203.5</b>

## 5. Reconciliation of statement of comprehensive revenue and expense to output class statements by funding source

	Projected 2021/22 \$m	Budget 2022/23 \$m
National Land Transport Programme	0.0	0.0
Road to Zero (Community Road Safety Programme)	1.5	0.0
Driver licensing and testing	0.0	1.9
Vehicle safety and certification	(1.5)	0.1
Revenue collection and administration	5.2	11.8
<b>Waka Kotahi agency operating activities (Crown)</b>	<b>5.2</b>	<b>13.8</b>
Driver licensing and testing	(13.9)	5.4
Vehicle safety and certification	(0.5)	(22.3)
Regulation of commercial transport operators	(2.5)	(3.4)
Regulation of the rail transport system	(1.4)	(1.5)
Revenue collection and administration	(3.3)	(18.3)
<b>Waka Kotahi agency operating activities (fees and charges)</b>	<b>(21.6)</b>	<b>(40.1)</b>
<b>Surplus/(deficit)</b>	<b>(16.4)</b>	<b>(26.3)</b>

## 6. Waka Kotahi agency expenditure

The following table shows the total expenditure for Waka Kotahi.

	Projected 2021/22 \$m	Budget 2022/23 \$m
Personnel costs	199.4	227.8
Operating expenses	196.7	194.0
Depreciation and amortisation expense	15.2	15.2
<b>Waka Kotahi agency operating expenditure</b>	<b>411.3</b>	<b>437.0</b>
Waka Kotahi agency expenditure recharged to projects*	(42.2)	(47.0)
Waka Kotahi agency expenditure allocated to the NLTP**	83.5	85.7
<b>Waka Kotahi agency expenditure***</b>	<b>452.6</b>	<b>475.7</b>

\* Projects are funded by tolling, NLTF, Crown or regulatory fees and charges.

\*\* Allocation is done through direct charges and overheads allowances, primarily towards capital projects.

\*\*\* Waka Kotahi agency expenditure excludes direct expenditure on NLTP activities such as road safety promotion, tackling unsafe speed, and national ticketing solution.

The increase in Waka Kotahi expenditure forecast reflects capacity and capability increases, primarily in remediating technology and related to new and enhanced regulatory and service delivery functions.

## 7. Land transport funding

Waka Kotahi develops the three-year NLTP based on the Land Transport Management Act 2003 and other relevant statutes, policy direction in the Government Policy Statement including the Emissions Reduction Plan (once published), and regional land transport priorities.

The table on the following page shows the activity classes funded from the NLTP and associated activities funded by the Crown. The investment in land transport is net of the expenditure on new and renewal of existing state highways and certain other items that are capitalised, and Waka Kotahi operating expenditure, which is separately shown in the statement of comprehensive revenue and expense.

The investment in local roads, public transport (including Provincial Growth Fund initiatives and Housing Infrastructure Fund initiatives) does not include the significant investment contribution from local authorities.

	Projected 2021/22 \$m	Budget 2022/23 \$m
State highway improvements	874.1	976.5
State highway improvements - repayment of public-private partnership liabilities	117.6	76.3
State highway improvements - public-private partnership (increase in assets)	215.2	53.2
Local road improvements	223.7	180.0
Local road improvements - Housing Infrastructure Fund	37.0	44.0
Walking and cycling improvements	174.8	202.2
State highway maintenance	883.2	939.0
Local road maintenance	753.7	771.3
Public transport services	427.7	483.4
Public transport infrastructure	530.9	457.6
Road to Zero	269.7	387.4
Coastal shipping	6.0	10.0
Investment management	79.2	89.2
Interest and finance costs	79.7	164.5
<b>Total National Land Transport Programme</b>	<b>4,672.5</b>	<b>4,834.6</b>

Land transport funding continued

	Projected 2021/22 \$m	Budget 2022/23 \$m
State highway improvements – COVID-19 public-private partnerships funding	123.8	3.0
State highway improvements – Crown Infrastructure Partners	38.5	60.7
State highway improvements – New Zealand Upgrade Programme	406.8	790.5
State highway improvements – Supporting Regions Programme	61.4	49.7
Local road improvements – Supporting Regions Programme	28.3	15.0
Walking and cycling improvements – Mode shift	0.0	36.5
State highway maintenance – Kaikōura earthquake response	3.7	3.8
Public transport services – Community Connect Programme	4.4	24.8
Public transport services – Bus decarbonisation	0.0	4.3
Public transport services – Mode shift	0.0	36.0
Public transport services – Public transport fare shortfall due to COVID-19	47.4	0.0
Public transport services – SuperGold card	31.2	31.2
Public transport infrastructure – Mode shift	0.0	36.5
Clean vehicle discount	140.0	174.0
Clean car standard	14.1	19.0
<b>Total activities funded on behalf of the Crown and delivered by Waka Kotahi</b>	<b>899.6</b>	<b>1,285.0</b>
Total expenditure	5,572.1	6,119.6
Less capital expenditure	(2,230.2)	(2,629.9)
Less other activities funded from the NLTP	(398.1)	(368.3)
Less interest and finance costs	(79.7)	(164.5)
<b>Total land transport funding</b>	<b>2,864.1</b>	<b>2,956.9</b>

## 8. Managing Waka Kotahi assets

Movements in the state highway network are set out below.

	Projected 2021/22 \$m	Budget 2022/23 \$m
Opening balance	58,985.8	75,067.0
Additions*	3,498.1	2,662.4
Assets transferred (to)/from held for sale	2.1	21.0
Depreciation	(662.7)	(772.7)
Disposals and state highway write-off (including vesting)	(38.0)	(448.0)
Net revaluation**	13,281.7	5,911.4
<b>Closing balance</b>	<b>75,067.0</b>	<b>82,441.1</b>

\* Transmission Gully opened on 31 March 2022 and the related private-public partnership asset is included in the state highway networks at 30 June 2022.

\*\* Revaluation movement for 2021/22 is a result of significant land value increases (\$6 billion), movements in the construction and the structures indices of 11% and 15% (\$5.5 billion) respectively, and an updated assessment of the useful life of the pavement asset class (\$1.5 billion). Revaluation movement for 2022/23 is assumed from a more settled property position for land (\$2.5 billion) and index movements (\$3.3 billion). The valuation is still to be completed and audited.

Each year Waka Kotahi implements a capital programme to provide the infrastructure, technology, property and other assets required to fulfil its functions. The Waka Kotahi capital programme, including investment in computer hardware, leasehold improvements, furniture and fittings, office, plant and equipment, and computer software, is set out below.

	Projected 2021/22 \$m	Budget 2022/23 \$m
Opening balance	70.0	75.1
Additions	20.3	40.0
Depreciation/amortisation	(15.2)	(15.2)
<b>Total</b>	<b>75.1</b>	<b>99.9</b>

## 9. Public-private partnership assets and liabilities

	Projected 2021/22 \$m	Budget 2022/23 \$m
Transmission Gully*	0.0	0.0
Pūhoi to Warkworth	971.4	1,024.6
<b>Total public-private partnership assets</b>	<b>971.4</b>	<b>1,024.6</b>
Transmission Gully	1,082.9	1,069.7
Pūhoi to Warkworth	856.8	846.9
<b>Total public-private partnership liabilities</b>	<b>1,939.7</b>	<b>1,916.6</b>

\* Transmission Gully opened on 31 March 2022, albeit with further work required for road opening completion. The public-private partnership asset is included in the state highway network.

### Transmission Gully public-private partnership

The COVID-19 lockdown in March and April 2020 was considered an uninsurable event for which Waka Kotahi, the builder and Wellington Gateway Partnership negotiated a commercial settlement in 2020/21. As the settlement related to COVID-19, the settlement costs are considered operating in nature and not included in the public-private partnership asset above.

As part of the settlement, the debt component of the quarterly unitary charges commenced with effect from 1 November 2020, ahead of the proposed road opening. Under the terms of the post-COVID settlement agreement, future risks and costs related to COVID alert levels 1 and 2 are the builder's responsibility. Waka Kotahi is exposed to risks and costs associated with any future periods at COVID alert levels 3 and 4.

As a result of the 2021 August COVID event and other construction delays, the contractor was not able to complete road opening completion requirements by September 2021 as agreed in the 2020 revised project agreement. In March 2022, Waka Kotahi issued an Urgent Direction that the contractor open the road by 30 March 2022 in accordance with amended Expedited Early Access date requirements. Waka Kotahi is currently working with the builder and Wellington Gateway Partnership to finalise its response to their claims for the 2021 COVID event.

## Pūhoi to Warkworth public-private partnership

The COVID-19 lockdown in March and April 2020 was considered an uninsurable event for which Waka Kotahi, the builder and the contractor reached a settlement agreement in 2019/20. As the settlement related to COVID-19, the settlement costs are considered operating in nature and not included in the public-private partnership asset above.

As part of the settlement, Waka Kotahi agreed to meet the debt component of the quarterly unitary charges from 28 October 2021 until the Revised Planned Service Commencement Date (originally 16 May 2022, subject to COVID extension), ahead of the proposed road opening. If service commencement is not achieved by that date, Waka Kotahi will not be liable to meet the unitary payment for the period of delay. Under the terms of the post-COVID settlement agreement, future risks and costs related to COVID alert levels 1 and 2 are the builder's responsibility. Waka Kotahi is exposed to risks and costs associated with any future periods at COVID alert levels 3 and 4.

As a result of the 2021 August COVID event and other construction delays, the contractor will not be able to achieve service commencement requirements by May 2022 as agreed in the 2020 revised project agreement. Waka Kotahi is currently working with the builder and contractor to respond to their claims arising out of the August 2021 COVID event.

## 10. Borrowing and other liabilities

Name	Nominal amount borrowed	Projected 2021/22 \$m	Nominal amount borrowed	Budget 2022/23 \$m	Interest rate applied	Final repayment date
Auckland Transport Package	354.0	317.8	354.0	326.5	Interest free	June 2027
Housing Infrastructure Fund	66.0	53.5	110.0	86.9	Interest free	June 2033
<b>Total interest free borrowing</b>		<b>371.3</b>		<b>413.4</b>		
Tauranga Eastern Link	107.0	107.0	107.0	107.0	\$87.0m at fixed rates ranging from 4.99% to 5.14%. \$20.0m at floating rates.	June 2050
Regulatory facility	53.7	54.9	93.9	95.6	Fixed rates ranging from 1.32% to 3.065% pa.	June 2033
COVID-19 NLTF borrowing facility	325.0	331.4	325.0	331.4	Fixed rates ranging from 1.10% to 1.18% pa.	July 2027

*Borrowing and other liabilities continued*

Name	Nominal amount borrowed	Projected 2021/22 \$m	Nominal amount borrowed	Budget 2022/23 \$m	Interest rate applied	Final repayment date
NLTP loan 2021-24	656.3	661.6	1,561.3	1,602.3	Fixed rate assumed at 3.13% based on 15 basis points above government bond rate of	June 2033
<b>Total borrowing</b>		<b>1,526.2</b>		<b>2,549.7</b>		
Tolling funds held in trust		4.5		4.5		
<b>Total borrowing and other liabilities</b>		<b>1,530.7</b>		<b>2,554.2</b>		

## 11. Regulatory memorandum accounts

Memorandum accounts are notional accounts that record the accumulated balance of surpluses and deficits incurred for third-party-funded regulatory outputs. These balances include items financed by the Crown and subject to repayment.

The table below shows the closing balances of the memorandum accounts grouped by funding activities.

	Projected 2021/22 \$m	Budget 2022/23 \$m
Driver licensing and testing	(41.3)	(35.9)
Vehicle safety and certification	8.4	(13.9)
Regulation of commercial transport operators and the rail transport system	(15.4)	(20.3)
Road user charges collections	(5.4)	(23.8)
<b>Total memorandum account - other fees and charges</b>	<b>(53.7)</b>	<b>(93.9)</b>

\* The memorandum accounts show a negative balance. Waka Kotahi has access to up to \$95 million of regulatory loans to provide interim funding for the operating deficit until the full implementation of a fees review. It expects to have drawn down most of the \$95 million by 30 June 2023. Most of the new fees are expected to commence from October 2023.

## 12. Appropriation estimates for the year ending 30 June 2023

The table below shows the funding Waka Kotahi estimates to receive from the Crown as disclosed in the *Estimates of appropriations* and the funding movements.

	Appropriations 2022/23 \$m	Funding movements \$m	Budget 2022/23 \$m
State highway improvements	570.7	378.7	949.4
Local road improvements	18.6	168.1	186.7
Local road improvements - Housing Infrastructure Fund	264.0	(220.0)	44.0
Walking and cycling improvements	27.0	67.5	94.5
State highway maintenance	770.5	174.5	945.0
Local road maintenance	702.5	71.6	774.1
Public transport services	448.8	7.8	456.6
Public transport infrastructure	210.8	194.4	405.2
Road to Zero	138.3	0.0	138.3
Coastal shipping	10.0	0.0	10.0
Investment management	89.3	0.0	89.3
<b>National Land Transport Programme (PLA)</b>	<b>3,250.5</b>	<b>842.6*</b>	<b>4,093.1</b>
State highway improvements	0.0	108.8	108.8
State highway improvements - Public-private partnership	0.0	53.2	53.2
State highway improvements - Repayment of public-private partnerships liabilities	76.3	0.0	76.3
Walking and cycling improvements	45.5	67.5	113.0
Public transport infrastructure	60.0	0.0	60.0
Road to Zero	186.8	64.8	251.6
<b>NLTP - new infrastructure for and renewal of state highways (PLA)</b>	<b>368.6</b>	<b>294.3*</b>	<b>662.9</b>
State highway improvements - COVID-19 public-private partnership funding	3.0	0.0	3.0
State highway improvements - Crown Infrastructure Partners	0.0	60.7	60.7
State highway improvements - New Zealand Upgrade Programme	790.5	0.0	790.5
State highway improvements - Supporting Regions Programme	49.6	0.0	49.6
Local road improvements - Supporting Regions Programme	15.0	0.0	15.0
State highway maintenance - Kaikōura earthquake response	3.8	0.0	3.8
Public transport services - Public transport subsidy	27.1	0.0	27.1
Public transport services - SuperGold card	31.2	0.0	31.2

Estimates of  
appropriations continued

	Appropriations 2022/23 \$m	Funding movements \$m	Budget 2022/23 \$m
Driver licensing and testing	9.7	0.0	9.7
Revenue collection and administration	14.3	0.0	14.3
Clean vehicle discount	18.0	156.0	174.0
Clean car standard	19.0	0.0	19.0
<b>Climate Emergency Response Fund</b>			
Walking and cycling improvements - Mode shift	36.5	0.0	36.5
Public transport services - Community connect programme	24.8	0.0	24.8
Public transport services - Bus decarbonisation	4.3	0.0	4.3
Public transport services - Mode shift	36.0	0.0	36.0
Public transport infrastructure - Mode shift	36.5	0.0	36.5
<b>Crown funded</b>	<b>1,119.3</b>	<b>216.7**</b>	<b>1,336.0</b>
<b>Total</b>	<b>4,738.4</b>	<b>1,353.6</b>	<b>6,092.0</b>

\* Budgeted expenditure for 2022/23 exceed available appropriations and will be financed by the \$2 billion NLTF borrowing facility. The phasing for the use of the \$2 billion facility has been updated since the March Baseline Update.

\*\* Crown Infrastructure Partners provides funding directly to Waka Kotahi, rather than going through an appropriation administered by the Ministry of Transport. Part of the budget expenditure for the clean vehicle discount will be funded through a new appropriation that had not been established when the March Baseline Update was prepared.

## Reconciliation between Waka Kotahi funding inflows and National Land Transport Fund outflows

	<b>Budget 2022/23 \$m</b>
<b>Waka Kotahi Budget 2022/23</b>	
National Land Transport Programme (PLA) - operating funding	4,093.1
NLTP - new infrastructure for and renewal of state highways (PLA) - capital funding	662.9
<b>Total funding from the National Land Transport Fund</b>	<b>4,756.0</b>
Deduct:	
State highway improvements - public-private partnerships non-appropriated expenditure	(53.2)
Local road improvements - Housing infrastructure non appropriated expenditure	(44.0)
NLTP loan 2021-24	(905.0)
Add:	
Other National Land Transport Fund revenue	29.0
<b>Total National Land Transport Fund (NLTP) outflows</b>	<b>3,782.8</b>

## Output class funding and expenditure

### State highway improvements

	Projected 2021/22 \$m	Budget 2022/23 \$m
<b>Operating revenue and expenses</b>		
Crown (COVID-19 Public-private partnerships funding)	123.8	3.0
Crown (Supporting Regions Programme)	1.6	1.0
National Land Transport Fund	327.5	827.7
National Land Transport Fund (public-private partnerships)	57.4	107.0
National Land Transport Fund (tolling)	12.2	14.7
Interest and finance income	8.6	8.8
<b>Total operating revenue</b>	<b>531.1</b>	<b>962.2</b>
Crown (COVID-19 Public-private partnerships funding)	123.8	3.0
Crown (Supporting Regions Programme)	1.6	1.0
Assets vested to local authorities	0.0	409.0
Depreciation and state highway write-offs	341.6	429.8
Interest and finance costs	64.1	119.4
<b>Total operating expenses</b>	<b>531.1</b>	<b>962.2</b>
<b>Surplus/(deficit)</b>	<b>0.0</b>	<b>0.0</b>
<b>Capital funding and expenditure</b>		
Crown (Crown Infrastructure Partners)	38.5	60.7
Crown (New Zealand Upgrade Programme)	406.8	790.5
Crown (Supporting Regions Programme)	59.8	48.7
National Land Transport Fund	346.4	0.0
National Land Transport Fund (NLTP 2021-24 loan)	158.1	108.8
National Land Transport Fund (public-private partnerships)	215.2	53.2
National Land Transport Fund (state highway disposals)	28.0	29.0
Depreciation funding utilised for investment in the state highway network	341.6	429.7
Net non-cash funding for losses/income for vested assets	0.0	409.0
<b>Total capital funding</b>	<b>1,594.4</b>	<b>1,929.6</b>

State highway improvements  
continued

	Projected 2021/22 \$m	Budget 2022/23 \$m
Crown Infrastructure Partners	38.5	60.7
Capital investment	790.6	890.8
Capital investment (New Zealand Upgrade Programme)	406.8	790.5
Capital investment (Supporting Regions Programme)	59.8	48.7
Public-private partnerships	215.2	53.2
Waka Kotahi agency capitalised activities	83.5	85.7
Total capital expenditure	1,594.4	1,929.6
<b>Net capital movement</b>	<b>0.0</b>	<b>0.0</b>
Borrowing funding and repayment		
National Land Transport Fund	117.6	76.3
Repayment for public-private partnerships	(117.6)	(76.3)
<b>Net borrowing</b>	<b>0.0</b>	<b>0.0</b>
<b>Total movement</b>	<b>0.0</b>	<b>0.0</b>
<b>Total operating and capital expenditure</b>	<b>1,568.7</b>	<b>1,999.8</b>

## Local road improvements

	Projected 2021/22 \$m	Budget 2022/23 \$m
<b>Operating revenue and expenses</b>		
Crown (Supporting Regions Programme)	28.3	15.0
National Land Transport Fund	119.0	18.6
National Land Transport Fund (Housing Infrastructure Fund)	37.0	44.0
National Land Transport Fund (NLTP 2021-24 loan)	105.2	168.1
Interest and finance income	10.0	13.5
<b>Total operating revenue</b>	<b>299.5</b>	<b>259.2</b>
Funding to approved organisations	223.5	179.8
Funding to approved organisations (Supporting Regions Programme)	28.3	15.0
Funding to approved organisations (Housing Infrastructure Fund)	37.0	44.0
Waka Kotahi agency operating activities	0.2	0.2
Interest and finance costs	10.5	20.2
<b>Total operating expenses</b>	<b>299.5</b>	<b>259.2</b>
<b>Surplus/(deficit)</b>	<b>0.0</b>	<b>0.0</b>

## Walking and cycling improvements

	Projected 2021/22 \$m	Budget 2022/23 \$m
<b>Operating revenue and expenses</b>		
Crown (Mode shift)	0.0	36.0
National Land Transport Fund	37.7	27.0
National Land Transport Fund (NLTP 2021-24 loan)	42.3	67.5
<b>Total operating revenue</b>	<b>80.0</b>	<b>130.5</b>
Funding to approved organisations	77.0	87.1
Funding to approved organisations (Mode shift)	0.0	36.0
Waka Kotahi agency operating activities	2.1	2.1
Interest and finance costs	0.9	5.3
<b>Total operating expenses</b>	<b>80.0</b>	<b>130.5</b>
<b>Surplus/(deficit)</b>	<b>0.0</b>	<b>0.0</b>

*Walking and cycling  
improvements continued*

	Projected 2021/22 \$m	Budget 2022/23 \$m
<b>Capital funding and expenditure</b>		
Crown (Mode shift)	0.0	0.5
National Land Transport Fund	53.5	45.5
National Land Transport Fund (NLTP 2021–24 loan)	42.2	67.5
<b>Total capital funding</b>	<b>95.7</b>	<b>113.5</b>
Capital investment	95.7	113.0
Capital investment (Mode shift)	0.0	0.5
<b>Total capital expenditure</b>	<b>95.7</b>	<b>113.5</b>
<b>Net capital movement</b>	<b>0.0</b>	<b>0.0</b>
<b>Total movement</b>	<b>0.0</b>	<b>0.0</b>
<b>Total operating and capital expenditure</b>	<b>175.7</b>	<b>244.0</b>

**State highway maintenance**

	Projected 2021/22 \$m	Budget 2022/23 \$m
<b>Operating revenue and expenses</b>		
Crown (Kaikōura earthquake response)	3.2	3.5
National Land Transport Fund	768.3	770.4
National Land Transport Fund (NLTP 2021–24 loan)	96.6	154.6
National Land Transport Fund (rental and interest income)	20.0	20.0
<b>Total operating revenue</b>	<b>888.1</b>	<b>948.5</b>
Maintenance of the state highway network	476.4	511.1
Maintenance of the state highway network (Kaikōura earthquake response)	3.2	3.5
Maintenance and operation of Transmission Gully and Pūhoi to Warkworth	7.3	7.0
Waka Kotahi agency operating activities	68.4	67.8
Depreciation	331.1	353.0
Interest and finance costs	1.7	6.1
<b>Total operating expenses</b>	<b>888.1</b>	<b>948.5</b>
<b>Surplus/(deficit)</b>	<b>0.0</b>	<b>0.0</b>

State highway  
maintenance continued

	Projected 2021/22 \$m	Budget 2022/23 \$m
<b>Capital funding and expenditure</b>		
Crown (Kaikōura earthquake response)	0.5	0.3
Depreciation funding utilised for investment in the state highway network	331.1	353.0
<b>Total capital funding</b>	<b>331.6</b>	<b>353.3</b>
Capital investment (Kaikōura earthquake response)	0.5	0.3
Capital investment (renewals)	331.1	353.0
<b>Total capital expenditure</b>	<b>331.6</b>	<b>353.3</b>
<b>Net capital movement</b>	<b>0.0</b>	<b>0.0</b>
<b>Total movement</b>	<b>0.0</b>	<b>0.0</b>
<b>Total operating and capital expenditure</b>	<b>888.6</b>	<b>948.8</b>

Local road maintenance

	Projected 2021/22 \$m	Budget 2022/23 \$m
<b>Operating revenue and expenses</b>		
National Land Transport Fund	709.3	702.5
National Land Transport Fund (NLTP 2021-24 loan)	44.8	71.6
<b>Total operating revenue</b>	<b>754.1</b>	<b>774.1</b>
Funding to approved organisations	753.5	771.1
Waka Kotahi agency operating activities	0.2	0.2
Interest and finance costs	0.4	2.8
<b>Total operating expenses</b>	<b>754.1</b>	<b>774.1</b>
<b>Surplus/(deficit)</b>	<b>0.0</b>	<b>0.0</b>

## Public transport services

	Projected 2021/22 \$m	Budget 2022/23 \$m
<b>Operating revenue and expenses</b>		
Crown (SuperGold card)	31.2	31.2
Crown (Community Connect Programme)	4.4	24.8
Crown (Bus decarbonisation)	0.0	4.3
Crown (Mode shift)	0.0	36.0
Crown (Public transport fare shortfall due to COVID-19)	47.4	0.0
Crown (Public transport subsidy)	40.0	27.1
National Land Transport Fund	383.6	448.9
National Land Transport Fund (NLTP 2021-24 loan)	4.7	7.7
<b>Total operating revenue</b>	<b>511.3</b>	<b>580.0</b>
<b>Funding to approved organisations</b>	<b>387.4</b>	<b>456.1</b>
Funding to approved organisations (Community Connect Programme)	4.4	24.8
Funding to approved organisations (Bus decarbonisation)	0.0	4.3
Funding to approved organisations (Mode shift)	0.0	36.0
Funding to approved organisations (Public transport fare shortfall due to COVID-19)	47.4	0.0
Funding to approved organisations (Public transport subsidy)	40.0	27.1
Funding to approved organisations (SuperGold card)	31.2	31.2
Waka Kotahi agency operating activities	0.2	0.2
Interest and finance costs	0.7	0.3
<b>Total operating expenses</b>	<b>511.3</b>	<b>580.0</b>
<b>Surplus/(deficit)</b>	<b>0.0</b>	<b>0.0</b>

## Public transport infrastructure

	Projected 2021/22 \$m	Budget 2022/23 \$m
<b>Operating revenue and expenses</b>		
Crown (Mode shift)	0.0	36.0
National Land Transport Fund	321.3	210.8
National Land Transport Fund (NLTP 2021-24 loan)	121.6	194.4
Total operating revenue	442.9	441.2
Funding to approved organisations	432.0	388.2
Funding to approved organisations (Mode shift)	0.0	36.0
Waka Kotahi agency operating activities	9.8	9.3
Interest and finance costs	1.1	7.7
Total operating expenses	442.9	441.2
<b>Surplus/(deficit)</b>	<b>0.0</b>	<b>0.0</b>
<b>Capital funding and expenditure</b>		
Crown (Mode shift)	0.0	0.5
National Land Transport Fund	89.2	60.0
Total capital funding	89.2	60.5
Capital investment	89.2	60.0
Capital investment (Mode shift)	0.0	0.5
Total capital expenditure	89.2	60.5
<b>Net capital movement</b>	<b>0.0</b>	<b>0.0</b>
<b>Total movement</b>	<b>0.0</b>	<b>0.0</b>
<b>Total operating and capital expenditure</b>	<b>532.1</b>	<b>501.7</b>

## Road to Zero

	Projected 2021/22 \$m	Budget 2022/23 \$m
<b>Operating revenue and expenses</b>		
National Land Transport Fund	80.2	138.3
Community Road Safety Programme	5.8	7.7
<b>Total operating revenue</b>	<b>86.0</b>	<b>146.0</b>
Community Road Safety Programme	4.3	7.7
Funding to approved organisations	54.7	109.4
Waka Kotahi agency operating activities	25.1	26.4
Interest and finance costs	0.4	2.5
<b>Total operating expenses</b>	<b>84.5</b>	<b>146.0</b>
<b>Surplus/(deficit)</b>	<b>1.5</b>	<b>0.0</b>
<b>Capital funding and expenditure</b>		
National Land Transport Fund	149.4	186.8
National Land Transport Fund (NLTP 2021–24 loan)	40.5	64.8
<b>Total capital funding</b>	<b>189.9</b>	<b>251.6</b>
Capital investment	189.9	251.6
<b>Net capital movement</b>	<b>0.0</b>	<b>0.0</b>
<b>Total movement</b>	<b>1.5</b>	<b>0.0</b>
<b>Total operating and capital expenditure</b>	<b>274.4</b>	<b>397.6</b>

## Coastal shipping

	Projected 2021/22 \$m	Budget 2022/23 \$m
<b>Operating revenue and expenses</b>		
National Land Transport Fund	6.0	10.0
<b>Total operating revenue</b>	<b>6.0</b>	<b>10.0</b>
Funding to approved organisations	6.0	10.0
<b>Total operating expenses</b>	<b>6.0</b>	<b>10.0</b>
<b>Surplus/(deficit)</b>	<b>0.0</b>	<b>0.0</b>

## Investment management

	Projected 2021/22 \$m	Budget 2022/23 \$m
<b>Operating revenue and expenses</b>		
National Land Transport Fund	79.2	89.3
Total operating revenue	79.2	89.3
Funding to approved organisations	28.8	39.4
Waka Kotahi agency operating activities	50.4	49.9
Total operating expenses	79.2	89.3
<b>Surplus/(deficit)</b>	<b>0.0</b>	<b>0.0</b>

## Driver licensing and testing

	Projected 2021/22 \$m	Budget 2022/23 \$m
<b>Operating revenue and expenses</b>		
Crown (Core regulatory services)	7.8	0.0
Crown (Driver licensing stop order)	0.1	0.1
Crown (Driver test subsidy)	1.4	1.4
Crown (Drug and alcohol assessments)	1.0	1.0
Crown (Equitable access to driver licences)	0.0	4.3
Crown (Ministerial services)	1.3	1.3
Crown (Palmerston North premises)	1.5	1.5
Fees and charges	58.3	68.1
Total operating revenue	71.4	77.7
Driver licensing stop orders	0.1	0.0
Drug and alcohol assessments	0.6	0.5
Equitable access to driver licences	0.0	4.3
Ministerial services	1.7	0.0
Palmerston North premises	1.5	1.5
Fees and charges funded activities	81.4	64.1
Total operating expenses	85.3	70.4
<b>Surplus/(deficit)</b>	<b>(13.9)</b>	<b>7.3</b>

## Vehicle safety and certification

	Projected 2021/22 \$m	Budget 2022/23 \$m
Operating revenue and expenses		
Fees and charges	67.8	62.7
Total operating revenue	67.8	62.7
Fees and charges funded activities	68.4	84.9
Rules development	1.4	0.0
Total operating expenses	69.8	84.9
<b>Surplus/(deficit)</b>	<b>(2.0)</b>	<b>(22.2)</b>

## Regulation of commercial transport operators

	Projected 2021/22 \$m	Budget 2022/23 \$m
Operating revenue and expenses		
Fees and charges	10.8	10.1
Total operating revenue	10.8	10.1
Fees and charges funded activities	13.3	13.5
Total operating expenses	13.3	13.5
<b>Surplus/(deficit)</b>	<b>(2.5)</b>	<b>(3.4)</b>

## Regulation of the rail transport system

	Projected 2021/22 \$m	Budget 2022/23 \$m
Operating revenue and expenses		
Fees and charges	2.0	2.2
Total operating revenue	2.0	2.2
Fees and charges funded activities	3.4	3.8
Total operating expenses	3.4	3.8
<b>Surplus/(deficit)</b>	<b>(1.4)</b>	<b>(1.6)</b>

## Revenue collection and administration

	Projected 2021/22 \$m	Budget 2022/23 \$m
<b>Operating revenue and expenses</b>		
National Land Transport Fund (refund of fuel excise duty)	4.3	4.2
National Land Transport Fund (road user charges investigation and enforcement)	5.0	7.0
National Land Transport Fund (road user charges refund)	3.2	3.1
Fees and charges (road user charges collections)	12.1	11.3
Fees and charges (tolling)	15.2	18.3
Regional fuel tax administration	0.8	0.8
<b>Total operating revenue</b>	<b>40.6</b>	<b>44.7</b>
Refund of fuel excise duty	2.8	3.2
Regional fuel tax administration	1.5	0.3
Road user charges collections	15.4	29.7
Road user charges investigation and enforcement	5.8	4.1
Road user charges refund	3.9	4.4
Tolling	9.3	9.6
<b>Total operating expenses</b>	<b>38.7</b>	<b>51.3</b>
<b>Surplus/(deficit)</b>	<b>1.9</b>	<b>(6.6)</b>

## Clean vehicle discount

	Projected 2021/22 \$m	Budget 2022/23 \$m
<b>Operating revenue and expenses</b>		
Crown	136.2	174.0
<b>Total operating revenue</b>	<b>136.2</b>	<b>174.0</b>
Clean vehicle discount rebates	130.8	167.2
Clean vehicle discount administration	5.4	6.8
<b>Total operating expenses</b>	<b>136.2</b>	<b>174.0</b>
<b>Surplus/(deficit)</b>	<b>0.0</b>	<b>0.0</b>

Clean vehicle discount  
continued

	Projected 2021/22 \$m	Budget 2022/23 \$m
Capital funding and expenditure		
Crown	3.8	0.0
Clean vehicle discount (implementation)	(3.8)	(0.0)
<b>Net capital movement</b>	<b>0.0</b>	<b>0.0</b>
<b>Total movement</b>	<b>0.0</b>	<b>0.0</b>
<b>Total operating and capital expenditure</b>	<b>140.0</b>	<b>174.0</b>

Clean car standard

	Projected 2021/22 \$m	Budget 2022/23 \$m
Operating revenue and expenses		
Crown	5.0	11.9
Total operating revenue	5.0	11.9
Clean car standard (implementation)	4.5	6.0
Clean car standard administration	0.5	5.9
Total operating expenses	5.0	11.9
<b>Surplus/(deficit)</b>	<b>0.0</b>	<b>0.0</b>
Capital funding and expenditure		
Crown	9.1	7.1
Clean car standard (implementation)	(9.1)	(7.1)
<b>Net capital movement</b>	<b>0.0</b>	<b>0.0</b>
<b>Total movement</b>	<b>0.0</b>	<b>0.0</b>
<b>Total operating and capital expenditure</b>	<b>14.1</b>	<b>19.0</b>

# National Land Transport Fund

## Financial overview

The National Land Transport Fund (NLTF) facilitates the government's investment in land transport on behalf of transport users. Revenue from: fuel excise duty, road user charges, and motor vehicle registration (collectively, land transport revenue); Crown appropriations; management of Crown land; interest and tolling are accounted for in the NLTF (as shown in figure 3).

The NLTF provides funding for:

- New Zealand Police road policing activities
- the Rail Network Investment Programme
- the National Land Transport Programme for:
  - activities delivered by approved organisations and KiwiRail
  - state highway activities
  - sector research
  - coastal shipping
  - other Waka Kotahi activities, such as transport planning and management of the funding allocation system.

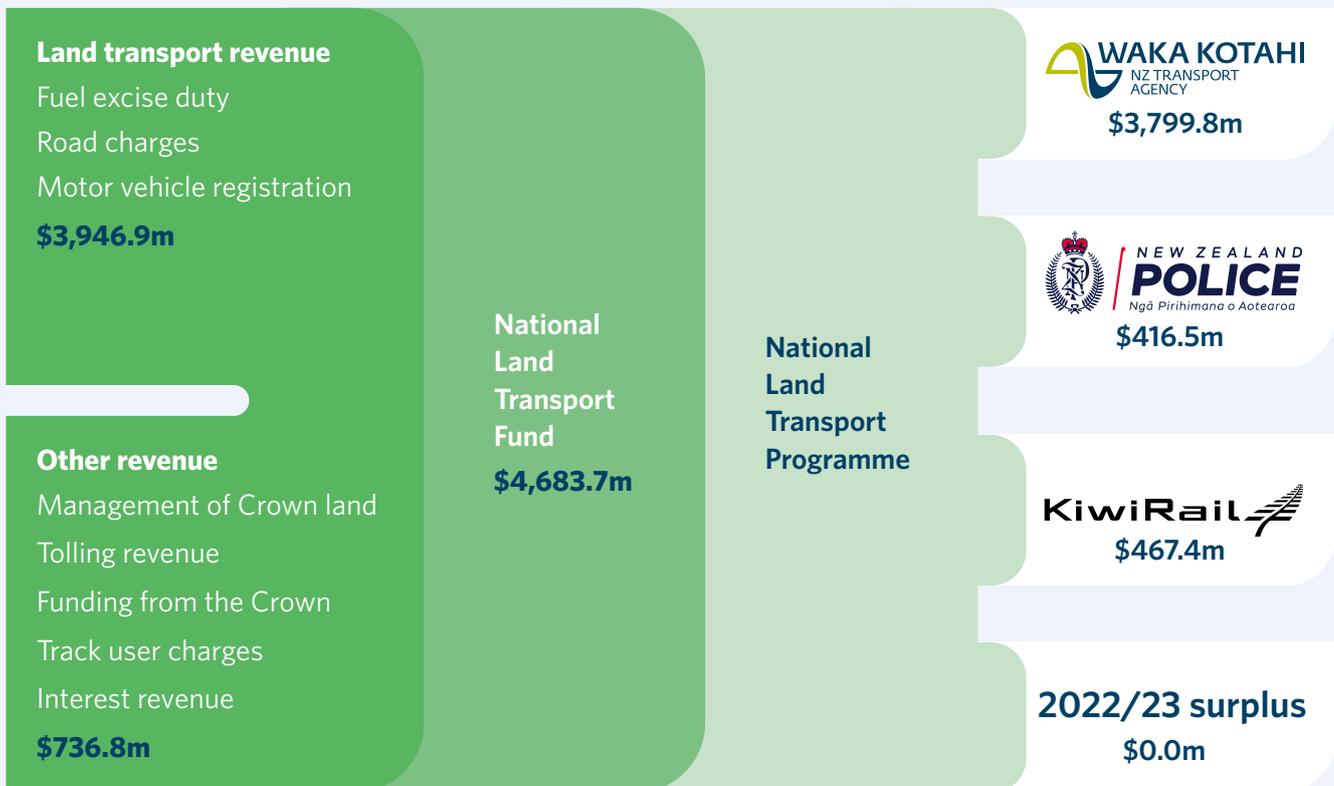


Figure 3 - 2022/23 funding inflows and outflows (current)

Note: Forecast outflows in 2022/23 include funding for the NLTP (\$3,799.8 million), New Zealand Police for the road policing programme (\$416.5 million) and Rail Network Investment Programme (\$467.4 million).

## Prospective financial statements

### Prospective statement of comprehensive revenue and expense For the year ending 30 June

	Projected 2021/22 \$m	Budget 2022/23 \$m
<b>Revenue inflows*</b>		
Land transport revenue	3,752.2	3,946.9
Funding from the Crown – Rail Network Investment Programme	226.9	284.1
Funding from the Crown – Temporary decrease in fuel excise duty and road user charges	180.0	370.0
Management of Crown land	48.0	49.0
Tolling revenue	12.2	14.7
Track user charges	7.5	16.3
Interest revenue	2.7	2.7
<b>Total revenue inflows</b>	<b>4,229.5</b>	<b>4,683.7</b>
<b>Outflows</b>		
National Land Transport Programme	3,707.0	3,782.8
Road Policing Programme	400.9	416.5
Rail Network Investment Programme	362.9	467.4
Fuel excise duty/road user charges administration	12.5	14.3
Forecasting and strategy	2.7	2.7
<b>Total outflows</b>	<b>4,486.0</b>	<b>4,683.7</b>
<b>Surplus/(deficit) from current National Land Transport Fund balance</b>	<b>(256.5)</b>	<b>0.0</b>
Fair value gain on long-term payables	9.0	12.1
NLTP expenditure to be funded long-term	(590.0)	(911.6)
Finance charges	(9.0)	(10.2)
<b>Deficit to be funded from future National Land Transport Fund revenue</b>	<b>(590.0)</b>	<b>(909.7)</b>
<b>Surplus/(deficit)</b>	<b>(846.5)</b>	<b>(909.7)</b>

\* This heading has been used to be consistent with the terminology in the Land Transport Management Act 2003.

## Prospective statement of financial position As at 30 June

	Projected 2021/22 \$m	Budget 2022/23 \$m
<b>Assets</b>		
Cash and cash equivalents	0.0	0.0
Receivables	314.5	383.4
<b>Total assets</b>	<b>314.5</b>	<b>383.4</b>
<b>Liabilities</b>		
Payables	4,067.4	5,046.0
<b>Total liabilities</b>	<b>4,067.4</b>	<b>5,046.0</b>
<b>Net assets</b>	<b>(3,752.9)</b>	<b>(4,662.6)</b>
<b>General funds balance*</b>	<b>(3,752.9)</b>	<b>(4,662.6)</b>

\* This heading has been used to be consistent with the terminology in the Land Transport Management Act 2003.

## Prospective statement of changes in general funds balance For the year ending 30 June

	Projected 2021/22 \$m	Budget 2022/23 \$m
General funds - current	256.5	0.0
General funds - long term	(3,162.9)	(3,752.9)
<b>Balance at 1 July</b>	<b>(2,906.4)</b>	<b>(3,752.9)</b>
Surplus/(deficit) from current National Land Transport Fund balance	(256.5)	0.0
Surplus/(deficit) funded from future National Land Transport Fund revenue	(590.0)	(909.7)
<b>Surplus/(deficit)</b>	<b>(846.5)</b>	<b>(909.7)</b>
General funds - current	0.0	0.0
General funds - long term	(3,752.9)	(4,662.6)
<b>Balance at 30 June</b>	<b>(3,752.9)</b>	<b>(4,662.6)</b>

## Prospective statement of cash flows For the year ending 30 June

	Projected 2021/22 \$m	Budget 2022/23 \$m
Net cash flows		
Receipts from land transport revenue	4,177.8	4,616.4
Payments to suppliers	(4,465.2)	(4,616.4)
From operating activities	(287.4)	0.0
Net increase/(decrease) in amounts held by the Crown	(287.4)	0.0
Amounts held by the Crown at the beginning of the year	287.4	0.0
<b>Amounts held by the crown at the end of the year*</b>	<b>0.0</b>	<b>0.0</b>

\* The NLTF is a notional account. There are no actual cash and cash equivalents as funds held by the Crown. This statement has been provided to meet requirements of s11 of the Land Transport Management Act 2003.

## Notes to the prospective financial statements

### 1. Prospective financial statements and assumptions

#### Use of information contained in these prospective financial statements

These prospective financial statements have been prepared in accordance with the Crown Entities Act 2004 for the purpose of providing information about the NLTF's future operating intentions and financial position, against which it must report and be formally audited at the end of each financial year.

The information in these financial statements may not be appropriate for purposes other than those described.

Waka Kotahi has complied with financial reporting standard PBE FRS 42 *Prospective financial statements* in the preparation of these prospective financial statements.

These prospective financial statements are based on significant financial assumptions about future events that Waka Kotahi reasonably expects to occur. Any subsequent changes to these assumptions will not be reflected in these financial statements.

Actual results for the forecast period are likely to vary from the information presented, and variations may be material.

## Statement of significant underlying assumptions

Waka Kotahi has made assumptions in preparing the prospective financial statements. The most significant of these are outlined below.

Category	Assumptions
Land transport revenue	<p>The revenue forecast for the NLTF includes estimates of fuel excise duty, road user charges and motor vehicle registration inflows. The forecasts for each are determined by the revenue forecasting model managed by the Ministry of Transport with input from Waka Kotahi, The Treasury and the New Zealand Customs Service. Forecasts are based on historical trends and the economic outlook as presented by The Treasury, including economic growth, estimates of vehicle kilometres travelled and price assumptions.</p> <p>The temporary reduction in fuel excise duty and road user charges announced by the government on 14 March 2022 will have a material impact on the NLTF. Waka Kotahi has assumed the revenue losses will be fully funded by the Crown.</p> <p>Clean car standard charges are classified as land transport revenue under the Land Transport (Clean Vehicles) Amendment Act 2022. Charges are payable from 1 January 2023. Importers can reduce their liabilities by changing their behavioural responses under the Act. Due to the uncertainties, Waka Kotahi has not reflected this revenue in the financial statements.</p>
COVID-19	<p>Waka Kotahi has assumed that NLTF revenue will not be materially impacted by COVID-19 under the traffic lights (COVID-19 Protection Framework) provided no prolonged lockdowns occur. This assumption is based on observations on travel behaviour during 2021/22.</p>
Management of Crown land and interest	<p>Forecast revenues are influenced by the management of rental properties and interest revenue on cash holdings. Assumptions are based on historical performance and trends.</p>
National Land Transport Programme (NLTP)	<p>The Government Policy Statement (GPS) on land transport was taken into consideration when developing the NLTP and preparing the 2022/23 budget for NLTP expenditure.</p>

Category	Assumptions
Rail Network Investment Programme	Waka Kotahi has assumed the Rail Network Investment Programme will be funded through a combination of the NLTF (\$167.0 million), Crown funding (\$284.1 million) and track user charges (\$16.3 million) at a level consistent with lower end of the GPS funding range.

## 2. General funds

The NLTF has a negative general funds balance. The negative general funds balance arises because certain programmes have been accelerated with funding sourced from the Crown and through the use of public-private partnerships. The funding received has been recognised in long-term payables.

Although the NLTF has a negative general funds balance, it is considered to be a going concern because of the following.

- The NLTF's liquidity is actively managed.
- A \$2 billion borrowing facility was established by the Crown in 2021/22 to support the delivery of NLTP 2021-24.
- Borrowing facilities with the Crown are in place to manage short-term imbalances between inflows and outflows.
- The NLTF's main revenue source is land transport revenue. The revenue forecast is developed by the Ministry of Transport based on inputs sourced from other government agencies, including Waka Kotahi. Ultimately, the amount of land transport revenue generated is dependent on fuel use (including any future COVID-related lockdowns) and the rate of fuel taxation.
- Waka Kotahi, the Treasury and the Ministry of Transport have commenced a review to consider the sustainability of NLTF revenue in the medium term.
- Waka Kotahi expects the Crown will provide additional funding or financing to manage long-term imbalances between inflows and outflows, as it has to date.
- Waka Kotahi has the option to slow expenditure or not approve projects within the NLTP.

The negative general funds balance as at 30 June 2023 reflects the future commitment to repay public-private partnerships, Crown loans, and borrowing facilities.

The components of the general funds balance are shown below:

	Projected 2021/22 \$m	Budget 2022/23 \$m
General funds - current	0.0	0.0
General funds - long term	(3,752.9)	(4,662.6)
<b>Total general funds balance</b>	<b>(3,752.9)</b>	<b>(4,662.6)</b>

### 3. Statement of accounting policies

#### Reporting entity

The Land Transport Management Act 2003 includes a requirement for Waka Kotahi to prepare an annual report at the end of the financial year for the NLTF.

All revenue from fuel excise duty, road user charges, motor vehicle registration and licensing fees, revenues from Crown appropriations, management of Crown land, interest and tolling are accounted for in the NLTF. The NLTF is used to manage the funding of the:

- New Zealand Police Road Policing Programme
- the Rail Network Investment Programme
- NLTP for:
  - activities delivered by an approved organisation
  - state highway activities
  - research
  - other Waka Kotahi activities such as transport planning and management of the funding allocation system.

NLTF cash funds are held as part of the total Crown funds. The Ministry of Transport is responsible for authorising any payments from the NLTF and administering appropriations.

The NLTF, being a notional account, does not hold any physical assets.

#### Basis of preparation

The prospective financial statements of the NLTF have been prepared in accordance with the requirements of the Crown Entities Act 2004 and Financial Reporting Act 2013. They comply with generally accepted accounting practice in Aotearoa New Zealand.

The NLTF is designated as a public benefit entity (PBE) for financial reporting purposes. The prospective financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

The prospective financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

The prospective financial statements are presented in New Zealand dollars and all values are in millions (\$m) and rounded to the nearest hundred thousand dollars.

#### **4. Summary of significant accounting policies**

The following is a summary of the significant accounting policies that affect the forecast financial statements. A comprehensive list of policies are in the NLTF's 2020/21 annual report.

##### **Revenue inflows**

Land transport revenue and tolling revenue have been classified and treated as non-exchange revenue and accounted for in accordance with PBE IPSAS 23 *Revenue from non-exchange transactions*. The nature of these revenue streams is that of taxes and duties. The payment of taxes and duties does not entitle the payer to an equivalent value of services or benefits, because no direct exchange relationship exists between paying taxes and duties and receiving services or benefits from the NLTF. Revenue is recognised when specific criteria have been met for each of the NLTF activities and the revenue can be reliably measured.

The interest earned on the nominal cash balance and the management of Crown land has been classified and treated as exchange revenue and accounted for in accordance with PBE IPSAS 9 *Revenue from exchange transactions*.

##### **Outflows**

The NLTF recognises outflows based on when Waka Kotahi and the other Crown organisations it funds recognise operating or capital expenditure.

##### **Liabilities – non-current payables**

Non-current payables are a mixture of interest and non-interest-bearing advances. Non-interest bearing non-current payables are discounted to present value as at balance date.

## 5. Output class funding

### Output class funding to Waka Kotahi

	Projected 2021/22 \$m	Budget 2022/23 \$m
State highway improvements	889.2	1,054.8
Local road improvements	120.3	18.6
Walking and cycling improvements	91.2	72.5
State highway maintenance	788.3	790.5
Local road maintenance	709.3	702.5
Public transport services	383.6	448.9
Public transport infrastructure	410.5	270.8
Road to Zero	229.6	325.1
Coastal shipping	6.0	10.0
Investment management	79.0	89.1
Funding to Waka Kotahi - current*	3,707.0	3,782.8
Road Policing Programme	400.9	416.5
Rail network	362.9	467.4
<b>Total output class funding</b>	<b>4,470.8</b>	<b>4,666.7</b>
State highway improvements - Repayment for public-private partnerships	(117.6)	(76.3)
State highway improvements - public-private partnerships	94.8	37.6
Local road improvements - Housing Infrastructure Fund	35.8	44.0
NLTP 2021-24 loan	656.3	905.0
Repayment of short-term borrowing facility	(75.0)	0.0
Fair value changes in financial instruments charged to surplus or deficit	(4.3)	1.3
<b>Total output class funding (long term)</b>	<b>590.0</b>	<b>911.6</b>

\* In the prospective financial statements of Waka Kotahi, output class funding includes NLTF operating expenses, NLTF capital expenditure (excluding public-private partnerships funded long term) and borrowing repayments funded by the NLTF.

# Āpitianga 1: Ngā mōhiohio rōpū whakaputanga

## Appendix 1: Output class performance

For each output class, the following section describes:

- what we do for each output class
- the measures and targets we'll use to capture the levels of service and investment delivery we want to provide, and why these are important
- the funding available to each output class.

We've used the following key to indicate the outcomes each result contributes to:

- Safe
- Environmentally sustainable
- Effectively and efficiently moving people and freight
- Meeting current and future needs

Some of the following measures do not have a 2021/22 estimated actual result available (for example, if the measure is new or data for the result is gathered annually) - these will be reported in our 2021/22 annual report.

Explanatory notes for all performance measures in this statement of performance expectations are on the Waka Kotahi website at [www.nzta.govt.nz/assets/resources/statement-of-performance-expectations/2022-2023/spe-2022-2023-performance-measure-explanatory-notes.pdf](http://www.nzta.govt.nz/assets/resources/statement-of-performance-expectations/2022-2023/spe-2022-2023-performance-measure-explanatory-notes.pdf)

### State highway improvements ●●●●

Delivered by Waka Kotahi and funded from the National Land Transport Fund (NLTF) and the Crown

#### What we do

We plan, invest in and deliver infrastructure (including roads, roadsides and all supporting infrastructure and technology) by working collaboratively with council partners to co-create integrated, resilient, multimodal, community-wide transport solutions.

#### How we'll measure performance

Reference	Measure	Estimated actual 2021/22	Target 2022/23
SHI1	Proportion of state highway improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes*	68%	≥90%
SHI2	Proportion of state highway improvement activities funded by the Crown delivered to agreed standards and timeframes	Not available	≥90%

\* This is also an appropriation in Vote Transport (see appendix 3 from page 145 for all appropriation measures).

## Why are these measures important?

State highway improvements primarily contribute to a safer, more resilient transport system, improved access to social and economic opportunities, and enhanced liveability.

As well as seeking to reduce adverse effects, we look to provide improved levels of service and value for money for more sustainable transport outcomes.

**SHI1** tells us if we are delivering state highways improvements effectively against plan to support the safety and resilience of the land transport system. This measure assesses the delivery of state highway improvement programmes and projects that are funded by the NLTF against milestones and budget, as well as property acquisition programmes, which are assessed against budget.

**SHI2** tells us if we are delivering state highways improvements effectively against plan to support the safety and resilience of the land transport system. This measure assesses the delivery of state highway improvement programmes and projects that are funded by the Crown against milestones and budget, as well as property acquisition programmes, which are assessed against budget.

## What this output class will cost

	Projected 2021/22 \$m	Budget 2022/23 \$m
Revenue	1,568.7	1,999.8
Expenditure	1,568.7	1,999.8
<b>Net surplus/(deficit)</b>	<b>0.0</b>	<b>0.0</b>

## Local road improvements ●●●

Invested in by Waka Kotahi, delivered by approved organisations and funded from the National Land Transport Fund and the Crown

### What we do

We co-invest in infrastructure (including roads, roadsides and all supporting infrastructure and technology) by planning collaboratively to co-create integrated, resilient, multimodal, community-wide transport solutions.

### How we'll measure performance

Reference	Measure	Estimated actual 2021/22	Target 2022/23
LRI1	Proportion of local road improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes*	Not available	≥80%

\* This is also an appropriation in Vote Transport (see appendix 3 from page 145 for all appropriation measures).

## Why is this measure important?

Local road improvements primarily contribute to a safer, more resilient transport system, improved access to social and economic opportunities, and enhanced liveability. As well as seeking to reduce adverse effects, we look to provide improved levels of service and value for money for more sustainable transport outcomes.

**LRI1** tells us if we are effectively managing our programme of work to increase the proportion of improvement activities delivered to agreed standards and timeframes. This measure assesses the delivery of local road improvement activities by approved organisations that are funded by the NLTF against milestones and budget.

## What this output class will cost

	Projected 2021/22 \$m	Budget 2022/23 \$m
Revenue	299.6	259.2
Expenditure	299.6	259.2
<b>Net surplus/(deficit)</b>	<b>0.0</b>	<b>0.0</b>

## Walking and cycling improvements ●●●

Delivered by Waka Kotahi and approved organisations and funded from the National Land Transport Fund and the Crown

### What we do

We plan and co-invest in new and improved walking and cycling facilities, as well as in community education and promotional activities, to increase the uptake of walking and cycling.

We deliver walking and cycling facilities on state highways, and local and regional councils primarily deliver walking and cycling facilities on local roads.

### How we'll measure performance

Reference	Measure	Estimated actual 2021/22	Target 2022/23
WC11	Proportion of cycleways, pathways and shared paths delivered against what was funded*	Not available	≥80%
WC12	Cycling count in main urban areas	Not available	Increasing
WC13	Walking count in main urban areas	Not available	Increasing

\* This is also an appropriation in Vote Transport (see appendix 3 from page 145 for all appropriation measures).

## Why are these measures important?

Walking and cycling investment encourages more people to walk and cycle, promoting improved health and wellbeing. These measures will tell us if our investments are helping to achieve the outcomes we are seeking by:

- creating safer and more accessible infrastructure
- creating transport networks that give people more transport choices
- supporting access to social and economic opportunities, including education, employment and tourism
- supporting environmentally friendly and sustainable transport modes.

**WC11** tells us if we are managing our programme of work effectively to increase the proportion of walking and cycling facilities delivered against the plan. This measure assesses the total length of new or improved cycleways, pathways, shared paths and low traffic streets delivered compared with planned by Waka Kotahi and approved organisations during the financial year.

**WC12** and **WC13** tell us whether investments in infrastructure and other promotional activities are increasing the uptake of people cycling and walking in local urban areas. Cycle and walking counts are collected by automated continuous counters in the six main urban areas (Auckland, Tauranga, Hamilton, Wellington, Christchurch and Queenstown).

## What this output class will cost

	Projected 2021/22 \$m	Budget 2022/23 \$m
Revenue	175.7	244.0
Expenditure	175.7	244.0
<b>Net surplus/(deficit)</b>	<b>0.0</b>	<b>0.0</b>

## State highway maintenance

Delivered by Waka Kotahi and funded from the National Land Transport Fund and the Crown

### What we do

We maintain and operate the state highway network (including roads, roadsides, supporting infrastructure, technology and emergency works) to the agreed levels of service.

## How we'll measure performance

Reference	Measure	Estimated actual 2021/22	Target 2022/23
SHM1	Proportion of state highway maintenance activities delivered to agreed programme	Not available	≥90%
SHM2	Proportion of the state highway network that meets minimum asset condition requirements*	Not available	Maintain or increase from 2022/23
SHM3	State highway maintenance cost per lane kilometre delivered**	\$29,572	\$25,000–34,200
SHM4	Proportion of unplanned road closures resolved within standard timeframes***	Weather: 51.9% Others: 89.4%	Weather: ≥50% Others: ≥90%

\* This is also a system outcome measure under Meeting current and future needs (see page 32).

\*\* This is also an appropriation in Vote Transport (see appendix 3 from page 145 for all appropriation measures).

\*\*\* This is also an external result measure under Improved resilience to disruptive events (see page 40).

### Why are these measures important?

State highway maintenance provides reliable access for people to social and economic opportunities while maintaining the safety and resilience of the state highway network and responsibly managing any impacts on human health and the environment.

**SHM1** tells us if we are effectively managing our programme of work and delivering to expected schedule and budget. This measure compares delivery of pavement and surfacing renewals and maintenance activities against schedule and budget for the financial year (includes emergency works).

**SHM2** helps us understand the condition of state highway and whether it is properly maintained to ensure a safe and resilient network. The state highway network is tested annually against national pavement condition standards for skid resistance, rutting and roughness.

**SHM3** helps us monitor the cost in delivering maintenance and renewal activities, providing an understanding of the use of investments and how to best deliver value for money. This measure is calculated by dividing the amount spent on maintenance activities on the state highway network during the financial year by the total number of lane-kilometres in the network at the end of the financial year. This excludes emergency works.

**SHM4** helps us track whether we're helping to make the road network more resilient by responding to and resolving road closures within appropriate timeframes. Standard protocol and timeframes mean that road closures are addressed within 2 hours on urban roads and within 12 hours on rural roads. Performance against this measure is influenced by the frequency and severity of weather events. Reporting is split between road closures caused by weather events and those caused by other events (such as vehicle crashes, fire, obstruction, road works, spillage and public events).

### What this output class will cost

	Projected 2021/22 \$m	Budget 2022/23 \$m
Revenue	888.6	948.8
Expenditure	888.6	948.8
<b>Net surplus/(deficit)</b>	<b>0.0</b>	<b>0.0</b>

### Local road maintenance ●●●

Invested in by Waka Kotahi, delivered by approved organisations and funded from the National Land Transport Fund

#### What we do

We co-invest in the planning and maintenance of the local road network (including roads, roadsides and all supporting infrastructure and technology) to the appropriate levels of service

#### How we'll measure performance

Reference	Measure	Estimated actual 2021/22	Target 2022/23
LRM1	Proportion of the local road maintenance activities funded by the National Land Transport Fund delivered to plan	Not available	≥90%
LRM2	Proportion of travel on smooth roads	87%	≥86%
LRM3	Local road maintenance cost per lane kilometre delivered*	\$4,004	≤\$4,480

\* This is also an appropriation in Vote Transport (see appendix 3 from page 145 for all appropriation measures).

## Why are these measures important?

Local road maintenance provides reliable access for people to social and economic opportunities while maintaining the safety and resilience of the local road network.

**LRM1** tells us if we are effectively delivering the planned level of renewal activity on the local road network co-funded by the NLTF, which contributes to optimising the level of service and whole-of-life costs. This measure compares the delivery of sealed pavement resurfacing and rehabilitation, unsealed road metalling and rehabilitation, and drainage renewals by approved organisations against forecast works and budget.

**LRM2** helps us understand the performance of local roads against the money invested, ensuring access from local roads to nationally important connections. This measure is the percentage of vehicle kilometres travelled on sealed roads with roughness below a defined upper threshold level (that is, smoother than a nominated surface texture standard).

**LRM3** helps us monitor the cost in delivering maintenance and renewal activities, providing an understanding of the use of investments and how to best deliver value for money. This measure is calculated by dividing the NLTF amount spent on maintenance activities on the local road network during the financial year by the total number of lane-kilometres in the network at the beginning of the financial year. This excludes emergency works.

## What this output class will cost

	Projected 2021/22 \$m	Budget 2022/23 \$m
Revenue	754.1	774.1
Expenditure	754.1	774.1
<b>Net surplus/(deficit)</b>	<b>0.0</b>	<b>0.0</b>

## Public transport services ●●●

Invested in by Waka Kotahi, delivered by approved organisations and funded from the National Land Transport Fund and the Crown

### What we do

We co-invest with approved organisations in bus, ferry and rail public transport services, trains, customer information, technology, facilities operations and maintenance. We also subsidise door-to-door transport for people with mobility impairments and administer the Crown-funded SuperGold card concession scheme.

## How we'll measure performance

Reference	Measure	Estimated actual 2021/22	Target 2022/23
PTS1	Number of boardings on urban public transport services (bus, train and ferry)*	79,508,806	Increasing
PTS2	Reliability of rail, bus and ferry services	Not available	Increasing from 2022/23

\* This is also an appropriation in Vote Transport (see appendix 3 from page 145 for all appropriation measures) and a performance measure for the public transport infrastructure output class (see page 125).

## Why are these measures important?

Public transport improves customers' travel choices, increases people's access to employment, educational and social opportunities, eases congestion and makes better use of the existing transport system. It also reduces the impact of transport on the environment and contributes to reducing the number of deaths and serious injuries from road crashes. Public transport supports vibrant and liveable urban communities and effective land use.

The Total Mobility scheme increases equity of access for mobility-impaired people and the SuperGold scheme improves access to social and health opportunities for older members of society.

**PTS1** helps us track whether the public transport activities invested in by Waka Kotahi, delivered by local authorities and funded from the NLTF are helping to increase uptake. This measure is the sum of all public transport passenger boardings by bus, train and ferry across all regions. Due to the impact of COVID-19, there has been a significant reduction in public transport patronage, which may take some time to return to previous levels.

**PTS2** monitors service levels around reliability because reliable public transport services will increase their attractiveness to users. This measure is the proportion of scheduled services that were completed in full. An increase in services completed represents an improvement in reliability performance.

## What this output class will cost

	Projected 2021/22 \$m	Budget 2022/23 \$m
Revenue	511.3	580.0
Expenditure	511.3	580.0
<b>Net surplus/(deficit)</b>	<b>0.0</b>	<b>0.0</b>

## Public transport infrastructure ●●●

Delivered by Waka Kotahi and approved organisations and funded from the National Land Transport Fund and the Crown

### What we do

We co-invest with approved organisations in bus, ferry and rail public transport infrastructure improvements in order to deliver safe and effective public transport services. We also co-invest in improvements to the metro rail network by KiwiRail under contract to approved organisations.

### How we'll measure performance

Reference	Measure	Estimated actual 2021/22	Target 2022/23
PTS1	Number of boardings on urban public transport services (bus, train and ferry)*	79,508,806	Increasing
PTI1	Punctuality of metro rail services**	Not available	Maintain or increase from 2022/23

\* This is also an appropriation in Vote Transport (see appendix 3 from page 145 for all appropriation measures) and a performance measure for the public transport infrastructure output class (see page 124).

\*\* This is also an appropriation in Vote Transport (see appendix 3 from page 145 for all appropriation measures).

### Why are these measures important?

Public transport improves customers' travel choices, increases people's access to employment, educational and social opportunities, eases congestion and makes better use of the existing transport system. It also reduces the impact of transport on the environment and contributes to reducing the number of deaths and serious injuries from road crashes.

Public transport supports vibrant and liveable urban communities and effective land use. Investing in infrastructure improvements for public transport increases the safety, reliability, resilience and effectiveness of services, as well as increasing attractiveness to users.

**PTS1** is also a measure under the public transport services output class (see above).

**PTI1** monitors service levels around punctuality because public transport services will increase the attractiveness to users. A decline in punctuality is an indication of increasing infrastructure failures.

## What this output class will cost

	Projected 2021/22 \$m	Budget 2022/23 \$m
Revenue	532.1	501.7
Expenditure	532.1	501.7
<b>Net surplus/(deficit)</b>	<b>0.0</b>	<b>0.0</b>

## Rail network ●●●

Invested in by Waka Kotahi, delivered by KiwiRail and funded from the National Land Transport Fund

### What we do

We support KiwiRail to deliver the first Rail Network Investment Programme, which sets out all rail activities that will be funded from the NLTF over three years (2022/23 and 2023/24 remaining). Working with KiwiRail, we monitor the delivery of the Rail Network Investment Programme and report to the Minister of Transport on progress.

### How we'll measure performance

Reference	Measure	Estimated actual 2021/22	Target 2022/23
RN1	Amount of freight carried by rail*	New	4,420 Net tonne kilometres of freight carried by rail
RN2	Freight travel time reliability**	New	90%

\* This is also an appropriation in Vote Transport (see appendix 3 from page 145 for all appropriation measures).

\*\* Target: 2022–2024 90% per KiwiRail statement of corporate intent.

### Why are these measures important?

Rail network activities enable the development of a resilient and reliable rail network, which improves safety and supports freight movements in a mode-neutral system by enabling increasing volumes of freight to be moved off the roads and onto rail. Improving the rail network also contributes to reducing congestion and emissions.

**RN1** tells us if our investment in rail is helping to support more freight being carried by rail and that the network is being restored to a more resilient and reliable state.

**RN2** tells us if on-time performance is meeting targeted levels and making freight transport by rail an attractive option. This measure is the proportion of priority freight service trips that arrive within 30 minutes of their scheduled arrival time. The result of this measure is dependent on the levels of investment made by KiwiRail on locomotives.

### What this output class will cost

	Projected 2021/22 \$m	Budget 2022/23 \$m
Revenue	362.9	467.4
Expenditure	362.9	467.4
<b>Net surplus/(deficit)</b>	<b>0.0</b>	<b>0.0</b>

## Coastal shipping ●●●

Delivered by Waka Kotahi and funded from the National Land Transport Fund

### What we do

We facilitate the assessment, fund and support proposals that improve the efficiency and resilience of the coastal shipping sector. Our objectives are to reduce the sector's greenhouse gas emissions, enhance the sector's resilience and improve the domestic sector's competitiveness.

### How we'll measure performance

Reference	Measure	Estimated actual 2021/22	Target 2022/23
CS1	Coastal shipping activities delivered and funded in accordance with contractual terms*	New	Achieve

\* This is also an appropriation in Vote Transport (see appendix 3 from page 145 for all appropriation measures).

### Why is this measure important?

Coastal shipping activities generate a variety of benefits, including:

- increasing the use of coastal shipping as an alternative to other freight transport
- embedding mode neutrality and choice for freight transporters

- enhancing the sustainability and competitiveness of the domestic sector
- understanding the challenges facing coastal shipping and working with it to address these challenges.

**CS1** helps us track if we are managing activities effectively with our co-investment partners to help progress towards growth in the domestic coastal shipping sector. This will be achieved when items specified in the contractual terms of the procurement proposals assessed, are met, and result in the related funding being released.

### What this output class will cost

	Projected 2021/22 \$m	Budget 2022/23 \$m
Revenue	6.0	10.0
Expenditure	6.0	10.0
<b>Net surplus/(deficit)</b>	<b>0.0</b>	<b>0.0</b>

## Investment management ●

Delivered by Waka Kotahi and funded from the National Land Transport Fund

### What we do

We develop and manage the National Land Transport Programme (NLTP), including:

- managing the NLTF
- supporting development of the Government Policy Statement on land transport
- developing criteria for assessing and prioritising land transport investment
- developing the NLTP and Waka Kotahi Investment Plan
- providing investment and funding advice to the government
- providing risk-based targeted assurance in respect to the delivery of outcomes
- investment assessment and monitoring.

We plan the transport system, including:

- supporting the development of statutory and non-statutory regional land transport plans
- developing a transport model
- planning activity management
- developing programme business cases
- planning for the long-term land transport system
- supporting strategic regional spatial planning processes, particularly in the Urban Partnership Programme.

We deliver sector research, including:

- engaging with the sector
- developing, delivering and promoting research projects.

## How we'll measure performance

Reference	Measure	Estimated actual 2021/22	Target 2022/23
IM1	Proportion of total cost of managing the investment funding allocation system to National Land Transport Programme expenditure*	1.1%	≤1.1%

\* This is also an appropriation in Vote Transport (see appendix 3 from page 145 for all appropriation measures).

## Why is this measure important?

Investment management allows us to shape the land transport system in accordance with government direction. Minimising the cost of managing the investment funding allocation system will help ensure we're reducing expenditure on unnecessary or inefficient processes.

IM1 helps us track if we are minimising the total costs of managing the funding allocation for the NLTP. This measure effectively shows the portion of spend for administering and managing the NLTP rather than being directly spent on outputs such as roading, rail and public transport.

## What this output class will cost

	Projected 2021/22 \$m	Budget 2022/23 \$m
Revenue	79.2	89.3
Expenditure	79.2	89.3
<b>Net surplus/(deficit)</b>	<b>0.0</b>	<b>0.0</b>

## Road to Zero ●●

Delivered by Waka Kotahi and approved organisations and funded from the National Land Transport Fund

### What we do

We:

- deliver the Road to Zero Speed and Infrastructure Programme, which includes safety treatments and speed management on state highways and local roads, targeting roads and roadsides that offer the greatest potential to reduce deaths and serious injuries
- invest in the Road Safety Partnership Programme (Road Policing), taking a risk-based approach that targets activity at behaviours likely to create the highest safety risks, alongside highly visible patrols to support and encourage safe driving behaviour
- deliver road safety promotion activities, including the vehicle safety programme; national, regional and local road safety education and advertising campaigns and initiatives; and the campaign to support the Road to Zero strategy
- prepare for the delivery of the Tackling Unsafe Speeds Programme that supports effective speed management
- support the court-imposed alcohol interlocks subsidy scheme
- deliver system leadership, research, monitoring and coordination to support the Road to Zero strategy.

Other output classes also deliver and invest in activities with safety outcomes.

### How we'll measure performance

Reference	Measure	Estimated actual 2021/22	Target 2022/23
RTZ1	Length of the road network treated with reduced speed limits*	324	≥500km
RTZ2	Number of corridor infrastructure safety improvements projects started to plan*	5	≥5**
RTZ3	Number of intersections with primary safe system interventions started to plan	2	≥4**
RTZ4	Number of passive breath tests conducted	1,800,000	3,000,000
RTZ5	Number of hours mobile cameras are deployed	62,000	80,000
RTZ6	Proportion of road safety advertising campaigns that meet or exceed their agreed success criteria	86%	TBC***

\* This is also an appropriation in Vote Transport (see appendix 3 from page 145 for all appropriation measures).

\*\* This is an indicative target for 2021/22. Performance assessment of this activity under the Road to Zero Programme is at the end of the three-year period of the NLTP (2021/22 - 2023/24).

\*\*\* New target is being finalised to reflect better measurement and will be provided in the first Minister's quarterly performance report in 2022/23.

## Why are these measures important?

This output class contributes to the Road to Zero strategy's interim target of a 40 percent reduction in deaths and serious injuries by 2030 (from 2018 levels). This means 750 fewer people killed and 5,600 fewer seriously injured by 2030. This output class also embeds a safe system approach in our safety interventions and investment.

**RTZ1** helps us track the length of roads made safe through speed management interventions and how effective we are at delivering these interventions against targeted levels. This includes lengths of road where associated infrastructure to support speed reduction were added or replaced such as road markings, speed bumps and other traffic-calming activities.

**RTZ2** helps us track if safety improvements are meeting targeted levels, as increasing the number of projects started helps improve the delivery of the Road to Zero Programme. Improvements include median and roadside barriers, wide centrelines and rumble strips.

**RTZ3** helps us track if safety interventions are meeting targeted levels, as increasing the number of projects started helps improve the delivery of the Road to Zero Programme. Interventions include installation of roundabouts, signalised roundabouts, raised safety platforms, grade-separated interchanges or overpasses, and separation of turning facilities.

**RTZ4** tracks the number of breath tests conducted and whether this meets targeted service levels for which we fund New Zealand Police through the NLTF. This measure is the total number of breath tests conducted by New Zealand Police under the Road Safety Partnership Programme.

**RTZ5** tracks the number of hours that mobile cameras are deployed and whether this meets targeted service levels for which we fund New Zealand Police through the NLTF. This measure is the total number of hours mobile speed cameras are in operation while deployed in mobile speed camera vehicles. This is conducted by New Zealand Police under the Road Safety Partnership Programme.

**RTZ6** tells us if road safety advertising campaigns are doing the fundamental job of communicating their intended message on the basis that awareness and understanding of a road safety message is a pre-condition to changing attitudes and behaviours in a positive way. The measure assesses different aspects of campaigns effectiveness (including message take out and unprompted recall). The success of each individual campaign is assessed using weighted scores based on strategic priority.

## What this output class will cost

	Projected 2021/22 \$m	Budget 2022/23 \$m
Revenue	275.9	397.6
Expenditure	274.4	397.6
<b>Net surplus/(deficit)</b>	<b>1.5</b>	<b>0.0</b>

## Driver licensing and testing ●●

Delivered by Waka Kotahi and funded from fees and charges and the Crown

### What we do

We improve the safety of the land transport system by ensuring drivers meet and maintain required safety standards. This work includes:

- providing approved driver licensing courses
- developing land transport rules relating to driver licensing and testing (for the Minister of Transport)
- managing the standards and delivery of driver licensing and testing to the public, including developing and maintaining driver licensing test routes
- assessing licence holders, including for alcohol and other drug use
- maintaining the integrity of the driver licence register
- informing and advising the public on driver licensing and testing
- educating, auditing and undertaking other regulatory activities with third parties (such as driver licensing and testing course providers, testing officers, alcohol interlock providers, and our driver licensing agent network)
- developing and maintaining resources, such as road codes, theory and practical test requirements, and testing and provider manuals.

### How we'll measure performance

Reference	Measure	Estimated actual 2021/22	Target 2022/23
DLT1	Proportion of non-compliance actions for driver licence course providers and testing officers that are progressed within acceptable timeframes.	100%	95%
DLT2	Proportion of practical tests taken within 30 working days of booking.	63%	Increasing

## Why are these measures important?

Driver licensing and testing contribute to safe, competent and legal drivers, builds public confidence in the licensing system, and enhances access to the social and economic opportunities associated with being able to drive. These measures will show us how we are improving the land transport system by ensuring drivers meet and maintain required safety standards.

**DLT1** tells us if we're identifying the highest-risk people with whom we need to intervene and directing our resources to take action against non-compliance in a timely manner. This measure tracks the proportion of non-compliance actions that are actively monitored and progressed towards resolution in line with the Waka Kotahi regulatory case management guidelines and processes, which provide recommended timeframes and courses of action based on the risk priority of each case.

**DLT2** shows us how well we're serving our customers and supporting safety outcomes by tracking the proportion of learner drivers who wish to progress through the licensing system and monitoring whether they are able to access practical testing through our third-party agents in a timely manner.

## What this output class will cost

	Projected 2021/22 \$m	Budget 2022/23 \$m
Revenue	71.4	77.7
Expenditure	85.3	70.4
<b>Net surplus/(deficit)</b>	<b>(13.9)</b>	<b>7.3</b>

## Regulation of commercial transport operators ●●

Delivered by Waka Kotahi and funded from fees and charges

### What we do

We improve the safety of the land transport system by ensuring commercial operators and drivers meet the required safety standards. This work includes:

- developing land transport rules relating to commercial transport operation (for the Minister of Transport)
- setting regulatory standards and requirements for the industry
- licensing commercial transport operators and maintaining the transport service licence register
- monitoring and auditing compliance with regulatory standards and requirements for commercial transport operators and drivers, including on-road electronic monitoring of commercial vehicles

- investigating and prosecuting commercial transport operators and drivers and suspending or revoking their licences when they do not meet required standards
- informing, advising and educating commercial operators and the public on commercial transport obligations
- administering permits for over-weight, over-dimension and high-productivity vehicles.

### How we'll measure performance

Reference	Measure	Estimated actual 2021/22	Target 2022/23
CTO1	Proportion of non-compliance actions for commercial transport operators that are progressed within acceptable timeframes.	98.9%	95%

### Why is this measure important?

Effective regulation of commercial transport operators helps to ensure commercial operators and drivers are safe and legal, so people and goods can be moved safely.

**CTO1** tells us if we're identifying the highest-risk people with whom we need to intervene and directing our resources to take action against non-compliance in a timely manner. This measure tracks the proportion of non-compliance actions that are actively monitored and progressed towards resolution in line with the Waka Kotahi regulatory case management guidelines and processes, which provide recommended timeframes and courses of action based on the risk priority of each case.

### What this output class will cost

	Projected 2021/22 \$m	Budget 2022/23 \$m
Revenue	10.8	10.1
Expenditure	13.3	13.5
<b>Net surplus/(deficit)</b>	<b>(2.5)</b>	<b>(3.4)</b>

## Regulation of the rail transport system ●●

Delivered by Waka Kotahi and funded from fees and charges

### What we do

We regulate the rail transport system to assure stakeholders and the public that rail participants effectively manage rail safety risks by:

- managing entry to and exit from the rail system by licensing and restricting operations
- approving, replacing and varying 'safety cases' (documents that describe a licensee's safety approach)
- setting or guiding the development of safety standards for infrastructure, vehicles and practices
- assessing compliance with safety cases and standards
- investigating safety accidents
- directing improvements or imposing restrictions in response to safety breaches by licensees and other participants
- prosecuting breaches of the Railways Act 2005
- monitoring risks and the overall level of safety in the rail system
- providing advice and information on rail system safety.

### How we'll measure performance

Reference	Measure	Estimated actual 2021/22	Target 2022/23
RTS1	Proportion of non-compliance actions for rail participants that are progressed within acceptable timeframes.	100%	95%

### Why is this measure important?

Effective regulation of rail participants helps to ensure Aotearoa has safe rail networks – both for people now and for future generations.

**RTS1** tells us if we're identifying the highest-risk people with whom we need to intervene and directing our resources to take action against non-compliance in a timely manner. This measure tracks remedial actions for rail participants progressed by their due date and overdue remedial actions where the appropriate escalation path is being undertaken in accordance with the Railways Act 2005.

## What this output class will cost

	Projected 2021/22 \$m	Budget 2022/23 \$m
Revenue	2.0	2.2
Expenditure	3.4	3.8
<b>Net surplus/(deficit)</b>	<b>(1.4)</b>	<b>(1.6)</b>

## Revenue collection and administration ●

Delivered by Waka Kotahi and funded from National Land Transport Fund and fees and charges

### What we do

We collect and refund road user charges (RUC) revenue (to be paid to the NLTF), by:

- selling RUC licences
- investigating evasion and enforcing payment
- refunding customers' charges paid for off-road travel
- informing and advising the public about RUC.

We collect road tolling revenue to fund or repay the cost of building, maintaining or operating toll roads, including:

- collecting toll revenues and disbursements to the Crown
- investigating evasion and enforcing payment
- managing associated roadside and back-office systems, customer interfaces and payment channels
- informing and advising the public about road tolls.

We collect and rebate regional fuel tax to fund regional projects, including:

- collecting fuel tax from distributors
- providing rebates for off-road use
- forwarding the tax to the Auckland Council
- auditing compliance with the requirements
- reporting fuel prices and volumes.

We refund and account for fuel excise duty claims so customers are refunded for off-road fuel use, which is an adjunct to the collection of the duty provided for under the Land Transport Management Act 2003 that we do on behalf of the Ministry of Transport.

The clean vehicle schemes are government initiatives that will reshape and electrify the country's vehicle fleet and help Aotearoa transition to carbon zero.

We administer these schemes, including:

- collecting fees and payment of rebates
- verifying eligibility criteria of rebate applications
- processing refunds and dealing with any issues arising from the revenue streams
- ensuring the integrity of the system, guarding against fraudulent activity
- identifying and responding to non-compliant behaviour.

## How we'll measure performance

Reference	Measure	Estimated actual 2021/22	Target 2022/23
REV1	Proportion of unpaid road user charges identified through investigations and assessments that are collected*	66%	65-75%
REV2	Average number of days to process road user charges, fuel excise duty and regional fuel tax refund applications.	14.1 working days	≤20 working days

\* This is also an appropriation in Vote Transport (see appendix 3 from page 145 for all appropriation measures).

## Why are these measures important?

Revenue collection and administration allows us to collect the amount of revenue prescribed fairly and in accordance with the law to invest in a safe, resilient, and accessible transport system.

Revenue collected through motor vehicle registration is also invested in the transport system.

**REV1** tells us if we're effective in our road user compliance monitoring, debt collection and recovery activities, which helps ensure fees are collected in a fair and equitable way. This measure tracks the amount of unpaid road user charges and penalties that are collected compared with those invoiced for payment.

**REV2** helps us monitor if we're efficiently and effectively processing refund applications to meet targeted timeframes and within a reasonable amount of time for our customers. This measure is determined by how long it takes, on average, to process road user charges, fuel excise duty and regional fuel tax applications.

## What this output class will cost

	Projected 2021/22 \$m	Budget 2022/23 \$m
Revenue	40.6	44.7
Expenditure	38.7	51.3
<b>Net surplus/(deficit)</b>	<b>1.9</b>	<b>(6.6)</b>

## Vehicle safety and certification ●●

Delivered by Waka Kotahi and funded from fees and charges

### What we do

We use vehicle registration, licensing, standards and certification to ensure vehicles on the roads are compliant and safe. We do this by:

- developing land transport vehicle rules and clear standards and guidelines for vehicle inspection and certification (for the Minister of Transport)
- appointing vehicle inspectors and inspecting organisations that certify vehicles for compliance with standards and safety requirements
- monitoring and auditing performance of vehicle inspectors and inspecting organisations, including investigating complaints
- investigating and taking appropriate action against vehicle inspectors and inspecting organisations that do not meet the required standards
- revoking certification of vehicles when we find they are unsafe or illegal
- managing the delivery of motor vehicle registration and licensing services to the public
- maintaining the integrity of the motor vehicle register and related systems
- authorising and managing third-party access to registry information
- informing and advising on vehicle standards, registration and licensing regulatory requirements.

### How we'll measure performance

Reference	Measure	Estimated actual 2021/22	Target 2022/23
VSC1	Proportion of non-compliance actions for vehicle inspecting organisations, vehicle certifiers and vehicle inspectors that are progressed within acceptable timeframes	97.5%	95%
VSC2	Proportion of vehicles relicensed on time	98%	98%

### Why are these measures important?

Vehicle safety and certification (including registration, licensing, standards and certification activities) helps ensure vehicles on the roads are safe and maintains the integrity of vehicle registration and certification systems.

**VSC1** tells us if we're identifying the highest-risk people with whom we need to intervene and directing our resources to take action against non-compliance in a timely manner. This measure tracks the proportion of non-compliance actions that are actively monitored and progressed towards resolution in line with the Waka Kotahi regulatory case management guidelines and processes, which provide recommended timeframes and courses of action based on the risk priority of each case.

**VSC2** helps to show whether we are maintaining an efficient licensing process and have as many as possible vehicles being relicensed within the required timeframes. The information that is captured tells us about vehicles used on Aotearoa roads and the people responsible for their use.

### What this output class will cost

	Projected 2021/22 \$m	Budget 2022/23 \$m
Revenue	67.8	62.7
Expenditure	69.8	84.9
<b>Net surplus/(deficit)</b>	<b>(2.0)</b>	<b>(22.2)</b>

# Āpitianga 2: Ngā tohu mō ngā hōtaka haupū rawa nui

## Appendix 2: Milestones for significant capital projects

The following programmes and significant capital projects have ministerial interest or receive direct or additional Crown funding to accelerate their delivery. Some roading projects include investment that supports walking and cycling and public transport facilities. More information about each project and its benefits, such as improving safety, resilience and regional connections, is available on our website at [www.nzta.govt.nz/projects](http://www.nzta.govt.nz/projects)

The tables below show the major milestones planned for the projects. Delivery of the milestones is highly dependent on the impacts of COVID-19 on the projects.

### Key



Road improvements



Resilience



Safety



Walking & cycling



Public transport



Rapid transit



Supports housing growth

## National Land Transport Programme

The 2021-24 National Land Transport Programme (NLTP) supports government's wider objectives for making cities and towns, in particular growth areas, great places to live, addressing pressure on housing availability and affordability, and supporting sustainable economic recovery from COVID-19. More information is available on our website at [www.nzta.govt.nz/planning-and-investment/national-land-transport-programme/2021-24-nltp](http://www.nzta.govt.nz/planning-and-investment/national-land-transport-programme/2021-24-nltp)

Some of the key projects we will progress are as follows.

Project	Milestones		
	2022/23	2023/24	2024/25
Auckland Network Optimisation Implementation phase 	Programme governance established and delivery team resourced. Construction of The Strand improvements project commenced. Designs for four projects for implementation in 2023/24 completed.	Construction on four projects (including SH1 Silverdale Bus Priority) completed. Designs for five projects for implementation in 2024/25 completed.	Construction on five projects completed. Designs for six projects for implementation in 2025/26 commenced.

## Milestones

Project	2022/23	2023/24	2024/25
<p>Ara Tūhono: Pūhoi-Warkworth</p> <p>Implementation phase</p> 	<p>All planting and fencing works completed. All pavement works completed. Intelligent Transport System integration testing completed. Practical completion achieved.</p>	<p>Road open to traffic. Public-private partnership operating phase commences.</p>	<p>Public-private partnership operating phase continues.</p>
<p>Northern Corridor Improvements</p> <p>Implementation phase</p> 	<p>SH18 westbound onramp opened. SH18 to SH1 northbound link opened. SH1 to SH18 westbound link opened. Practical completion achieved (excludes Rosedale Bus Station and Rosedale Road four-laning).</p>		
<p>Additional Waitemata Harbour Connections</p> <p>Indicative business case phase</p> 	<p>Professional service suppliers procured and public engagement on options completed.</p>	<p>Indicative business case completed.</p>	<p>Detailed business case commenced.</p>
<p>Supporting Growth Alliance</p> <p>Detailed business case phase</p> 	<p>Four detailed business cases for route protection of the preferred transport network to support future growth areas completed. Notice of requirement for the northwest preferred transport network completed and lodged.</p>	<p>Four notices of requirements for route protection to support future growth areas completed and lodged.</p>	<p>Route protection of the preferred transport network to support future growth areas completed.</p>
<p>SH29 Tauriko West Enabling Works</p> <p>Pre-implementation phase</p> 	<p>All consents and design completed. Construction contracts tendered.</p>	<p>Subject to funding confirmation, construction of the new Redwood roundabout and Tauriko village access intersections commenced, and signalisation of Cambridge Road intersection commenced.</p>	<p>Subject to funding confirmation, construction of the new Redwood roundabout and Tauriko village access intersections continues, and signalisation of Cambridge Road intersection continues.</p>

Project	Milestones		
	2022/23	2023/24	2024/25
Baypark to Bayfair Link Upgrade Implementation phase 	Bridge structure completed and traffic switched onto bridge 1 Maunganui-Girven Road intersection (MGI) Flyover. MGI roundabout completed and open to traffic. Te Maunga interchange completed and open to traffic.	Truman Lane and Park completed. Barriers, signage and marking completed. Practical completion achieved.	
Te Ahu a Turanga: Manawatū Tararua highway Implementation phase 	Construction of piers for bridges 2 and 3 completed. Pavement subbase construction commenced.	Bulk earthworks completed. Construction of superstructures for bridges 2 and 3 completed. Pavement basecourse and surfacing completed.	Construction completed. Practical completion achieved. Road open to traffic.
Te Ara o Te Ata: Mt Messenger Bypass Implementation phase 	Construction on the southern end commenced. Access for tunnel works built.	Construction of tunnel and bridge 1 commenced. All required property acquired. Construction on the northern zone commenced.	Major earthworks at fill 12 and tunnel construction completed. Consent requirements for pest densities achieved. Pavement works commenced.
Peka Peka to Ōtaki Expressway Implementation phase 	Road to open to traffic. Practical completion achieved.		
Transmission Gully Implementation phase 	Practical completion achieved.	Construction completed. Public-private partnership operating phase commenced.	Public-private partnership operating phase continues.

Project	Milestones		
	2022/23	2023/24	2024/25
Te Ara Tupua: Ngā Ūranga ki Pito-One Implementation phase 	Site established and main construction works commenced.	Honiana Te Puni Reserve club building construction completed.	Behavioural changes campaign to maximise uptake of use of shared path launched. Revetement and seawall works underway. Ngauranga shared path bridge complete.
Public Transport Futures Mass Rapid Transit Indicative business case phase 	Indicative business case completed and endorsed by the Waka Kotahi Board.	Depending on the outcome of the indicative business case, detailed business case for preferred alignments commenced.	Depending on the outcome of the indicative business case, detailed business case for preferred alignment completed.

## New Zealand Upgrade Programme - Transport

The New Zealand Upgrade Programme will provide growing communities with better travel choices that help people get where they're going safely, while supporting the economy and new housing. Waka Kotahi and KiwiRail are delivering the government's \$8.7 billion transport investment in the main growth areas and other regions across the country. More information is available on our website at [www.nzta.govt.nz/planning-and-investment/nz-upgrade](http://www.nzta.govt.nz/planning-and-investment/nz-upgrade)

Some of the projects we will progress are as follows.

Project	Milestones		
	2022/23	2023/24	2024/25
SH1 Whangārei to Port Marsden Highway Safety Detailed business case phase 	Detailed business case completed, endorsed by the Waka Kotahi Board and approved by Ministers.	Consents and notice of requirements lodged. Procurement phase completed.	Construction commenced.

## Milestones

Project	2022/23	2023/24	2024/25
South Auckland Package Detailed business case phase 	Detailed business case completed, endorsed by the Waka Kotahi Board and approved by Ministers. Lodgement of resource consents commenced.	Subject to securing required consents, procurement phase commenced and awarded. Design completed. Early works construction undertaken.	Main construction works commenced across all projects within package.
Ōtaki to North of Levin Detailed business case phase 	Detailed business case completed, endorsed by the Waka Kotahi Board and approved by Ministers. Resource consents lodged. Active property acquisition commenced.	Subject to securing required consents, procurement process commenced. Design commenced.	Construction commenced. Most properties acquired.
Queenstown Package Pre-implementation and implementation phase 	Designation alterations and notices of requirements lodged. Subject to securing designations, construction works commenced.	Property acquisition completed.	To be determined, subject to Resource Management Act 1991 approval and construction progress.

## Supporting Regions Programme

Together with our partners, we also deliver projects on behalf of the Crown through the Supporting Regions Programme. The programme supports state highway initiatives that improve connectivity in the regions, enabling regional economic development and addressing challenges such as safety, resilience and travel time reliability. It includes initiatives funded by Kānoa – Regional Economic and Investment Unit (Provincial Growth Fund), Crown Investment Partners and the New Zealand Upgrade Programme regional package (regional investment opportunities). Information on some of the projects is available on our website at [www.nzta.govt.nz/planning-and-investment/nz-upgrade/regional-package](http://www.nzta.govt.nz/planning-and-investment/nz-upgrade/regional-package)

# Āpitihanganga 3: Ngā ine pāhao pōti ikiiki

## Appendix 3: Vote transport appropriation measures

Vote Transport funds land transport infrastructure investments, services and regulatory activities. This section lists the Waka Kotahi performance measures under *Vote Transport Estimates of Appropriations 2022/23: Economic development and infrastructure sector*. More information on Vote Transport is available on The Treasury website at [www.treasury.govt.nz/publications/budgets](http://www.treasury.govt.nz/publications/budgets)

Appropriation	Reference	Measure	Budget standard 2021/22	Estimated actual 2021/22	Budget standard 2022/23
Clean Car Standard - Operation	CCS1	Proportion of vehicle imports with CO2 and importer information, allowing robust measurement against national CO2 targets.	99%	100%	99%
Clean Vehicle Discount Administration Costs PLA	CVD1	Administration costs incurred in accordance with the funding agreement with the Ministry of Transport	Achieved	Achieved	Achieved
Clean Vehicle Discount Scheme - Administration	CVD2	Administration costs incurred in accordance with the funding agreement with the Ministry of Transport <sup>A</sup>	New measure	New measure	Achieved
Funding for Temporary Decreases in Fuel Excise Duty, Road User Charges, Public Transport Fares and Railway Track User Charges	FTD1	Funding is drawn down and utilised for the purposes and on terms agreed to by Cabinet	100%	100%	100%
Land Transport Regulatory Services	CAS1	Average number of days taken to enter fatal crash reports into the Crash Analysis System	≤10 working days	1.5 working days	≤10 working days
	LIC1	Number of drug or alcohol assessments funded	≤700 <sup>B</sup>	418	≤700 <sup>B</sup>
	LIC2	Number of older driver licences subsidised	116,889 <sup>B</sup>	103,644	≤116,889 <sup>B</sup>
	MIN1	Proportion of requests completed within specified timeframes - ministerial correspondence	≥95%	98%	≥95%

Appropriation	Reference	Measure	Budget standard 2021/22	Estimated actual 2021/22	Budget standard 2022/23
Land Transport Regulatory Services continued	MIN2	Proportion of requests completed within specified timeframes - parliamentary questions	100%	99%	100%
	MIN3	Proportion of requests completed within statutory timeframes - Official Information Act requests	100%	99.6%	100%
	LBM1	Number of licence bookings made nationally for a group of people to sit their test at the same time (generally following a training course) <sup>C</sup>	New measure	New measure	Baseline setting
	DTW1	Average national wait times for a driving test <sup>C</sup>	New measure	New measure	Baseline setting
	TST1	Number of theory test sites nationally <sup>C</sup>	New measure	New measure	Baseline setting
	TSP1	Number of practical test sites nationally <sup>C</sup>	New measure	New measure	Baseline setting
	MTT1	Number of mobile theory tests conducted in a year <sup>C</sup>	New measure	New measure	Baseline setting
	CPS1	Number of community providers directly supported with expert advice from Waka Kotahi in a year <sup>C</sup>	New measure	New measure	Baseline setting
	REA1	Number of regional expert advisors supporting community driver training, and mentoring programmes (expected to be consistent across years) <sup>C</sup>	New measure	New measure	Baseline setting
	PPD1	Number of people participating in DRIVE <sup>C</sup>	New measure	New measure	Baseline setting
National Land Transport Programme PLA	IM1	Proportion of total cost of managing the investment funding allocation system to National Land Transport Programme expenditure <sup>D</sup>	≤1.1%	1.1%	≤1.1%

Appropriation	Reference	Measure	Budget standard 2021/22	Estimated actual 2021/22	Budget standard 2022/23
National Land Transport Programme PLA continued	LRI1	Proportion of local road improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes <sup>D</sup>	≥80%	Not available <sup>F</sup>	≥80%
	SHI1	Proportion of state highway improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes <sup>A B</sup>	≥90%	Not available <sup>F</sup>	≥90%
	LRM3	Local road maintenance cost per lane kilometre delivered <sup>D G</sup>	\$3,638–4,334	\$4,004	≤\$4,480
	SHM3	State highway maintenance cost per lane kilometre delivered <sup>D</sup>	\$25,098–34,150	\$29,572	\$25,098–34,150
	PTS1	Number of boardings on urban public transport services (bus, train, ferry) <sup>D</sup>	Increasing	79.5 million	Increasing
	PTI1	Punctuality of metro rail services that depart no more than 1 minute early or 5 minutes late <sup>D H</sup>	Baseline setting	Not available <sup>F</sup>	95%
	WCI1	Proportion of cycleways, pathways and shared paths delivered against plan <sup>D I</sup>	Baseline setting	80%	80%
	RN2	Freight travel time reliability <sup>F J</sup>	Baseline setting	Baseline setting	90%
	RN1	Amount of freight carried by rail	New measure	New measure	Increasing
	CS1	Coastal shipping activities delivered and funded in accordance with contractual terms <sup>D K</sup>	New measure	New measure	Achieve
	RTZ1	Length of the network treated with reduced speed limits <sup>D</sup>	≥500km <sup>I</sup>	324km	≥500km <sup>I</sup>
	RTZ2	Number of corridor infrastructure safety improvements projects started to plan <sup>D</sup>	≥5 <sup>I</sup>	5	≥5 <sup>I</sup>

Appropriation	Reference	Measure	Budget standard 2021/22	Estimated actual 2021/22	Budget standard 2022/23
Public Transport Bus Decarbonisation	ZEV1	Increase in the number of zero-emission vehicles deployed into the public transport fleet, measured annually	New measure	New measure	Increase
	EUB1	Reduction in the number of Euro III and IV buses deployed in the public transport fleet	New measure	New measure	Decrease
Road user charges investigation and enforcement	REV1	Proportion of unpaid road user charges identified through investigations and assessments that are collected <sup>D</sup>	65-75%	66%	65-75%
Road user charges refunds	RUC1	Average number of days to process road user charges refund applications	≤20 working days	5.25 working days	≤20 working days
Bad debt provision - motor vehicle registration/licences and road user charges	BDP1	Proportion of bad debt for road user charges against forecast revenue	≤0.45%	0.95%	≤0.45%
Waka Kotahi NZ Transport Agency Palmerston North premises	PNP1	Proportion of operational expenditure spent to budget	100%	100%	100%
Capital Investment Package - Funding for Crown assets	NZUP1	Proportion of Waka Kotahi NZ Transport Agency NZ Upgrade activities delivered to agreed budget and timeframes	≥90%	Not available <sup>F</sup>	≥90%
Clean car standard - Capital	CCS-C1	Systems and internal capability are implemented to commence policy with importers of vehicles by late 2022	Achieved	Achieved	Achieved
Housing Infrastructure Fund Loans	HIF1	The loan will be drawn down for the purposes and on the terms agreed between Waka Kotahi NZ Transport Agency and the Minister of Transport	100%	100%	100%
National Land Transport Programme Capital PLA	SHI1	Proportion of state highway improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes <sup>D E</sup>	≥90%	100%	≥90%

Appropriation	Reference	Measure	Budget standard 2021/22	Estimated actual 2021/22	Budget standard 2022/23
National Land Transport Programme Loan 2021 - 2024	NLTP-L1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	100%	100%	100%
NLTF Borrowing Facility for Short-Term Advances	NLTF-A1	The loan will be drawn down for the purposes and on the terms agreed between Waka Kotahi NZ Transport Agency and the Minister of Transport	100%	100%	100%
Regional state highways	RSH1	Proportion of Waka Kotahi NZ Transport Agency regional state highway activities delivered to agreed budget and timeframes	≥90%	Not available <sup>F</sup>	≥90%
Waka Kotahi NZ Transport Agency regulatory loans	REG1	The loan will be drawn down for the purposes and on the terms agreed between Waka Kotahi NZ Transport Agency and the Minister of Transport	100%	100%	100%
Community Connect Programme	CCP1	<i>Administration of the Community Connect Programme</i> Community Connect is implemented in at least one major urban area in the short term <sup>M</sup>	New measure	New measure	Achieved
	CCP2	<i>Community Connect Programme - public transport concessions</i> Number of boardings using Community Connect concessions <sup>M</sup>	New measure	New measure	Baseline setting
COVID-19-NLTF Funding for Cost Pressures and Revenue Shocks	CPRS1	<i>COVID-19 - NLTF Operating cost pressure and revenue shortfall funding</i> Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	100%	100%	100%
	CPF1	<i>COVID-19 - NLTF Capital cost pressure funding</i> Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	100%	100%	100%

<b>Appropriation</b>	<b>Reference</b>	<b>Measure</b>	<b>Budget standard 2021/22</b>	<b>Estimated actual 2021/22</b>	<b>Budget standard 2022/23</b>
COVID-19-NLTF Funding for Cost Pressures and Revenue Shocks continued	EIF1	<i>Equity injection to Waka Kotahi NZ Transport Agency</i> Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	100%	100%	100%
Mode-Shift - Planning, infrastructure, services, and activities <sup>N</sup>	MSOC1	<i>Mode-Shift - Operating Costs</i> Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	New measure	New measure	100%
	MSOC2	<i>Mode-Shift - Operating Costs</i> National light Vehicle Kilometres Travelled (VKT) reduction plan and programme that is aligned to the national VKT reduction target for light vehicles in the Emissions Reduction Plan and the sub-national VKT reduction targets to be set is approved and published by 30 June 2023	New measure	New measure	Achieved
	MSTP1	<i>Mode-Shift - Third-Party Projects and Activities</i> Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	New measure	New measure	100%
	MSTP2	<i>Mode-Shift - Third-Party Projects and Activities</i> Light VKT reduction plan for Tier 1 urban environments that are aligned to relevant sub-national light VKT reduction targets are on track to be approved and published by 31 December 2023	New measure	New measure	Achieved

<b>Appropriation</b>	<b>Reference</b>	<b>Measure</b>	<b>Budget standard 2021/22</b>	<b>Estimated actual 2021/22</b>	<b>Budget standard 2022/23</b>
Mode-Shift – Planning, infrastructure, services, and activities <sup>P</sup> continued	MSTP3	<i>Mode-Shift – Third-Party Projects and Activities</i> Light VKT reduction plan for Tier 2 urban environments that are aligned to relevant sub-national light VKT reduction targets are on track to be approved and published by 31 December 2024	New measure	New measure	Achieved
	MSCA1	<i>Mode-Shift – Funding for Crown Assets</i> Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	New measure	New measure	100%
Reinstatement of the South Island transport corridors	KAIK2	<i>Restoration of State Highway 1 between Picton and Christchurch</i> Proportion of restoration projects of State Highway 1 between Picton and Christchurch with defects liability period completed to plan	100%	100%	100%
	KAIK3	<i>Rebuild of State Highway 1 between Picton and Christchurch</i> Proportion of rebuild projects of State Highway 1 between Picton and Christchurch with defects liability period completed to plan	100%	100%	100%
SuperGold Card Enhanced Public Transport Concessions Scheme	SG1	<i>Administration of the Public Transport Concessions Scheme</i> Proportion of payments made by Waka Kotahi, from the date the claims were submitted by approved organisations, within 20 working days <sup>O</sup>	New measure	New measure	100%
	SG2	<i>Public transport concessions for cardholders</i> Number of boardings using SuperGold concessions	12 million – 15 million	8.7 million	12 million – 15 million

Appropriation	Reference	Measure	Budget standard 2021/22	Estimated actual 2021/22	Budget standard 2022/23
Tuawhenua Provincial Growth Fund - Transport projects	PGF1	<i>Supporting Regional and Infrastructure Projects</i> Average number of days to release Provincial Growth Fund funding to support regional and infrastructure projects once approved	≤20 working days	7 working days	≤20 working days
	PGF2	<i>Enabling Infrastructure Projects</i> Average number of days to release Provincial Growth Fund infrastructure funding once approved	≤20 working days	7 working days	≤20 working days
	PGF3	<i>Enabling Infrastructure Projects</i> Proportion of Waka Kotahi NZ Transport Agency projects funded by the Provincial Growth Fund delivered to budget and timeframes	100%	Not available <sup>F</sup>	100%
Tuawhenua Provincial Growth Fund - Transport projects continued	PGF5	<i>Regional Projects and Capability</i> Proportion of Waka Kotahi NZ Transport Agency projects funded by the Provincial Growth Fund delivered to budget and timeframes	100%	Not available <sup>F</sup>	100%
	PGF7	<i>Infrastructure Projects</i> Proportion of Waka Kotahi NZ Transport Agency projects funded by the Provincial Growth Fund delivered to budget and timeframes	≥90%	Not available <sup>F</sup>	≥90%

<sup>A</sup> The performance indicator is consistent with the performance indicator under the Clean Vehicle Discount Administration Costs PLA. This is because this appropriation is intended to fund the administration costs of the Clean Vehicle Discount when the fees on higher emitting vehicles under the scheme are not sufficient to cover these costs.

<sup>B</sup> Results are dependent on the number of applications received.

<sup>C</sup> These are new performance indicators that intend to set a baseline for the new initiative to increase equitable access to driver licences to improve employment and safety outcomes.

<sup>D</sup> This is also an output class measure.

<sup>E</sup> This is a performance measure for the National Land Transport Programme PLA and the National Land Transport Programme Capital PLA appropriations.

<sup>F</sup> The estimate is not available because data is collected only at year end.

- <sup>G</sup> The budget standard was amended in 2022/23 from \$3,638 - \$4,334 to less than or equal to \$4,480 to provide a more specific target.
- <sup>H</sup> Baseline data gathering has been completed and with the evidence, the performance indicator has been set as 95%
- <sup>I</sup> Baseline data gathering has been completed and with the evidence, the performance indicator has been set as 80%
- <sup>J</sup> Reliability of freight travel time performance indicator has been renamed to Freight travel time reliability to better align with KiwiRail Limited's performance measures.
- <sup>K</sup> This replaces a previous indicator on the development of an investment plan for Coastal Shipping and reflects the next phase which is the procurement process.
- <sup>L</sup> The annual target is indicative. Performance assessment of this activity under the Road to Zero programme is at the end of the three-year period of the 2021-24 National Land Transport Programme.
- <sup>M</sup> These performance indicators were selected as the intent of the Community Connect programme is to see further rollout of the Community Connect programme across New Zealand and an increase in public transport boardings.
- <sup>N</sup> These performance indicators were selected as the initial focus is the development of Light Vehicle Kilometres Travelled programmes. This will help determine what infrastructure, activities, and services, will be funded to achieve mode-shift.
- <sup>O</sup> This is a new performance indicator that was selected to replace the previous performance indicator, as it aligns with how claims are submitted by approved organisations.



---

If you have further queries, call our contact centre on 0800 699 000 or write to us:

Waka Kotahi NZ Transport Agency  
Private Bag 6995  
Wellington 6141

This publication is also available on Waka Kotahi NZ Transport Agency's website at [www.nzta.govt.nz](http://www.nzta.govt.nz)

This publication is copyright © Waka Kotahi NZ Transport Agency. Material in this publication may be reproduced for personal or in-house use without formal permission or charge, provided suitable acknowledgement is made to this publication and Waka Kotahi NZ Transport Agency as the source.

Requests and enquiries about the reproduction of material in this publication for any other purpose should be made to:

Waka Kotahi NZ Transport Agency  
Private Bag 6995  
Wellington 6141.

The permission to reproduce material in this publication does not extend to any material for which the copyright is identified as being held by a third party. Authorisation to reproduce material belonging to a third party must be obtained from the copyright holder(s) concerned.

