

# Waka Kotahi tauākī o nga tūmanako whakatutukinga

Waka Kotahi NZ Transport Agency  
statement of performance expectations  
2023/24



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# Tauākī haepapatanga

## Statement of responsibility

The information contained in the Waka Kotahi NZ Transport Agency statement of performance expectations 2023/24 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



**Dr Paul H S Reynolds, QSO**  
Chair, Waka Kotahi Board  
20 June 2023



**Cassandra Crowley**  
Chair of the Risk and  
Assurance Committee  
20 June 2023



# Kupu whakataki

## Introduction

Following a very challenging year for many in Aotearoa New Zealand, we want to acknowledge the impact of recent significant weather events on communities across the country and the work of local communities, councils, our Waka Kotahi team, the supply chain, iwi and other partners in responding to these events. Wellbeing of communities and the reinstatement of local networks have been our most important priorities.

The severe weather events, particularly in Te Ika-a-Māui North Island in early 2023, significantly damaged transport networks across the motu. We know that these events and the recovery from them will have long-lasting impacts on individuals and communities across Aotearoa New Zealand. Our initial focus has been ensuring essential transport networks are operating and reconnecting isolated communities. More work is yet to be done to repair and recover, and important decisions need to be made about how and where we rebuild. These will be important areas of focus throughout 2023/24, and beyond, as we work across the transport system and with our partners to respond.

In these trying circumstances, our vision of a land transport system that connects people, products and places for a thriving Aotearoa New Zealand is more vital than ever.

We are the kaitiaki of the land transport network for every person in Aotearoa New Zealand. It's our role to ensure everything in the system - the people, infrastructure, services and vehicles - is integrated. When everything works together, people and freight can travel easily, safely and efficiently. We cannot deliver the changes the land transport system needs alone.

Central to this is our relationship with Māori as Treaty partners and mana whenua to the land. We are seeking to work in partnership with Māori across the transport system, from setting operational strategy to building and delivering targeted programmes such as the bilingual traffic signs programme and driver licensing schemes in Tairāwhiti Gisborne and Te Tai Tokerau Northland.

Partnering with iwi, central and local government, and our supply chain is at the heart of what we do and critical to delivering positive transport outcomes for New Zealanders. It is important in all parts of the transport system that we operate in, from working with KiwiRail to support increased investment in rail to partnering with Kāinga Ora, Auckland Light Rail, Transpower, Auckland Transport and local government to strategically align on urban growth and support transport investments.

Our role as the regulator for land transport also has a critical part to play in ensuring the system is safe and sustainable, and in facilitating and supporting innovation and economic development as we work on decarbonisation and accelerate the use of technology, new fuels and innovative transport solutions.

**In these trying circumstances, our vision of a land transport system that connects people, products and places for a thriving Aotearoa New Zealand is more vital than ever.**

The needs of the transport network are changing, and so are the ways it must be planned and managed. We need a safer, more resilient and lower emissions land transport system that which provides for equity and choice in how people travel. We also need to balance preparing for the future with delivering what the system needs now.

With a challenging and evolving operating context, we need to establish a manageable work programme that responds to our funding and capacity constraints. To do this, we will continue to deliver our core roles well and ensure we are investing in the right things to deliver value for money and align with the future needs of the land transport system.

Transport is one of the largest sources of greenhouse gas emissions in Aotearoa New Zealand. Reducing transport emissions is a vital part of meeting the country's climate change commitments, including those set out in the government's emissions reduction plan (ERP). Investment in new transport options, such as mass transit in larger cities, improved public transport, increased walking and cycling provisions and utilising existing networks in different ways, will be critical to reducing emissions. We know that people will choose different, more environmentally friendly transport options if they are convenient, reliable and accessible, and we are working on delivering these options for Aotearoa New Zealand.

We are focused on making it easier for customers and users of the land transport system to support Aotearoa New Zealand's ambitious decarbonisation goals, including through delivering clean car discounts and standards, and implementing the National Ticketing Solution. The expansion of the safety camera network will support people to drive at safer speeds, which also reduces emissions and improves air quality. This is important because air borne pollution from vehicles accounts for significantly more deaths and illnesses than road crashes every year.

New and different funding sources are needed to support the level of change underway as existing funding sources are under pressure and no longer able to fund the demands of the current and future land transport system. Ensuring sustainable funding through the response to the Land Transport Revenue Review, led by the Ministry of Transport and the Treasury, is a key priority and area of focus for 2023/24.

Aotearoa New Zealand experiences a wide variety of natural hazards that affect the land transport system and the ability of people and freight to move around the country. We are already seeing how vulnerable the land transport system is to the impacts of the changing environment. Tiro Rangi, our climate adaptation plan, was developed in 2022 and lays the foundation for our approach to climate resilience. We have set a climate adaptation goal that, by 2050, the land transport system is resilient in a changing climate to enable a system that improves wellbeing and liveability. In 2023/24, we will embed adaptation in our strategic settings for system planning, spatial planning and investment, setting the foundations for further action.



We also need to improve the resilience of the network. The state highway network is one of the country's most important assets, helping people and goods move safely and efficiently across Aotearoa New Zealand. Repeated severe events have highlighted the importance of adequate investment in both road maintenance and resilience. To make sure current and future needs of the land transport system can be met, we will continue to invest in maintaining and improving the network. We are also looking at what it means to build smarter, safer and more resilient transport infrastructure.

Safety remains a critical focus for us. Death and injuries on roads have serious and wide-reaching impacts on communities. Moving toward a transport system where no one is killed or seriously injured remains a priority, set in both the Government Policy Statement on land transport 2021/22 – 2030/31 (GPS 2021) and Road to Zero, the national road safety strategy to 2030. Together with our partners, we will continue to deliver Road to Zero, in 2023/24 focusing on the most dangerous parts of the state highway network. This builds on work we've already done to improve our infrastructure, help New Zealanders understand their role in creating a safe system and set up our regulatory function to support a safe system. Making the roads safer is a shared responsibility and we all have a role to play.

This statement of performance expectations sets our priorities and planned work programme in our last year of giving effect to GPS 2021 and delivering the 2021-24 National Land Transport Programme. We will continue to be guided by Te kāpehu – our compass, which sets our strategic direction and outlines our place and aspirations within the wider land transport system. During 2023/24 we will need to prepare a new statement of intent that demonstrates how we will continue to meet the needs of the future land transport system.

Lastly, we acknowledge and thank Sir Brian Roche for his contributions in the years he stewarded Waka Kotahi as Board chair.



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**Dr Paul H S Reynolds, QSO**  
Chair  
20 June 2023



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**Nicole Rosie**  
Chief Executive  
20 June 2023

# Kupu whakataki

## Introduction

Whai muri iho i tētahi tau e tino whakahorohoro ana mō ngā tāngata maha i Aotearoa, ko tā mātou, he tūtohu i te pānga o ngā āhuatanga huarere taumaha nō nā noa nei ki ngā hapori puta noa i te motu, me te urupare hoki ki ēnei āhuatanga a ngā hapori ā-rohe, ngā kaunihera, tā mātou rōpū Waka Kotahi, te tīni whakarato, ngā iwi me ērā atu hoa rangapū. Ko te oranga o ngā hapori me te whakatū anō o ngā whatunga ā-rohe ko tētahi o ā mātou whakaarotau nui rawa atu.

Nā ngā āhuatanga huarere taumaha, ina koa i Te Ika-a-Māui i te pane o te tau 2023, i tino tūkino ngā whatunga tūnuku puta noa i te motu. E mōhio ana mātou ka mauroa te pānga o ēnei āhuatanga, me te mātūtūtanga i ēnei āhuatanga i runga i te tangata, ngā hapori hoki puta noa i Aotearoa. Ko te aronga tuatahi ko te whakarite i te tuinga o ngā whatunga tūnuku waiwai, me te tūhono anō i ngā hapori noho motu. He nui tonu ngā mahi hei whakatutuki ki te whakatika me te whakaora, otirā me whakatau hoki ngā whakataunga hira mō te āhua o te whakatū anō, ā, ki hea hoki ngā mahi whakatū. Ka noho ko ēnei hei aronga hira puta noa i te 2023/24, ki tua hoki, i a mātou e mahi ana puta noa i te pūnaha tūnuku, i te taha o ā mātou hoa rangapū ki te urupare ake.

I ēnei āhuatanga whakahorohoro, arā kē atu te hira o tō mātou matawhānui o tētahi pūnaha tūnuku e tūhono ana i te tangata, ngā hua me ngā wāhi, e haumako ai a Aotearoa.

Ko mātou ngā kaitiaki o te whatunga tūnuku mō ngā tāngata katoa i Aotearoa. Ko tā mātou mahi, he whakarite i te pāhekohekotanga o ngā mea katoa i te pūnaha – te tangata, te tūāhanga, ngā ratonga me ngā waka. Ina mahi ngātahi ngā mea katoa, ka ngāwari ake, ka haumaruru ake, ka whāomo ake te nekehanga o te tangata me ngā rawa. Kāore e taea e mātou anake te kawē i ngā hurihanga e hiahia ana ki te pūnaha tūnuku.

Kei te pokapū o tēnei ko tō mātou piringa ki ngāi Māori hei hoa Tiriti, hei mana whenua hoki. E rapu ana mātou ki te mahi tahi me ngāi Māori puta noa i te pūnaha tūnuku, mai i te whakarite rautaki mahi ki te hanga me te kawē i ngā hōtaka heipū pēnei i te hōtaka tohuara reorua me te kaupapa whai raihana taraiwa i Te Tai Rāwhiti, Tūranga-nui-a-Kiwa me Te Tai Tokerau.

Ko te kōtuitui ki ngā iwi, ki ngā kāwanatanga ā-motu, ā-rohe hoki, me tā mātou tīni whakarato kei te pokapū o tā mātou mahi, ā, he mea waiwai kia kawea ai ngā hua ā-tūnuku pai mō te iwi o Aotearoa. He mea nui i roto i ngā wāhanga katoa o te pūnaha tūnuku, i reira rā mātou e mahi nei, mai i te mahi tahi ki KiwiRail hei tautoko i te haumitanga nui ake ki te rerewē, ki te kōtuitui ki Kāinga Ora, ki Auckland Light Rail, ki Transpower, ki Auckland Transport me ngā kāwanatanga ā-rohe hei tīaroaro ā-rautaki mō te whanaketanga tāone, hei tautoko hoki i ngā haumitanga tūnuku.

Kei roto i tā mātou mahi ā-waeture mō te tūnuku ā-papa, he wāhi waiwai hoki kia whakaritea he haumaruru, he toitū hoki te pūnaha, he wāhi hoki ki te whakangāwari, ki te tautoko hoki i te auaha me te whakawhanaketanga ohaoha i a mātou e whai ana i te tukuwaro-kore me te whakaterere hoki i te whakamahinga hangarau, i ngā kora hou me ngā otinga auaha ā-tūnuku.

E rerekē haere ana ngā matea o te whatunga tūnuku, tatū noa ki ngā huarahi whakamahere me te whakahaere. E hiahia ana mātou i tētahi pūnaha tūnuku haumarua ake, manawaroa ake, tukuwaro iti ake hoki, e whakarato ana i te tautika me ngā kōwhiringa ki te āhua o te neke haere o te tangata. Me whakataurite hoki mātou i te whakatikatika mō te anamata, me te tuku i ngā mea e hiahia ana te pūnaha ināia tonu nei.

Nā te horopaki mahi uaua, kuneroa hoki, e hiahia ana mātou ki te whakatū i tētahi hōtaka mahi e taea ana te whakahaere, otirā e urupare ana hoki ki ngā herenga whai pūtea, raukaha hoki. E pēnei ai mātou, ka haere tonu ngā mahi tuku i ā mātou mahi matua, me te whakarite kei te haumi mātou ki ngā mea tika e puta ai te uara nui, me te whakahāngai ake ki ngā matea anamata o te pūnaha tūnuku.

Ko te tūnuku tētahi o ngā pūtake nui rawa atu o ngā tukuwaro haurehu kati mahana i Aotearoa. He wāhanga hira te whakaiti i ngā tukuwaro tūnuku, o te whakatutuki i ngā takohanga hurihanga āhuarangi o te motu, tae atu ki ērā e takoto ana ki te mahere whakaiti tukuwaro (ERP) a te kāwanatanga. E iti ai ngā tukuwaro, he mea waiwai ko te haumitanga ki ngā kōwhiringa tūnuku hou, pēnei i te whakawhiti nuipuku ki ngā tāone nui ake, i te waka tūmatanui pai ake, i te whakaritenga nui ake mō te hīkoi, mō te eke paihikara hoki, me te whakamahinga kē atu o ngā whatunga onāiane. E mōhio ana mātou ka kōwhiri te tangata i ngā kōwhiringa rerekē, e nui ake nei te tautaiāo, mēnā he mea whai hua, haepapa, e āhei ana hoki, ā, e whai ana mātou kia kawea ēnei kōwhiringa ki Aotearoa.

E arotahi ana mātou kia māmā ake te tautoko a ngā kiritaki me ngā kaiwhakamahi o te pūnaha tūnuku, i ngā whāinga tukuwaro-kore matenui o Aotearoa, tae ana ki te kawea i ngā whakahekenga utu mō ngā waka tukuwaro iti me ngā paerewa, me te whakatinanatanga o te National Ticketing Solution. Te whakarahinga o te whatunga kāmera haumarua ka tautoko i te tangata kia haumarua ake te tere o tōna haere, e iti iho ai hoki ngā tukuwaro, e pai ake ai hoki te kounga o te hau takiwā. He mea nui tēnei nā te mea ko te parahanga e kawea nei e te hau te pūtake o te tino nui ake o ngā matenga me ngā māuiuitanga ia tau, i ō ngā tukianga waka.

E hiahiatia ana ngā puna pūtea hou, rerekē hoki hei tautoko i te taumata o te panonitanga e haere tonu nei, nā te mea kei raro e putu ana ngā puna pūtea onāiane, ā, kāore e taea e ērā te whakaea ngā tonotono a te pūnaha tūnuku onāiane, o anamata rānei. Ko te whakarite he pūtea toitū mā te urupare ki te Land Transport Revenue Review, mā te Manatū Waka me te Tai Ōhanga e ārahi, he whakaarotau mātua, he wāhi hei arotahi hoki mō 2023/24.

Kite wheako ai a Aotearoa i ngā pūmate ā-taiao whānui e pā kino ana ki te pūnaha tūnuku, me te āhei o te tangata me ngā rawa te nekeneke haere i te motu. E kitea kētia ana e mātou te pēheatanga o te whakaraeraetanga o te pūnaha tūnuku ki nga pānga i takea mai i te panonitanga haeretanga o te taiao. Ko Tiro Rangī, arā ko tā matou mahere urutaunga ā-āhuarangi, ka whakaahutia i 2022, ā, ka whakatū ngā tūāpapa mō tā mātou huarahi ki te manawanui ā-āhuarangi. Kua whakaritea e mātou he whāinga urutau ā-āhuarangi e kī ana, ā te 2050, ka



manawaroa te pūnaha tūnuku i te wā o te āhuarangi hurihuri, hei whakarite i te pūnaha e whakapiki nei i te oranga me te āhuatanga noho. I te 2023/24, ka tāmau mātou i te urutaunga ki roto i ngā tautuhinga rautaki mō te whakamahere ā-pūnaha, te whakamahere ā-takiwā me te haumitanga, hei whakatō i te tūāpapa ki te mahi i ngā mahi.

Me whakapai hoki mātou i te manawaroa o te whatunga. Ko te whatunga huarahi matua tētahi o ngā rawa hira rawa o Aotearoa, e āwhina ana i te tangata me ngā rawa ki te nuku haumaruru, whāomo hoki puta noa i Aotearoa. Nā ētahi āhuatanga huarere hārukiruki i miramira i te hiranga o te haumitanga tika ki te whakatikatikanga me te manawaroatanga o ngā huarahi. Kia whakarite ai i te whakatutukitanga o ngā matea o nāianei, anamata hoki o te pūnaha tūnuku, ka haumi tonu mātou ki te whakatikatika me te whakapai ake i te whatunga. Kei te tiroiro hoki mātou ki te tikanga o te hanga tūāhanga tūnuku atamai ake, haumaruru ake, manawaroa ake hoki.

Ka noho te haumarutanga hei aronga waiwai ki a mātou. He pānga taumaha, hora whānui hoki ki runga i ngā hapori ngā matenga me ngā wharanga i runga i ngā huarahi. E ahu ana ki tētahi pūnaha tūnuku e noho mātua ana te kore matenga, wharanga kino rānei, i whakatauria i roto i te Tauākī Kaupapahere Kāwanatanga e pā ana ki te tūnuku 2021/22 - 2030/31 (GPS 2021), me te Road to Zero, te rautaki haumaruru huarahi ā-motu ki te 2030. Hui atu ki ō mātou hoa rangapū, ka kawē tonu mātou i te kaupapa o Road to Zero, hei te 2023/24, e arotahi ana ki ngā wāhi mōrearea rawa atu o te whatunga huarahi matua. Ka whakapiki ake tēnei i runga i ngā mahi kua oti kē ki te whakapai ake i ō mātou tūāhanga, te āwhina i te hunga o Aotearoa kia mārama ki ā rātou ake mahi ki te hanga i te pūnaha haumaruru, me te whakarite i tō mātou mahi ā-waeture hei tautoko i te pūnaha haumaruru. Nā te katoa te haepapa ki te whakarite kia haumaruru ake ngā huarahi, otirā he mahi tā tātou katoa.

E whakatakoto ana te tauākī o ngā wawata mahi i ō mātou whakaarotau me te hōtaka mahi kua whakamaheretia i tō mātou tau whakamutunga o te whakatinana i te GPS 2021 me te kawē i te 2021-24 National Land Transport Programme. Ka arahina tonu mātou e Te Kāpehu, e tohu ana i tō mātou ahunga rautaki, me te whakatakoto i tō mātou tūnga me ngā wawata i roto i te pūnaha tūnuku whānui. Hei te 2023/24 me whakarite e mātou he tauākī whakamaunga atu hou e whakaatu ana i te āhua o tā mātou whakatutuki tonu i ngā hiahia o te pūnaha tūnuku hou.

Ko te kōrero whakamutunga, ka rere ngā mihi ki a Tā Brian Roche i āna mahi i roto i ngā tau nāna a Waka Kotahi i tia, nōna e noho ana hei pou whakarae mō te poari.



**Dr Paul H S Reynolds, QSO**  
Heamana  
20 Hune 2023



**Nicole Rosie**  
Pou Whakahaere  
20 Hune 2023

# Tō mātou horopaki me te anga rautaki

## Our context and strategic direction

### **Our operating environment**

Our operating environment continues to evolve, bringing new challenges and opportunities in how we work to connect people, products and places.

### **Delivering within a strained funding system**

The land transport network has grown and is ageing, with more of the land transport network reaching replacement age. There is increased demand on our networks due to growth of population and freight. The condition of transport networks has also been affected by increasing weather events in recent years. We expect weather events will continue to escalate in frequency and impact over coming years. Our assets are also becoming more complex with cycle ways and new technology added, as well as increased volume and weight on transport networks due to heavier vehicles.

We are supporting new networks and investing in different parts of the transport system, including work on light rail and mass transit in Aotearoa New Zealand's major cities, the expansion of public transport and walking and cycling networks, and investment in heavy rail and coastal shipping.

Our roles and responsibilities are expanding in a time of rapidly increasing costs and ongoing supply chain issues. We are facing these pressures alongside lower revenue in the immediate term, due to COVID-19 impacts and accelerated decarbonisation of the transport system, and have no certainty over future revenue growth. With this context, ensuring sustainable funding is an overriding and imminent concern.

Funding constraints have made it challenging to effectively manage our investments and assets, including the state highway network, and support our local government partners. We have focused on critical road maintenance, response to emergency events and completion of in-flight construction. The effects of inflation, emergency events and revenue shortfalls mean the outputs from the 2021-24 National Land Transport Programme (NLTP) will be well below those originally planned with many projects delayed or deferred. These delays and deferrals will add further funding pressure to upcoming NLTP periods.

Our funding outlook highlights the importance of accelerating the Land Transport Revenue Review and ensuring an effective response to this in the immediate term. This will be critical in supporting an effective and sustainable transport system, as well as achieving broader climate and safety system outcomes.

Together, these issues highlight the challenge of balancing the needs of the current land transport system with preparing for the future. We need to actively and carefully prioritise our work programme in 2023/24, maintaining a strong focus on delivering our core services efficiently and effectively.

## **Preparing for a more sustainable future**

Climate change mitigation and adaptation are two of the biggest challenges facing Aotearoa New Zealand and the land transport system in particular. We need to make substantial and enduring changes to the land transport system if the country is to meet its emissions reduction and adaptation goals.

The increased frequency and intensity of extreme weather events in recent years continues to test the resilience of the land transport system, disrupting supply chains and isolating communities. These events highlight the importance of adaptation and emissions reduction, and how urgently we need to make progress.

The required scale and pace of these changes will have a significant impact on our operating context in 2023/24 and beyond. These changes also represent an important opportunity for us to shape and invest in a land transport system that is not only more resilient but also safer and better for the environment.

## **Exploring new digital opportunities**

Digital transformation provides opportunities to change the way we deliver services. Utilising our digital and data capabilities, and leveraging emerging technologies, will be critical to transforming our operations and enabling our future transport vision.

We need to use digital opportunities to deliver significant behavioural change programmes (such as road safety, climate change and mode shift) by better informing people about safer and more sustainable transport choices. Digital solutions will enable us to respond to increasing customer demands for more accessible services. New and evolving technologies also have the potential to help us deliver better transport solutions.

## **Partnering to deliver better transport outcomes**

To deliver the change the transport system needs, partnership must be at the heart of what we do. We need to work with our stakeholders and partners, including Māori and central and local government, more effectively. Events over recent years have shown how connected responses are critical for addressing the shared challenges the land transport system, and the country as a whole, continues to face.

Partnerships affect all elements of our work, from our regulatory role to our role in adapting the land transport system to the changing climate. We also need to work together to respond to increasing stakeholder demands and deliver what communities need, both now and in the future.

We are committed to partnering with Māori. Waka Kotahi recognises and respects our te Tiriti o Waitangi obligations and will continue to work with Māori to build meaningful and enduring relationships to achieve mutually beneficial outcomes and better respond to Māori needs and aspirations.



## Our priorities

Our priorities for 2023/24 are guided by the expectations set by the Minister of Transport, the strategic direction set in Te kāpehu and GPS 2021. Through Budget 2023 the Government allocated additional funding to Waka Kotahi to address funding shortfalls, and to fund public transport services, emergency works, including to respond to the North Island weather events and resilience projects.

In 2023/24 we will prioritise the response to, and recovery from, the North Island weather events as well as other earlier weather events, such as those affecting Marlborough. As such events become more frequent and damaging, the need to improve resilience becomes more important than ever. We will progress the priority actions set in Tiro Rangi, our climate adaptation plan, as we work toward our goal of a climate-resilient transport system. This will be supported by the additional funding received through Budget 2023 to fund resilience works on state highways and local roads across the motu.

We will also prioritise activities to make the transport system more sustainable, inclusive, safe and accessible. To improve public transport networks, we'll implement Budget 2023 initiatives including supporting the sector to provide better pay and conditions for staff, and expanding Community Connect to provide free public transport for children under 13 and half price fares for people aged 13 to 24. Progressing these initiatives, alongside others such as the Clean Car Discount scheme, will provide better transport options for New Zealanders and contribute to reduced emissions from the transport system. Another area of focus is further strengthening our regulatory performance as we implement the refreshed Tū ake, Tū māia regulatory strategy, to help keep people on Aotearoa New Zealand's transport network safe.

Together, the priorities set out in this statement of performance expectations are focused on working with our partners to build a more resilient, safe and climate-friendly transport network that responds to current and future needs. Our priorities reflect the diverse demands on Waka Kotahi as we manage evolving expectations and expanded responsibilities alongside new and existing delivery commitments.



# Te kāpehu – tō mātou anga rautaki

## Te kāpehu – our strategic direction

Te kāpehu, our strategic direction, is informed by the wider government direction for the transport system, including the transport outcomes framework, which sets the purpose of the transport system as improving people's wellbeing and the liveability of places. It also reflects the priorities set in GPS 2021. Our strategic direction is set out in full in our statement of intent 2021-26 (available at [nzta.govt.nz/resources/nz-transport-agency-statement-of-intent-main-index/soi-2021-2026](https://nzta.govt.nz/resources/nz-transport-agency-statement-of-intent-main-index/soi-2021-2026)).

Te kāpehu (see figure 1) sets our vision of a land transport system that connects people, products and places for a thriving Aotearoa New Zealand.

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

- **kia hoe ngātahi | move together as one**
- **te anamata | leave great legacies**
- **kia tika te mahi | deliver the right things**
- **kia marutau | enable a safe system**

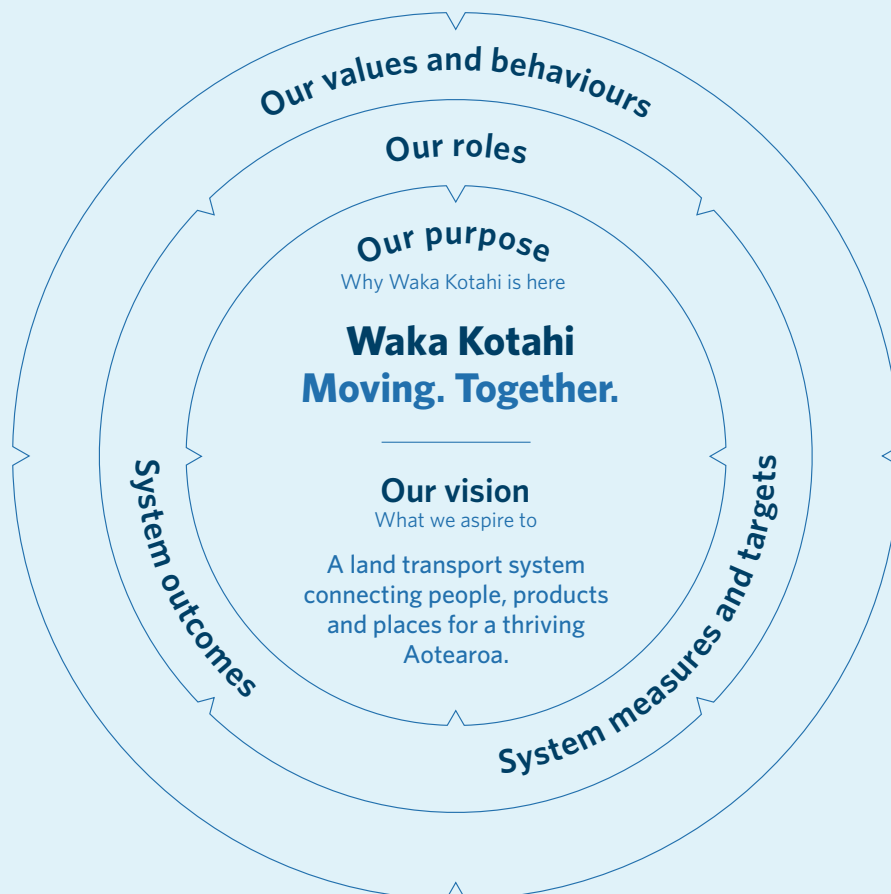


Figure 1 – Te kāpehu

Our **system outcomes** are the four long-term changes to the transport system we are focusing on to realise our vision. We want a land transport system that is safe, environmentally sustainable, effectively and efficiently moving people and freight, and meeting current and future needs.

Our **system measures and targets** help us track progress toward achieving the four system outcomes.

We've also identified medium-term results that reflect the changes we need to see to achieve the system outcomes and vision of Te kāpehu.

For detailed descriptions of our system outcomes and results, and the relationships between them, see our statement of intent 2021–26.

Our **values and behaviours** support the delivery of our strategy and shape our culture and the way we work together.

Our kāhui whetū – guiding stars are the strategic priorities that guide our path and help prioritise our work. They are:

- pou herenga tangata | culture and leadership
- pae tawhiti | future focus
- auahatanga | accelerating digital
- eke panuku | delivery excellence.

Together, Te kāpehu and our kāhui whetū set our journey on the right path.



# 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 (see figure 3), to track progress toward achieving the strategic direction set in Te kāpehu. This framework aligns with the transport outcomes framework and the Government Policy Statement on land transport 2021/22 - 2030/31 (GPS 2021). It also 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 (refreshed in 2023).

Our performance framework includes system outcomes, external and internal results, and delivery (activities and outputs). The relationships between these elements are complex and multifaceted. In addition, many results and outcomes are the responsibility of the wider transport sector or government, so are not ours alone to influence (see figure 2). For this reason, we do not show direct links between the elements of the framework - they work in combination with each other to move toward the system outcomes.



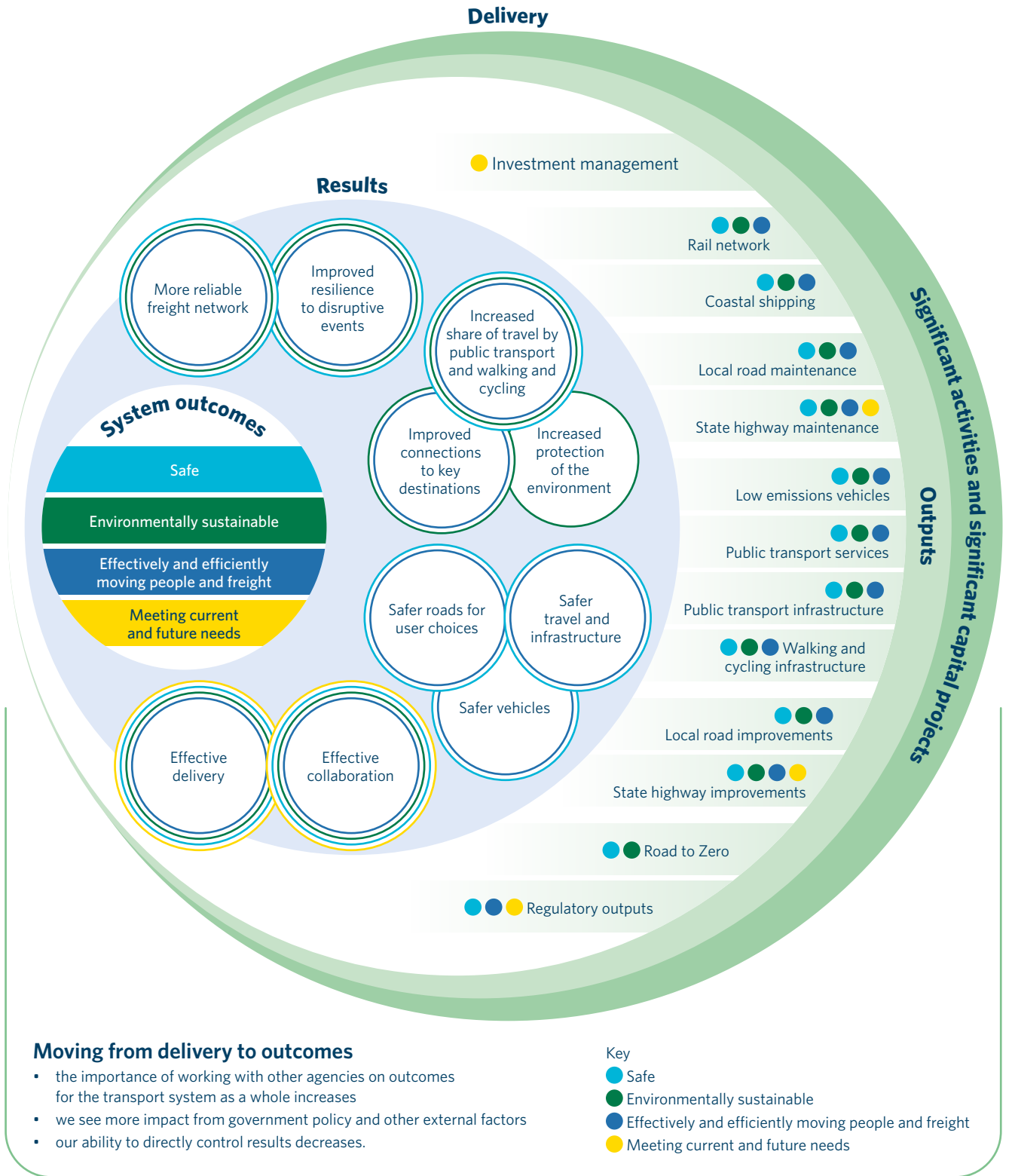


Figure 2 - Relationship between the layers of our performance framework

Our performance framework includes the following layers.

**System outcome measures**  
(long term)

To track progress toward achieving the four system outcomes, each outcome has measures with quantitative or directional targets that reflect the long timeframe and system-wide effort required to see change. Together with our partners, we contribute to, but do not always directly control, these outcomes.

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**Results measures**  
(medium-term)

The results measures tell us if the right external and internal changes are being made to achieve the system outcomes. The relationships between results and outcomes are not linear – results influence each other and work together to support the system outcomes.

External results are the five-year changes needed to realise our system outcomes. They reflect system changes that we, with our partners, have a reasonable influence over. Internal results are the changes to our delivery capability and collaboration that will help us achieve our external results.

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**Delivery**  
(annual)

Together, our significant activities, significant capital project milestones and output class measures tell us whether we're delivering the things that support the changes we want to make.

Our significant activities (see page 52) capture the milestones we want to achieve in 2023/24 to deliver on the government priorities for the land transport system and realise the vision of Te kāpehu.

Our significant capital projects have ministerial interest or receive direct or additional Crown funding to accelerate their delivery. The milestones (see appendix 2, page 153) provide information on what we plan to deliver in 2023/24.

Our output classes represent the activities we are funded to deliver and invest in, including our significant activities and significant capital projects.

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## Continuous improvement

Our statement of intent 2021–2026, available at [nzta.govt.nz/resources/nz-transport-agency-statement-of-intent-main-index/soi-2021-2026](https://nzta.govt.nz/resources/nz-transport-agency-statement-of-intent-main-index/soi-2021-2026), sets the measures and five-year targets to achieve by 30 June 2026. In this statement of performance expectations, we have included annual targets for 30 June 2024, where appropriate, so we can understand our progress toward the 30 June 2026 targets and identify where we need to focus more attention.

We regularly review and refine our system outcome, result and output class measures, so they remain meaningful and relevant. This year, we improved our measures by:

- setting baselines or targets where needed
- aligning with newly published national or sector-wide policy initiatives
- resolving data or methodology issues.

We will continue to strengthen our measures and the line of sight between our delivery measures and our medium-term and longer-term measures. For example, in 2023/24 we plan to assess the potential impacts of severe weather events on our performance measures and targets and how we can improve them so they remain fit for purpose.



# 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%  
System target: 40% reduction in DSIs by 2030 from 2018 levels

Significant incident frequency rate

✔ Decrease

### Environmentally sustainable

Greenhouse gas emissions from the land transport system

✔ Decrease

System target: 41% reduction in transport emissions by 2035 from 2019 levels

Proportion of the light vehicle fleet that are zero-emissions vehicles

⬆ Increase

System target: increase zero-emissions vehicles to 30% of the light fleet by 2035

### 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

Proportion of net revenue forecast to be spent on continuous programmes and public private partnerships

No greater than 75%

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

⬆ ⬆ Maintain or increase

Expenditure on state highway renewals as a proportion of depreciation (asset sustainability ratio)

(Measure being developed)

← Light vehicle kilometres travelled in major urban areas

✔ Decrease

● ● ●

System target: 20% reduction in total kilometres travelled by the light fleet by 2035 from 2019 levels

←

## 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

⊙ Weather event ≥50%

⊙ 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

Quality of regulatory activity – Percentage of regulatory activity that conforms to key decision-making criteria

⬆ Increase

Figure 3 – Performance framework

### Safer road user choices ●●

Number of DSIs associated with behavioural risk factors  
 ✓ 20%

### Increased protection of the environment ●

The percentage of projects that are undergoing an Infrastructure Sustainability Council rating are progressing on track to achieve an Infrastructure Sustainability rating  
 ➔➔ 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 consented residential units in major urban areas with access to frequent public transport services  
 ➔ Increase

### Effective collaboration ●●●●

Partnerships 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 2023/24

Our significant activities capture the milestones we want to achieve in 2023/24 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 2023/24 section (pages 52–60).

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 and cycling improvements
- Public transport services and 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)
- Low emission vehicles

<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 system outcomes are the long-term changes to the transport system that we will focus on to realise our vision. We're committed to making the land transport system in Aotearoa New Zealand safer, decarbonised and more environmentally sustainable. We'll fulfil our commitments to and be guided by the government's priorities in Road to Zero, the emissions reduction plan and national adaptation plan. We don't always directly control these outcomes, but by working in partnership, in particular with iwi and local government, we'll develop integrated solutions to deliver a land transport system with flexibility to respond and adapt to changing expectations.

Detailed descriptions of system outcomes and measures are in our statement of intent 2021-26.

Explanatory notes for all system outcome measures support the discussion of why each measure is important and key elements in the measurement methodology (available at [nzta.govt.nz/assets/resources/statement-of-performance-expectations/2023-2024/spe-2023-2024-performance-measure-explanatory-notes.pdf](https://nzta.govt.nz/assets/resources/statement-of-performance-expectations/2023-2024/spe-2023-2024-performance-measure-explanatory-notes.pdf)).

Targets labelled as 2024 and 2026 are for the 2023/24 and 2025/26 financial years respectively.

For trend graphs, the most recent figures are either of June 2021 or December 2022, as 2022/23 year-end figures are not yet available at the time of publication. While we have retrospectively updated data from previous years in our systems, we have not changed the prior year actuals presented in this document, as some measures involve the use of a data model that is updated continuously.



## Safe

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

### Deaths and serious injuries SAFE1

#### Baseline

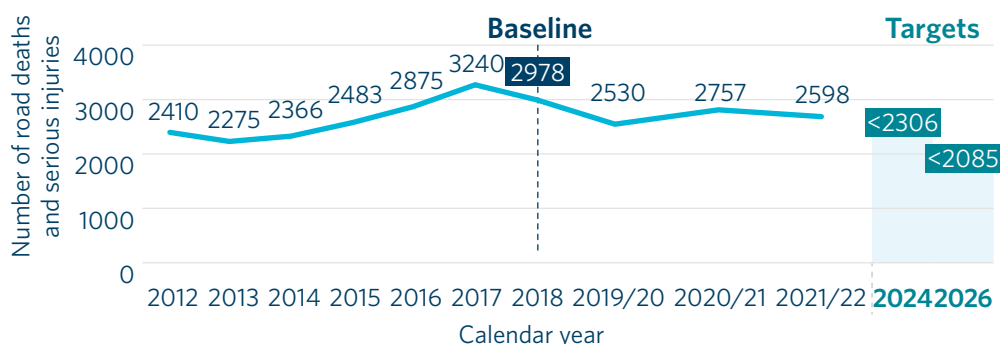
2,978 deaths and serious injuries in 2018

#### 2024 target

✔ Reduce below 2,306 by 30 June 2024 (23% decrease from the baseline) <sup>A</sup>

#### 2026 target

✔ Reduce below 2,085 by 30 June 2026 (30% decrease from the baseline aligned with Road to Zero target) <sup>A</sup>



<sup>A</sup> Targets represent steady progress toward the overarching 40% reduction target in Road to Zero and have been calculated on a straight-line trajectory from the 2018 baseline.

### Why is this measure important?

This measure tracks progress toward achieving the overall target of Road to Zero to reduce deaths and serious injuries on the roads by 40 percent by 2030 (from 2018 levels).

We're working toward Vision Zero – an Aotearoa New Zealand where no one is killed or seriously injured while travelling or working on the land transport system. To achieve Vision Zero, we are working with the Ministry of Transport and our local partners to implement Road to Zero.

## Significant incident frequency rate SAFE2

### Baseline

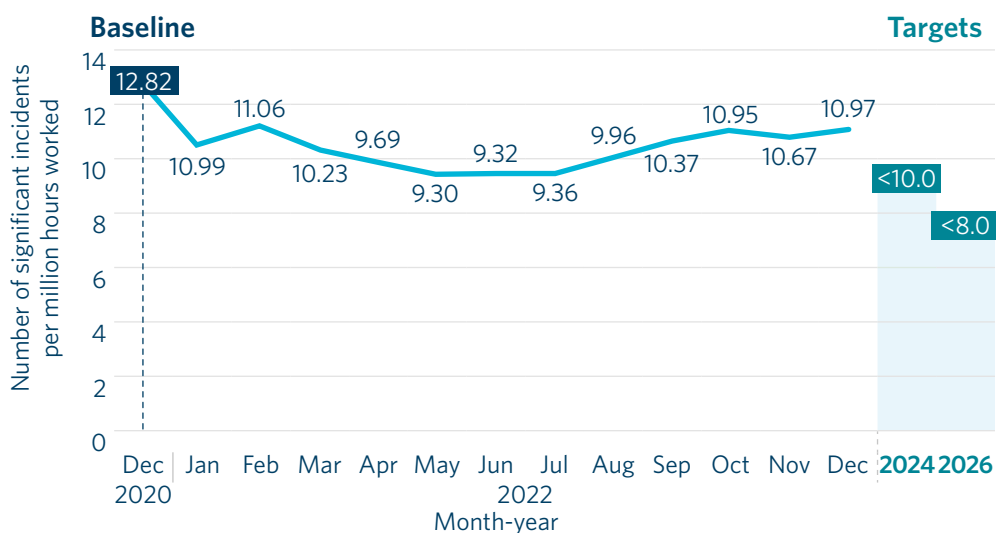
12.82 significant incidents per million hours worked (12-month rolling average) <sup>A</sup>

### 2023 target

✔ Reduce below 10.0 per million hours worked by 30 June 2024 <sup>B</sup>

### 2026 target

✔ Reduce below 8.0 per million hours worked by 30 June 2026 <sup>B</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.

<sup>B</sup> The 2026 target has been updated to reflect an increase in incidents from greater reporting volumes and better accuracy. Data capture was improved in late 2022, after the original target was established. The improvements lead to increased workplace and contract monitoring activities and proactive safety requirements being embedded in contract and design arrangements. The 2024 target has also been adjusted to reflect the trajectory toward the new 2026 target.

### Why is this measure important?

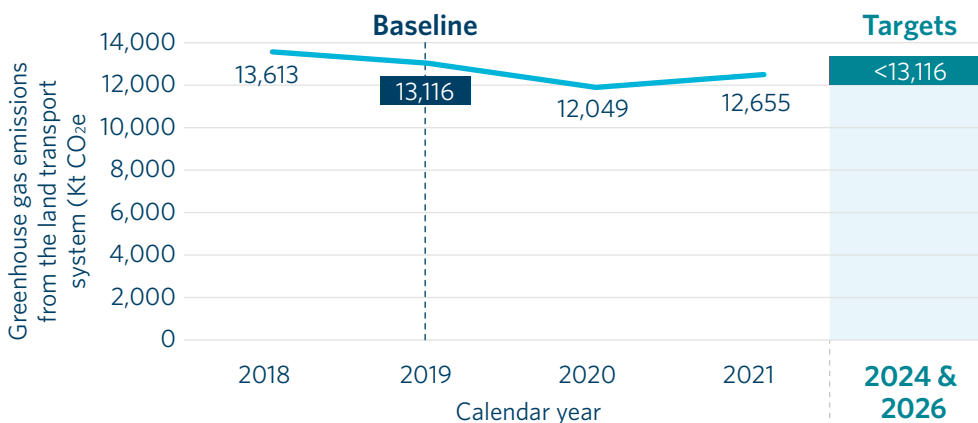
This measure indicates how well our health and safety and critical risk controls are keeping our people (staff and contractors) safe when working on the land transport system. A significant incident rate allows Waka Kotahi to monitor systematic issues, risks and potential harm, by including near misses and incidents that have high potential of harm, not just injuries.

## 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 <sup>ENV1<sup>A</sup></sup>

Baseline	2024 target	2026 target
13,116 kilotonnes of CO <sub>2</sub> e <sup>B</sup>	Decrease from the baseline by 31 December 2024	Decrease from the baseline by 31 December 2026



<sup>A</sup> This measure has been updated to align with the ERP transport sector target, including a new calculation method resulting in changes to the baseline and targets.

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

<sup>C</sup> See figure 10.2, estimated transport emissions based on achieving transport targets in the ERP (available at [environment.govt.nz/what-government-is-doing/areas-of-work/climate-change/emissions-reduction-plan](https://environment.govt.nz/what-government-is-doing/areas-of-work/climate-change/emissions-reduction-plan)).

### Why is this measure important?

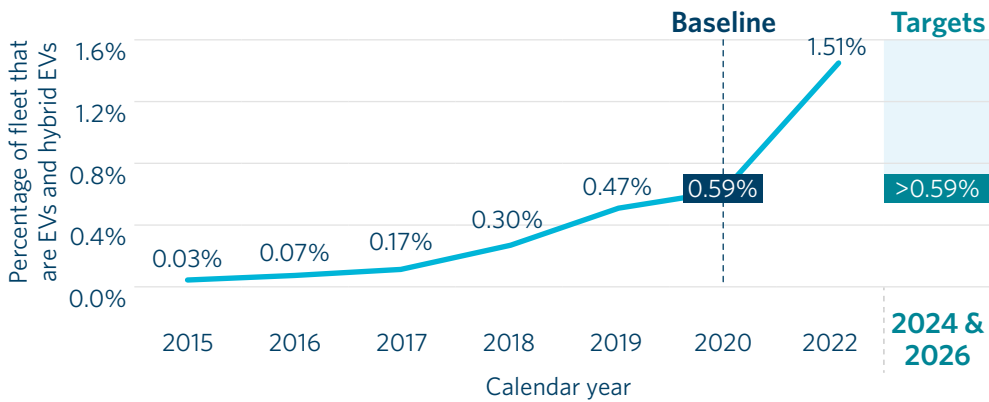
This measure tracks progress toward the government's 2050 target of net zero long-lived emissions from the land transport system. In Aotearoa New Zealand, transport accounts for about 17 percent of gross domestic greenhouse gas emissions, more than 90 percent of which arise from road transport. The light 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.

To reach net zero long-lived emissions by 2050, the government has set four transport targets in the emissions reduction plan (ERP) that will support the achievement of the sector sub-targets for transport. This is approximately equivalent to a 41 percent drop in transport emissions by 2035 from 2019 levels.

Waka Kotahi is working hard to deliver on the government’s climate change objectives. System-wide changes are needed to put the country's transport emissions on the trajectory to a low-emissions future, and it will take time for us to see the results of interventions. Emissions are estimated to continue at high levels for a few more years before starting to decrease.<sup>C</sup>

Note that changes in the light vehicle fleet size will also affect the overall level of emissions as well as the total distance travelled. However, Waka Kotahi will work with sector partners to aim to reduce the overall emissions and distance travelled regardless of whether the fleet size increases or decreases.

Proportion of light vehicle fleet that are zero-emissions vehicles ENV2		
Baseline	2024 target	2026 target
0.59% of the light vehicle fleet are electric vehicles (EVs) and hybrid EVs <sup>A</sup>	⬆ Increase from the baseline by 30 June 2026 <sup>B</sup>	⬆ Increase from the baseline by 30 June 2026 <sup>B</sup>



<sup>A</sup> Baseline is for quarter 2 of the 2020/21 financial year. This measure has been revised to align with the ERP transport sector target. Zero-emissions vehicles in the ERP include hybrid EVs, so the baseline developed for the previous measure 'proportion of light vehicle fleet that are low and no carbon vehicles' is being used until further work on refining the baseline is completed in 2023/24.

<sup>B</sup> Further work in 2023/24 will develop quantifiable targets that align with transport target 2 (increase zero-emissions vehicles to 30 percent of the light fleet by 2035) of the ERP.

### Why is this measure important?

This measure tracks 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.

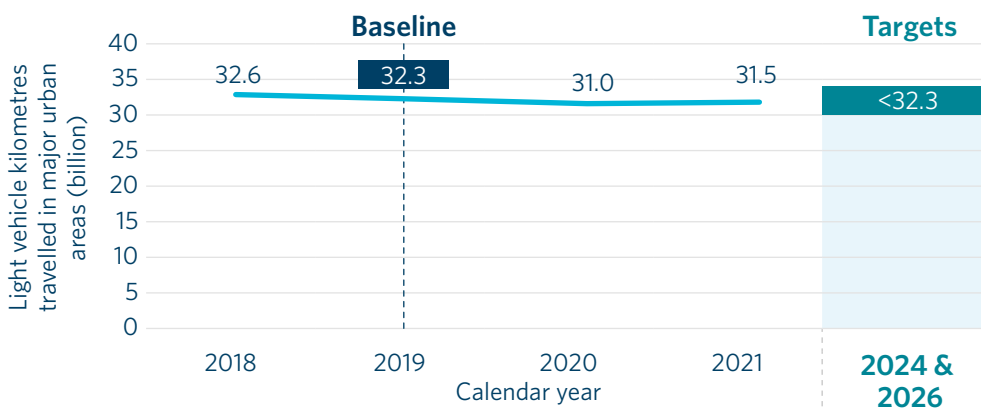


## Effectively and efficiently moving people and freight

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 major urban areas <sup>MOVE1</sup>

Baseline	2024 target	2026 target
32.3 billion kilometres <sup>B</sup>	✔ Decrease from the baseline by 31 December 2024 <sup>C</sup>	✔ Decrease from the baseline by 31 December 2026 <sup>C</sup>



<sup>A</sup> This measure has been updated to align with the ERP transport sector target, including a new calculation method resulting in changes to the baseline and targets. Major urban areas refer to tier 1 and tier 2 council areas.

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

<sup>C</sup> See figure 10.2, estimated transport emissions based on achieving transport targets in the ERP (available at [environment.govt.nz/what-government-is-doing/areas-of-work/climate-change/emissions-reduction-plan](https://environment.govt.nz/what-government-is-doing/areas-of-work/climate-change/emissions-reduction-plan)). Note that target 1 of the ERP is to reduce total kilometres travelled by the light fleet by 20 percent by 2035 through improved urban form and providing better travel options, particularly in our largest cities.

### Why is this measure important?

This measure estimates 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 the amount of travel in private vehicles is reducing. Together with our mode-shift measures, this measure will help tell us whether the land transport sector has increased the uptake of efficient, cost-effective and low carbon transport options for people and freight.

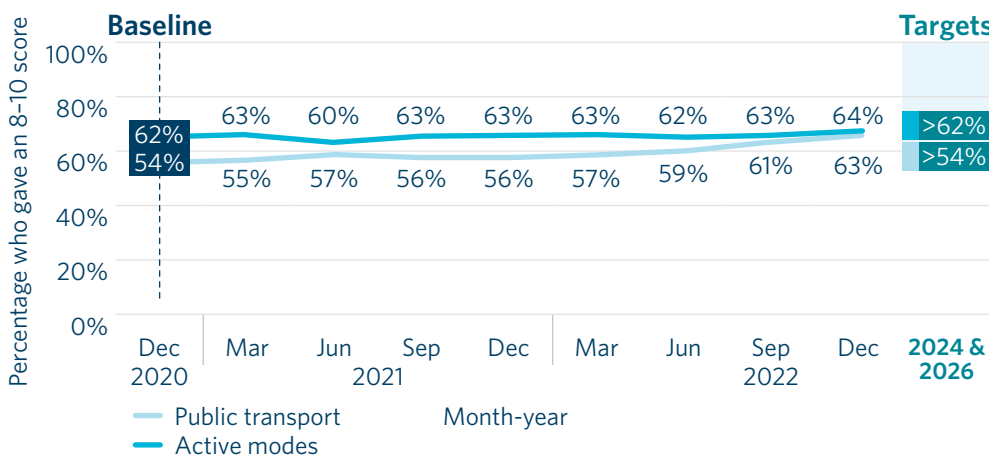
While this measure is listed under effectively and efficiently moving people and freight, changes to it are also indicative of progress toward safe and environmentally sustainable system outcomes. To reach net zero long-lived emissions by 2050, the

government has set four transport targets in the ERP that will support achievement of the sector sub-targets for transport. This is approximately equivalent to a 41 percent drop in transport emissions by 2035 from 2019 levels.

Waka Kotahi is working hard to deliver on the climate change objectives of the government. System-wide changes are needed to put the country's transport emissions on the trajectory to a low-emissions future, and it will take time to see the results of interventions. Emissions are estimated to continue at high levels for a few more years before starting to decrease.<sup>c</sup>

Note that changes in the light vehicle fleet size will also affect the overall level of emissions as well as the total distance travelled. However, Waka Kotahi will work with sector partners to aim to reduce the overall emissions and distance travelled regardless of whether the fleet size increases or decreases.

User experience of the transport network by mode <small>MOVE2</small>		
Baseline	2024 target	2026 target
Public transport: 54% gave an 8-10 score <sup>A</sup>	⬆️ Improve by 30 June 2024 for public transport and active modes	⬆️ Improve by 30 June 2026 for public transport and active modes
Active modes: 62% gave an 8-10 score <sup>A</sup>		



<sup>A</sup> Baseline is as of 31 December 2020, based on a 12-month rolling average. Overall experience (based on our 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 helps us understand whether investment in public transport and active modes is helping to improve our customers' experiences of travelling using these modes. We expect that an improved customer experience of public transport, walking and cycling will increase the uptake of efficient, cost-effective and low carbon transport options.

## Freight mode share of road and rail MOVE3

### Baseline

Road: 87% <sup>A</sup>

Rail: 13% <sup>A</sup>

### 2024 target

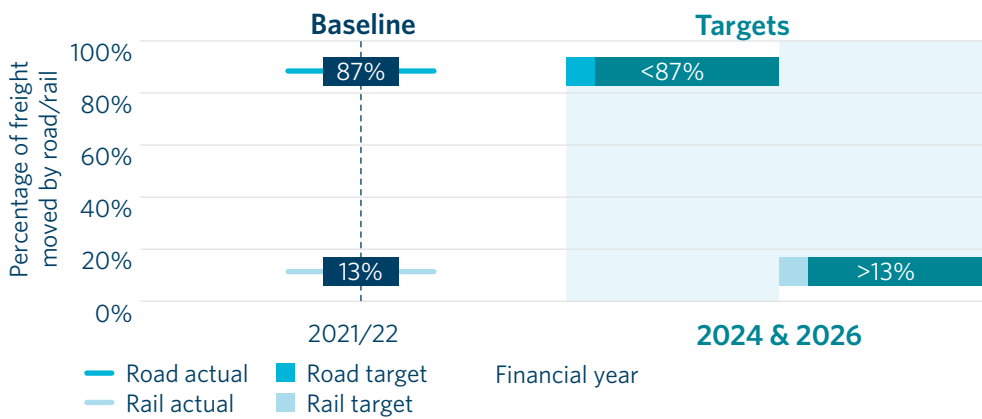
✔ Decrease by 30 June 2024 for road

⬆ Increase by 30 June 2024 for rail

### 2026 target

✔ Decrease by 30 June 2026 for road

⬆ Increase by 30 June 2026 for rail



<sup>A</sup> Baseline is for the 2021/22 financial year.

### Why is this measure important?

This measure helps us understand whether our work with our local partners and KiwiRail is helping to move more freight by lower carbon transport modes. Increasing the level of freight moved by rail, which is safer than road travel, will also reduce the safety risks of travel and air pollution in urban areas.

## Meeting current and future needs

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

### Funding sustainability – Proportion of net revenue<sup>A</sup> forecast to be spent on continuous programmes and public-private partnerships <sup>MEET1</sup>

Baseline	2024 target	2026 target
75% <sup>B</sup>	No greater than 75% by 30 June 2024 <sup>C</sup>	No greater than 75% by 30 June 2026 <sup>C</sup>

<sup>A</sup> Net revenue is revenue less debt obligations. The Climate Emergency Response Fund is excluded. This measure has been developed for reporting from 2023/24 to help understand funding sustainability.

<sup>B</sup> Baseline is for the 2022/23 financial year.

<sup>C</sup> Measured annually with forecast outyears for as long as is sensible.

### Why is this measure important?

This measure will help us capture the extent to which we can sustainably fund, through the National Land Transport Fund (NLTF), the ongoing investment needed for the land transport system of Aotearoa New Zealand. The measure tracks the extent to which (confirmed) NLTF revenue is available to meet core investment requirements. It acts as a signal of the need to identify additional funding or financing either into the NLTF or other sources based on minimum obligations.



## Proportion of the state highway network that meets minimum asset condition requirements <sup>MEET2</sup>

Baseline

97% <sup>A</sup>

2024 target

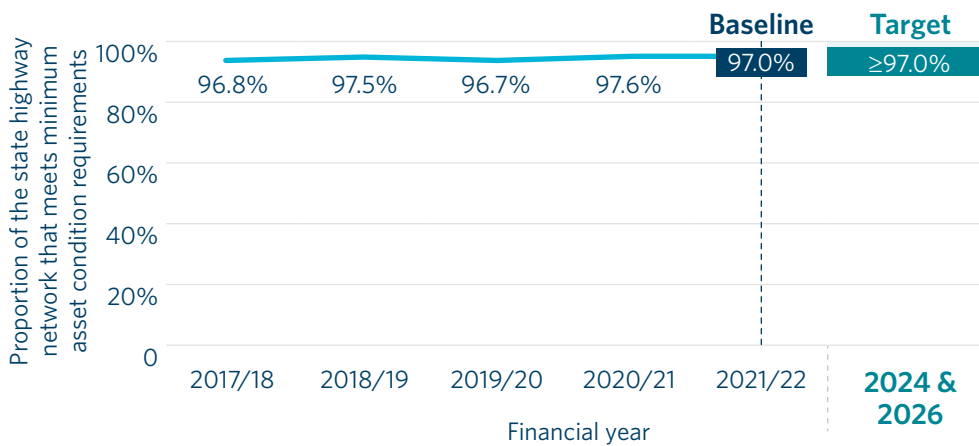


Maintain or increase  
by 30 June 2024

2026 target



Maintain or increase  
by 30 June 2026



<sup>A</sup> Baseline is for the 2021/22 financial year.

### Why is this measure important?

This measure helps us understand the condition of state highways and whether they are properly maintained to ensure a safe and resilient network. The state highway network is one of the country's most important assets, playing an important role in delivering public transport solutions and linking main population centres to industrial hubs and tourism destinations.

This measure assesses the length of the state highway network that meets minimum asset condition requirements against the total length of the state highway network. Every state highway in New Zealand has a pavement condition survey completed annually to record and report on the skid resistance, rutting and roughness on any section, to measure changes and identify any section that has reached its minimum condition standard. Currently, the measurement is limited to the surface pavement condition, with anticipation of expansion to include all state highway assets in the future.

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. We'll continue to invest in maintaining and improving the state highway network, including through the National Land Transport Programme (NLTP), to ensure the safety and resilience of that network. Our measure of expenditure on asset renewals as a proportion of depreciation (asset sustainability ratio) will provide visibility of this (see MEET3 on page 32).

## Expenditure on state highway renewals as a proportion of depreciation (asset sustainability ratio) <sup>MEET3</sup>

### Baseline

Baseline to be set

### 2026 target

Target to be set

Asset sustainability ratio	2017/18	2018/19	2019/20	2020/21	2021/22
Pavement (base)	95.02%	80.81%	70.15%	68.59%	59.97%
Pavement (surface)	84.51%	82.06%	69.21%	57.43%	51.51%
Drainage	23.10%	15.13%	19.19%	20.00%	13.82%
Traffic facilities	22.66%	21.10%	17.14%	15.61%	14.84%
Bridges	95.40%	60.98%	35.11%	41.89%	29.53%

### Why is this measure important?

This measure helps us understand the relationship between expenditure on asset renewals and the estimated rate of asset degradation, as an indicator of trends in asset condition (see Asset Sustainability ratio table above).

More work will be undertaken during the year to finalise the measure, baseline and target.

## External results measures

External results are the five-year changes needed to realise the 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 work together to help us achieve the system outcomes. The following key indicates the outcomes each result contributes to:

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

Our results and their relationship to system outcomes are detailed in our statement of intent 2021–26.

Explanatory notes for all external results measures support the discussion of why each measure is important and key elements in the measurement methodology (available at [nzta.govt.nz/assets/resources/statement-of-performance-expectations/2023-2024/spe-2023-2024-performance-measure-explanatory-notes.pdf](https://nzta.govt.nz/assets/resources/statement-of-performance-expectations/2023-2024/spe-2023-2024-performance-measure-explanatory-notes.pdf)).

Targets labelled as 2024 and 2026 are for the 2023/24 and 2025/26 financial years respectively.

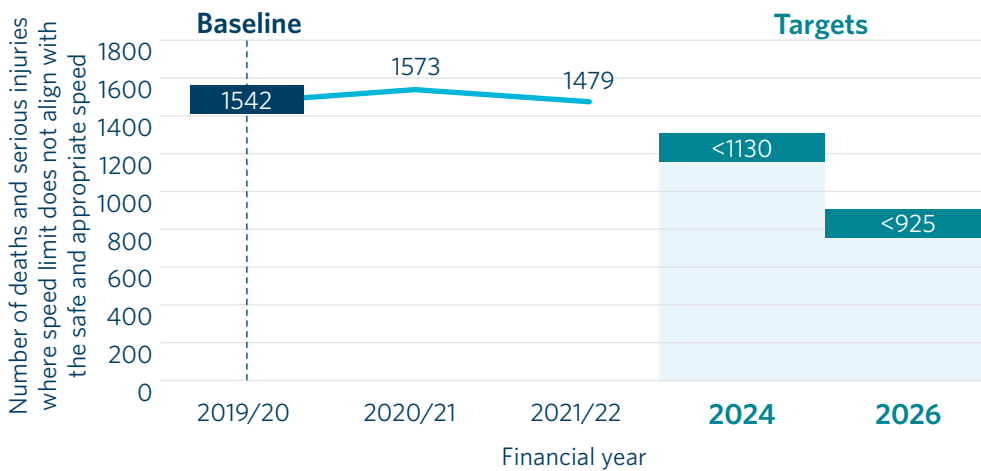
For trend graphs, the most recent figures are either of June 2021 or December 2022, as 2022/23 year-end figures are not yet available at the time of publication. While we have retrospectively updated data from previous years in our systems, we have not changed the prior year actuals presented in this document, as some measures involve the use of a data model that is updated continuously.

## 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	2024 target	2026 target
1,542 deaths and serious injuries where the speed limit does not align with the safe and appropriate speed <sup>A</sup>	✔ Reduce below 1,130 by 30 June 2024 (27% decrease from the baseline) <sup>B</sup>	✔ Reduce below 925 by 30 June 2026 (40% decrease from the baseline aligned with Road to Zero target)



<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 30 June 2024 has been calculated based on a straight-line trajectory to 2026.

### Why is this measure important?

This measure helps us understand whether work to set safe and appropriate speeds limits on the roads is helping to reduce deaths and serious injuries related to speed. It aligns with the overall target of Road to Zero to reduce deaths and serious injuries from land transport by 40 percent by 2030 (from 2018 levels).



## Number of head-on, run-off-road and intersection deaths and serious injuries <sup>ST12</sup>

### Baseline

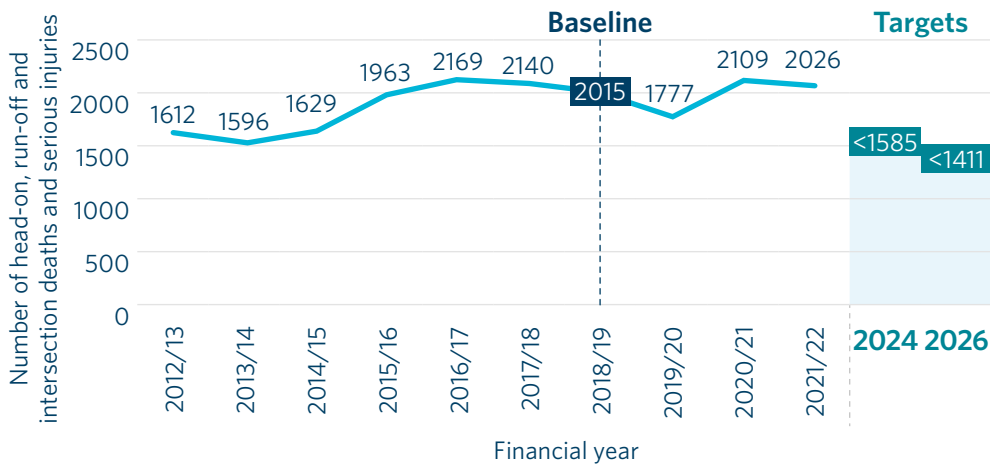
2,015 deaths and serious injuries associated with head-on, run-off-road and intersection crashes <sup>A</sup>

### 2024 target

✔ Reduce below 1585 by 30 June 2024 (21% decrease from the baseline) <sup>B</sup>

### 2026 target

✔ Reduce below 1411 by 30 June 2026 (30% decrease from the baseline aligned with Road to Zero target)



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

<sup>B</sup> The annual target for June 2024 has been calculated based on a straight-line trajectory to 2026.

### Why is this measure important?

This measure helps us understand whether work to improve the safety of road infrastructure is helping to reduce deaths and serious injuries related to road design. It aligns with the overall target of Road to Zero to reduce deaths and serious injuries from land transport by 40 percent by 2030 (from 2018 levels).

## Safer vehicles ●●

Encouraging more people to buy safe vehicles

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

#### Baseline

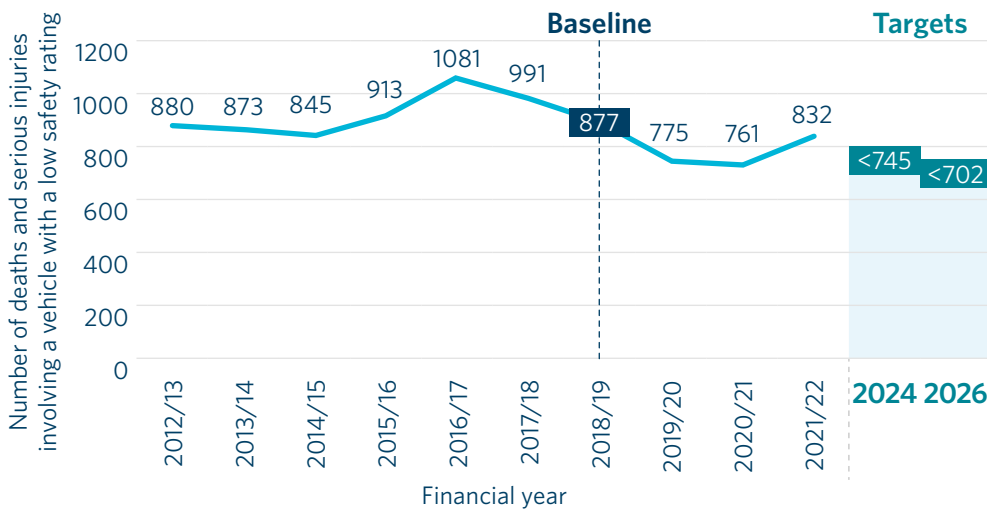
877 deaths and serious injuries associated with vehicles with a low safety rating<sup>B</sup>

#### 2024 target

✔ Reduce below 745 by 30 June 2024 (15.1% decrease from the baseline)<sup>C</sup>

#### 2026 target

✔ Reduce below 702 by 30 June 2026 (20% decrease from the baseline aligned with Road to Zero target)



<sup>A</sup> Aotearoa New Zealand has a large proportion of unsafe vehicles in its fleet (41 percent of light vehicles have 1- and 2- star safety ratings).

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

<sup>C</sup> The annual target for June 2024 has been calculated based on a straight-line trajectory to June 2026.

### Why is this measure important?

This measure helps us monitor whether work to raise awareness of vehicle safety is helping to reduce deaths and serious injuries due to vehicles with a low safety rating. It aligns with the overall target of Road to Zero to reduce deaths and serious injuries from land transport by 40 percent (from 2018 levels) by 2030.

## Safer road user choices ●●

Encouraging safer road user choices and behaviours

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

#### Baseline

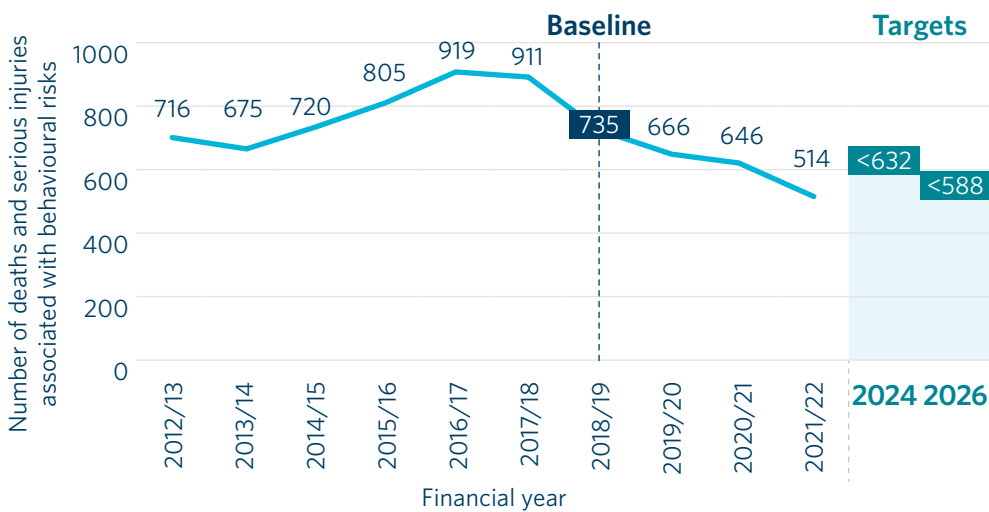
735 deaths and serious injuries associated with behavioural risk factors <sup>A</sup>

#### 2024 target

✔ Reduce below 632 by 30 June 2024 (14% decrease from the baseline) <sup>B</sup>

#### 2026 target

✔ Reduce below 588 by 30 June 2026 (20% decrease from the baseline aligned with Road to Zero target)



<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 30 June 2024 has been calculated based on a straight-line trajectory to 2026.

### Why is this measure important?

This measure helps 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. It aligns with the overall target of Road to Zero to reduce deaths and serious injuries from land transport by 40 percent by 2030 (from 2018 levels).

We work with our partners to support good road user choices. We do this by working 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.

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## Increased protection of the environment ●

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

**The percentage of projects that are undergoing an Infrastructure Sustainability Council (ISC) rating are progressing on track to achieve an Infrastructure Sustainability (IS) rating<sup>A</sup> IPOE1**

### Baseline

75% of projects undergoing an ISC rating are on track to achieve an IS rating<sup>B</sup>

### 2024 target

➤ ⬆️ Maintain or increase from the baseline by 30 June 2024

### 2026 target

➤ ⬆️ 80%<sup>C</sup> of projects undergoing an ISC rating are on track<sup>B</sup> to achieve an IS rating

<sup>A</sup> This measure was 'Forecast Infrastructure Sustainability Council–Infrastructure Sustainability (ISC-IS) rating scheme points for applicable projects' in the 2022/23 statement of performance expectations. It has been revised to better reflect what can be measured. The baseline is for the 2022/23 financial year.

<sup>B</sup> 'On track' means projects are meeting the ISC technical requirements to achieve their sustainability rating upon the completion of the project, based on an internal assessment of progress to date by the project Infrastructure Sustainability Accredited Professional. Progress is reported quarterly and annually through the formal reporting process from project teams to Waka Kotahi. Data is verified by an ISC approved verifier at the conclusion of the project.

<sup>C</sup> The 2026 target assumes that as the ISC-IS rating becomes entrenched in the industry, businesses undertaking projects will become more skilled and capable of meeting ISC-IS requirements.

### Why is this measure important?

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

## Waka Kotahi corporate carbon footprint IPOE2

### Baseline

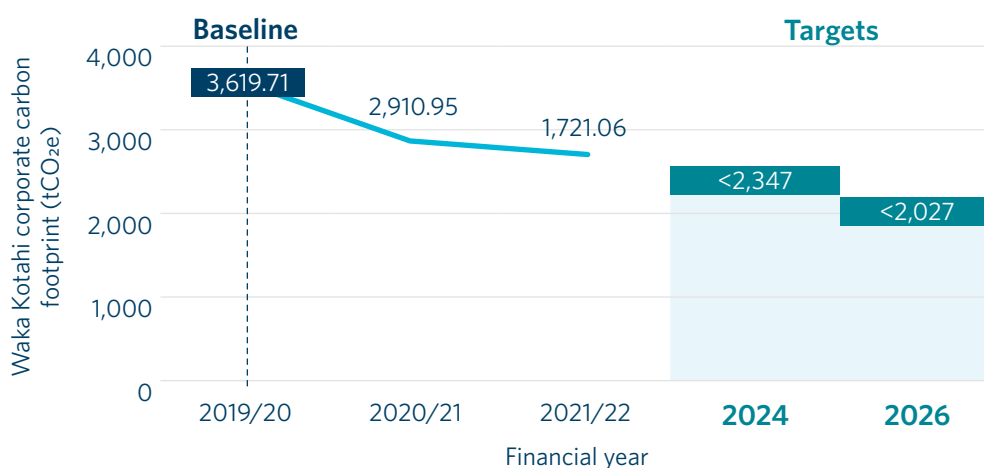
3,619.71 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e)

### 2024 target

✔ Reduce below 2,347 tCO<sub>2</sub>e by 30 June 2023 (35% decrease from the baseline)<sup>A</sup>

### 2026 target

✔ Reduce below 2,027 tCO<sub>2</sub>e 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.

<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. This aligns with the reduction target needed for a global emissions pathway that limits warming to no more than 1.5°C, as required by the *Carbon Neutral Government Programme, a guide to measuring and reporting greenhouse gas emissions*.

### Why is this measure important?

This measure tracks whether we have reduced 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 actively measure our carbon emissions in preparation for annual Toitū Envirocare audits.

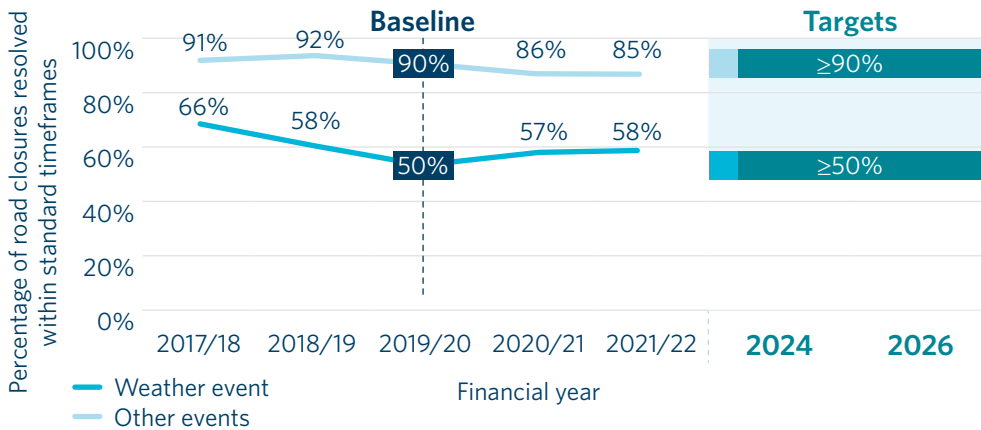


## Improved resilience to disruptive events ●

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

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

Baseline	2024 target	2026 target
Weather event: 50%	Weather event: ≥50% by 30 June 2024	Weather event: ≥50% by 30 June 2026
Other events: 90% <sup>B</sup>	Other events: ≥90% by 30 June 2024	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. This measure is being revised in 2023/24 to better reflect the impact from increasing extreme weather events.

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

### Why is this measure important?

This measure helps us track whether we're making 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 stay connected and minimising the time people and businesses are unable to meet their travel needs. The frequency of natural disasters and severe weather events is expected to increase, so our ability to respond effectively will become increasingly important.

## More reliable freight network ●●●

Improving network predictability

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

#### Baseline

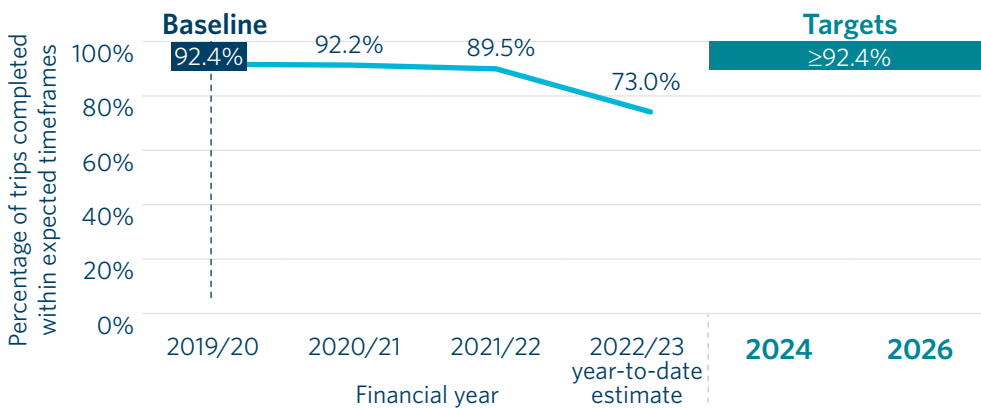
92.4% of interpeak trips are completed within the expected timeframes <sup>A</sup>

#### 2024 target

➤⬆️ Maintain or increase by 30 June 2024

#### 2026 target

➤⬆️ Maintain or increase by 30 June 2026



<sup>A</sup> Baseline is for the 2019/20 financial year. Baseline figure has been slightly adjusted from 93% to 92.4% due to calculation changes made to improve the reflection of practical performance. These changes include adopting a 12-month rolling reference period, changing from using the 'average' to the 'median' travel time, and calculating how often travel times are predictable.

### Why is this measure important?

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

## 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

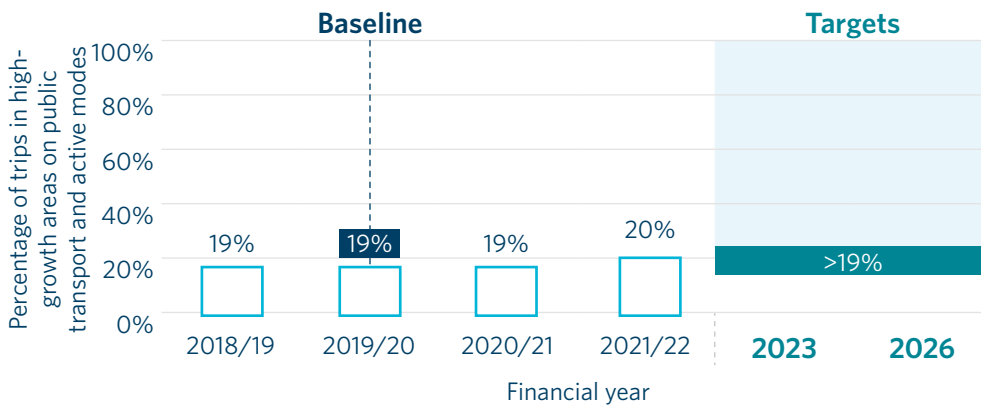
>19 percent of trips in high-growth urban areas were on public transport and active modes <sup>A</sup>

#### 2024 target

▲ Increase by 30 June 2024

#### 2026 target

▲ Increase by 30 June 2026



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

### Why is this measure important?

This measure helps 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. The improvements we will see are expected to be gradual, as this is a long-term measure requiring system-level effort.

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

Walking: 5%

Cycling: 23%

Public transport: 15%

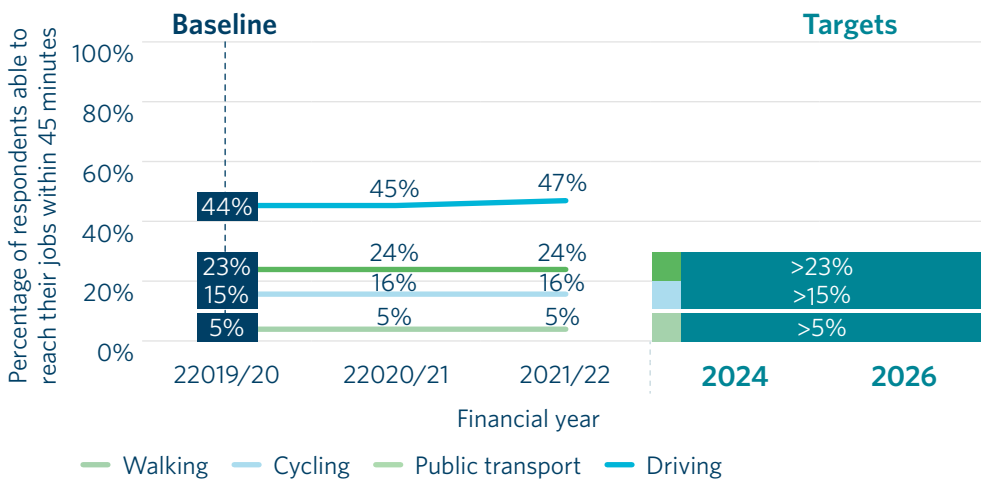
Proportion of population within 15 minutes of the nearest school, general practitioner and supermarket by mode (see figures in footnotes)<sup>A</sup>

#### 2024 target

⬆️ Increase for public transport and active modes by 30 June 2024

#### 2026 target

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



Proportion of population within 15 minutes of the nearest school, general practitioner and supermarket by mode

Mode	Financial year	Primary schools	Secondary schools	General practitioners	Supermarkets
Walking	2019/20	62%	21%	51%	40%
	2020/21	62%	21%	52%	40%
	2021/22	62%	21%	52%	39%
Cycling	2019/20	89%	70%	82%	82%
	2020/21	89%	71%	83%	82%
	2021/22	89%	71%	83%	82%
Public transport	2019/20	70%	28%	62%	51%
	2020/21	70%	28%	62%	51%
	2021/22	70%	28%	63%	51%
Driving	2019/20	99%	92%	95%	95%
	2020/21	98%	92%	95%	95%
	2021/22	98%	92%	95%	95%

<sup>A</sup> Baseline is 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.

Mode	Primary schools	Secondary schools	General practitioners	Supermarket
Walking	62%	21%	51%	40%
Cycling	89%	70%	82%	82%
Public transport	70%	28%	62%	51%

### Why is this measure important?

This measure helps 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 consented residential units in major urban areas with access to frequent public transport services ACCESS2

### Baseline

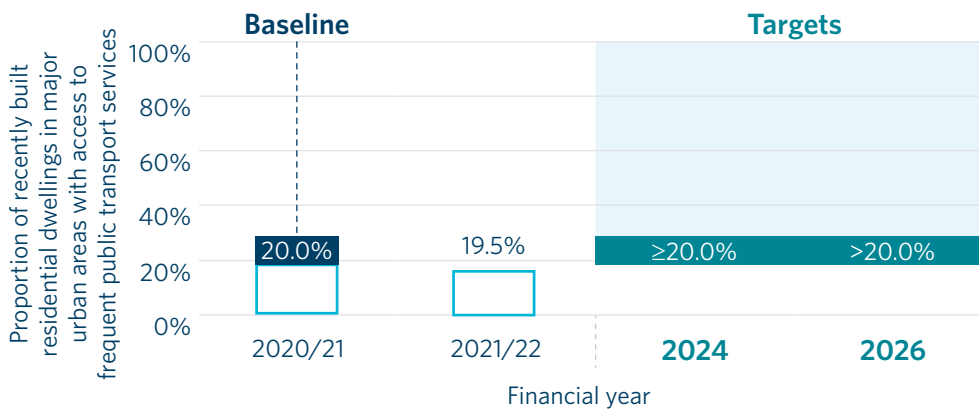
20.0% of recently consented residential units in major urban areas with access to frequent public transport services <sup>A</sup>

### 2024 target

➡️⬆️ Maintain or increase from the baseline by 30 June 2024

### 2026 target

⬆️ Increase from the baseline by 30 June 2026



<sup>A</sup> Based on an analysis of frequent public transport services during the morning peak period and building consents issued in major urban areas. Frequency is defined as frequent within the morning-peak (7am to 9am Monday to Friday) if at least one bus route is scheduled to visit it at least every 15 minutes 29 seconds (or for ferries, every 30 minutes 29 seconds). No prior trend data is available. To reflect better what is being measured, the baseline has been updated from 9.5% (2019/20) to 20.0% (2020/21) and the measure description has had 'residential dwellings' replaced with 'residential units'. A unit is essentially a dwelling in which a person or a family can live independently, and it should have its own cooking and toilet facilities.

### Why is this measure important?

This measure helps us track whether the work we're doing with our partners on integrated transport and land use planning is improving people's access to public transport. This is important for achieving mode shift, improving connections to key destinations and reducing emissions. This is a long-term measure, and we will continue to monitor city-level data to gain insights on urban growth patterns linked to public transport provision.

## Internal results measures

Our internal results are the changes to delivery capability and collaboration that we need to see to achieve our external results.

Our results and their relationship with system outcomes are detailed in our statement of intent 2021-26.

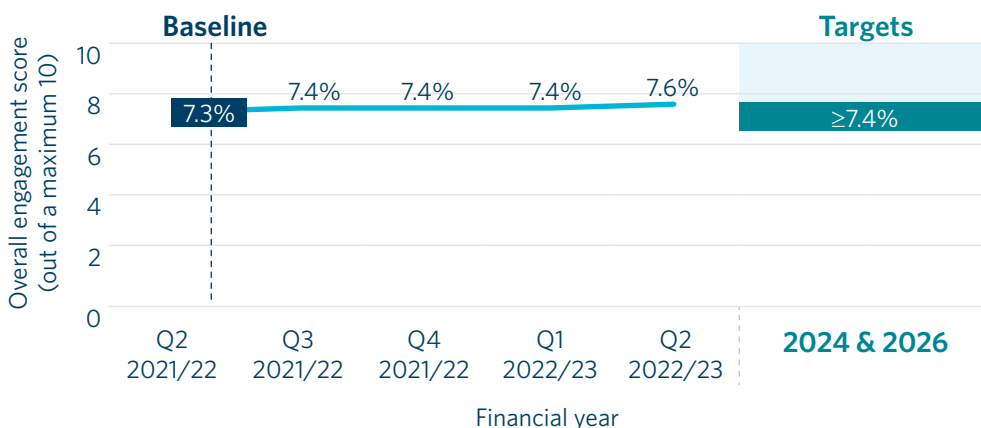
Explanatory notes for all internal results measures support the discussion of why each measure is important and key elements in the measurement methodology (available at [nzta.govt.nz/assets/resources/statement-of-performance-expectations/2023-2024/spe-2023-2024-performance-measure-explanatory-notes.pdf](https://nzta.govt.nz/assets/resources/statement-of-performance-expectations/2023-2024/spe-2023-2024-performance-measure-explanatory-notes.pdf)).

Targets labelled as 2024 and 2026 are for the 2023/24 and 2025/26 financial years respectively.

For trend graphs, the most recent figures are either of June 2021 or December 2022, as 2022/23 year-end figures are not yet available at the time of publication. While we have retrospectively updated data from previous years in our systems, we have not changed the prior year actuals presented in this document, as some measures involve the use of data model that is updated continuously.

## Effective delivery ●●●●

Staff engagement		
Staff survey engagement score - based on the overall engagement score, out of a maximum of 10 <sup>DEL1</sup>		
Baseline	2024 target	2026 target
7.4 overall engagement score <sup>A</sup>	➔➕ Maintain or increase by 30 June 2024	➔➕ Maintain or increase by 30 June 2026



<sup>A</sup> 7.4 is the global benchmark for the overall staff engagement score in quarter 2 of 2021/22, which we have used as our new baseline (note our score at this time was 7.3). This baseline and target are different from those in our latest statement of intent as we have changed survey provider and methodology. The benchmark is based on the average responses from government organisations from Aotearoa New Zealand and comparable locations (Australia, the United Kingdom and the United States). The benchmark is updated periodically. For more information on the changes to benchmarks, see the website of Peakon, the survey provider ([support.peakon.com/hc/en-us/sections/360005353580-Benchmarking](https://support.peakon.com/hc/en-us/sections/360005353580-Benchmarking)).

### Why is this measure important?

This measure shows whether staff engagement is improving 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.

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

Investment performance		
Waka Kotahi investor confidence rating (ICR) – rating scale from A to E, with an A signalling high performance <sup>DEL2</sup>		
Baseline	2024 target	2026 target
'C' rating <sup>A</sup>	 Improve from the baseline by 30 June 2024 <sup>B</sup>	 Improve from the baseline by 30 June 2026 <sup>B</sup>

<sup>A</sup> Baseline is for the 2018 calendar year. 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 helps us, the Ministry of Transport and our partners to understand whether we're delivering the right results for the land transport system. 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 DEL3

#### Baseline

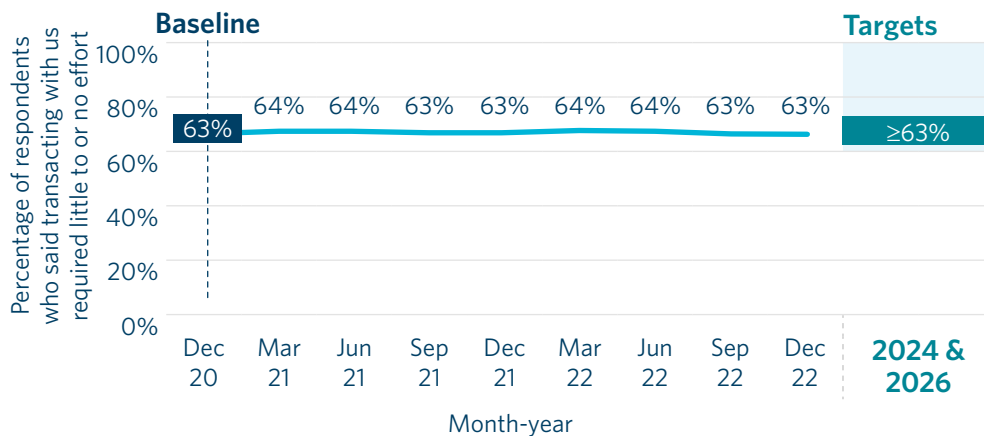
63% of survey respondents said that little or no effort was required at service touchpoints <sup>A</sup>

#### 2024 target

➤ ⬆️ Maintain or increase by 30 June 2024

#### 2026 target

➤ ⬆️ Maintain or increase by 30 June 2026



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

### Why is this measure important?

This measure helps 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 also identifies areas where we can improve, so we're delivering the right things in the right way.

## Regulatory performance

### Update to new title 'Quality of regulatory activity - Percentage of regulatory activity that conforms to key decision-making criteria' DEL4 <sup>A</sup>

Baseline	2024 target	2026 target
85%	⬆️ Increase from the baseline by 30 June 2024	⬆️ Increase from the baseline by 30 June 2026

<sup>A</sup> This measure replaces the previous interim measure ('progress in delivering the regulatory strategy') to help us better understand the overall performance of our regulatory services.

#### Why is this measure important?

This measure tracks the quality of regulatory activity and decisions, using four key criteria: documentation, consistency, decision-making, and follow-up.

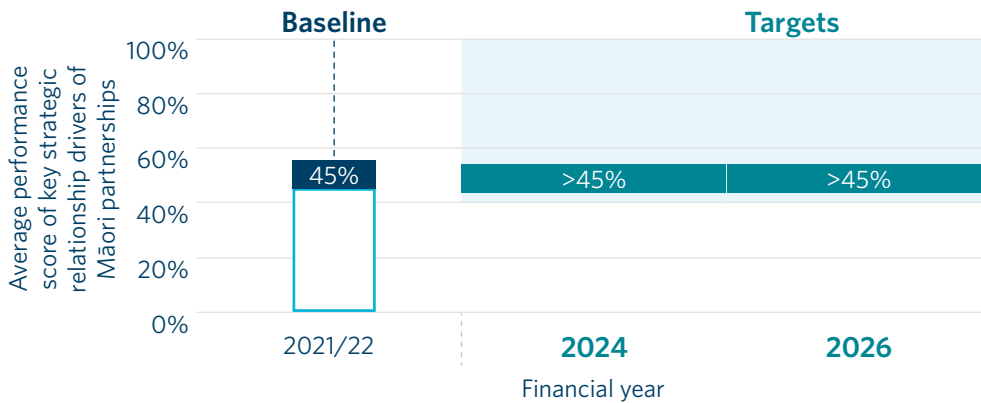


## Effective collaboration ●●●●

### Partnerships and engagement with Māori

#### Average performance score of key strategic relationship drivers<sup>A</sup> of Māori partnerships COL1

Baseline	2024 target	2026 target
45% <sup>B</sup>	⬆️ Improve from the baseline by 30 June 2024	⬆️ Improve from the baseline by 30 June 2026



<sup>A</sup> The measure was established in 2022/23. Research was conducted to better understand the needs of Māori and how we are meeting those needs and to identify improvements to strengthen our relationships with Māori. The seven key relationship drivers that make up this measure are that Waka Kotahi sees Māori as an equal partner; is culturally aware and competent; looks to understand and meet your needs as Māori; provides sufficient time, funding and resources to foster the relationship; is delivering effective outcomes for Māori; takes Māori expertise into account when making decisions in your area; and can be relied on to deliver what it says it will.

<sup>B</sup> Baseline is for the 2021/22 financial year, and is the average performance score of the seven relationship drivers.

### Why is this measure important?

This measure helps us understand whether we're realising the vision of Te Ara Kotahi, our Māori Strategy, 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 New Zealand. 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

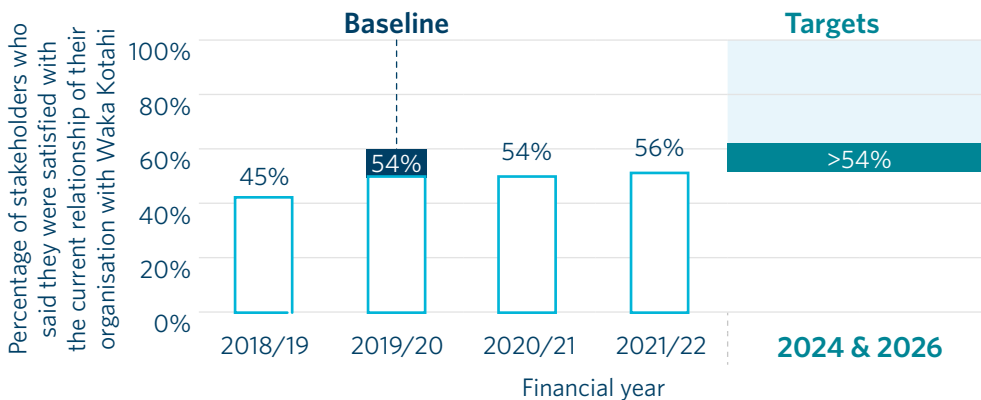
54% of stakeholders said they were satisfied with the current relationship of their organisation with Waka Kotahi <sup>A</sup>

#### 2023 target

⬆️ Improve by 30 June 2024

#### 2026 target

⬆️ 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 helps us understand whether we're working with our stakeholders and partners in a way that upholds our value of kotahitanga - better together. We rely on our relationships with our stakeholders and partners to achieve the 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.

# Ngā āhuatanga ka tukuna e mātou i te 2023/24

## What we'll deliver in 2023/24

This section identifies what we'll need to deliver and invest in during 2023/24 to deliver on Te kāpehu and respond to government expectations for the land transport system.

For our significant capital projects milestones, see appendix 2 (page 153).

### Significant activities

Our significant activities capture what we want to achieve through our major programmes, strategies and initiatives in 2023/24. While we have presented the significant activities under our four system outcomes, the relationship between activities and outcomes is more complex with many activities contributing to several outcomes (see page 124 for a mapping of their contributions).

### Safe

Everyone should get where they are going safely, whether they're walking, cycling, driving, motorcycling or using public transport.

Road to Zero, the national road safety strategy, adopts Vision Zero – a vision where no one is killed or seriously injured on roads in Aotearoa New Zealand. This approach seeks to create a safe and forgiving road system, with the safety of people at the centre. With our partners, we're working towards the target of a 40 percent reduction in deaths and serious injuries by 2030 (from 2018 levels). To achieve the Road to Zero vision and targets, we need safe infrastructure and speeds, vehicles, road user behaviour and workplaces. Through our programmes, such as the Speed and Infrastructure, Road Safety Partnership, Tackling Unsafe Speeds, and Road Safety and Advertising programmes, we will continue to deliver initiatives that improve road safety.

We are the country's lead regulator for land transport. It's our role to improve safety and reduce the risk of harm across the land transport system. We refreshed *Tū ake, Tū māia*, our regulatory strategy, in 2022/23 to take a longer-term view of the land transport system and our regulatory role within it. Implementing *Tū ake, Tū māia* will help us ensure the land transport system is safe, effective and efficient, and works well for everyone.

Our investments in mode shift, public transport and freight connections also play an important role in making the land transport system safer, as well as improving New Zealanders' health and wellbeing.

To deliver Road to Zero, undertake our regulatory role and find the right safety solutions for each region, we need to work with others. Our partners include the Ministry of Transport, New Zealand Police, the Accident Compensation Corporation, WorkSafe and local government.

The activities we have planned for 2023/24 also help us give effect to the Government Policy Statement on land transport 2021/22 - 2030/31 (GPS 2021) safety priority.

In 2023/24 we will:

- 1.1** continue to deliver the Speed and Infrastructure Programme, with local road controlling authorities, including investing in safety treatments and infrastructure improvements, and making targeted speed changes
- 1.2** investigate a harm prevention approach to target known road safety and compliance risks and support best practice for work-related safety on the road
- 1.3** continue to deliver communication and engagement campaigns to support behavioural change and increase awareness of the importance of key Road to Zero initiatives such as safe vehicles
- 1.4** work with the Ministry of Transport and New Zealand Police to partner with Māori and implement initiatives that improve road safety outcomes for Māori
- 1.5** progress expansion of the safety camera network and conclude preparations to transfer existing safety cameras from New Zealand Police.

## Environmentally sustainable

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Transport, primarily land transport, is the second largest source of greenhouse gas emissions in Aotearoa New Zealand and the fastest growing source of domestic emissions. Reducing emissions from the land transport system will lead to a healthier and fairer transport system, improved freight efficiency and better road safety outcomes.

The government's emissions reduction plan (ERP) released in 2022 provides a clear direction to transition Aotearoa New Zealand to a low-emissions and climate-resilient transport system. It also sets the transport sector an emissions reduction target of 41 percent by 2035 (from 2019 levels). We have a significant role to play in helping achieve this target, including by delivering initiatives funded by the Climate Emergency Response Fund.

Reducing emissions will require many New Zealanders to adjust their travel behaviour. To support this, we need to prioritise public transport and active modes such as walking and cycling. We will work with our partners to identify, enable and complete projects to improve rapid transit, public transport, and walking and cycling networks across Aotearoa New Zealand. We will continue to support the increased use of low-emissions vehicles and work to decarbonise heavy transport and freight.

Climate change increases the risk of existing natural hazards and creates new risks. Alongside reducing emissions, we need to adapt the land transport system to the reality of a changing climate. We need to change the way we plan, invest in, design, deliver, operate and use the transport system, to build resilience in the land transport system.

We developed Tiro Rangi, our climate adaptation plan, in 2022. This was a key action of the Government's first national adaptation plan (NAP) and a critical step in strengthening the land transport system against the effect of climate change. The plan covers an initial two-year period and lays a strong foundation for our approach to climate resilience. It sets out our high-level actions for the next two years for the step change we need in the way we work and our long-term goal for a climate-resilient transport system. This includes implementation planning, stakeholder engagement and the development of a monitoring and reporting framework. Many of the actions we're taking to reduce transport emissions, such as mode shift, will also support our adaptation goals.

To improve organisational processes and practices, action 1.1 of Tiro Rangi will embed climate adaptation governance and reporting to ensure Waka Kotahi leadership has clear accountability for climate adaptation. The commitment and accountability of leadership ensures that adaptation is central to the strategic direction of Waka Kotahi, is integrated into business processes, is prioritised and resourced appropriately, and that there is accountability for progress towards outcomes.

Action 3.2 of Tiro Rangi will incorporate adaptation into our decision-making framework to ensure we continue to deliver on our commitments in the NAP. This will provide better guidance for how we develop, assess and prioritise climate adaptation related funding in the land transport system.

The activities we have planned for 2023/24 help us give effect to the GPS 2021 climate change priority. We are also continuing to deliver resilience improvements through the NLTP.

In 2023/24 we will:

- 2.1** partner with councils to deliver the 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
- 2.2** publish a national light vehicle kilometres travelled (VKT) reduction plan that aligns with the national light VKT reduction target in the ERP
- 2.3** partner with councils, iwi and Māori, and community representatives on publishing the light VKT reduction programmes for tier 1 urban environments that align with relevant sub-national light VKT reduction targets
- 2.4** identify plausible light and heavy vehicle fleet transition pathways to meet the challenging 2035 targets in ERP focus areas 2 and 3 and inform actions for future ERPs
- 2.5** fulfil non-corporate emissions commitments under the memorandum of understanding with the Ministry for the Environment on Carbon Neutral Government Programme activities
- 2.6** embed climate adaptation into our strategic settings for system planning, spatial planning and investment
- 2.7** update the database of risks to the state highway network from climate change and other natural hazard impacts.



## Effectively and efficiently moving people and freight

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As the steward of the land transport network, it is our responsibility to work with our partners to keep people and products moving. This means ensuring the land transport network is available, reliable and affordable for all users.

The country has nearly 100,000km of roads, cycleways and footpaths, and around 4,000km of rail. For communities to thrive, people need to be able to move around easily and have choices about how they get to work, connect with family and friends, and access services. We will continue to partner with other government agencies, iwi and local authorities to invest in infrastructure improvements for public transport, walking and cycling, state highways and local roads.

We will also partner to deliver rapid transit projects, including the Auckland Transport Alignment Project and Let's Get Wellington Moving, which will support city growth, enable effective urban development, and make it easier and safer for people to move around.

Increasing the share of travel by public transport, walking and cycling (known as 'mode shift') is important in changing the way we move around, as well as providing more travel options for New Zealanders. We will continue to deliver Keeping cities moving, our national mode shift plan, which outlines how we will work with partners to improve wellbeing and achieve mode shift. With our partners, we'll also continue to implement the six regional mode shift plans for Auckland, Hamilton, Tauranga, Wellington, Christchurch and Queenstown.

Efficient, reliable and resilient freight transport is vital for a thriving economy. Our challenge is to make sure freight delivery is efficient and safe, and supports our goal to reduce greenhouse gas emissions. We will maintain our focus on supporting lower-emissions movement of freight, using heavy rail and coastal shipping. These modes are better for environmental sustainability, reducing pollution in urban centres, as well as being safer than road travel. We'll also continue to roll out commercial vehicle safety centres across the motu to improve freight safety, increase heavy vehicle compliance with regulation and help protect the roading infrastructure from loads that are too heavy.

The reality of a changing climate is already being felt, with severe weather events affecting most parts of the country over recent years. These events damage and disrupt the transport network, services and infrastructure, making it difficult for people and goods to get where they need to go, isolating communities and limiting access to essential services. The land transport network needs to be more resilient, to reduce the impact of natural hazards and enable quick recovery from events. Over the coming year, emergency works supporting the recovery from recent severe weather events will be a priority. We will improve resilience through our resilience programme activities and the work we are doing on climate adaptation.

Our planned activities in 2023/24 help give effect to the GPS 2021 strategic priorities of better travel options and improving freight connections.

In 2023/24 we will:

- 3.1** 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
- 3.2** work with our partners to progress delivery of rapid transit<sup>1</sup>, which includes projects and initiatives needed to enable rapid transit such as rapid transit network plans and extending our requiring authority status<sup>2</sup> to rapid transit networks and projects
- 3.3** mobilise the design, build, implementation and support activities for the National Ticketing Solution Programme to deliver the pilot and full launch in Environment Canterbury, and plan for Greater Wellington Regional Council and Auckland Transport
- 3.4** continue to implement our freight action plan to improve connections and movement of freight across the land transport system, while reducing emissions in line with ERP targets
- 3.5** deliver state highway response and recovery works associated with severe weather events to ensure accessibility and connectivity of the road network and improve resilience of the land transport system, including the repair, reinstatement and rebuild in Northland, Waikato, Hawke's Bay, Gisborne and Marlborough.

<sup>1</sup> Rapid transit projects include Waitematā Harbour Connections, Supporting Growth Programme Rapid Transit, Let's Get Wellington Moving Transformational Programme and Christchurch Public Transport Futures Mass Rapid Transit. Details on the projects can be found in appendix 2: Milestones for significant capital projects (page 153).

<sup>2</sup> 'Requiring authority' is a legal term defined in s166 of the Resource Management Act 1991 (RMA). Requiring authorities can be a Minister of the Crown, a local authority or a network utility operator approved under the RMA. Requiring authorities have powers including the ability to apply to a local authority to designate land for a particular work or project, and to the Minister of Land Information to use the compulsory acquisition powers in the Public Works Act 1981.

## Meeting current and future needs

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Our role and the expectations of what we deliver are changing. We have ambitious targets, have more responsibilities and are delivering new services and programmes. We also need to manage the damage caused to the land transport network by several extreme weather events, the ongoing impact of COVID-19 and increased pressure on our funding.

To deliver a land transport system that is safe, accessible and easy to use, and responds to these challenges, we need to have access to the right people, funding and systems.

We have identified the main organisational shifts we need to make; our *kāhui whetū* (guiding stars). The four shifts are in the areas of culture and leadership, future focus, accelerating digital, and delivery excellence. We will use our *kāhui whetū* to align our organisation's work to deliver on *Te kāpehu*.

We are planning for a future land transport system that is safe, sustainable and efficient, utilising our research, innovative thinking and long-term planning processes. Our funding system is strained due to the combined impact of higher costs, expanded roles and responsibilities and more frequent extreme weather events, as well as lower revenue in the short term. A focus for 2023/24 is ensuring our funding model is sustainable so we can effectively manage our investments and assets, balancing current and future needs of the land transport system. We are developing an improvement approach to asset management to help us work toward being a leader in this area. We will also use our digital and data capabilities to improve our operations and provide better experiences for our people, partners and users.

We want a highly engaged organisational culture built on great leadership and great teams, shared values and effective partnerships. We are focused on improving our ability to collaborate and partner with others, improving our project delivery, improving the quality of our services and strengthening our regulatory performance.

To give effect to *Te kāpehu* and our *kāhui whetū*, we will define and embed the culture we need at Waka Kotahi to deliver on our wider work programme, both now and into the future. We will also implement the new leadership framework and a 360-Degree Feedback<sup>3</sup> process to help gauge our leaders' performance. We will continue to embed *te Tiriti o Waitangi* and partnership with Māori in how we work, including through continued implementation of *Te Ara Kotahi*, our Māori strategy.

<sup>1</sup> 360 Degree Feedback is an assessment system or process in which employees receive confidential, anonymous evaluations from the people who work around them. This typically includes manager, peers, and direct reports.

As part of our continuous effort to lift regulatory performance, we will develop performance measures to monitor the implementation of changes to our regulatory funding, fees and charges. This is being undertaken alongside implementation of the refreshed regulatory strategy. This will enable us to track our progress, identify areas for improvement and maintain our commitment to becoming a real-world regulator by doing the right thing, at the right time, for the right impact.

To deliver the best outcomes for Aotearoa New Zealand through our people, network, systems and services, we will remain focused on delivering our core business well.

In 2023/24 we will:

- 4.1** work with the Treasury and Ministry of Transport on follow-up actions that build on the recommendations of the 2022/23 Land Transport Revenue Review
- 4.2** implement a Board approved programme to provide assurance that value for money is being delivered across Waka Kotahi activities
- 4.3** continue to implement measures to increase capability and capacity in compliance monitoring, debt collection and recovery for road user charges
- 4.4** develop life cycle asset management plans for all infrastructure types and release the pavement and drainage plans in 2023/24
- 4.5** release a state highway strategy and an associated action plan that sets out those activities required to achieve a safe, sustainable and resilient network
- 4.6** continue to support road controlling authorities' implementation of the Asset Management Data Standard by completing tranches 2 and 3 of the implementation plan
- 4.7** deliver the Consumer Hub application, which will provide customers with all their information and interactions in one place, and allow them to carry out simple but common transactions through a secure application
- 4.8** improve our use of people information and intelligence by leveraging our new technology, including simplifying core people-related and systems-related processes and developing a people and safety reporting framework
- 4.9** define the culture and leadership we want at Waka Kotahi, that aligns with our kāhui whetū
- 4.10** install the first package of bilingual traffic signs on the roading network.

## Output classes

Our output classes are the goods and services we are funded to deliver and invest in. We have 17 output classes that contribute to the delivery of our significant activities, significant capital projects, the 2021-24 National Land Transport Programme and GPS 2021, and our regulatory and other activities.

Table 1 lists our output classes. The relationships between our output classes and our strategy and how we will assess our performance against them is included in appendix 1 (page 123).

Table 1 – Waka Kotahi output classes (\*also a GPS activity class)

State highway improvements*	Public transport infrastructure*	Vehicle safety and certification
Local road improvements*	Road to Zero*	Regulation of commercial transport operators
Walking and cycling improvements*	Rail network*	Regulation of the rail transport system
State highway maintenance*	Coastal shipping*	Revenue collection and administration
Local road maintenance*	Investment management*	Low emission vehicles
Public transport services*	Driver licensing and testing	

# 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 National Land Transport Fund (NLTF) and develops the National Land Transport Programme (NLTP) to give effect to the Government Policy Statement (GPS) on land transport. 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 and subsequently adjusted in September 2022.

Due to the damage caused by the North Island weather events which occurred in January and February 2023, additional funding of \$525 million (2022/23: \$250 million, 2023/24: \$275 million) was allocated to the NLTF to be used in the initial response. The costs of the recovery and rebuild are expected to be in the billions of dollars. Given the significant uncertainty as to cost, Crown funding, capital vs operating and local road vs state highway split, we have only estimated costs to the extent of approved Crown funding which is a further \$275 million. More reliable cost information should be in place for the publication of the 2022-23 annual report.

As a result of the temporary reduction in fuel excise duties and road user charges (RUC) announced in March 2022, an additional \$1,445 million of Crown funding has been provided for the reduction of NLTF revenue. The scheme has been extended to 30 June 2023, along with half-price public transport fares.

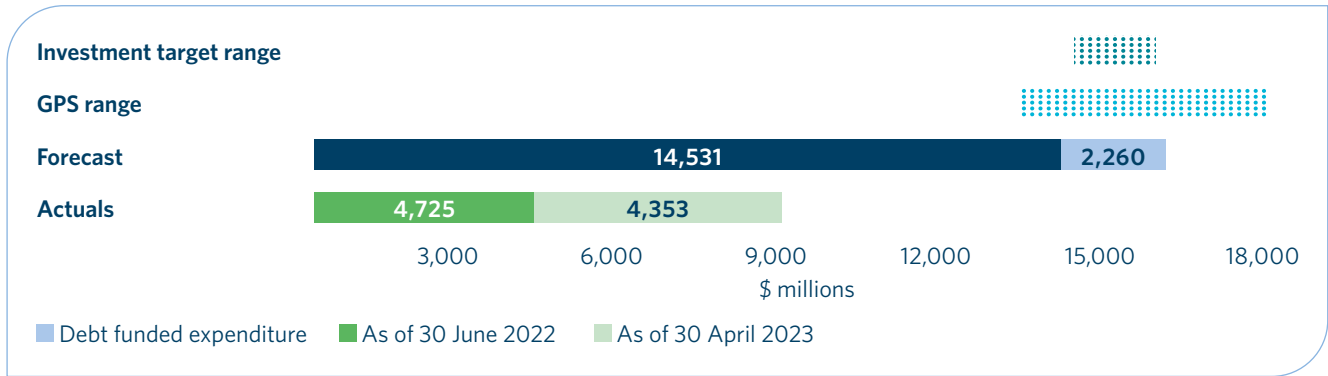
### **Progress to deliver on the 2021-24 National Land Transport Programme**

The following charts illustrate how the NLTF allocation and commitments are progressing for the 2021-24 NLTP and each GPS activity class. The charts show the current forecast spend for the NLTF over the 2021-24 NLTP compared with the GPS ranges and actual expenditure to 30 April 2023. Expenditure forecasts were developed as part of the Budget Economic and Fiscal Update 2023 exercise and updated for more recent information including the budget bids information. The charts exclude the impact of non-NLTF Crown funding received for specific projects such as New Zealand Upgrade Programme.

The investment targets set at the start of the 2021-24 NLTP were revised in September 2022. Revenue is forecast to be approximately \$510 million lower due to COVID-19-related lockdowns and other changes in economic conditions. Waka Kotahi is also expecting to deliver fewer activities but with those activities being at a higher cost given COVID-19-related delays and significant inflationary pressures.

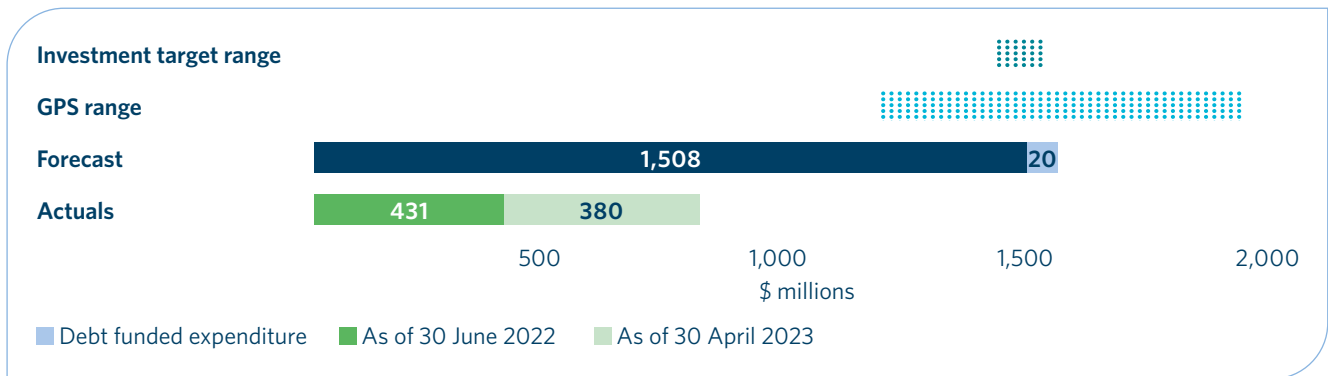


## Overall use of the National Land Transport Fund



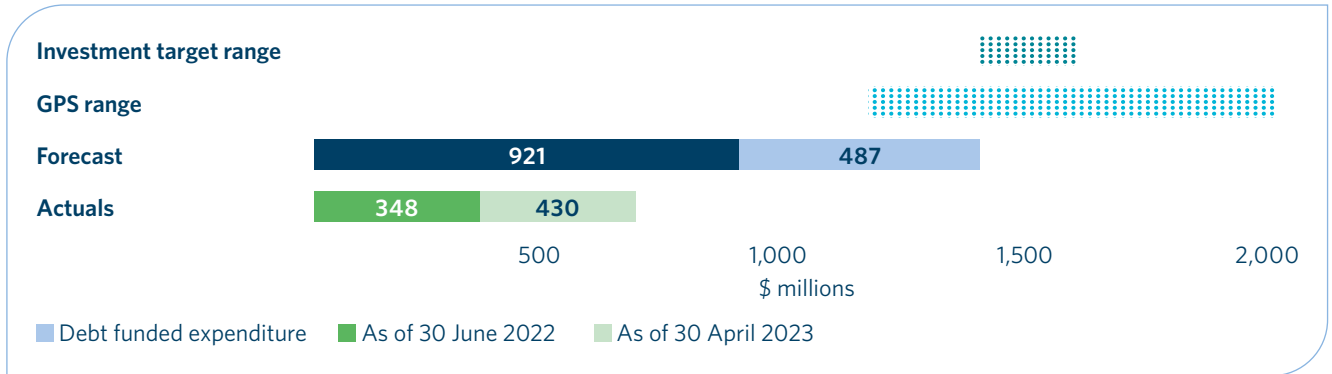
Debt-funded expenditure includes the use of the \$2 billion facility and \$250 million of the \$500 million of short-term facilities. The debt funding is available for use for any NLTF spend.

## Public transport services



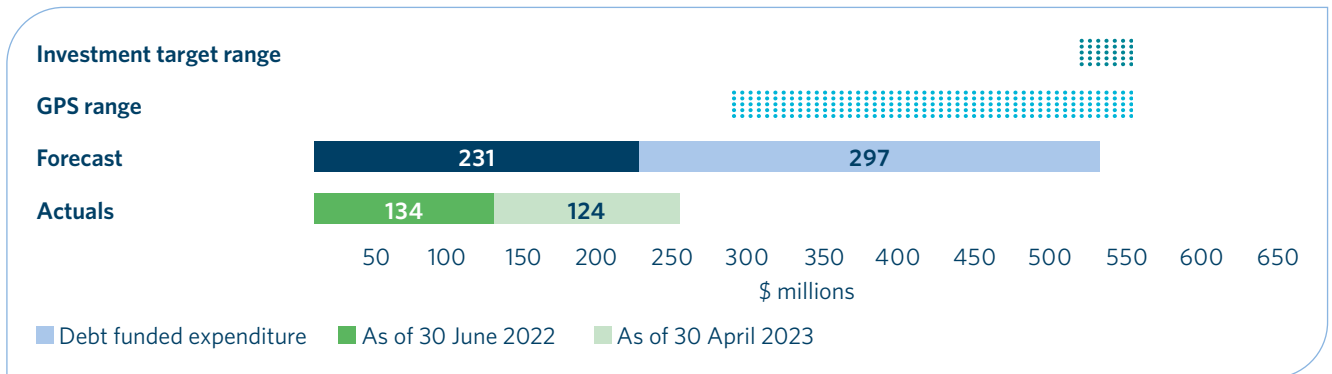
Expenditure to 30 April 2023 for public transport services is within budget. The current forecast is at the lower end of the GPS range but may increase depending on the level of NLTF funding for support of services as a result of lower patronage. Recent government announcements regarding half-price public transport fares are expected to have a financial impact on public transport services expenditure. The related costs (estimated \$140 million) will be funded by the Crown, and are included from the forecast above.

## Public transport infrastructure



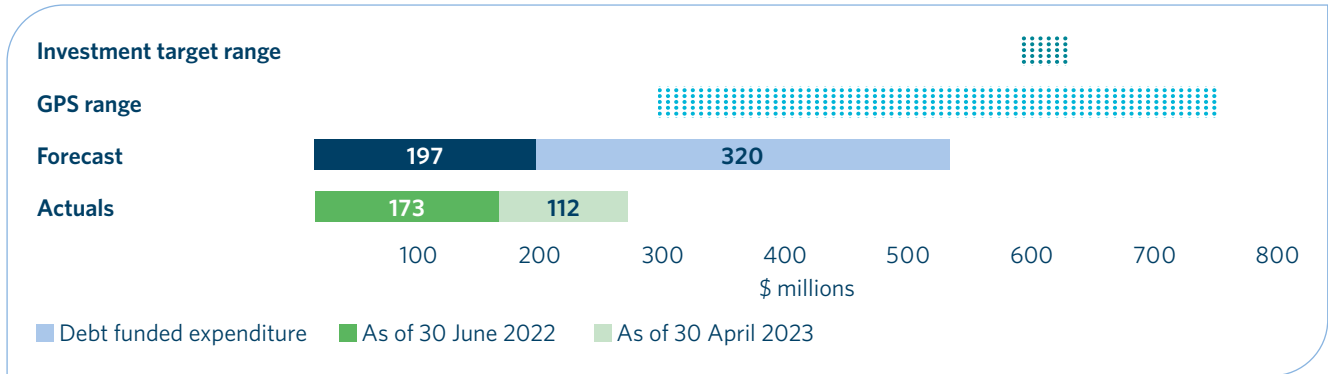
Expenditure to 30 April 2023 for public transport infrastructure is on target. Project delays and uncertainties are being monitored closely to assess the potential impact on forecast spend compared with the activity class investment target. This activity class has several large projects. Changes in one of the large project schedules or costs could significantly affect performance against the target.

## Walking and cycling



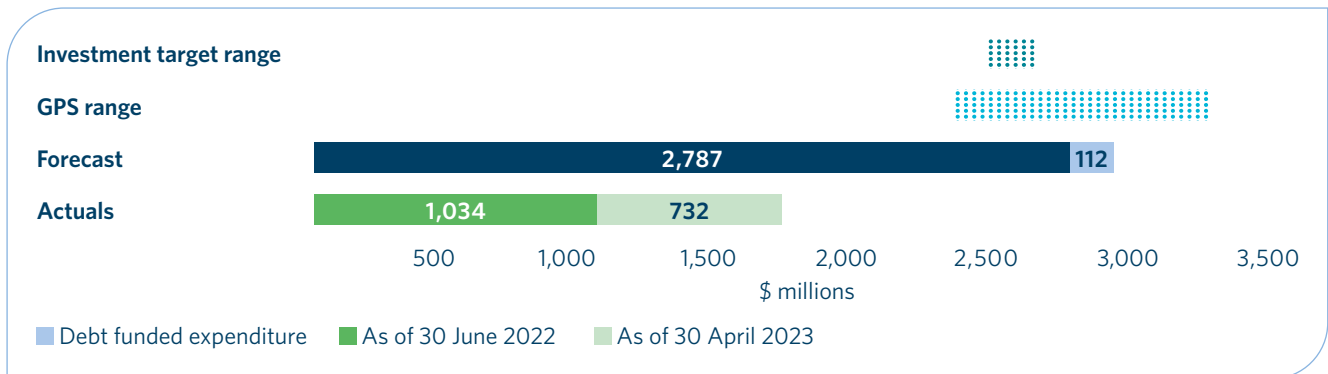
Expenditure to 30 April 2023 for walking and cycling is on budget. The forecast is heavily dependent on the spend on the Ngā Ūranga to Pito-One (Ngauranga to Petone) walking and cycle path.

## Local road improvements



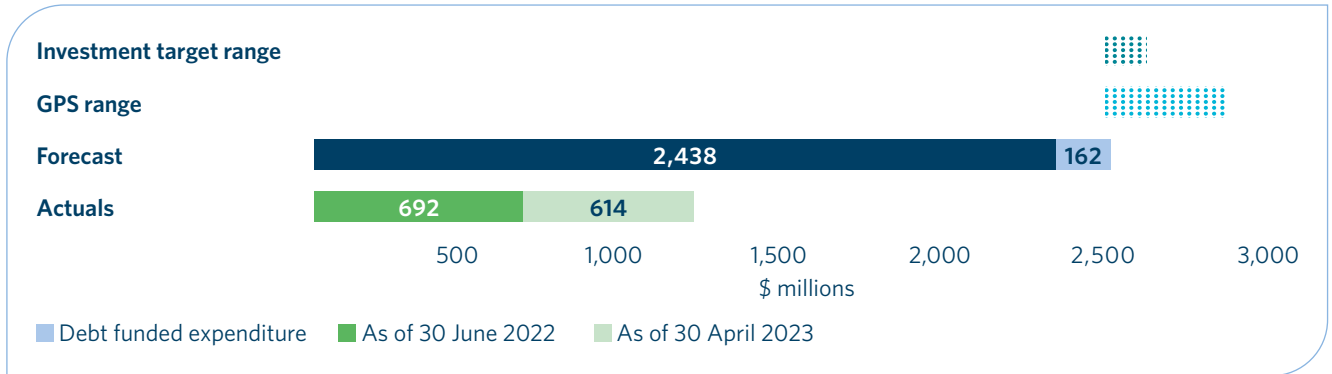
Expenditure to 30 April 2023 for local road improvements is slightly above budget. The current three-year forecast indicates expenditure in the upper-middle of the GPS range. The forecast may be affected by reduced activity by approved organisations, especially in light of North Island weather events.

## State highway improvements



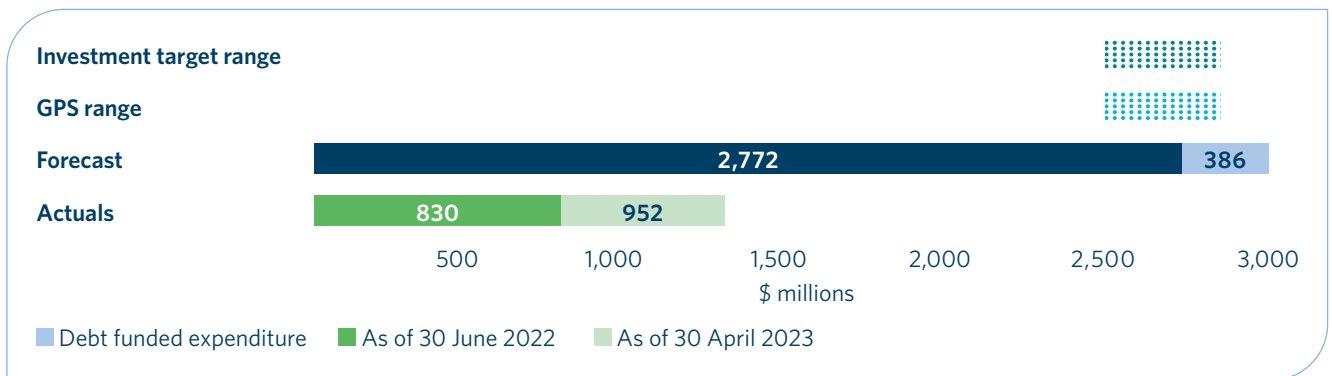
Expenditure to 30 April 2023 for state highway improvements is above forecast with the three-year view falling in the middle of the GPS range. Expenditure has been affected by additional COVID-19-related costs and cost escalations. Most of the spend in this activity class related to construction activity that was committed in prior NLTPs.

## Road to Zero (including road policing)



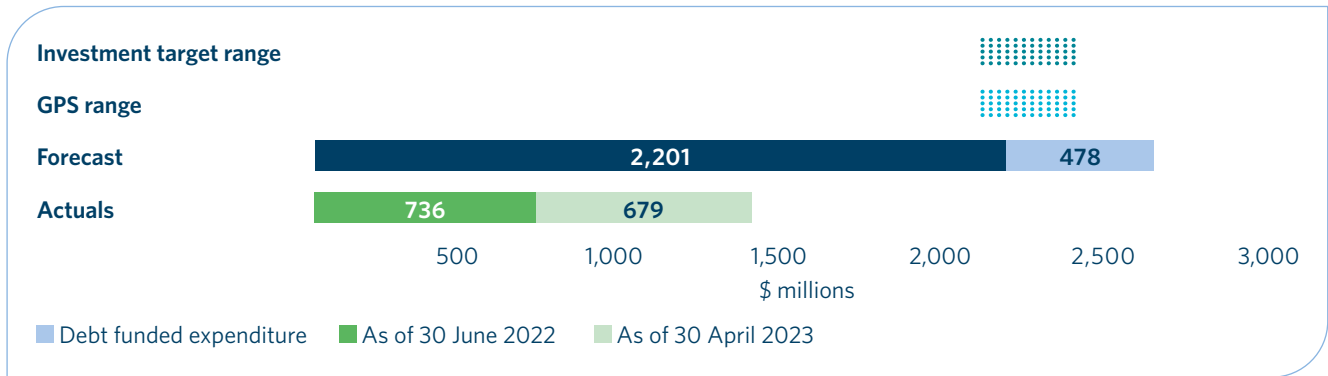
Expenditure to 30 April 2023 for Road to Zero is slightly behind budget. The three-year forecast is close to the bottom of the GPS range. The Road to Zero activity class includes roading policing (funding provided to New Zealand Police), road safety promotion and infrastructure safety programmes delivered by Waka Kotahi and approved organisations.

## State highway maintenance



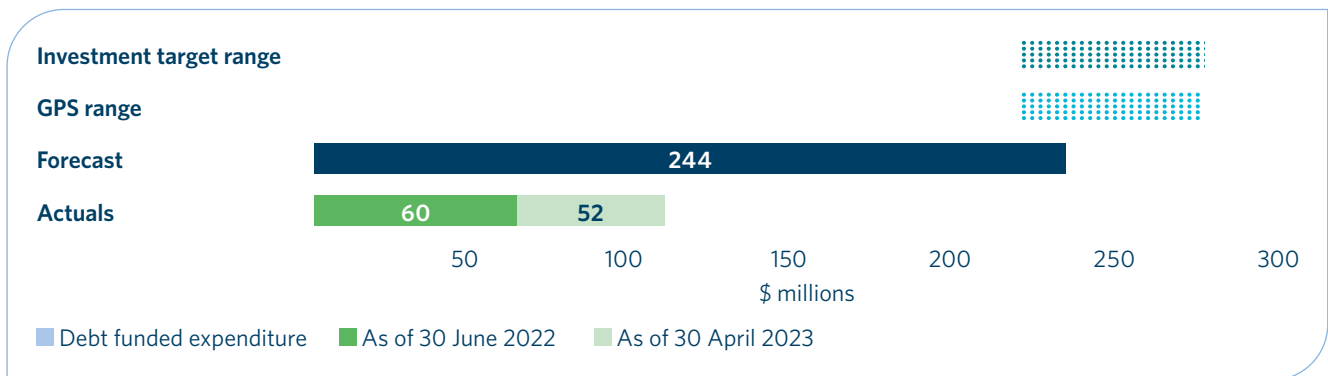
Expenditure to 30 April 2023 for state highway maintenance is below budget. However, the three-year forecast indicates that expenditure will trend towards the upper end of the GPS range. The cost of works following the North Island weather events and other emergency works, are driving the higher forecast.

## Local road maintenance



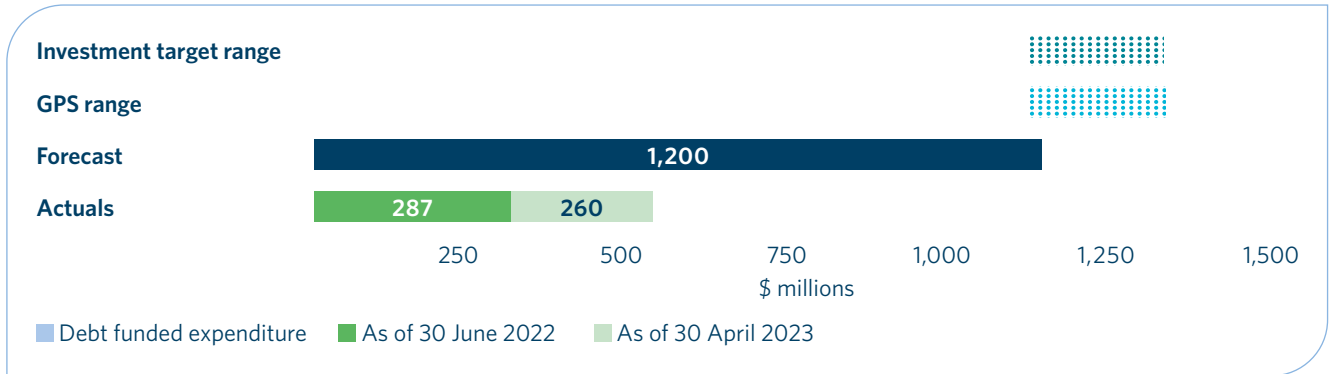
Expenditure to 30 April 2023 for local road maintenance is on budget with the three-year forecast falling over the upper end of the GPS range. The costs of emergency works including for the North Island weather events are driving the high forecast.

## Investment management



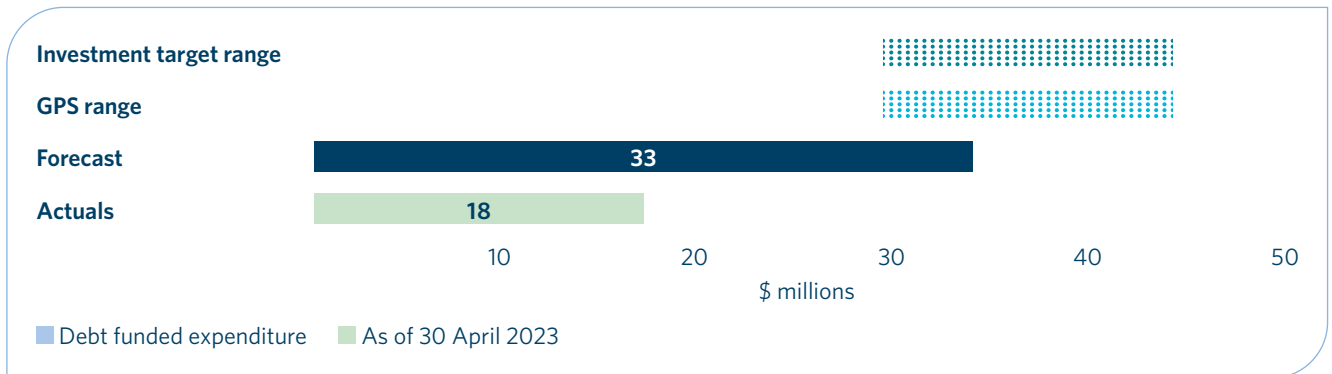
Expenditure to 30 April 2023 for investment management is on budget with the three-year forecast falling below of the GPS range.

## Rail network



Expenditure to 30 April 2023 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 30 April 2023 for coastal shipping amounted to \$16 million. The first year of the programme focused on procurement activities that were successfully completed with four suppliers engaged. The three-year forecast is at the low end 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
- the National Land Transport Fund.

# Waka Kotahi NZ Transport Agency

## 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 \$7,506 million for 2023/24 has been allowed for, comprising \$5,905 million operating expenditure and \$1,601 million capital expenditure, broken down as:

- **land transport investment** (\$6,929 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 operations** (\$577 million), which includes operational costs and activities including regulatory and customer services 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 2022/23 \$m	Budget 2023/24 \$m
<b>Revenue</b>			
Funding from the National Land Transport Fund		4,224	4,772
Funding from the Crown		851	828
Revenue from other activities	4	200	288
<b>Total revenue</b>		<b>5,275</b>	<b>5,905</b>
<b>Expense</b>			
Land transport funding	7	3,963	4,266
Employee costs	6	196	223
Operating expenses	6	221	276
Interest and finance costs		142	224
Depreciation, amortisation and state highway write-off	6,8	769	881
<b>Total expense</b>		<b>5,291</b>	<b>5,869</b>
<b>Surplus/(deficit)</b>	<b>5</b>	<b>(16)</b>	<b>36</b>
<b>Other comprehensive revenue and expense</b>			
Gain/(loss) state highway network revaluations		5,200	4,800
Net movement in cash flow hedges		30	8
<b>Total other comprehensive revenue and expense</b>		<b>5,230</b>	<b>4,808</b>
<b>Total comprehensive revenue and expense</b>		<b>5,214</b>	<b>4,844</b>

## Prospective statement of financial position As at 30 June

	Note	Projected 2022/23 \$m	Budget 2023/24 \$m
<b>Assets</b>			
Cash and cash equivalents		50	50
Debtor Crown		389	386
Receivables and other assets		82	122
Debtor National Land Transport Fund		393	444
Debtor National Land Transport Fund - debt related		3,714	5,132
Property assets held for sale		33	49
Public-private partnership assets	9	0	0
Property, plant, equipment and intangible assets	8	102	93
State highway network	8	81,934	88,352
<b>Total assets</b>		<b>86,697</b>	<b>94,628</b>
<b>Liabilities</b>			
Payables		744	796
Employee entitlements		35	39
Provisions		46	46
Derivative financial liability		90	86
Borrowing and other liabilities	10	1,764	3,296
Public-private partnership liabilities	9	1,965	1,870
<b>Total liabilities</b>		<b>4,644</b>	<b>6,133</b>
<b>Net assets</b>		<b>82,053</b>	<b>88,495</b>
<b>Equity</b>			
Retained funds		(26)	11
Equity derived from the state highway network		82,097	88,498
Cash flow hedge reserve		(18)	(14)
<b>Total equity</b>		<b>82,053</b>	<b>88,495</b>

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

	Note	Projected 2022/23 \$m	Budget 2023/24 \$m
Balance at 1 July		75,491	82,053
Surplus/(deficit)		(16)	36
State highway network revaluations	8	5,200	4,800
Movement in cash flow hedges		46	5
Capital contribution		1,332	1,601
<b>Balance at 30 June</b>		<b>82,053</b>	<b>88,495</b>

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

	Projected 2022/23 \$m	Budget 2023/24 \$m
<b>Cash flows from operating activities</b>		
Receipts from the National Land Transport Fund	3,619	3,442
Receipts from the Crown	651	838
Receipts from other revenue	215	235
Payments to employees	(197)	(219)
Payments to suppliers	(3,859)	(4,482)
Goods and services tax (net)	(14)	0
Net cash flows from operating activities	415	(186)
<b>Cash flows from investing activities</b>		
National Land Transport Fund receipts from sale of state highway-held properties	19	33
Purchase of property, plant and equipment, and intangible assets	(39)	(17)
Investment in the state highway network	(2,254)	(2,617)
Net cash flows from investing activities	(2,274)	(2,601)
<b>Cash flows from financing activities</b>		
Capital contribution from the National Land Transport Fund	444	319
Capital contribution from the Crown	698	1,135
Proceeds from borrowing	840	1,769
Repayment of borrowing	(150)	(250)
Interest paid on borrowing	(103)	(186)
Net cash flows from financing activities	1,729	2,787
Net increase/(decrease) in cash and cash equivalents	(130)	0
Cash and cash equivalents at the beginning of the year	180	50
<b>Cash and cash equivalents at the end of the year</b>	<b>50</b>	<b>50</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 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>Additional funding of \$575 million (2022/23: \$250 million, 2023/24: \$275 million) has been allocated to Waka Kotahi under North Island weather events: response and recovery. The funding is provided for operating expenditure related to the initial clean-up of damage and restore loss of service caused by the weather events. The funding flows into the NLTF. No further assumptions on Crown contribution have been made at this stage, however, the costs of the rebuild are likely to be in the billions.</p> <p>Waka Kotahi has also assumed that, to the extent that the 25c per litre tax cut announced in March 2022, and subsequently extensions to June 2023 reduces revenue, then that reduction will be fully offset by Crown revenue (refer below).</p>

<b>Category</b>	<b>Assumptions</b>
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.</p> <p>Crown funding covers both operating and capital expenditure. The forecasts include Crown funding in 2023/24 of \$1.038 billion for the New Zealand Upgrade Programme and \$478 million for Climate Emergency Response Fund investment including Mode shift and bus decarbonisation. Waka Kotahi has also assumed \$1.445 billion in Crown revenue to offset temporary reductions in fuel excise duty and road user charges announced by the government in March 2022 and extended to 30 June 2023. For more details, see note 12 - Appropriation estimates.</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 2023/24 compared with the last non-COVID-19 affected year of 2018/19.</p> <p>Included in the 2023/24 forecast are a part year (from October 2023) of new fees and charges that have recently been approved by Cabinet. Also included is new revenue provided under section 9(1)(a) of the Land Transport Management Act 2003.</p>
Expenditure - regulatory activities	<p>Forecast costs for regulatory activities reflect measures to address previously identified weaknesses in Waka Kotahi regulatory governance and services. For more details, see note 6 - Waka Kotahi agency expenditure.</p> <p>Waka Kotahi has aligned its cost allocation methodology to those used to develop the fees and funding proposal.</p>

Category	Assumptions
North Island weather events	<p>The forecast for 2022/23 and 2023/24 includes funding of \$525 million through a Crown contribution into the National Land Transport Fund for the interim response to Cyclone Gabrielle. The \$525 million (2022/23: \$250 million, 2023/24: \$275 million) will be used to fund state highway emergency works and payments to local authorities for local road emergency works.</p> <p>An initial impairment assessment has been carried out on the damaged sections of the state highway network with an estimated \$103 million impairment made. This has been forecast as a decrease against the State highway network revaluation reserve. No significant write-offs have occurred but assessments are continuing.</p> <p>The costs of the restoration and rebuild are expected to be in the billions of dollars, given the significant uncertainty as to cost, Crown funding, capital vs. operating and local road vs. state highway split. We have only estimated costs to the extent of approved Crown funding. More reliable information should be in place for the publication of the 2022/23 annual report.</p>
National Ticketing Solution	<p>The National Ticketing Solution to provide one system across Aotearoa New Zealand with more and easier ways for customers to pay for public transport is assumed to be a software as a service arrangement. The forecast assumed that in 2023/24, the design, implementation and administration costs will be operating costs.</p>
Personnel costs	<p>Personnel costs reflect capacity and capability increases as well as an increase in resource levels to meet Waka Kotahi regulatory and other service delivery obligations, including new Crown programmes.</p>
Expenditure - NLTP	<p>NLTP expenditure reflects forecast 2021-24 NLTP programme costs for 2023/24. Expenditure forecasts were based on the Budget Economic and Fiscal Update 2023 exercise updated for more recent information including the budget bids information.</p>

Category	Assumptions
Capital	<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 current project plans and estimates.</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 Waka Kotahi does not own, so Waka Kotahi treats the funding as an operating expense.</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 funded by loans and public-private partnerships. This category recognises the long-term obligations of the NLTF to repay debt and public-private partnership unitary charges over the relevant contract period. Waka Kotahi assumed the NLTF will have sufficient funds available when loans and public-private partnership liabilities are due.</p>
Asset revaluations	<p>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.</p>

Category	Assumptions
Public-private partnerships	<p>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.</p> <p>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. It has reflected interim payments in the financial statements together with any Crown recoveries. The interim payments made would be offset against the costs of any final contractual entitlement for Pūhoi to Warkworth or, to the extent the interim payments exceed contractual entitlement then Waka Kotahi holds letters of credit from the builders to call on.</p> <p>Waka Kotahi has assumed the Pūhoi to Warkworth asset will be recognised in the state highway network valuation from 30 June 2023, noting that further works will be carried out in 2023/24.</p> <p>There is an ongoing assessment of claims for subsequent COVID-19 lockdowns in accordance with the process set out in the agreements for Pūhoi to Warkworth. A claim for \$280 million has been submitted, which is a contingent liability.</p>
Cash flow hedge reserve	<p>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.</p>
Output class expenditure	<p>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.</p>

## 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 ongoing impact of COVID-19.

The prospective financial statements are presented in New Zealand dollars and all values are in millions (\$m).

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 2023. 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 2021/22 annual report and will be included in the 2022/23 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. Therefore, 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 2022) 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, Corelogic 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 2022, 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%)	1,321
Movement in external professional fees by 10%	430
Movement in formation unit costs by 10%	1,691
Movement in bridge unit costs by 10%	1,220
Movement in unit prices* by 10%	2,446
Movement in land corridor prices by 10%	2,349
Movement in brownfield costs by 10%	245
Movement in price index by 10%	4,826

\* 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.

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>
State highways – pavement (base)	75-150
State highways – pavement (surface)	11-14
State highways – drainage	50
State highways – traffic facilities	10-25
State highways – bridges	90-100
State highways – culverts and subways	50-75
State highways – other structures	10-100

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

## Impairment

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.

Following the North Island weather events in January and February 2023, an initial impairment assessment has been carried out on the damaged sections of the state highway network with an estimated \$103 million impairment made. This has been forecast as a decrease against the State highway network revaluation reserve.

## 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.

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

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.

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 commenced in March 2022. For Pūhoi to Warkworth, the service commencement date is forecast to be in late 2022/23.

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 2022/23 \$m	Budget 2023/24 \$m
<b>Fees and charges</b>		
Border inspection fees	1	5
Certification review fees	11	22
Driver licensing and testing fees	63	69
Motor vehicle licensing fees	48	83
Over dimension permits	1	0
Rail licensing fees	2	4
Road user charges collections	11	30
Standards development fee and certification levies	7	0
Transport licensing fees	9	22
<b>Total fees and charges</b>	<b>153</b>	<b>235</b>
Tolling fees and contributions	17	20
Interest and finance income	22	24
Levy on personalised plates for community road safety initiatives	8	8
Recoveries from NLTP activities and miscellaneous revenue	0	1
<b>Total revenue from other activities</b>	<b>200</b>	<b>288</b>

The significant changes in fees and charges is a result of new fees and charges applying from 1 October 2023.

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

	Projected 2022/23 \$m	Budget 2023/24 \$m
Driver licensing and testing	4	31
Vehicle safety and certification	0	0
Revenue collection and administration	10	(7)
<b>Waka Kotahi agency operating activities (Crown)</b>	<b>14</b>	<b>24</b>
Driver licensing and testing	1	6
Vehicle safety and certification	(13)	6
Regulation of commercial transport operators	(2)	2
Regulation of the rail transport system	0	0
Revenue collection and administration	(16)	(2)
<b>Waka Kotahi agency operating activities (fees and charges)</b>	<b>(30)</b>	<b>12</b>
<b>Surplus/(deficit)</b>	<b>(16)</b>	<b>36</b>

The surplus in 2023/24 is required to repay the borrowings that were used to finance the Regulatory business while the fees and charges process occurred.

## 6. Waka Kotahi agency expenditure

The following table shows the total expenditure for Waka Kotahi.

	Projected 2022/23 \$m	Budget 2023/24 \$m
Employee costs	196	223
Operating expenses	221	276
Depreciation and amortisation expense	18	26
<b>Waka Kotahi agency operating expenditure</b>	<b>435</b>	<b>525</b>
Waka Kotahi agency expenditure recharged to projects*	(47)	(49)
Waka Kotahi agency expenditure allocated to the NLTP**	100	101
<b>Waka Kotahi agency expenditure***</b>	<b>488</b>	<b>577</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 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, 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, and public transport (including Provincial Growth Fund initiatives and Housing Infrastructure Fund initiatives) does not include the significant investment contribution from local authorities.

	Projected 2022/23 \$m	Budget 2023/24 \$m
State highway improvements	688	662
State highway improvements - repayment of public-private partnership liabilities	37	29
State highway improvements - public-private partnership (increase in assets)	83	0
State highway improvements - repayment of seasonal facility	150	0
Local road improvements	152	187
Local road improvements - Housing Infrastructure Fund	82	50
Walking and cycling improvements	154	233
State highway maintenance	1,055	1,000
State highway maintenance - North Island weather event	125	138
Local road maintenance	837	839
Local road maintenance - North Island weather event	125	138
Public transport services	570	526
Public transport infrastructure	467	583
Road to Zero	466	589
Coastal shipping	20	13
Investment management	83	100
Interest and finance costs	142	225
<b>Total National Land Transport Programme</b>	<b>5,236</b>	<b>5,312</b>

Land transport funding continued

	Projected 2022/23 \$m	Budget 2023/24 \$m
State highway improvements - COVID-19 public-private partnerships funding	84	1
State highway improvements - Crown Infrastructure Partners	40	32
State highway improvements - New Zealand Upgrade Programme	588	1,038
State highway improvements - Regional resilience	0	35
State highway improvements - Supporting Regions Programme	43	32
Local road improvements - Regional resilience	0	20
Local road improvements - Supporting Regions Programme	10	0
Walking and cycling improvements - Mode shift	11	276
Walking and cycling improvements - Ngauranga to Petone Shared Pathway Project	24	21
State highway maintenance - Kaikōura earthquake response	6	0
Public transport services - Community Connect Programme	9	110
Public transport services - bus decarbonisation	1	12
Public transport services - Mode shift	0	10
Public transport services - retaining and recruiting bus drivers	6	39
Public transport services - SuperGold card	36	36
Public transport infrastructure - Eastern Busway project	20	29
Public transport infrastructure - Mode shift	2	49
Investment management - Mode shift	1	22
Low emission vehicles	494	175
<b>Total activities funded on behalf of the Crown and delivered by Waka Kotahi</b>	<b>1,375</b>	<b>1,937</b>
Total expenditure	6,611	7,248
Less capital expenditure	(2,004)	(2,390)
Less repayment of public-private partnerships liabilities/seasonal facility	(187)	(29)
Less other activities funded from the NLTP	(315)	(338)
Less interest and finance costs	(142)	(225)
<b>Total land transport funding</b>	<b>3,963</b>	<b>4,266</b>



## 8. Managing Waka Kotahi assets

Movements in the state highway network are set out below.

	Projected 2022/23 \$m	Budget 2023/24 \$m
Opening balance	74,421	81,934
Additions*	3,082	2,490
Assets transferred (to)/from held for sale	1	16
Depreciation	(741)	(845)
Disposals	(19)	(33)
State highway write-off (including vesting)	(10)	(10)
Net revaluation**	5,200	4,800
<b>Closing balance</b>	<b>81,934</b>	<b>88,352</b>

\* Pūhoi to Warkworth is forecast to open during 2022/23 and has been incorporated as a state highway addition in late 2022/23.

\*\* Revaluation movement for 2022/23 is a result of movements in the construction and structures indices of 15 percent partially offset by a decrease in property values. Revaluation movement for 2023/24 is assumed from a more settled property position for land (\$0.7 billion) and index movements (\$4.1 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 2022/23 \$m	Budget 2023/24 \$m
Opening balance	81	102
Additions	39	17
Depreciation/amortisation	(18)	(26)
<b>Total</b>	<b>102</b>	<b>93</b>

## 9. Public-private partnership assets and liabilities

	Projected 2022/23 \$m	Budget 2023/24 \$m
Transmission Gully	0	0
Pūhoi to Warkworth	0	0
<b>Total public-private partnership assets</b>	<b>0</b>	<b>0</b>
Transmission Gully	1,040	1,027
Pūhoi to Warkworth	925	843
<b>Total public-private partnership liabilities</b>	<b>1,965</b>	<b>1,870</b>

Pūhoi to Warkworth is forecast to open in 2022/23 and the \$1,063.1 million public-private partnership asset has been transferred to the state highway network. Transmission Gully opened on 31 March 2022 and is also 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.

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, risks and costs related to COVID alert levels 1 and 2 were the builder's responsibility. Waka Kotahi is exposed to risks and costs associated with any costs from 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 opens 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.

With the opening of the road to traffic the public-private partnership asset became part of the state highway asset in 2021/22.

## 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.

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, 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 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 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.

We have assumed that the road is open to the public late in the 2022/23 financial year and therefore will be part of the state highway assets.

## 10. Borrowing and other liabilities

Name	Nominal amount borrowed	Projected 2022/23 \$m	Nominal amount borrowed	Budget 2023/24 \$m	Interest rate applied	Final repayment date
Auckland Transport Package	354	316	354	326	Interest free	June 2027
Housing Infrastructure Fund	86	75	126	103	Interest free	June 2034
<b>Total interest free borrowing</b>		<b>391</b>		<b>429</b>		
Tauranga Eastern Link	107	109	107	109	\$87.0m at fixed rates ranging from 4.99% to 5.14%. \$20.0m at floating rates.	30 June 2050
Regulatory facility	81	83	111	112	Fixed rates ranging from 1.32% to 3.065% pa.	June 2033
COVID-19 NLTF borrowing facility	325	333	325	333	Fixed rates ranging from 1.10% to 1.18% pa.	July 2027

*Borrowing and other liabilities  
continued*

Name	Nominal amount borrowed	Projected 2022/23 \$m	Nominal amount borrowed	Budget 2023/24 \$m	Interest rate applied	Final repayment date
Short term facility	250	250	290	290	Floating rates	
NLTP loan 2021-24	570	594	1,970	2,019	Rate assumed at 3.13% based on government bond margin	June 2033
<b>Total borrowing</b>		<b>1,760</b>		<b>3,292</b>		
Tolling funds held in trust		4		4		
<b>Total borrowing and other liabilities</b>		<b>1,764</b>		<b>3,296</b>		

## 11. Regulatory equity accounts

Regulatory equity accounts are notional accounts (sometimes known as memorandum accounts) that record the accumulated balance of surpluses and deficits incurred for third-party-funded regulatory outputs. Waka Kotahi has grouped various fees, charges and appropriations into its regulatory equity accounts to group revenue and costs by summary product level.

Included in the 2023/24 forecast are a part year (from October 2023) of new fees and charges that have recently been approved by Cabinet. Also included is new revenue provided under section 9(1)(a) of the Land Transport Management Act and the transfer of surplus funds to be used to repay regulatory loans that provided interim funding for the operating deficit until the full implementation of the fees and funding review recently approved by Cabinet.

Certain regulatory equity account categories are changing from 2023/24 following the Cabinet approval of the new fees and funding to better reflect the regulatory activities.

Amounts are in millions to one decimal point.

## Total regulatory equity accounts movements

	Projected 2022/23 \$m	Budget 2023/24 \$m
Opening balance	(39.8)	0.0
Operating revenue	151.5	224.7
Debt repayment revenue	0.0	8.6
Total operating revenue	151.5	233.3
Expenditure	181.0	221.1
Net surplus/(deficit)	(29.5)	12.2
Transfer of balance to Debt	(69.3)	0.0
Closing balance before transfer to debt	0.0	12.2
Transfer of surplus funds to debt	0.0	(8.6)
<b>Total regulatory equity account group after transfer to debt</b>	<b>0.0</b>	<b>3.6</b>

## Ringfenced regulatory equity account debt

	Projected 2022/23 \$m	Budget 2023/24 \$m
Opening balance - ringfenced debt	0.0	(69.3)
New debt*	(69.3)	0.0
Transfer from regulatory equity account to debt	0.0	8.6
Net surplus/(deficit)	(69.3)	(60.7)
<b>Net ringfenced regulatory equity account debt position</b>	<b>(69.3)</b>	<b>(57.2)</b>

\* The regulatory equity account 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 and charges review recently approved by Cabinet. The new fees and charges are forecast to commence from October 2023.

The regulatory funding activities undergo a substantial change as part of the reset following implementation of the fees and funding proposal. As part of that change, the combined deficit from the existing regulatory equity accounts is ringfenced from the new regulatory equity accounts. Additional revenue collected from fee payers and consulted on is then used to repay the debt over time. The regulatory equity accounts shown in the Statement of Performance Expectations may vary from final regulatory equity accounts as we finalise the appropriate level of information to disclose.

## Breakdown of third party account groupings

The below activities are ringfenced within equity and are tracked as memorandum accounts.

	Projected 2022/23 \$m	Budget 2023/24 \$m
Driver licensing and testing	0.0	4.8
Vehicle border entry*	n/a	0.2
Vehicle safety and certification	0.0	n/a
Vehicle certification reviews*	n/a	1.4
Motor vehicle registration/licensing*	n/a	0.7
Regulation of commercial transport operators	0.0	(0.8)
Road user charges collections	0.0	(2.7)
Total covered by fees and funding	0.0	3.6
<b>Other regulatory items covered by fees and funding</b>		
Rail	(2.6)	(2.6)
Tolling	16.7	13.9
Fuel excise duty refunds	1.2	1.2
Road user charges refunds	(0.7)	(1.1)
Road user charges investigations and enforcement	3.2	3.9
Community road safety programme	21.1	21.1
<b>Total third-party equity groups</b>	<b>38.9</b>	<b>40.0</b>

\* Reflects new regulatory equity account groupings in 2023/24

## 12. Appropriation estimates for the year ending 30 June 2024

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. This includes NLTF and debt funding sources.

	Appropriations 2023/24 \$m	Funding movements \$m	Budget 2023/24 \$m
State highway improvements	767	10	777
Local road improvements	28	166	194
Local road improvements – Housing Infrastructure Fund	50	0	50
Walking and cycling improvements	32	110	142
State highway maintenance	850	265	1,115
Local road maintenance	556	394	950
Public transport services	516	12	528
Public transport infrastructure	263	308	571
Road to Zero	261	0	261
Coastal shipping	13	0	13
Investment management	100	0	100
<b>National Land Transport Programme (PLA)</b>	<b>3,436</b>	<b>1,265</b>	<b>4,701</b>
State highway improvements	11	9	20
State highway improvements – Public-private partnership	0	0	0
State highway improvements – Repayment of public-private partnerships liabilities	29	0	29
Walking and cycling improvements	12	84	96
Public transport infrastructure	19	0	19
Road to Zero	229	103	332
<b>NLTP – new infrastructure for and renewal of state highways (PLA)</b>	<b>300</b>	<b>196*</b>	<b>496</b>
State highway improvements – COVID-19 public-private partnership funding	1	0	1
State highway improvements – Crown Infrastructure Partners**	0	32	32
State highway improvements – New Zealand Upgrade Programme	1,038	0	1,038
State highway improvements – Regional resilience	35	0	35
State highway improvements – Supporting Regions Programme**	31	0	31
Local road improvements – Regional resilience	20	0	20

Estimates of appropriations  
continued

	Appropriations 2023/24 \$m	Funding movements \$m	Budget 2023/24 \$m
Walking and cycling improvements - Ngauranga to Petone shared pathway project	21	0	21
State highway maintenance - Crown funded emergency works	30	0	30
Local road maintenance - Crown funded emergency works	30	0	30
Public transport services - retaining and recruiting bus drivers	39	0	39
Public transport services - SuperGold card	36	0	36
Public transport infrastructure - Eastern Busway project	29	0	29
Investment management	1	0	1
Driver licensing and testing	41	0	41
Revenue collection and administration	11	0	11
Low emission vehicles	176	0	176
<b>Climate Emergency Response Fund</b>			
Walking and cycling improvements - Mode shift	276	0	276
Public transport services - Community Connect Programme	110	0	110
Public transport services - Bus decarbonisation	12	0	12
Public transport services - Mode shift	10	0	10
Public transport infrastructure - Mode shift	49	0	49
Investment management - Mode shift	22	0	22
<b>Crown funded</b>	<b>2,018</b>	<b>32**</b>	<b>2,050</b>
<b>Total</b>	<b>5,754</b>	<b>1,493</b>	<b>7,247</b>

\* Budgeted expenditure for 2023/24 exceeds 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.



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

	Budget 2023/24 \$m
<b>Waka Kotahi Budget 2023/24</b>	
National Land Transport Programme – operating funding	4,762
NLTP – new infrastructure for and renewal of state highways – capital funding	496
<b>Total funding from the National Land Transport Fund</b>	<b>5,258</b>
Deduct:	
Local road improvements - Housing infrastructure non appropriated expenditure	(40)
NLTP loan 2021-24	(1,435)
Add:	
Other National Land Transport Fund revenue	37
<b>Total National Land Transport Fund (NLTP) outflows</b>	<b>3,820*</b>

\* Matches note 5 output class funding in the Waka Kotahi financial statements.

## Output class funding and expenditure

The below output classes are in millions to one decimal point for more meaningful disclosure.

### Driver licensing and testing

	Projected 2022/23 \$m	Budget 2023/24 \$m
<b>Operating revenue and expenses</b>		
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)	1.6	7.0
Crown (Ministerial services)	0.5	0.5
Crown (Palmerston North premises)	1.5	0.0
Fees and charges	60.1	39.2
Fees and charges for debt repayment	0.0	1.5
Section 9(1)(a) LTMA funding - regulatory platform supporting Waka Kotahi and the functions of the Director of Land Transport	3.9	16.5
Section 9(1)(a) LTMA funding - land transport revenue contribution to regulatory system activities that benefit all road users	0.0	11.1
Section 9(1)(a) LTMA funding - loan repayment for rectifications costs to address regulatory failure	0.0	1.9
<b>Total operating revenue</b>	<b>70.1</b>	<b>80.2</b>
Driver licensing stop orders	0.3	0.1
Drug and alcohol assessments	1.0	1.0
Equitable access to driver licences	1.6	7.0
Ministerial services	0.5	0.5
Palmerston North premises	1.5	0.0
Fees and charges and section 9(1)(a) funded activities	63.6	63.9
<b>Total operating expenses</b>	<b>68.5</b>	<b>72.5</b>
<b>Surplus/(deficit)</b>	<b>1.6</b>	<b>7.7</b>
<b>Borrowing funding and repayment</b>		
Fees and charges	0.0	1.5

Driver licensing and testing  
continued

	Projected 2022/23 \$m	Budget 2023/24 \$m
Transfer of 2022/23 surplus to debt	(1.5)	0.0
Transfer to debt	0.0	(1.5)
<b>Net borrowing</b>	<b>(1.5)</b>	<b>0.0</b>
<b>Total movement</b>	<b>1.6</b>	<b>7.7</b>

### Vehicle safety and certification

	Projected 2022/23 \$m	Budget 2023/24 \$m
<b>Operating revenue and expenses</b>		
Fees and charges	66.2	105.4
Fees and charges for debt repayment	0.0	3.9
Section 9(1)(a) LTMA funding - regulatory platform supporting Waka Kotahi and the functions of the Director of Land Transport	0.0	0.8
Section 9(1)(a) LTMA funding - land transport revenue contribution to regulatory system activities that benefit all road users	0.0	0.5
Section 9(1)(a) LTMA funding - loan repayment for rectifications costs to address regulatory failure	0.0	0.1
<b>Total operating revenue</b>	<b>66.2</b>	<b>110.7</b>
Fees and charges and section 9(1)(a) funded activities	79.4	104.5
<b>Total operating expenses</b>	<b>79.4</b>	<b>104.5</b>
<b>Surplus/(deficit)</b>	<b>(13.2)</b>	<b>6.2</b>
<b>Borrowing funding and repayment</b>		
Fees and charges	0.0	3.9
Transfer of 2022/23 deficit to debt	13.2	0.0
Transfer to debt	0.0	(3.9)
<b>Net borrowing</b>	<b>13.2</b>	<b>0.0</b>
<b>Total movement</b>	<b>0.0</b>	<b>6.2</b>

## Regulation of commercial transport operators

	Projected 2022/23 \$m	Budget 2023/24 \$m
<b>Operating revenue and expenses</b>		
Fees and charges	10.1	19.7
Fees and charges for debt repayment	0.0	2.5
Section 9(1)(a) LTMA funding - regulatory platform supporting Waka Kotahi and the functions of the Director of Land Transport	0.0	0.1
Section 9(1)(a) LTMA funding - land Transport revenue contribution to regulatory system activities that benefit all road users	0.0	0.1
Section 9(1)(a) LTMA funding - loan repayment for rectifications costs to address regulatory failure	0.0	0.0
<b>Total operating revenue</b>	<b>10.1</b>	<b>22.4</b>
Fees and charges and section 9(1)(a) funded activities	12.0	20.7
<b>Total operating expenses</b>	<b>12.0</b>	<b>20.7</b>
<b>Surplus/(deficit)</b>	<b>(1.9)</b>	<b>1.7</b>
<b>Borrowing funding and repayment</b>		
Fees and charges	0.0	2.5
Transfer of 2022/23 deficit to debt	1.9	0.0
Transfer to debt	0.0	(2.5)
<b>Net borrowing</b>	<b>1.9</b>	<b>0.0</b>
<b>Total movement</b>	<b>0.0</b>	<b>1.7</b>

## Regulation of the rail transport system

	Projected 2022/23 \$m	Budget 2023/24 \$m
<b>Operating revenue and expenses</b>		
Crown	1.3	0.0
Fees and charges	2.2	3.9
<b>Total operating revenue</b>	<b>3.5</b>	<b>3.9</b>
Fees and charges funded activities	3.6	3.9
<b>Total operating expenses</b>	<b>3.6</b>	<b>3.9</b>
<b>Surplus/(deficit)</b>	<b>(0.1)</b>	<b>0.0</b>

## Revenue collection and administration

	Projected 2022/23 \$m	Budget 2023/24 \$m
<b>Operating revenue and expenses</b>		
Section 9(2) LTMA funding refund of fuel excise duty	4.2	3.9
Section 9(2) LTMA funding road user charges investigation and enforcement	7.0	3.8
Section 9(2) LTMA funding road user charges refund	3.1	3.0
Section 9(1)(a) LTMA funding - regulatory platform supporting Waka Kotahi and the functions of the Director of Land Transport	0.0	0.2
Section 9(1)(a) LTMA funding - land Transport revenue contribution to regulatory system activities that benefit all road users	0.0	0.1
Section 9(1)(a) LTMA funding - loan repayment for rectifications costs to address regulatory failure	0.0	0.0
Fees and charges (Road user charges collections)	11.3	29.0
Fees and charge (Road user charges collections) for debt repayment	0.0	0.6
Fees and charges (Tolling)	17.0	19.8
Regional fuel tax administration	0.3	0.7
<b>Total operating revenue</b>	<b>42.9</b>	<b>61.1</b>
Refund of fuel excise duty	3.0	4.0
Regional fuel tax administration	0.9	0.7
Road user charges collections and section 9(1)(a) funded activities	27.2	32.0
Road user charges investigation and enforcement	3.9	6.1
Road user charges refund	3.9	4.1
Tolling	11.4	22.6
<b>Total operating expenses</b>	<b>50.3</b>	<b>69.5</b>
<b>Surplus/(deficit)</b>	<b>(7.4)</b>	<b>(8.4)</b>
<b>Borrowing funding and repayment</b>		
Fees and charges	0.0	0.6
Transfer of 2022/23 deficit to debt	15.8	0.0
Transfer to debt	0.0	(0.6)
<b>Net borrowing</b>	<b>15.8</b>	<b>0.0</b>
<b>Total movement</b>	<b>8.4</b>	<b>(8.4)</b>

## Low emission vehicles

	Projected 2022/23 \$m	Budget 2023/24 \$m
<b>Operating revenue and expenses</b>		
Crown (grant clean vehicle rebates)	287.2	0.0
Crown (clean vehicle discount fees)	175.4	155.0
Crown (clean car standard administration)	8.1	11.8
Crown (clean vehicle discount administration)	8.0	8.0
Crown (clean car upgrade)	1.8	0.0
Crown (social leasing scheme trial)	1.1	0.0
<b>Total operating revenue</b>	<b>481.6</b>	<b>174.8</b>
Clean car standard	4.6	2.8
Clean car upgrade*	0.1	0.0
Clean vehicle discount rebates	467.0	158.0
Social leasing*	1.1	0.0
Waka Kotahi agency operating activities	8.8	14.0
<b>Total operating expenses</b>	<b>481.6</b>	<b>174.8</b>
<b>Surplus/(deficit)</b>	<b>0.0</b>	<b>0.0</b>
<b>Capital funding and expenditure</b>		
Crown	11.9	1.0
<b>Total capital funding</b>	<b>11.9</b>	<b>1.0</b>
Clean car standard	11.4	1.0
Clean vehicle discount	0.5	0.0
<b>Net capital movement</b>	<b>11.9</b>	<b>1.0</b>
<b>Total movement</b>	<b>0.0</b>	<b>0.0</b>
<b>Total operating and capital expenditure</b>	<b>493.5</b>	<b>175.8</b>

\*Government announced on 13 March 2023 these are to finish with immediate effect.

The Regulatory Output Classes above combine various funding sources. The summary of those funding sources is set out below.

### Regulatory output classes funding sources

	Projected 2022/23 \$m	Budget 2023/24 \$m
<b>Operating revenue and expenses</b>		
Crown Revenue - Crown Appropriation	7.4	10.0
Crown Revenue section 9(1)(a) LTMA funding	3.9	31.4
Crown Revenue section 9(2) LTMA funding	14.3	10.7
Crown Revenue (clean vehicle discount fees)	176.4	155.0
Crown Revenue (clean vehicle discount grant)	140.2	7.0
Crown Revenue (clean vehicle discount administration)	8.0	8.0
Crown Revenue (clean car standard)	8.1	11.8
Crown revenue (clean car upgrade and social leasing scheme trail)	2.8	0.0
Fees and Charges	167.6	226.5
<b>Total operating revenue</b>	<b>528.7</b>	<b>460.4</b>
Crown Appropriations	12.0	13.5
Section 9(1)(a) LTMA funding	3.9	31.4
Section 9(2) LTMA funding	11.7	11.7
Clean vehicle discount rebates	321.0	165.0
Other operating costs fees and charges	200.4	221.0
Used for the debt servicing (including future debt servicing)	0.0	8.6
<b>Total operating expenses</b>	<b>549.0</b>	<b>451.2</b>
<b>Surplus/(deficit)</b>	<b>(20.3)</b>	<b>9.2</b>

## State highway improvements

	Projected 2022/23 \$m	Budget 2023/24 \$m
<b>Operating revenue and expenses</b>		
Crown (COVID-19 Public-private partnerships funding)	83	1
Crown (New Zealand Upgrade Programme)	2	25
Crown (Supporting Regions Programme)	1	1
National Land Transport Fund	482	599
National Land Transport Fund (Public-private partnerships)	107	164
National Land Transport Fund (Tolling)	13	14
Interest and finance income	9	9
<b>Total operating revenue</b>	<b>697</b>	<b>813</b>
Funding to approved organisations (COVID-19 Public-private partnerships funding)	83	1
Funding to approved organisations (New Zealand Upgrade Programme)	2	25
Funding to approved organisations (Supporting Regions Programme)	1	1
Depreciation and state highway write-offs	489	608
Interest and finance costs	122	178
<b>Total operating expenses</b>	<b>697</b>	<b>813</b>
<b>Surplus/(deficit)</b>	<b>0</b>	<b>0</b>
<b>Capital funding and expenditure</b>		
Crown (COVID-19 Public-private partnerships funding)	1	0
Crown (Crown Infrastructure Partners)	40	32
Crown (New Zealand Upgrade Programme)	587	1,014
Crown (Regional resilience)	0	35
Crown (Supporting Regions Programme)	43	31
National Land Transport Fund	107	12
National Land Transport Fund (Loan facility)	75	8
National Land Transport Fund (Public-private partnerships)	83	0
National Land Transport Fund (State highway disposals)	19	33
Depreciation funding utilised for investment in the state highway network	488	608
<b>Total capital funding</b>	<b>1,443</b>	<b>1,773</b>



State highway improvements  
continued

	Projected 2022/23 \$m	Budget 2023/24 \$m
Crown Infrastructure Partners	40	32
Capital investment	589	561
Capital investment (COVID-19 Public-private partnerships funding)	1	0
Capital investment (New Zealand Upgrade Programme)	587	1,014
Capital investment (Regional resilience)	0	35
Capital investment (Supporting Regions Programme)	43	31
Public-private partnerships	83	0
Waka Kotahi capitalised activities	100	100
Total capital expenditure	1,443	1,773
<b>Net capital movement</b>	<b>0</b>	<b>0</b>
<b>Borrowing funding and repayment</b>		
National Land Transport Fund	187	29
Repayment for public-private partnerships	(37)	(29)
Repayment of seasonal facility	(150)	0
<b>Net borrowing</b>	<b>0</b>	<b>0</b>
<b>Total movement</b>	<b>0</b>	<b>0</b>
<b>Total operating and capital expenditure</b>	<b>1,569</b>	<b>1,978</b>

## Local road improvements

	Projected 2022/23 \$m	Budget 2023/24 \$m
<b>Operating revenue and expenses</b>		
Crown (Regional resilience)	0	20
Crown (Supporting Regions Programme)	10	0
National Land Transport Fund	32	28
National Land Transport Fund (Housing Infrastructure Fund)	82	50
National Land Transport Fund (Loan facility)	117	167
Interest and finance income	14	15
Total operating revenue	255	278

*Local road improvements  
continued*

	<b>Projected 2022/23 \$m</b>	<b>Budget 2023/24 \$m</b>
Funding to approved organisations	151	186
Funding to approved organisations (Regional resilience)	0	20
Funding to approved organisations (Supporting Regions Programme)	10	0
Funding to approved organisations (Housing Infrastructure Fund)	82	50
Interest and finance costs	12	22
Total operating expenses	255	278
<b>Surplus/(deficit)</b>	<b>0</b>	<b>0</b>

### **Walking and cycling improvements**

	<b>Projected 2022/23 \$m</b>	<b>Budget 2023/24 \$m</b>
<b>Operating revenue and expenses</b>		
Crown (Mode shift)	12	275
National Land Transport Fund	44	33
National Land Transport Fund (Loan facility)	48	110
Total operating revenue	104	418
Funding to approved organisations	84	129
Funding to approved organisations (Mode shift)	12	275
Waka Kotahi operating activities	6	9
Interest and finance costs	2	5
Total operating expenses	104	418
<b>Surplus/(deficit)</b>	<b>0</b>	<b>0</b>
<b>Capital funding and expenditure</b>		
Crown (Mode shift)	0	1
Crown (Ngauranga to Petone shared pathway project)	24	21
National Land Transport Fund	38	12
National Land Transport Fund (Loan facility)	26	85
Total capital funding	88	119

Walking and cycling improvements  
continued

	Projected 2022/23 \$m	Budget 2023/24 \$m
Capital investment	64	97
Capital investment (Mode shift)	0	1
Capital investment (Ngauranga to Petone shared pathway project)	24	21
Total capital expenditure	88	119
<b>Net capital movement</b>	<b>0</b>	<b>0</b>
<b>Total movement</b>	<b>0</b>	<b>0</b>
<b>Total operating and capital expenditure</b>	<b>192</b>	<b>537</b>

### State highway maintenance

	Projected 2022/23 \$m	Budget 2023/24 \$m
<b>Operating revenue and expenses</b>		
Crown (Kaikōura earthquake response)	5	0
National Land Transport Fund	929	712
National Land Transport Fund (Crown funded emergency works)	0	30
National Land Transport Fund (Loan facility)	108	245
National Land Transport Fund (North Island weather events)	125	138
National Land Transport Fund (Rental and interest income)	20	20
Total operating revenue	1,187	1,145
Maintenance of the state highway network	702	672
Maintenance of the state highway network (Kaikōura earthquake response)	5	0
Maintenance of the state highway network (North Island weather events)	125	138
Maintenance and operation of Transmission Gully and Pūhoi to Warkworth	7	16
Waka Kotahi operating activities	82	66
Depreciation	264	247
Interest and finance costs	2	6
Total operating expenses	1,187	1,145
<b>Surplus/(deficit)</b>	<b>0</b>	<b>0</b>

State highway maintenance  
continued

	Projected 2022/23 \$m	Budget 2023/24 \$m
<b>Capital funding and expenditure</b>		
Crown (Kaikōura earthquake response)	0	0
Depreciation funding utilised for investment in the state highway network	264	247
Total capital funding	264	247
Capital investment (Kaikōura earthquake response)	0	0
Capital investment (Renewals)	264	247
Total capital expenditure	264	247
<b>Net capital movement</b>	<b>0</b>	<b>0</b>
<b>Total movement</b>	<b>0</b>	<b>0</b>
<b>Total operating and capital expenditure</b>	<b>1,187</b>	<b>1,145</b>

**Local road maintenance**

	Projected 2022/23 \$m	Budget 2023/24 \$m
<b>Operating revenue and expenses</b>		
National Land Transport Fund	767	419
National Land Transport Fund (Crown funded emergency works)	0	30
National Land Transport Fund (Loan facility)	70	393
National Land Transport Fund (North Island weather events)	125	138
Total operating revenue	962	980
Funding to approved organisations	836	839
Funding to approved organisations (North Island weather events)	125	138
Interest and finance costs	1	3
Total operating expenses	962	980
<b>Surplus/(deficit)</b>	<b>0</b>	<b>0</b>

## Public transport services

	Projected 2022/23 \$m	Budget 2023/24 \$m
<b>Operating revenue and expenses</b>		
Crown (Bus decarbonisation)	1	12
Crown (Community connect programme)	9	110
Crown (Mode shift)	0	10
Crown (Public transport subsidy)	169	0
Crown (Retaining and recruiting bus drivers)	6	39
Crown (SuperGold card)	36	36
National Land Transport Fund	256	515
National Land Transport Fund (Crown funded public transport operating shortfall)	140	0
National Land Transport Fund (Loan facility)	5	12
<b>Total operating revenue</b>	<b>622</b>	<b>734</b>
<b>Funding to approved organisations</b>	<b>570</b>	<b>527</b>
Funding to approved organisations (Bus decarbonisation)	1	12
Funding to approved organisations (Community connect programme)	9	110
Funding to approved organisations (Mode shift)	0	10
Funding to approved organisations (Retaining and recruiting bus drivers)	6	39
Funding to approved organisations (SuperGold card)	36	36
<b>Total operating expenses</b>	<b>622</b>	<b>734</b>
<b>Surplus/(deficit)</b>	<b>0</b>	<b>0</b>

## Public transport infrastructure

	Projected 2022/23 \$m	Budget 2023/24 \$m
<b>Operating revenue and expenses</b>		
Crown (Eastern busway project)	20	29
Crown (Mode shift)	2	48
National Land Transport Fund	308	264
National Land Transport Fund (Loan facility)	136	308
<b>Total operating revenue</b>	<b>466</b>	<b>649</b>
Funding to approved organisations	436	562
Funding to approved organisations (Eastern busway project)	20	29
Funding to approved organisations (Mode shift)	2	48
Waka Kotahi operating activities	5	2
Interest and finance costs	3	8
<b>Total operating expenses</b>	<b>466</b>	<b>649</b>
<b>Surplus/(deficit)</b>	<b>0</b>	<b>0</b>
<b>Capital funding and expenditure</b>		
Crown (Mode shift)	0	1
National Land Transport Fund	26	19
<b>Total capital funding</b>	<b>26</b>	<b>20</b>
Capital investment	26	19
Capital investment (Mode shift)	0	1
<b>Total capital expenditure</b>	<b>26</b>	<b>20</b>
<b>Net capital movement</b>	<b>0</b>	<b>0</b>
<b>Total movement</b>	<b>0</b>	<b>0</b>
<b>Total operating and capital expenditure</b>	<b>492</b>	<b>669</b>

## Road to Zero

	Projected 2022/23 \$m	Budget 2023/24 \$m
<b>Operating revenue and expenses</b>		
National Land Transport Fund	195	261
Community Road Safety Programme	8	8
<b>Total operating revenue</b>	<b>203</b>	<b>269</b>
Community Road Safety Programme	8	8
Funding to approved organisations	120	123
Speed camera operations	46	78
Waka Kotahi operating activities	28	58
Interest and finance costs	1	2
<b>Total operating expenses</b>	<b>203</b>	<b>269</b>
<b>Surplus/(deficit)</b>	<b>0</b>	<b>0</b>
<b>Capital funding and expenditure</b>		
National Land Transport Fund	226	229
National Land Transport Fund (Loan facility)	45	103
<b>Total capital funding</b>	<b>271</b>	<b>332</b>
Capital investment	271	332
<b>Net capital movement</b>	<b>0</b>	<b>0</b>
<b>Total movement</b>	<b>0</b>	<b>0</b>
<b>Total operating and capital expenditure</b>	<b>474</b>	<b>601</b>

## Coastal shipping

	Projected 2022/23 \$m	Budget 2023/24 \$m
Operating revenue and expenses		
National Land Transport Fund	20	13
Total operating revenue	20	13
Funding to approved organisations	20	13
Total operating expenses	20	13
<b>Surplus/(deficit)</b>	<b>0</b>	<b>0</b>

## Investment management

	Projected 2022/23 \$m	Budget 2023/24 \$m
Operating revenue and expenses		
Crown (Crash analysis system)	1	1
Crown (Mode shift)	1	22
National Land Transport Fund	83	100
Total operating revenue	85	123
Funding to approved organisations	36	28
Funding to approved organisations (Mode shift)	1	22
Waka Kotahi operating activities	48	73
Total operating expenses	85	123
<b>Surplus/(deficit)</b>	<b>0</b>	<b>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 4).

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.

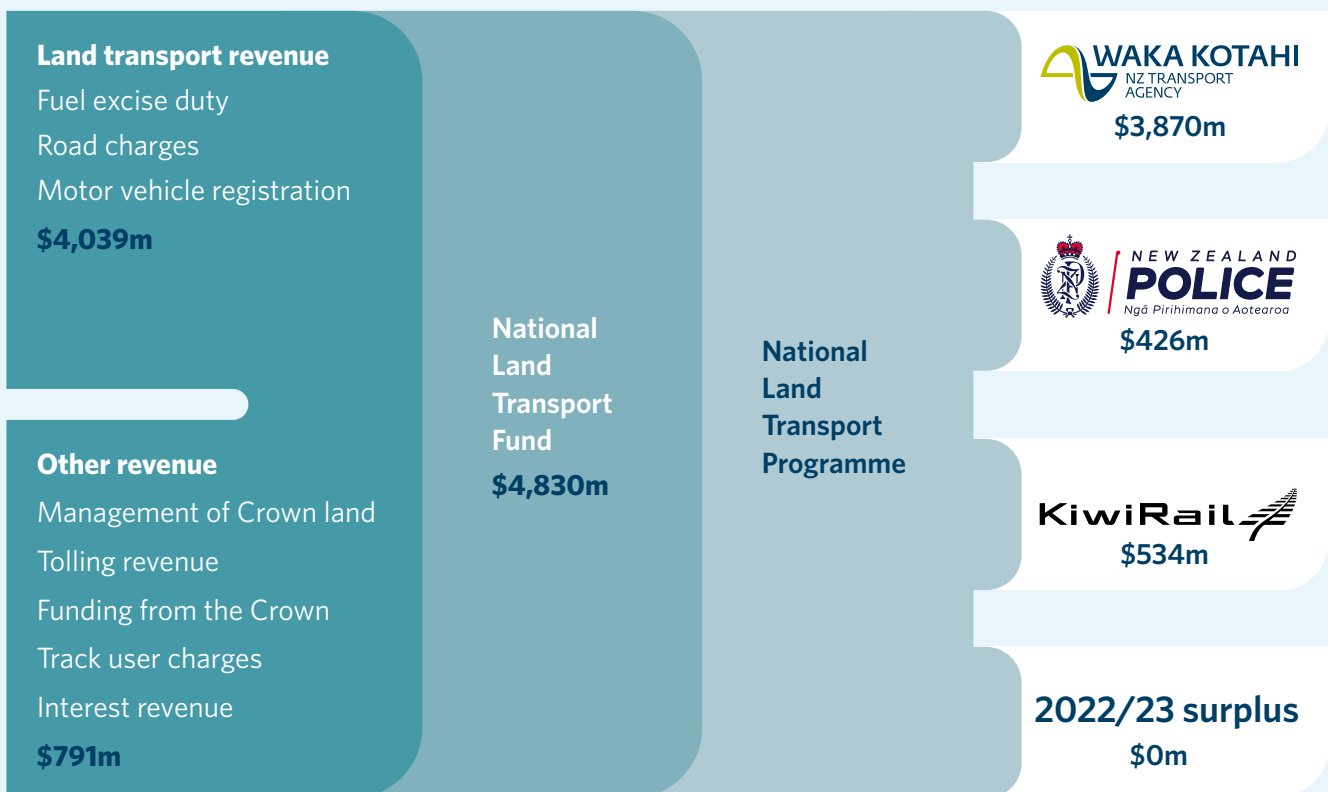


Figure 4 - 2023/24 funding inflows and outflows (current)

Note: Forecast outflows in 2023/24 include funding for the NLTP (\$3,870 million), New Zealand Police for the road policing programme (\$426 million) and the Rail Network Investment Programme (\$534 million).

## Prospective financial statements

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

	Projected 2022/23 \$m	Budget 2023/24 \$m
<b>Revenue inflows*</b>		
Land transport revenue	2,838	4,039
Funding from the Crown - Emergency works	0	61
Funding from the Crown - North Island weather events	250	275
Funding from the Crown - Public transport operating shortfall	140	0
Funding from the Crown - Rail Network Investment Programme	373	326
Funding from the Crown - Reimbursement for temporary tax reduction	1,445	0
Clean car standard charges	36	36
Management of Crown land	39	53
Tolling revenue	13	14
Track user charges	16	21
Interest revenue	5	5
<b>Total revenue inflows</b>	<b>5,155</b>	<b>4,830</b>
<b>Outflows</b>		
National Land Transport Programme	4,303	3,820
Road Policing Programme	417	426
Rail Network Investment Programme	565	534
Fuel excise duty/road user charges administration	14	11
Forecasting and strategy	3	3
Clean car standard credits	36	36
<b>Total outflows</b>	<b>5,338</b>	<b>4,830</b>
<b>Surplus/(deficit) from current National Land Transport Fund balance</b>	<b>(183)</b>	<b>0</b>
Fair value gain on long-term payables	8	13
NLTP expenditure to be funded long-term	(681)	(1,418)
Finance charges	(10)	(11)
<b>Deficit to be funded from future National Land Transport Fund revenue</b>	<b>(683)</b>	<b>(1,416)</b>
<b>Surplus/(deficit)</b>	<b>(866)</b>	<b>(1,416)</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 2022/23 \$m	Budget 2023/24 \$m
<b>Assets</b>		
Cash and cash equivalents	0	0
Receivables	427	480
<b>Total assets</b>	<b>427</b>	<b>480</b>
<b>Liabilities</b>		
Payables	4,107	5,576
Provision for clean car standard credits	36	36
<b>Total liabilities</b>	<b>4,143</b>	<b>5,612</b>
<b>Net assets</b>	<b>(3,716)</b>	<b>(5,132)</b>
<b>General funds balance*</b>	<b>(3,716)</b>	<b>(5,132)</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 2022/23 \$m	Budget 2023/24 \$m
General funds - current	183	0
General funds - long term	(3,033)	(3,716)
<b>Balance at 1 July</b>	<b>(2,850)</b>	<b>(3,716)</b>
Surplus/(deficit) from current National Land Transport Fund balance	(183)	0
Surplus/(deficit) funded from future National Land Transport Fund revenue	(683)	(1,416)
<b>Surplus/(deficit)</b>	<b>(866)</b>	<b>(1,416)</b>
General funds - current	0	0
General funds - long term	(3,716)	(5,132)
<b>Balance at 30 June</b>	<b>(3,716)</b>	<b>(5,132)</b>

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

	Projected 2022/23 \$m	Budget 2023/24 \$m
Net cash flows		
Receipts from land transport revenue	5,149	4,777
Payments to suppliers	(5,247)	(4,777)
From operating activities	(98)	0
Net increase/(decrease) in amounts held by the Crown	(98)	0
Amounts held by the Crown at the beginning of the year	98	0
<b>Amounts held by the Crown at the end of the year*</b>	<b>0</b>	<b>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 and subsequent extensions to 30 June 2023 will have a material impact on NLTF revenue. 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 June 2023. Importers can reduce their liabilities under the Act by changing their behavioural responses. The revenue forecast is an estimate based on the first few months of importer activity, with credits earned by importers forecast to largely offset revenue.</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>GPS on land transport was taken into consideration when developing the NLTP and preparing the 2023/24 budget for NLTP expenditure.</p> <p>The costs of the North Island weather events restoration and rebuild are expected to be in the billions of dollars, given the significant uncertainty as to cost, crown funding, capital vs. operating and local road vs. state highway we have only estimated costs to the extent we have Crown funding confirmed. More reliable information should be in place for the publication of the 2022/23 annual report.</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 (\$165 million), additional Crown funding (\$326 million) and track user charges (\$21 million) at a level consistent with the 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 for the following reasons.

- 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 2021-24 NLTP.
- Borrowing facilities with the Crown are in place to manage short-term imbalances between fund inflows and outflows.
- The NLTF's main revenue source is land transport revenue. 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-19 related lockdowns) and the rate of fuel taxation.
- Waka Kotahi, the Treasury and the Ministry of Transport have undertaken a review to consider the sustainability of NLTF revenue in the medium term.
- Waka Kotahi expects the Crown will continue to provide additional funding or financing to manage long-term imbalances between fund inflows and outflows, as it has to date.
- Waka Kotahi has the option to slow expenditure or not approve projects within the NLTP.

While meeting the accounting definition of a going concern the NLTF is unlikely to be able to maintain the New Zealand Transport system to acceptable standards, repay debt and to invest to achieve government priorities without substantial increases in revenue. In addition, funds will be required to deal with the rebuild after the North Island weather events.

The negative general funds balance as at 30 June 2024 reflects the future commitment to repay public-private partnerships loans and Crown loans, and borrowing facilities.

The components of the general funds balance are shown below:

	Projected 2022/23 \$m	Budget 2023/24 \$m
General funds - current	0	0
General funds - long term	(3,716)	(5,132)
<b>Total general funds balance</b>	<b>(3,716)</b>	<b>(5,132)</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
- 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).

#### **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 is in the NLTF's 2021/22 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.

##### **Provision**

Provision for clean car standard credits is a liability of uncertain timing and amount.

##### **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 2022/23 \$m	Budget 2023/24 \$m
State highway improvements	909	856
Local road improvements	33	33
Walking and cycling improvements	77	59
State highway maintenance	1,044	769
Local road maintenance	845	432
Public transport services	326	516
Public transport infrastructure	327	290
Road to Zero	419	493
Coastal shipping	20	13
Investment management	83	100
Funding to Waka Kotahi - current*	4,303	3,820**
Road Policing Programme	417	426
Rail Network Investment Programme	565	534
<b>Total output class funding</b>	<b>5,285</b>	<b>4,780</b>
State highway improvements - Repayment for public-private partnerships	(37)	(29)
State highway improvements - Public-private partnerships	72	(66)
Local road improvements - Housing Infrastructure Fund	24	40
NLTP 2021-24 loan	382	1,434
Drawdown of short-term borrowing facility (Seasonal portion)	0	45
Drawdown of short-term borrowing facility (Shock portion)	250	0
Fair value changes in financial instruments charged to surplus or deficit	(10)	(6)
<b>Total output class funding (long term)</b>	<b>681</b>	<b>1,418</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.

\*\* The funding to Waka Kotahi currently matches note 5 NLTP outflows in the NLTF financial statements.

# Āpitihanganga 1: Ngā mōhiohio rōpū whakaputanga

## Appendix 1: Output class performance

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 the government expects us to deliver and invest in to realise the objectives of the Government Policy Statement on land transport 2021/22 – 2030/31 (GPS 2021) activity classes and effectively perform our regulatory and other functions.

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 2022/23 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 2022/23 annual report.

Explanatory notes for all output class performance measures support the discussion of why each measure is important and key elements in the measurement methodology (available at [nzta.govt.nz/assets/resources/statement-of-performance-expectations/2022-2023/spe-2022-2023-performance-measure-explanatory-notes.pdf](https://nzta.govt.nz/assets/resources/statement-of-performance-expectations/2022-2023/spe-2022-2023-performance-measure-explanatory-notes.pdf)).

Table 2 summarises the contribution of each output class to our four system outcomes.

Table 2 - 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	●	●	●	●
Local road improvements	●	●	●	
Walking and cycling improvements	●	●	●	
State highway maintenance	●	●	●	●
Local road maintenance	●	●	●	
Public transport services	●	●	●	
Public transport infrastructure	●	●	●	
Road to Zero	●		●	
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				●
Low emission vehicles	●	●	●	

## 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 2022/23	Target 2023/24
SHI1	Proportion of state highway improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes <sup>AB</sup>	Not available	≥90%
SHI2	Proportion of state highway improvement activities funded by the Crown delivered to agreed standards and timeframes <sup>B</sup>	Not available	≥90%

<sup>A</sup> This is also an appropriation measure in Vote Transport (see appendix 3 from page 158 for all appropriation measures).

<sup>B</sup> The methodology for this measure has changed from using March baselines to August baselines. August baselines better represent planned spend for the financial year because year-end close and adjustments from the previous financial year have been completed.

### Why are these measures important?

**SHI1** tells us if we are delivering state highway 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 National Land Transport Fund (NLTF) against milestones and budget, as well as property acquisition programmes, which are assessed against budget.

**SHI2** tells us if we are delivering state highway 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.

## Difference this output class makes

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

State highway improvements play a critical role in reducing safety and resilience related risks across the land transport system. Not making these improvements is likely to have adverse effects on safety, resilience and our ability to realise benefits related to access and liveability.

We also aim to improve levels of service and value for money.

## What this output class will cost

	Projected 2022/23 \$m	Budget 2023/24 \$m
Revenue	1,569	1,978
Expenditure	1,569	1,978
<b>Net surplus/(deficit)</b>	<b>0</b>	<b>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 2022/23	Target 2023/24
LRI1	Proportion of local road improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes <sup>A</sup>	Not available	≥80%

<sup>A</sup> This is also an appropriation measure in Vote Transport (see appendix 3 from page 158 for all appropriation measures).

## Why is this measure important?

**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.

## Difference this output class makes

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

Investing in local road improvements will play a critical role in reducing safety and resilience related risks across the land transport system. Not making these improvements is likely to have adverse effects on safety, resilience and our ability to realise benefits related to access and liveability.

We also aim to improve levels of service and value for money.

## What this output class will cost

	Projected 2022/23 \$m	Budget 2023/24 \$m
Revenue	255	278
Expenditure	255	278
<b>Net surplus/(deficit)</b>	<b>0</b>	<b>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 2022/23	Target 2023/24
WCI1	Proportion of cycleways, pathways and shared paths delivered against what was funded <sup>A</sup>	Not available	≥80%
WCI2	Cycling count in main urban areas <sup>B</sup>	Not available	Increasing
WCI3	Walking count in main urban areas <sup>B</sup>	Not available	Increasing

<sup>A</sup> This is also an appropriation measure in Vote Transport (see appendix 3 from page 158 for all appropriation measures).

<sup>B</sup> Walking and cycling counts measures are being revised due to data collection and modelling issues associated with the transition to automated counters. In the interim, we are using data from the Walking and Cycling Attitudes and Behaviour Survey to provide a snapshot of walking and cycling uptake during the financial year.

## Why are these measures important?

**WCI1** 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 during the financial year compared with the length we and approved organisations planned for.

**WCI2** and **WCI3** tell us whether investments in infrastructure and other promotional activities are increasing the proportion of people cycling and walking in local urban areas.

## Difference this output class makes

Walking and cycling investment aims to encourage more people to walk and cycle. It promotes mode shift by creating safer and more accessible walking and cycling infrastructure and transport networks that give people more transport choices. It supports access to social and economic opportunities, including education, employment and tourism, and environmentally friendly and sustainable transport modes. As active travel modes, walking and cycling also promote health and wellbeing.

## What this output class will cost

	Projected 2022/23 \$m	Budget 2023/24 \$m
Revenue	192	537
Expenditure	192	537
<b>Net surplus/(deficit)</b>	<b>0</b>	<b>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 2022/23	Target 2023/24
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 <sup>A</sup>	Not available	≥97% <sup>B</sup>
SHM3	State highway maintenance cost per lane kilometre delivered <sup>C</sup>	\$33,819	\$28,000-\$36,000 <sup>D</sup>
SHM4	Proportion of unplanned road closures resolved within standard timeframes <sup>E</sup>	Weather: 55% Others: 88.7%	Weather: ≥50% Others: ≥90%

<sup>A</sup> This is also a system outcome measure under Meeting current and future needs (see page 31).

<sup>B</sup> The budget standard was changed in 2023/24 from maintain or increase from 2022/23 to ≥97% to show a baselined figure.

<sup>C</sup> This is also an appropriation measure in Vote Transport (see appendix 3 from page 158 for all appropriation measures).

<sup>D</sup> The budget standard was changed in 2023/24 from \$25,000-\$34,200 to \$28,000-\$36,000 to show cost escalations in state highway maintenance.

<sup>E</sup> This is also an external result measure under Improved resilience to disruptive events (see page 40). This measure is being reviewed in 2023/24 to better reflect the impact of extreme weather events.



## Why are these measures important?

**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 (including 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 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).

## Difference this output class makes

State highway maintenance provides people with reliable access 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.

## What this output class will cost

	Projected 2022/23 \$m	Budget 2023/24 \$m
Revenue	1,187	1,145
Expenditure	1,187	1,145
<b>Net surplus/(deficit)</b>	<b>0</b>	<b>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 2022/23	Target 2023/24
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	Not available	≥86%
LRM3	Local road maintenance cost per lane kilometre delivered <sup>A</sup>	Not available	\$3,800-\$4,700 <sup>B</sup>

<sup>A</sup> This is also an appropriation measure in Vote Transport (see appendix 3 from page 158 for all appropriation measures).

<sup>B</sup> The budget standard was changed in 2023/24 from ≥ \$4,480 to \$3,800-\$4,700 to show cost escalations in local road maintenance. A ranged target more accurately represents success with this result.

### Why are these measures important?

**LRM1** tells us if the planned level of renewal activity on the local road network, co-funded by the NLTF, is being delivered effectively, 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.

## Difference this output class makes

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

## What this output class will cost

	Projected 2022/23 \$m	Budget 2023/24 \$m
Revenue	962	980
Expenditure	962	980
<b>Net surplus/(deficit)</b>	<b>0</b>	<b>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 2022/23	Target 2023/24
PTS1	Number of boardings on public transport services <sup>A</sup>	122,000,000	Increasing
PTS2	Reliability of public transport services <sup>B</sup>	Not available	Increasing

<sup>A</sup> This is also a performance measure for the public transport infrastructure output class. The description of this measure has been updated to more accurately reflect what is being measured. This is also an appropriation measure in Vote Transport (see appendix 3 from page 158 for all appropriation measures).

<sup>B</sup> The description of this measure has been updated to more accurately reflect what is being measured.

## Why are these measures important?

**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.

**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.

## Difference this output class makes

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 people.

## What this output class will cost

	Projected 2022/23 \$m	Budget 2023/24 \$m
Revenue	622	734
Expenditure	622	734
<b>Net surplus/(deficit)</b>	<b>0</b>	<b>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 2022/23	Target 2023/24
PTS1	Number of boardings on public transport services <sup>AB</sup>	122,000,000	Increasing
PTI1	Punctuality of metro rail services <sup>BC</sup>	Not available	95%

<sup>A</sup> This is also a performance measure for the public transport services output class. The description of this measure has been updated to more accurately reflect what is being measured.

<sup>B</sup> This is also an appropriation measure in Vote Transport (see appendix 3 from page 158 for all appropriation measures).

<sup>C</sup> The description of this measure has been updated to more accurately reflect what is being measured. Punctuality means a train departs on time.

### Why are these measures important?

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

**PTI1** monitors service levels around punctuality because punctual public transport services are more attractive to users. A decline in punctuality is an indication of increasing infrastructure failures.

### Difference this output class makes

Public transport improves people's 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 increases public transport's attractiveness to users.

## What this output class will cost

	Projected 2022/23 \$m	Budget 2023/24 \$m
Revenue	492	669
Expenditure	492	669
<b>Net surplus/(deficit)</b>	<b>0</b>	<b>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 rail activities that will be funded from the NLTF over three years (2023/24 remaining). With KiwiRail, we monitor the delivery of the 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 <sup>A</sup>	4,420	4,460 Net tonne kilometres of freight carried by rail <sup>B</sup>
RN2	Freight travel time reliability <sup>C</sup>	90%	90%

<sup>A</sup> This is also an appropriation measure in Vote Transport (see appendix 3 from page 158 for all appropriation measures).

<sup>B</sup> The target was changed in 2023/24 from 4,420 to 4,460 net tonne kilometres of freight carried by rail to reflect the annual update that aligns with the NLTP three-year period. Net tonne kilometres is the sum of the tonnes carried multiplied by the distance travelled.

<sup>C</sup> Target: 2022-2024 90% as set out in the KiwiRail *statement of corporate intent 2022-2024* (available at [kiwirail.co.nz/who-we-are/publications-and-resources/statement-of-corporate-intent](https://kiwirail.co.nz/who-we-are/publications-and-resources/statement-of-corporate-intent)).

## Why are these measures important?

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

**RN2** tells us if freight trains are keeping to the schedule 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.

## Difference this output class makes

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 choices to be made (by companies and customers) about the most efficient way to move freight. Improving the rail network also contributes to reducing congestion and emissions.

## What this output class will cost

	Projected 2022/23 \$m	Budget 2023/24 \$m
Revenue	565	534
Expenditure	565	534
<b>Net surplus/(deficit)</b>	<b>0</b>	<b>0</b>

## Coastal shipping ●●●

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

### What we do

We facilitate the assessment of, 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 2022/23	Target 2023/24
CS1	Coastal shipping activities delivered and funded in accordance with contractual terms <sup>A</sup>	Achieved	Achieve

<sup>A</sup> This is also an appropriation measure in Vote Transport (see appendix 3 from page 158 for all appropriation measures).

### Why is this measure important?

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

### Difference this output class makes

Coastal shipping activities enable growth in the domestic coastal shipping sector that generate a variety of benefits, including:

- reduced emissions and air pollution
- reduced safety risks of freight travel
- improved mode choice for freight transporters.

In addition, Aotearoa New Zealand flagged coastal shipping can operate on a more level playing field with other freight operators and enhance the sustainability and competitiveness of the domestic sector.

### What this output class will cost

	Projected 2022/23 \$m	Budget 2023/24 \$m
Revenue	20	13
Expenditure	20	13
<b>Net surplus/(deficit)</b>	<b>0</b>	<b>0</b>



## Investment management ●

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

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### What we do

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

- managing the National Land Transport Fund
- 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
- assessing and monitoring investment.

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 2022/23	Target 2023/24
IM1	Proportion of total cost of managing the investment funding allocation system to National Land Transport Programme expenditure <sup>A</sup>	1%	≤1.1%

<sup>A</sup> This is also an appropriation measure in Vote Transport (see appendix 3 from page 158 for all appropriation measures).

### Why is this measure important?

**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.

### Difference this output class makes

Investment management allows us to shape the land transport system in accordance with government priorities. Minimising the cost of managing the investment funding allocation system will help us reduce expenditure on unnecessary or inefficient processes.

### What this output class will cost

	Projected 2022/23 \$m	Budget 2023/24 \$m
Revenue	85	123
Expenditure	85	123
<b>Net surplus/(deficit)</b>	<b>0</b>	<b>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 Speed and Infrastructure Programme, which implements 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 2022/23	Target 2023/24
RTZ1	Kilometres of high-risk roads addressed through speed management <sup>AB</sup>	Not available	≥ 3,500 <sup>C</sup>
RTZ2	Kilometres of the network treated with new median barriers <sup>ABD</sup>	Not available	≥ 400 <sup>C</sup>
RTZ3	Number of intersections treated with Primary Safe System treatments <sup>B</sup>	Not available	≥ 500 <sup>C</sup>
RTZ4	Number of passive breath tests conducted	2,700,000	3,000,000
RTZ5	Number of hours mobile cameras are deployed	70,000	80,000
RTZ6	Proportion of road safety advertising campaigns that meet or exceed their agreed success criteria <sup>E</sup>	Not available	86%

<sup>A</sup> This is also an appropriation measure in Vote Transport (see appendix 3 from page 158 for all appropriation measures).

<sup>B</sup> The measure and target have been updated for 2023/24 to align with its counterpart in the Road to Zero annual monitoring report.

<sup>C</sup> The target is cumulative since 1 July 2020.

<sup>D</sup> Alongside this measure we will also report any additional median barrier installed outside of the roads identified in Road to Zero.

<sup>E</sup> We're developing a new performance measurement framework to better represent the strategic outcomes of the full marketing and education road safety promotional programme. We will continue to report against the current RTZ6 measure until the new framework has been approved.

## Why are these measures important?

**RTZ1** tracks the centreline length of road network treated with/aligned to Safe and Appropriate Speed limits. To align with Road to Zero and the principles of a Safe System it is expected that the majority of supporting corridors will still require a lower (80km/h) speed limit due to the lack of physical separation to prevent head-on crashes.

**RTZ2** tracks the total centreline length of road network that has been treated with median barriers to separate opposing traffic flows. Median barriers are to be recorded geospatially, so we can monitor the additional kilometres of the network where median barriers have been installed.

**RTZ3** tracks the number of intersections that have been treated with Primary Safe System infrastructure measures. Primary Safe System treatments can be recorded geospatially, so we can monitor the additional number of intersections where safety improvements have been installed.

**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.

### Difference this output class makes

This output class contributes to the Road to Zero target of a 40 percent reduction in deaths and serious injuries by 2030 (from 2018 levels). This output class also embeds the Safe System approach in our safety interventions and investment.

### What this output class will cost

	Projected 2022/23 \$m	Budget 2023/24 \$m
Revenue	474	601
Expenditure	474	601
<b>Net surplus/(deficit)</b>	<b>0</b>	<b>0</b>

### Driver licensing and testing ●●

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

#### What we do

Our focus is on improving the safety of the land transport system by ensuring that drivers meet and maintain required safety standards. We provide approved driver licensing courses, develop land transport rules for driver licensing and testing, and manage the standards and delivery of driver licensing and testing to the public, including developing and maintaining driver licensing test routes.

We assess licence holders for alcohol and other drug use, maintain the integrity of the driver licensing register, and inform and advise the public on driver licensing and testing.

In addition, we educate, audit, and undertake 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. We also develop and maintain resources, such as road codes, theory and practical test requirements, and testing and provider manuals. Our work ultimately contributes to a safer and more reliable transport system.

## How we'll measure performance

Reference	Measure	Estimated actual 2022/23	Target 2023/24
DLT1	Proportion of non-compliance actions for driver licence course providers and testing officers that are progressed within acceptable timeframes <sup>A</sup>	Not available	95%
DLT2	Proportion of practical tests taken within 30 working days of booking	Not available	Increasing
DLT3	Number of compliance monitoring activities for driver licensing and testing course providers <sup>B</sup>	Not available	50

<sup>A</sup> 'Progressed within acceptable timeframes' means non-compliance actions are managed 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.

<sup>B</sup> This measure has been created to provide a more comprehensive view of our performance in relation to driver licensing and testing.

## Why are these measures important?

**DLT1** evaluates the effectiveness of non-compliance management for driver licence course providers and testing officers. Non-compliance actions may include investigations, reviews, and audits, managed in accordance with Waka Kotahi regulatory case management guidelines and processes that specify recommended timeframes and courses of action based on the level of risk.

**DLT2** shows us how well we're servicing our customers and supporting safety outcomes by ensuring learner drivers who wish to progress through the licensing system are able to access practical testing in a timely manner.

**DLT3** focuses on ensuring that driver licensing and testing course providers comply with regulations and standards set by Waka Kotahi. Compliance activities include audits, inspections, and other regulatory actions aimed at ensuring that course providers are delivering driver licensing courses that meet the required safety standards and operating within the rules and regulations set by the agency.

## Difference this output class makes

Driver licensing and testing contributes 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.

## What this output class will cost

	Projected 2022/23 \$m	Budget 2023/24 \$m
Revenue	74	110
Expenditure	69	73
<b>Net surplus/(deficit)</b>	<b>5</b>	<b>37</b>

## Regulation of commercial transport operators ●●

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

### What we do

We oversee the safety and compliance of commercial transport operators. Our main functions include developing and enforcing regulations and safety standards, licensing and maintaining a register of qualified operators, monitoring compliance through on-road electronic monitoring, investigating and prosecuting non-compliant operators, informing and educating operators and the public about their obligations, and administering permits for oversized and overweight vehicles. Overall, we play a critical role in ensuring the safety and reliability of commercial transport services and protecting the public.

### How we'll measure performance

Reference	Measure	Estimated actual 2022/23	Target 2023/24
CTO1	Proportion of non-compliance actions for commercial operators that are progressed within acceptable timeframes <sup>A</sup>	Not available	95%
CTO2	Number of compliance monitoring activities completed for commercial transport service licence holders and commercial drivers (classes 2-5) <sup>B</sup>	Not available	3,400
CTO3	Proportion of transport service licenses and permitting applications completed within the specified timeframes <sup>BC</sup>	Not available	95%

<sup>A</sup> 'Progressed within acceptable timeframes' means non-compliance actions are managed 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.

<sup>B</sup> This measure has been created to provide a more comprehensive view of our performance in relation to the regulation of commercial transport operators.

<sup>C</sup> 'Specified timeframes' are clearly defined periods, published on our website, within which these applications are expected to be processed (available at [nzta.govt.nz/commercial-driving/transport-service-licences](https://nzta.govt.nz/commercial-driving/transport-service-licences)).

## Why is this measure important?

**CTO1** evaluates the effectiveness of management of non-compliance actions on the commercial transport sector, with a focus on high-risk individuals and businesses. Non-compliance actions may include investigations, reviews, and audits, managed in accordance with Waka Kotahi regulatory case management guidelines and processes that specify recommended timeframes and courses of action based on the level of risk.

**CTO2** provides insight into the effectiveness of monitoring activities used to identify non-compliance and where enforcement efforts need to be instigated. This will identify areas where additional resources are required to improve compliance rates and mitigate non-compliance risks.

**CTO3** reflects our commitment to ensuring timely processing and approvals of transport service licenses (TSL) and permitting applications, which is essential for delivering efficient services to commercial transport operators. By tracking the proportion of TSL and permitting applications completed within the service level agreement timeframes we can evaluate the efficiency and effectiveness of our regulatory application processing activities and identify areas for improvement.

## Difference this output class makes

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.

## What this output class will cost

	Projected 2022/23 \$m	Budget 2023/24 \$m
Revenue	10	22
Expenditure	12	21
<b>Net surplus/(deficit)</b>	<b>(2)</b>	<b>1</b>



## Regulation of the rail transport system ●●

Delivered by Waka Kotahi and funded from fees and charges

### What we do

We are responsible for regulating the rail transport system to ensure the safety and security of passengers and the public. Our main functions include managing entry to and exit from the rail system through licensing and restrictions, approving and varying safety cases, and setting safety standards for infrastructure, vehicles, and practices. We also assess compliance with safety cases and standards, investigate safety accidents, and prosecute breaches of the Railways Act 2005.

In addition, we monitor risks and the overall level of safety in the rail system, and we provide advice and information to stakeholders and the public on rail system safety. If safety breaches occur, we direct improvements or impose restrictions to ensure that risks are minimized. Our ultimate goal is to maintain a high level of safety in the rail transport system, giving the public confidence in its reliability and security.

### How we'll measure performance

Reference	Measure	Estimated actual 2022/23	Target 2023/24
RTS1	Proportion of non-compliance actions for rail participants that are progressed within acceptable timeframes <sup>A</sup>	Not available	95%
RTS2	Number of compliance monitoring activities completed for rail licence holders <sup>B</sup>	Not available	50
RTS3	Proportion of ordinary safety assessments completed for rail licence holders within specified timeframes <sup>BC</sup>	Not available	95%

<sup>A</sup> 'Progressed within acceptable timeframes' means remedial actions are managed in line with Waka Kotahi rail safety compliance intervention tools, processes and legislation, which provide recommended timeframes and courses of action based on the risk of priority of each case.

<sup>B</sup> This measure has been created to provide a more comprehensive view of our performance in relation to the regulation of the rail transport system.

<sup>C</sup> 'Specified timeframes' are clearly defined durations within which safety assessments should ideally be conducted and completed.

## Why are these measures important?

**RTS1** evaluates our ability to manage non-compliance in the rail transport sector by focusing on ensuring that non-compliance actions for rail participants are progressed within acceptable timeframes and that overdue remedial actions are being escalated appropriately in accordance with the Railways Act 2005.

**RTS2** provides insight into the effectiveness of rail operators' safety management systems and safety cases by tracking the total number of compliance monitoring activities completed by Waka Kotahi during the reporting period. Compliance monitoring activities include rail participant ordinary safety assessments, special safety assessments, and Waka Kotahi investigations initiated under the Railways Act 2005.

**RTS3** evaluates our ability to conduct ordinary safety assessments for rail licence holders in a timely manner. By completing ordinary safety assessments within the specified timeframes, Waka Kotahi can help to ensure that rail licence holders are operating safely and in compliance with regulations.

## Difference this output class makes

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

## What this output class will cost

	Projected 2022/23 \$m	Budget 2023/24 \$m
Revenue	4	4
Expenditure	4	4
<b>Net surplus/(deficit)</b>	<b>0</b>	<b>0</b>

## Revenue collection and administration ●

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

### What we do

We're responsible for collecting and administering various revenue streams related to transportation and clean vehicle initiatives in Aotearoa New Zealand. Our tasks include collecting and refunding road user charges (RUC) revenue, investigating evasion, enforcing payment, and informing and advising the public about RUC.

We collect road tolling revenue, investigate evasion, enforce payment, manage associated systems and interfaces, and inform and advise the public about road tolls. Additionally, we collect and rebate regional fuel tax to fund regional projects, audit compliance, and report fuel prices and volumes. We are also responsible for refunding and accounting for fuel excise duty claims related to off-road fuel use.

In administering clean vehicle schemes, we collect fees and pay rebates, verify eligibility criteria, process refunds, guard against fraudulent activity, and respond to non-compliant behaviour.

Overall, we ensure that revenue streams related to transportation and clean vehicle initiatives are collected and distributed effectively and efficiently. We are also committed to providing support and guidance to the public and other stakeholders regarding these revenue streams.

### How we'll measure performance

Reference	Measure	Estimated actual 2022/23	Target 2023/24
REV2	Proportion of refunds processed within 20 days <sup>A</sup>	Not available	85%
REV3	Number of road user charges compliance monitoring activities completed for all road users <sup>A</sup>	Not available	90

<sup>A</sup> These measures replace previous measures to better measure our activities in relation to revenue collection and administration. The previous measures were 'proportion of unpaid road user charges identified through investigations and assessments that are collected' and 'average number of days to process road user charges, fuel excise duty and regional fuel tax refund applications'. The former measure continues to be an appropriation measure in Vote Transport (see appendix 3 from page 158 for all appropriation measures), and the latter measure has been removed.

### Why are these measures important?

**REV2** tracks the efficiency and effectiveness of the refund processing system by evaluating the proportion of road user charges, fuel excise duty, and regional fuel tax refund applications processed and decided within 20 working days of receipt, excluding rejected, queried, or audited applications.

**REV3** provides insight into our regulatory efforts and enforcement activities by tracking the number of compliance activities completed related to road user charges. These activities include investigations, reviews, and audits aimed at ensuring compliance with relevant legislation and regulations, as well as preventing evasion of road user charges.

### Difference this output class makes

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.

### What this output class will cost

	Projected 2022/23 \$m	Budget 2023/24 \$m
Revenue	42	62
Expenditure	50	70
<b>Net surplus/(deficit)</b>	<b>(8)</b>	<b>(8)</b>

## Vehicle safety and certification ●●

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

### What we do

Our role is to ensure that vehicles on the roads are safe and compliant through vehicle registration, licensing, standards, and certification. We develop rules, standards, and guidelines for vehicle inspection and certification, appoint inspectors and inspecting organizations, monitor their performance, investigate complaints, and take action against those that do not meet required standards.

We revoke certification of unsafe or illegal vehicles and manage the delivery of motor vehicle registration and licensing services to the public. We maintain the integrity of the motor vehicle register and related systems, authorise and manage third-party access to registry information, and provide advice and information to the public on regulatory requirements. Our ultimate goal is to protect the public and promote trust in the transport system.

### How we'll measure performance

Reference	Measure	Estimated actual 2022/23	Target 2023/24
VSC1	Proportion of non-compliance actions for vehicle inspecting organisations, vehicle certifiers and vehicle inspectors that are progressed within acceptable timeframes <sup>A</sup>	Not available	95%
VSC2	Number of compliance monitoring activities completed for inspecting organisations and vehicle inspectors <sup>B</sup>	Not available	3,500

<sup>A</sup> 'Progressed within acceptable timeframes' means non-compliance actions are managed 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.

<sup>B</sup> This measure replaces the previous one as it better measures our activities in relation to vehicle safety and certification.

### Why are these measures important?

**VSC1** provides insight into how well our non-compliance management efforts promote compliance among vehicle safety and certification organisations.

**VSC2** measures our effectiveness in ensuring compliance and safety of vehicles through the implementation and monitoring of vehicle registration, licensing, standards and certification.

### Difference this output class makes

Vehicle safety and certification (including registration, licensing, standards and certification activities) helps ensure vehicles on the country's roads are safe and maintains the integrity of vehicle registration and certification systems.

### What this output class will cost

	Projected 2022/23 \$m	Budget 2023/24 \$m
Revenue	66	111
Expenditure	79	105
<b>Net surplus/(deficit)</b>	<b>(13)</b>	<b>6</b>

## Low emission vehicles ●●●

Delivered by Waka Kotahi and funded from the Crown

### What we do

We administer and operate the Clean Car Standard and Clean Car Discount that support the decarbonisation of the light vehicle fleet.

Our work to support the decarbonisation of the bus fleet is reflected in the public transport services output class.

### How we'll measure performance

Reference	Measure	Estimated actual 2022/23	Target 2023/24
CCS1	Proportion of vehicle imports with CO <sub>2</sub> and importer information, allowing robust measurement against national CO <sub>2</sub> targets <sup>A</sup>	Not available	99%

<sup>A</sup> This measure is also an appropriation measure in Vote Transport (see appendix 3 from page 158 for all appropriation measures) and is included here to provide a performance measure for the newly created output class.

### Why is this measure important?

**CCS1** tracks the regulation of distributors of new vehicles and importers of used vehicles to AotearoaNew Zealand to ensure they supply vehicles with progressively lower CO<sub>2</sub> emissions year on year in order to contribute to broader climate change emission reduction targets.

### Difference this output class makes

Decarbonising the light vehicle fleet is critical for reducing transport emissions in line with the government's emissions reductions plan. We contribute to this by encouraging the rapid uptake of low and zero-emissions light vehicles and supporting an equitable transition, making them accessible for more New Zealanders.

### What this output class will cost

	Projected 2022/23 \$m	Budget 2023/24 \$m
Revenue	494	176
Expenditure	494	176
<b>Net surplus/(deficit)</b>	<b>0</b>	<b>0</b>

# Āpitihanganga 2: Ngā tohu mō ngā hōtaka haupū rawa nui

## Appendix 2: Milestones for significant capital projects

The following Waka Kotahi capital projects have ministerial interest and are significant to achieve positive shifts in the transport system. The table below shows the key milestones planned for the projects. Go to [nzta.govt.nz/projects](https://nzta.govt.nz/projects) to learn about each project and its benefits, such as improving safety, resilience, regional connections and multi-modal shift.

### Key



Road improvements



Resilience



Safety



Walking & cycling



Public transport



Rapid transit






Supports housing growth

### Milestones

Project	2023/24	2024/25	2025/26
SH1 Whangārei to Port Marsden Highway Safety Detailed business case phase 	<ul style="list-style-type: none"> <li>Community engagement started</li> <li>30% of design works completed</li> </ul>	<ul style="list-style-type: none"> <li>Land requirement plans approved</li> <li>Assessment of Environmental Effects and Notice of Requirements lodged</li> <li>Consents for areas within designation approved</li> </ul>	<ul style="list-style-type: none"> <li>Detailed design completed</li> <li>Construction contract awarded</li> </ul>
Ara Tūhono: Pūhoi-Warkworth Implementation phase 	<ul style="list-style-type: none"> <li>Road open to traffic</li> <li>Deferred works to achieve 'Full Works Completion' completed</li> <li>Public-private partnership (PPP) operating phase started</li> </ul>	<ul style="list-style-type: none"> <li>PPP Operating phase continues</li> </ul>	<ul style="list-style-type: none"> <li>PPP Operating phase continues</li> </ul>








## Milestones

Project	2023/24	2024/25	2025/26
<p>O Mahurangi Penlink</p> <p>Implementation phase</p> 	<ul style="list-style-type: none"> <li>Consenting for outline plan of works, additional earthworks and wetlands completed</li> <li>Detailed design completed</li> <li>Main construction works started</li> </ul>	<ul style="list-style-type: none"> <li>Construction continues</li> </ul>	<ul style="list-style-type: none"> <li>Construction continues</li> </ul>
<p>Auckland Network Optimisation</p> <p>Implementation phase</p> 	<ul style="list-style-type: none"> <li>The Strand and north bound Princes Street on-ramps completed</li> <li>Detailed designs completed for Bombay Interchange, northbound Silverdale Bus Lane and Royal Road active mode improvements</li> <li>Option identified for Auckland Transport Operations Centre's new real time network monitoring system and new planned events management system</li> </ul>	<ul style="list-style-type: none"> <li>Physical works on Bombay Interchange, northbound Silverdale Bus Lane and Royal Road active mode improvements completed</li> <li>Auckland Transport Operations Centre's new real time network monitoring system and new planned events management system developed</li> <li>Work on detailed designs for Mt Wellington Interchange and Cavendish to Puhinui active mode improvements started</li> </ul>	<ul style="list-style-type: none"> <li>Go live for Auckland Transport Operations Centre's new real time network monitoring system and new planned events management system</li> <li>Physical works for Mt Wellington Interchange and Cavendish to Puhinui active mode improvements started</li> </ul>
<p>Waitematā Harbour Connections</p> <p>Indicative business case phase</p> 	<ul style="list-style-type: none"> <li>Indicative business case endorsed by the Waka Kotahi Board</li> <li>Procurement for the detailed business case completed</li> </ul>	<ul style="list-style-type: none"> <li>Public engagement on preferred option completed</li> </ul>	<ul style="list-style-type: none"> <li>Detailed business case endorsed by the Waka Kotahi Board</li> <li>Designation documentation lodged</li> </ul>

Project	Milestones		
	2023/24	2024/25	2025/26
Supporting Growth Alliance (Auckland) Detailed business case phase 	<ul style="list-style-type: none"> <li>Detailed business case completed</li> <li>Notice of requirements for Warkworth, Pukekohe, North and Takanini lodged</li> <li>Route protection designation for Airport to Botany and Northwest confirmed</li> </ul>	<ul style="list-style-type: none"> <li>Route protection designation for Warkworth, Pukekohe, North and Takanini confirmed</li> </ul>	
South Auckland Package Detailed business case phase 	<ul style="list-style-type: none"> <li>Detailed business case approved by Joint Ministers</li> <li>Stage 2B pre-implementation contract awarded for Waihoehoe Road and SH22 (Drury) upgrades</li> <li>Waihoehoe Road and SH22 (Drury) upgrades section 18 notices (to commence property purchases) issued to landowners</li> <li>Consents for Waihoehoe Road upgrade lodged</li> </ul>	<ul style="list-style-type: none"> <li>Consents for SH22 (Drury) upgrade lodged</li> <li>Property purchase for Waihoehoe Road and SH22 (Drury) upgrades completed</li> <li>Physical works for Waihoehoe Road and SH22 (Drury) upgrades started</li> </ul>	<ul style="list-style-type: none"> <li>Construction on Waihoehoe Road and SH22 (Drury) upgrades continues</li> </ul>
Baypark to Bayfair Link Upgrade Implementation phase 	<ul style="list-style-type: none"> <li>Project completed and road open to traffic</li> </ul>		
Takitimu North Link Stage 1 Implementation phase 	<ul style="list-style-type: none"> <li>Cambridge Road Bridge completed</li> <li>Wairoa Road Bridge completed</li> </ul>	<ul style="list-style-type: none"> <li>Takitimu northbound flyover bridge completed</li> <li>Minden gully bridges completed</li> <li>15th Avenue on-ramp bridge completed</li> </ul>	<ul style="list-style-type: none"> <li>Wairoa river bridge completed</li> <li>Drainage and services completed</li> <li>Landscaping completed</li> </ul>

## Milestones

Project	2023/24	2024/25	2025/26
<p>SH29 Tauriko West Enabling Works</p> <p>Implementation phase</p> 	<ul style="list-style-type: none"> <li>All consents approved</li> <li>Property acquisition completed</li> <li>Construction started</li> </ul>	<ul style="list-style-type: none"> <li>Construction continues</li> </ul>	<ul style="list-style-type: none"> <li>Redwood Lane roundabout connection to SH29 completed</li> <li>Construction through the Tauriko Village continues</li> </ul>
<p>Te Ara o Te Ata: Mt Messenger Bypass</p> <p>Implementation phase</p> 	<ul style="list-style-type: none"> <li>Cableway to provide access to the site operational</li> <li>Tunnel construction started</li> <li>Bulk earthworks started</li> <li>Pest management enabling activities completed (for example fencing, track cutting, trap installation and ecological preservation)</li> </ul>	<ul style="list-style-type: none"> <li>Southern bulk earthworks completed</li> <li>Construction of bridges started</li> <li>Less than 5% of pest detection sites across the 3,650ha pest management area detects the presence of pests</li> </ul>	<ul style="list-style-type: none"> <li>All bulk earthworks completed</li> <li>Paving works started</li> <li>Construction of bridges completed</li> <li>Tunnel mechanical and electrical fitouts installed</li> </ul>
<p>Te Ahu a Turanga: Manawatū Tararua highway</p> <p>Implementation phase</p> 	<ul style="list-style-type: none"> <li>Bulk earthworks completed</li> <li>Pavement basecourse and surfacing works started</li> </ul>	<ul style="list-style-type: none"> <li>Bridge 2 and 3 completed</li> <li>Pavement basecourse and surfacing works completed</li> </ul>	<ul style="list-style-type: none"> <li>Practical completion achieved and road open to traffic</li> </ul>
<p>Ōtaki to North of Levin</p> <p>Pre-Implementation and Implementation phase</p> 	<ul style="list-style-type: none"> <li>Consent decisions received</li> <li>Procurement of alliances started and completed</li> <li>Interim Project Alliance Agreements signed</li> <li>Detailed design started</li> </ul>	<ul style="list-style-type: none"> <li>Most land acquired including Māori Freehold Land</li> <li>Project Alliance Agreements signed</li> </ul>	<ul style="list-style-type: none"> <li>Detailed design completed</li> <li>Construction started</li> <li>Property acquisition completed</li> </ul>
<p>SH2 Melling Efficiency and Safety Improvements</p> <p>Implementation phase</p> 	<ul style="list-style-type: none"> <li>Detailed design completed</li> <li>Property acquisition completed</li> <li>Construction started</li> </ul>	<ul style="list-style-type: none"> <li>Construction continues</li> </ul>	<ul style="list-style-type: none"> <li>Construction continues</li> </ul>

Project	Milestones		
	2023/24	2024/25	2025/26
<p>Te Ara Tupua: Ngā Ūranga ki Pito-One</p> <p>Implementation phase</p> 	<ul style="list-style-type: none"> <li>Offshore habitats for coastal birds completed</li> <li>Seawall construction started</li> <li>Design completed</li> <li>KoroKoro Stream Bridge construction started</li> </ul>	<ul style="list-style-type: none"> <li>Seawall and KoroKoro Stream Bridge construction continues</li> <li>Ngauranga Bridge construction started</li> <li>Mode shift campaign started</li> </ul>	<ul style="list-style-type: none"> <li>All construction works substantially completed</li> <li>Tāwharau Pods relocated and Honiana Te Puni Reserve reinstatement works completed</li> <li>Path opening date confirmed</li> <li>Mode shift campaign ramps up for path opening</li> </ul>
<p>Let's Get Wellington Moving Transformational Programme (Mass Rapid Transit, Basin Reserve, Mt Victoria Tunnel)</p> <p>Detailed business case phase</p> 	<ul style="list-style-type: none"> <li>Work on the detailed business case started</li> </ul>	<ul style="list-style-type: none"> <li>Detailed business case completed and endorsed by the Waka Kotahi Board</li> </ul>	<ul style="list-style-type: none"> <li>To be determined, depending on the outcome of the detailed business case</li> </ul>
<p>Public Transport Futures Mass Rapid Transit (Christchurch)</p> <p>Indicative business case phase</p> 	<ul style="list-style-type: none"> <li>Work on the detailed business case started</li> </ul>	<ul style="list-style-type: none"> <li>Detailed business case work continues</li> </ul>	<ul style="list-style-type: none"> <li>Detailed business case work continues</li> </ul>

# Āpiti hanga 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 2023/24 – Economic development and infrastructure sector*.

Go to [treasury.govt.nz/publications/budgets](https://treasury.govt.nz/publications/budgets) to access Vote Transport Estimates of appropriations.

Appropriation	Reference	Measure	Budget standard 2022/23	Estimated actual 2022/23	Budget standard 2023/24
Non-departmental output expenses					
Clean Car Standard - Operation	CCS1	Proportion of vehicle imports with CO <sub>2</sub> and importer information, allowing robust measurement against national CO <sub>2</sub> targets	99%	Not available <sup>C</sup>	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
Cyclone Gabrielle: National Land Transport Fund Operating Cost Pressure Funding	CG1	Funding is drawn down and utilised for the purposes and on the 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 or less	1.05 working days	10 working days or less
	LIC1	Number of drug or alcohol assessments funded	700 or less <sup>e</sup>	384	700 or less <sup>e</sup>
	LIC2	Number of older driver licences subsidised	116,889 or less <sup>e</sup>	68,234	116,889 or less <sup>e</sup>
	MIN1	Proportion of requests completed within specified timeframes - Ministerial correspondence	95% or greater	98.5%	95% or greater
	MIN2	Proportion of requests completed within specified timeframes - Parliamentary questions	100%	100%	100%
	MIN3	Proportion of requests completed within statutory timeframes - Official Information Act requests	100%	99.5%	100%

Appropriation	Reference	Measure	Budget standard 2022/23	Estimated actual 2022/23	Budget standard 2023/24
Land Transport Regulatory Services continued	CPO1	Number of community provider organisations who can make group bookings for Class 1 practical tests on the same day	7	Not available	7
	CPO2	Number of testing days that community provider organisations can book for Class 1 practical tests on the same day	30	Not available	30
	DTW1	Average national wait times for a driving test <sup>f</sup>	Less than 30 days	Not available <sup>c</sup>	Less than 30 days
	TST1	Number of theory test sites nationally <sup>f</sup>	Increased number of test sites as at 30 June 2023	Not available <sup>c</sup>	Increased number of test sites as at 30 June 2024
	TSP1	Number of practical test sites nationally <sup>f</sup>	Increased number of practical test sites as at 30 June 2023	Not available <sup>c</sup>	Increased number of practical test sites as at 30 June 2024
	MTT1	Number of mobile theory tests conducted in a year <sup>f</sup>	3,000	Not available <sup>c</sup>	3,000
	CPS1	Number of community providers directly supported with expert advice from Waka Kotahi in a year <sup>f</sup>	Baseline setting	Baseline setting	Baseline setting
	REA1	Number of regional expert advisors supporting community driver training, and mentoring programmes (expected to be consistent across years) <sup>f</sup>	7	Not available <sup>c</sup>	7
	PPD1	Number of people participating in DRIVE <sup>f</sup>	200,000	Not available <sup>c</sup>	200,000

<b>Appropriation</b>	<b>Reference</b>	<b>Measure</b>	<b>Budget standard 2022/23</b>	<b>Estimated actual 2022/23</b>	<b>Budget standard 2023/24</b>
National Land Transport Programme PLA	IM1	<b>Investment Management</b> Proportion of total cost of managing the investment funding allocation system to total National Land Transport Programme expenditure <sup>a</sup>	1.1% or less	1%	1.1% or less
	LRI1	<b>Local Road Improvements</b> Proportion of local road improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes <sup>a</sup>	80% or greater	Not available <sup>c</sup>	80% or greater
	SHI1	<b>State Highway Improvements</b> Proportion of state highway improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes <sup>ab</sup>	90% or greater	Not available <sup>c</sup>	90% or greater
	LRM3	<b>Local Road Maintenance</b> Local road maintenance cost per lane kilometre delivered <sup>a</sup>	Less or equal to \$4,480g	Not available <sup>c</sup>	\$3,800 - \$4,700
	SHM3	<b>State Highway Maintenance</b> State highway maintenance cost per lane kilometre delivered <sup>a</sup>	\$25,000 - \$34,200	\$34,000	\$28,000 - \$36,000
	PTS1	<b>Public Transport Services and Public Transport Infrastructure</b> Number of boardings on public transport services (bus, train, ferry) <sup>ah</sup>	Increasing	Increasing	Increasing
	PTI1	<b>Public Transport Services and Public Transport Infrastructure</b> Punctuality of metro rail services that depart no more than 1 minute early or 5 minutes late <sup>ah</sup>	95%	Not available <sup>c</sup>	95%

<b>Appropriation</b>	<b>Reference</b>	<b>Measure</b>	<b>Budget standard 2022/23</b>	<b>Estimated actual 2022/23</b>	<b>Budget standard 2023/24</b>
National Land Transport Programme PLA continued	WCI1	<b>Walking and Cycling Improvements</b> Proportion of cycleways, pathways and shared paths delivered against plan <sup>a</sup>	80%	Not available <sup>c</sup>	80%
	RN2	<b>Rail Network</b> Freight travel time reliability <sup>a</sup>	90%	90%	90%
	RN1	<b>Rail Network</b> Amount of freight carried by rail <sup>a</sup>	Increasing	Not available <sup>c</sup>	4,460 Net tonne kilometres of freight carried by rail
	CS1	<b>Coastal Shipping</b> Coastal shipping activities delivered and funded in accordance with contractual terms <sup>a</sup>	Achieved	Achieved	Achieved
	RTZ7	<b>Road to Zero</b> Kilometres of high-risk roads addressed through speed management <sup>a</sup>	3,500 kilometres or greater	Not available	3,500 kilometres or greater
	RTZ8	<b>Road to Zero</b> Kilometres of the network treated with new median barriers <sup>a</sup>	400 kilometres or greater	Not available	400 kilometres or greater
National Land Transport Programme Additional Crown Funding (2021-2024)	NLTP-AC1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	100%	100%	100%
Public Transport Bus Decarbonisation	ZEV1	Increase in the number of zero-emission vehicles deployed into the public transport fleet, measured annually	Increase	Increase	Increase
	EUB1	Reduction in the number of Euro III and below buses deployed in the public transport fleet	Decrease	Decrease	Decrease
Retaining and Recruiting Bus Drivers	RBD1	Proportion of scheduled bus service trips not operated	Decreasing	Decreasing	Decreasing



<b>Appropriation</b>	<b>Reference</b>	<b>Measure</b>	<b>Budget standard 2022/23</b>	<b>Estimated actual 2022/23</b>	<b>Budget standard 2023/24</b>
Road User Charges Investigation and Enforcement	REV1	Proportion of unpaid road user charges identified through investigations and assessments that are collected <sup>a</sup>	65%	Not available <sup>c</sup>	65%
Road User Charges Refunds	RUC1	Average number of days to process road user charges refund applications	20 working days or less	18 working days	20 working days or less
Waka Kotahi Regulatory Functions PLA	WRF1	Number of regulatory guidelines and standards (non-legislative) reviewed and/or updated	New measure	New measure	Baseline setting
	WRF2	The regulatory policy work programme is delivered as agreed with the Ministry of Transport	New measure	New measure	Achieved
	WRF3	Initiatives to deliver the regulatory strategy and the Director of Land Transport Functions are progressed in accordance with the strategy's implementation plan	New measure	New measure	Achieved
<b>Non-departmental other expenses</b>					
Bad Debt Provision - Land Transport Revenue collected by Waka Kotahi New Zealand Transport Agency	BDP1	Proportion of bad debt for road user charges against forecast revenue	0.45% or less	Not available <sup>c</sup>	0.45% or less
<b>Non-departmental capital expenditure</b>					
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% or greater	Not available <sup>c</sup>	90% or greater
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 2023-2028	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	New measure	New measure	100%

Appropriation	Reference	Measure	Budget standard 2022/23	Estimated actual 2022/23	Budget standard 2023/24
National Land Transport Programme Capital PLA	SHI1 b	Proportion of state highway improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes <sup>b</sup>	90% or greater	Not available <sup>c</sup>	90% or greater
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	NLTFA1	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 Investment Opportunities (RIO) activities delivered to agreed budget and timeframes	80% or greater	Not available <sup>c</sup>	80% or greater
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%
Multi-category expenses and capital expenditure					
Capital Investment Package - Operating	CIPO0	<b>Overarching MCA measure</b> Reporting on an annual basis	New measure	New measure	Achieved
	CIPO1	<b>Non-Departmental Output Expenses</b> <i>Operating costs</i> Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	Achieved	Not available	Achieved
	CIPO2	<b>Non-Departmental Other Expenses</b> <i>Third party projects</i> Proportion of Waka Kotahi NZ Transport Agency NZ Upgrade activities that will result in third party asset ownership delivered to agreed budget and timeframes	90% or greater	Not available	90% or greater

<b>Appropriation</b>	<b>Reference</b>	<b>Measure</b>	<b>Budget standard 2022/23</b>	<b>Estimated actual 2022/23</b>	<b>Budget standard 2023/24</b>
Community Connect Programme	CCP0	Overarching MCA measure Reporting on an annual basis	Achieved	Achieved	Achieved
	CCP1	<b>Non-Departmental Output Expenses</b> <i>Administration of the Community Connect Programme</i> Community Connect is implemented in at least one major urban area in the short term	Achieved	Achieved	Achieved
	CCP2	<b>Non-Departmental Other Expenses</b> <i>Community Connect Programme - Public Transport Concessions</i> Number of boardings using Community Connect concessions	Baseline setting	Not available <sup>C</sup>	Increasing
	CCP3	<b>Non-Departmental Other Expenses</b> <i>Total Mobility Scheme Local Share Funding Shortfall</i> Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	Achieved	Achieved	Achieved
	CCP4	<b>Non-Departmental Other Expenses</b> <i>Total Mobility Services Concessions</i> Number of trips using Total Mobility concessions	New measure	New measure	Greater than baseline (1,564,000 trips)

<b>Appropriation</b>	<b>Reference</b>	<b>Measure</b>	<b>Budget standard 2022/23</b>	<b>Estimated actual 2022/23</b>	<b>Budget standard 2023/24</b>
COVID-19 - NLTF Funding for Cost Pressures and Revenue Shocks	CPRS0	<b>Overarching MCA measure</b> Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	100%	100%	100%
	CPRS1	<b>Non-Departmental Output Expenses</b> <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	<b>Non-Departmental Capital Expenditure</b> <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%
Improving Resilience of the Roding Network	IRO	<b>Overarching MCA measure</b> Reporting on an annual basis	New measure	New measure	Achieved
	IR1	<b>Non-Departmental Output Expenses</b> <i>Improving Resilience of the Roding Network - Operating</i> Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	New measure	New measure	100%
	IR2	<b>Non-Departmental Other Expenses</b> <i>Improving Resilience of the Roding Network - Local Roads</i> Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	New measure	New measure	100%

Appropriation	Reference	Measure	Budget standard 2022/23	Estimated actual 2022/23	Budget standard 2023/24
	IR3	<p><b>Non-Departmental Capital Expenditure</b></p> <p><i>Improving Resilience of the Rooding Network - State Highways</i></p> <p>Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet</p>	New measure	New measure	100%
Mode-Shift - Planning, Infrastructure, Services, and Activities	MSOC0	<p><b>Overarching MCA measure</b></p> <p>Reporting on an annual basis</p>	Achieved	Achieved	Achieved
	MSOC1	<p><b>Non-Departmental Output Expenses</b></p> <p><i>Mode-Shift - Operating Costs</i></p> <p>Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet</p>	100%	Not available <sup>c</sup>	100%
	MSOC2	<p><b>Non-Departmental Output Expenses</b></p> <p><i>Mode-Shift - Operating Costs</i></p> <p>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 2024</p>	New measure	New measure	Achieved
	MSTP1	<p><b>Non-Departmental Other Expenses</b></p> <p><i>Mode-Shift - Third-Party Projects and Activities</i></p> <p>Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet</p>	100%	Not available <sup>c</sup>	100%

<b>Appropriation</b>	<b>Reference</b>	<b>Measure</b>	<b>Budget standard 2022/23</b>	<b>Estimated actual 2022/23</b>	<b>Budget standard 2023/24</b>
Mode-Shift - Planning, Infrastructure, Services, and Activities continued	MSTP2	<b>Non-Departmental Other Expenses</b> <i>Mode-Shift - Third-Party Projects and Activities</i> Light VKT reduction programmes 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	Achieved	Not available <sup>c</sup>	Achieved
	MSTP3	<b>Non-Departmental Other Expenses</b> <i>Mode-Shift - Third-Party Projects and Activities</i> Kilometres of cycle ways delivered	New measure	New measure	242 kilometres
	MSTP4	<b>Non-Departmental Other Expenses</b> <i>Mode-Shift - Third-Party Projects and Activities</i> Number of new or upgraded bus stops	New measure	New measure	397
	MSTP5	<b>Non-Departmental Other Expenses</b> <i>Mode-Shift - Third-Party Projects and Activities</i> Kilometres of bus priority lanes	New measure	New measure	11 kilometres
	MSTP6	<b>Non-Departmental Other Expenses</b> <i>Mode-Shift - Third-Party Projects and Activities</i> Number of suburbs that received walking and improvement projects	New measure	New measure	29 suburbs

<b>Appropriation</b>	<b>Reference</b>	<b>Measure</b>	<b>Budget standard 2022/23</b>	<b>Estimated actual 2022/23</b>	<b>Budget standard 2023/24</b>
Mode-Shift - Planning, Infrastructure, Services, and Activities continued	MSTP7	<b>Non-Departmental Other Expenses</b> <i>Mode-Shift - Third-Party Projects and Activities</i> Number of improvements for access to schools	New measure	New measure	119 schools
SuperGold Card Enhanced Public Transport Concessions Scheme	SG0	<b>Overarching MCA measure</b> Reporting on an annual basis	Achieved	Achieved	Achieved
	SG1	<b>Non-Departmental Output Expenses</b> <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	100%	100%	100%
	SG2	<b>Non-Departmental Other Expenses</b> <i>Public Transport Concessions for Cardholders</i> Number of boardings using SuperGold concessions	12 - 15 million	8,721,214	12 - 15 million

<b>Appropriation</b>	<b>Reference</b>	<b>Measure</b>	<b>Budget standard 2022/23</b>	<b>Estimated actual 2022/23</b>	<b>Budget standard 2023/24</b>
Tuawhenua Provincial Growth Fund - Transport Projects	PGF1	<b>Non-Departmental Output Expenses</b> <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 or less	7 - 10 working days	20 working days or less
	PGF2	<b>Non-Departmental Other Expenses</b> <i>Enabling Infrastructure Projects</i>  Average number of days to release Provincial Growth Fund infrastructure funding once approved	20 working days or less	7 - 10 working days	20 working days or less
	PGF7	<b>Non-Departmental Capital Expenditure</b> <i>Infrastructure Projects</i>  Proportion of Waka Kotahi NZ Transport Agency projects funded by the Provincial Growth Fund (PGF) delivered to budget and timeframes	80% or greater	Not available <sup>C</sup>	80% or greater

<sup>A</sup> This is also an output class measure.

<sup>B</sup> This is a performance measure for the National Land Transport Programme PLA and the National Land Transport Programme Capital PLA appropriations.

<sup>C</sup> The estimate is not available because data is collected only at year end.

<sup>D</sup> MoT has agreed that delivery and approval of the national plan will occur by 30 June 2023 and will be published after that date.

<sup>E</sup> The results are dependent on the number of applications received.

<sup>F</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>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> The description of this measure will be updated in the 2023/24 supplementary estimates of appropriations to align with its output class measure counterpart.



Table 3 provides disclosure of judgement regarding changes to appropriation measures.

Table 3 - Disclosure of judgement for appropriation measures

Reference	Measure	Budget standard 2022/23	Budget standard 2023/24	Type of change	Rationale for change
CG1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	100%	100%	New measure	Change implemented in the 2022/23 Supplementary of Estimates - This measure has been created to reflect the output intended to be achieved.
CPO1	Number of community provider organisations who can make group bookings for Class 1 practical tests on the same day	7	7	New measure	Change implemented in the 2022/23 Supplementary of Estimates - These measures have been created, splitting from the original measure (Number of licence bookings made nationally for a group of people to sit their test at the same time (generally following a training course), to allow more precise reporting.
CPO2	Number of testing days that community provider organisations can book for Class 1 practical tests on the same day	30	30	New measure	
LRM3	<b>Local Road Maintenance</b> Local road maintenance cost per lane kilometre delivered	Less or equal to \$4,480	\$3,800 - \$4,700	Standard change	The budget standard has been updated to reflect cost escalation in local road maintenance.
SHM3	State highway maintenance cost per lane kilometre delivered	\$25,000 - \$34,200	\$28,000 - \$36,000	Standard change	The budget standard has been updated to reflect cost escalation in state highway maintenance.
PTS1	Number of boardings on public transport services (bus, train, ferry)	Increasing	Increasing	Description change	'Urban' has been removed from the measure description to reflect what is being reported.

Reference	Measure	Budget standard 2022/23	Budget standard 2023/24	Type of change	Rationale for change
RTZ1	Kilometres of high-risk roads addressed through speed management	3,500 kilometres or greater	3,500 kilometres or greater	New measure	Change implemented in the 2022/23 Supplementary of Estimates - This measure has replaced the previous measure (length of the network treated with reduced speed limits) for better alignment with the Road to Zero monitoring indicator.
RTZ2	Kilometres of the network treated with new median barriers	400 kilometres or greater	400 kilometres or greater	New measure	Change implemented in the 2022/23 Supplementary of Estimates - This measure has replaced the previous measure (number of corridor infrastructure safety improvements projects started to plan) for better alignment with the Road to Zero monitoring indicator.
NLTP-AC1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	100%	100%	New measure	Change implemented in the 2022/23 Supplementary of Estimates - This measure has been created to report against additional crown funding for emergency works and public transport operating shortfall.

Reference	Measure	Budget standard 2022/23	Budget standard 2023/24	Type of change	Rationale for change
EUB1	Reduction in the number of Euro III and below buses deployed in the public transport fleet	Decrease	Decreasing	Description change	Change implemented in the 2022/23 Supplementary of Estimates - The description has been updated to remove Euro IV as it's not yet possible to differentiate Euro IV buses in the data pool.
RBD1	Proportion of scheduled bus service trips not operated	Decreasing	Decreasing	New measure	Change implemented in the 2022/23 Supplementary of Estimates - This measure has been created to report the outcome intended as a result of improved bus driver terms and conditions.
REV1	Proportion of unpaid road user charges identified through investigations and assessments that are collected	65%	65%	Standard change	Change implemented in the 2022/23 Supplementary of Estimates - The standard has been changed from 65%-75% to 65% to allow more precise reporting.
WRF1	Number of regulatory guidelines and standards (non-legislative) reviewed and/or updated	New measure	Baseline setting	New measure	These measures have been created to provide accountability and visibility over Waka Kotahi NZ Transport Agency's regulatory functions.
WRF2	The regulatory policy work programme is delivered as agreed with the Ministry of Transport	New measure	Achieved	New measure	
WRF3	Initiatives to deliver the regulatory strategy and the Director of Land Transport Functions are progressed in accordance with the strategy's implementation plan	New measure	Achieved	New measure	

Reference	Measure	Budget standard 2022/23	Budget standard 2023/24	Type of change	Rationale for change
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	New measure	100%	New measure	This measure has been created to report against a new multi-year appropriation to achieve additional transport infrastructure needed to unlock residential development.
CCP3	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	Achieved	Achieved	New measure	These measures have been created to report against funding for total mobility passengers. CCP3 was implemented in the 2022/23 Supplementary of Estimates.
CCP4	Number of trips using Total Mobility concessions	New measure	Greater than baseline (1,564,000 trips)	New measure	
IR1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	New measure	100%	New measure	These measures have been created to report against a new multi-category appropriation in 2023/24 to improve the resilience of the state highway and local road network, to minimise damage caused by climate change extreme weather events.
IR2	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	New measure	100%	New measure	
IR3	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	New measure	100%	New measure	
RSH1	Proportion of Waka Kotahi NZ Transport Agency Regional Investment Opportunities (RIO) activities delivered to agreed budget and timeframes	80% or greater	80% or greater	Standard change	Change implemented in the 2022/23 Supplementary of Estimates - The standard has been changed from 90% to 80% as unprecedented severe weather events have negatively affected delivery of these projects.

Reference	Measure	Budget standard 2022/23	Budget standard 2023/24	Type of change	Rationale for change
CIPO2	Proportion of Waka Kotahi NZ Transport Agency NZ Upgrade activities that will result in third party asset ownership delivered to agreed budget and timeframes	90% or greater	90% or greater	Description change	This measure has been brought back from the 2021/22 Supplementary of Estimates and updated in the description to be clearer on what is being reported.
MSOC2	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 2024	New measure	Achieved	New measure	This measure has been created to reflect the new publication date of the National VKT reduction plan. The previous measure was 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.
MSTP3	Light VKT reduction programmes 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	Achieved	N/A	Removed measure	This measure was removed to reflect the change in VKT reduction programme.

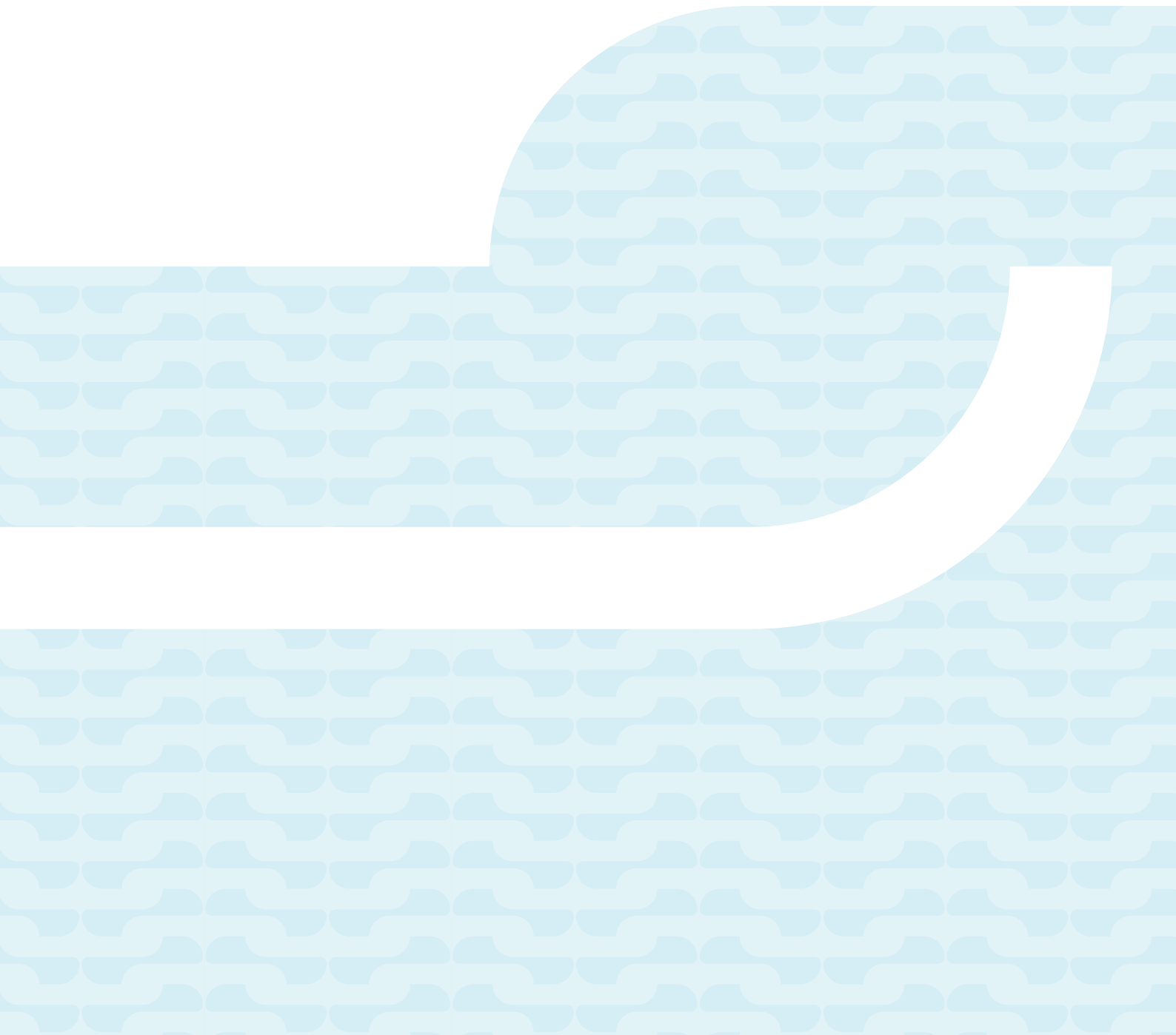
Reference	Measure	Budget standard 2022/23	Budget standard 2023/24	Type of change	Rationale for change	
MSTP3	Kilometres of cycle ways delivered	New measure	242 kilometres	New measure	These measures have been created to report against Transport Choices activities funded under this appropriation.	
MSTP4	Number of new or upgraded bus stops	New measure	397	New measure		
MSTP5	Kilometres of bus priority lanes	New measure	11 kilometres	New measure		
MSTP6	Number of suburbs that received walking and improvement projects	New measure	29 suburbs	New measure		
MSTP7	Number of improvements for access to schools	New measure	119 schools	New measure		
CIPO0 IRO SGO	Reporting on an annual basis	New measure	Achieved	New measure		These have been created as the overarching measure of the appropriation.
PGF3	Proportion of Waka Kotahi NZ Transport Agency projects funded by the Provincial Growth Fund delivered to budget and timeframes	100%	N/A	Removed measure		Change implemented in the 2022/23 Supplementary of Estimates - These measures have been removed as the associated scheme is over with no new projects expected to be approved.
PGF5	Proportion of Waka Kotahi NZ Transport Agency projects funded by the Provincial Growth Fund delivered to budget and timeframes	100%	N/A	Removed measure		
PGF7	Proportion of Waka Kotahi NZ Transport Agency projects funded by the Provincial Growth Fund (PGF) delivered to budget and timeframes	80% or greater	80% or greater	Standard change	Change implemented in the 2022/23 Supplementary of Estimates - The standard has been changed from 90% to 80% as unprecedented severe weather events have negatively affected delivery of these projects.	

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# Market Research Agency's 2023/24 Performance Expectations

As a leading market research agency, we are pleased to share our performance expectations for the 2023/24 fiscal year. Our primary focus is on delivering high-quality insights and data to our clients, while maintaining a strong commitment to innovation and customer satisfaction.

Key performance indicators (KPIs) for 2023/24 include:

- Client satisfaction scores (CSAT) of 85% or higher.
- Revenue growth of 10% or more.
- Retention rate of 90% or higher.
- On-time delivery of reports and insights.

We are confident that our team's expertise and dedication will enable us to meet these expectations and continue to grow our business. We look forward to a successful year ahead.

For more information, please contact our sales team at [sales@marketresearch.com](mailto:sales@marketresearch.com) or visit our website at [www.marketresearch.com](http://www.marketresearch.com).

Thank you for your interest in our services. We are committed to providing the best possible experience for all our clients.

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