

Section C

Financial statements and audit reports

Insurance and indemnities

NZ Transport Agency Waka Kotahi (NZTA) has directors and officers' liability and professional indemnity insurance cover in respect of the liability or costs of board members and employees. NZTA has insurance cover for income protection, life insurance and travel-related risk for employees where injury or loss occurs while they are on NZTA business.

NZTA indemnifies board members and certain executives for liabilities and costs they may incur for their acts or omissions as board members or employees (as the case may be) as permitted by the Crown Entities Act 2004. The indemnity applies only where the board member/employee has acted in good faith and in the performance, or intended performance, of NZTA's functions.

Statement of responsibility

The NZTA Board is responsible for the preparation of the NZTA financial statements and statement of performance and for the judgements made in them.

The Board is responsible for any end-of-year performance information provided by NZTA under section 19A of the Public Finance Act 1989.

The Board is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Board's opinion, these financial statements and statement of performance fairly reflect the financial position and operations of NZTA for the year ended 30 June 2025.

Signed on behalf of the Board:



Simon Bridges
NZTA Board Chair
31 October 2025

Countersigned by:



Brett Gliddon
Chief Executive
31 October 2025



Cassandra Crowley
Chair of the Risk and Assurance
Committee
31 October 2025



Howard Cattermole
Chief Financial Officer
31 October 2025

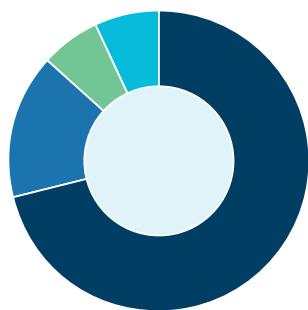
Highlights from our financial statements (unaudited)

\$7.9 billion total funding received

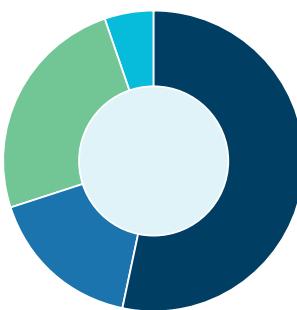
(2023/24: \$7.6 billion)

Most of NZTA's income is from the National Land Transport Fund. We also receive revenue from: the Crown to support the Major Crown Investment Projects (MCIP) and for specific projects; and regulatory fees and charges. Financing decreased in 2024/25 as the capital grant was used ahead of the loan facilities to fund capital expenditure.

2024/25



2023/24



Funding received by source

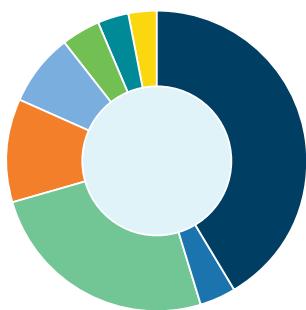
	2024/25	2023/24
National Land Transport Fund	71.2%	53.4%
Crown	15.5%	16.6%
Financing	6.4%	24.8%
Other revenue	6.9%	5.2%

\$8.0 billion total funding spent

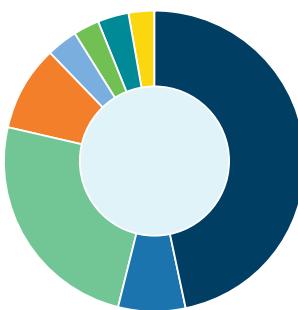
(2023/24: \$7.8 billion)

Our expenditure is guided by the Government Policy Statement on land transport and the priorities identified in our statement of intent 2021–2026. In 2024/25, 45 percent of our expenditure directly related to: NLTP operating expenses we provided to approved organisations, activities funded from the Crown and maintenance and operation of the state highway network. NLTP capital expenditure comprised 37 percent of our annual expenditure which includes state highway improvements, renewals and other capital activities where the assets are owned by NZTA such as certain public transport and walking and cycling assets. Personnel and operating expenses including interest and finance costs made up the remaining 18 percent.

2024/25



2023/24



Funding spent by type

	2024/25	2023/24
NLTP operating expenditure	41.4%	46.8%
Crown operating expenditure	4.0%	7.1%
NLTP capital expenditure	25.3%	24.8%
Crown capital expenditure	11.2%	9.3%
Repayment of financing	7.8%	3.2%
Interest and finance costs	3.9%	2.8%
Personnel costs	3.4%	3.3%
Operating expenses	3.0%	2.7%

\$89.4 billion net assets/equity

(2023/24: \$85.4 billion)

Our statement of financial position reflects the significant value held in the state highway network, with \$96 billion of assets and low levels of liabilities. The state highway network accounts for 93 percent of our asset base.

	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Total assets	95,605	95,325	91,960
Less total liabilities	6,183	6,646	6,549
Net assets/equity at end of year	89,422	88,679	85,411

Financial statements

Statement of comprehensive revenue and expense for the year ended 30 June 2025

	Note	Actual 2024/25 \$M	Budget (restated)* 2024/25 \$M	Actual (restated)* 2023/24 \$M
Revenue				
Operating funding from the National Land Transport Fund	2	4,621	5,055	5,068
Operating funding from the Crown	2	326	302	540
Revenue from other activities	2/3	546	311	398
Total revenue		5,493	5,668	6,006
Expense				
Land transport funding		3,521	3,777	3,936
Employee costs	7	268	262	289
Operating expenses	8	236	251	253
Low emission vehicles		0	0	154
Interest and finance costs	11	308	314	285
Depreciation, amortisation and state highway write-off	4	1,149	1,192	1,146
Assets vested to local authorities	4	101	0	106
Total expense	2	5,583	5,796	6,169
Surplus/(deficit)		(90)	(128)	(163)
Other comprehensive revenue and expense				
Gain/(loss) state highway network revaluations	4	2,386	1,470	1,212
Net movement in cash flow hedges	11	(53)	2	5
Total other comprehensive revenue and expense		2,333	1,472	1,217
Total comprehensive revenue and expense		2,243	1,344	1,054

*Figures have been restated to match current year allocations.

Statement of financial position as at 30 June 2025

	Note	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Assets				
Cash and cash equivalents		214	50	565
Debtor Crown		71	157	277
Receivables and other assets		216	145	217
Derivative financial asset	11	1	0	28
Debtor National Land Transport Fund		419	339	147
Debtor National Land Transport Fund – debt related*		5,223	5,921	5,301
Property assets held for sale	4	12	21	24
Property, plant, equipment and intangible assets		82	114	95
State highway network	4	89,367	88,578	85,306
Total assets		95,605	95,325	91,960
Liabilities				
Payables	8	768	552	1,020
Employee entitlements	7	41	37	39
Provisions	10	3	0	16
Derivative financial liability	11	95	50	69
Borrowing and other liabilities	11	3,381	4,115	3,491
Public-private partnership liabilities	5	1,895	1,892	1,914
Total liabilities		6,183	6,646	6,549
Net assets		89,422	88,679	85,411
Equity				
Contributed capital and Retained funds		17	(16)	(15)
Equity derived from the state highway network		89,433	88,677	85,401
Cash flow hedge reserve	11	(28)	18	25
Total equity		89,422	88,679	85,411

*Including \$151 million of current debtors related to public-private partnerships unitary charges and other long-term debt repayment funding due from the National Land Transport Fund.

Statement of changes in equity for the year ended 30 June 2025

	Retained funds* \$M	Memorandum accounts \$M	Equity derived from the state highway network \$M	Cashflow hedge reserve \$M	Total \$M	Budget \$M
Balance as at 1 July 2023	28	(47)	82,754	20	82,755	79,121
Surplus/(deficit)	(163)	0	0	0	(163)	36
Other comprehensive revenue and expense						
State highway network revaluations	0	0	1,212	0	1,212	4,800
Movement in cash flow hedges	0	0	0	5	5	8
Total other comprehensive revenue and expense	0	0	1,212	5	1,217	4,808
Total comprehensive revenue and expense	(163)	0	1,212	5	1,054	4,844
Changes in equity - capital contribution from the National Land Transport Fund	0	0	1,602	0	1,602	1,598
Changes in equity - other transfers	167	0	(167)	0	0	0
Total changes in equity	4	0	2,647	5	2,656	6,442
Balance as at 30 June 2024/1 July 2024	32	(47)	85,401	25	85,411	85,563
Surplus/(deficit)	(134)	44	0	0	(90)	(128)
Other comprehensive revenue and expense						
State highway network revaluations	0	0	2,386	0	2,386	1,470
Movement in cash flow hedges	0	0	0	(53)	(53)	0
Total other comprehensive revenue and expense	0	0	2,386	(53)	2,333	1,470
Total comprehensive revenue and expense	(134)	44	2,386	(53)	2,243	1,342
Changes in equity - capital contribution from the National Land Transport Fund	0	0	1,768	0	1,768	1,774
Changes in equity - other transfers	122	0	(122)	0	0	0
Total changes in equity	(12)	44	4,032	(53)	4,011	3,116
Balance as at 30 June 2025	20	(3)	89,433	(28)	89,422	88,679

*Retained funds is made up of general NZTA operations equity as well as ringfenced equity accounts to track the revenue and costs of administering specific schemes. This includes the community road safety fund and tolling administration.

Statement of cash flows for the year ended 30 June 2025

	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual (restated)** 2023/24 \$M
Cash flows from operating activities			
Receipts from the National Land Transport Fund	3,672	4,151	3,680
Receipts from the Crown	423	441	745
Receipts from other revenue	501	270	377
Payments to employees	(266)	(215)	(252)
Payments to suppliers	(3,936)	(4,195)	(4,327)
Goods and services tax (net)	94	0	(107)
Net cash from operating activities	488	452	116
Cash flows from investing activities			
National Land Transport Fund receipts from sale of state highway-held properties	7	18	11
Purchase of property, plant, equipment and intangible assets	(5)	(38)	(12)
Investment in the state highway network	(3,012)	(2,881)	(2,595)
Net cash from investing activities	(3,010)	(2,901)	(2,596)
Cash flows from financing activities			
Capital contribution from the National Land Transport Fund	159	1,128	204
Capital contribution from the Crown	2,416	984	1,212
Receipts from borrowing	508	975	1,897
Repayment of borrowing	(636)	(367)	(294)
Interest paid on borrowing	(276)	(271)	(196)
Net cash from financing activities	2,171	2,449	2,823
Net (decrease)/increase in cash and cash equivalents	(351)	0	343
Cash and cash equivalents at the beginning of the year	565	50	222
Cash and cash equivalents at the end of the year*	214	50	565

*Cash and cash equivalents comprise bank accounts held at Westpac.

** Figures have been restated to match current year allocations.

Reconciliation of net surplus to net cash from operating activities

	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Surplus/(deficit)	(90)	(128)	(163)
Add/(deduct) non-cash/non-operating items:			
Depreciation, amortisation and state highway write-off	1,149	1,192	1,146
Losses on disposal of non-financial assets	1	0	2
(Gains)/losses on foreign exchange derivatives	(1)	0	2
Net impact of assets vested to/(from) local authorities	101	0	106
Movement in discounting on receivables	(8)	19	(1)
Interest on borrowings	291	267	264
Movement in discounting on borrowings	1	13	3
Total non-cash/non-operating items	1,534	1,491	1,522
Add/(deduct) movements in working capital:			
(Increase)/decrease in Debtor National Land Transport Fund and Debtor Crown	(791)	(770)	(1,172)
(Increase)/decrease in receivables and other assets	1	(5)	(93)
Increase/(decrease) in creditors and other payables	(168)	(137)	20
Increase/(decrease) in employee entitlements	2	1	2
Net movements in working capital items	(956)	(911)	(1,243)
Net cash from operating activities	488	452	116

Notes to the financial statements

1 | Entity information

NZ Transport Agency Waka Kotahi (NZTA) is a Crown entity as defined by the Crown Entities Act 2004 and is domiciled and operates in New Zealand. Legislation governing the operations of NZTA includes the Crown Entities Act 2004 and the Land Transport Management Act 2003.

The primary objective of NZTA is to provide services to the New Zealand public. Its purpose is to deliver effective, efficient, safe and resilient transport solutions that support a thriving New Zealand.

NZTA does not operate to make a financial profit.

The financial statements for NZTA are for the year ended 30 June 2025 and were approved by the NZTA Board on 31 October 2025.

Basis of preparation

The financial statements of NZTA 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 New Zealand (NZ GAAP).

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

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

The accompanying notes form part of these financial statements. Where an accounting policy is specific to a note, the policy is described in the note to which it relates.

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

NZTA presents its financial statements on a liquidity basis as it considers its operations not seasonal or cyclical.

Budget figures

The budget figures are derived from the statement of performance expectations 2024/25 as approved by the Board on 26 June 2024. The budget figures were prepared in accordance with NZ GAAP, using accounting policies that are materially consistent with those adopted by the Board in preparing these financial statements. The budget figures are not audited and certain balances have been reclassified to reflect the presentation of actual spend during 2024/25.

Related party disclosures

NZTA is a wholly owned entity of the Crown. Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client relationship under normal terms and conditions for such transactions. Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Taxes

All items in the financial statements are stated exclusive of goods and services tax (GST), except for receivables and payables, which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

NZTA is a public authority, so is exempt from the payment of income tax.

Capital management

The capital of NZTA is its equity. Equity is represented by net assets. NZTA is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which imposes restrictions in relation to borrowing, acquiring securities, issuing guarantees and indemnities, and using derivatives.

NZTA manages its equity by managing its forecast cash flows from the National Land Transport Fund (NLTF) and other sources compared with its outgoings. When NZTA borrows funds, it ensures it has sufficient forecast cashflows from future NLTF revenue to meet its repayment obligations. NZTA has a letter of support from the Minister of Finance and Minister of Transport to give the board confidence that the future cashflows will be sufficient to meet debt repayments. Where funds are borrowed for the Regulatory business that is in expectation that future fees and funding will enable that debt to be repaid.

Debtor National Land Transport Fund and Debtor Crown

Debtor National Land Transport Fund and Debtor Crown represents undrawn funds from the operating and capital appropriations relevant to expenditure incurred and not funded by borrowings. The receivables are expected to be received within 30 days of balance date.

Debtor National Land Transport Fund - debt related represents operating and capital expenditure for 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.

There is no indication that Debtor National Land Transport Fund or Debtor Crown are impaired as at 30 June 2025. We have considered the credit risk to NZTA from the National Land Transport Fund in note 11.

Receivables

Receivables are recognised at face value less an allowance for doubtful debt calculated using the expected credit losses (ECLs) model. NZTA applies the simplified approach and recognises lifetime ECLs for receivables. Receivables are written off when they are deemed uncollectable.

ECLs and write offs of receivables are not disclosed separately as they are not considered material.

National Ticketing Solution

The National Ticketing Solution is a scheme where public transport ticketing is being centralised and administered by NZTA. The scheme involves an outsourced software provider, involves various financial intermediaries and utilises modern customer payment mechanisms. During 2024/25, a dedicated shared service organisation was established within NZTA to administer the National Ticketing Solution and a small pilot was established in Christchurch. During 2025/26, the scheme is expected to be rolled out to the Canterbury region (excluding Timaru).

Fares paid by the public for transport are treated as pass-through in nature, so NZTA will not show any amounts in the financial statements, including revenue, expense and related receivables, and payables. This is on the basis that NZTA is simply an administrator of the scheme. It collects and disperses fares and does not apply a fee. Fares are received by NZTA, from financial intermediaries or from public transport authorities. In cases where a customer puts a balance onto a transit card, an external financial company holds the funds until such time as the fare is travelled, after which it pays the fare to NZTA with no balance withheld. Once the fare is received by NZTA, it is dispersed to the public transport authorities on a daily basis. Aside from a small amount of liquidity risk, NZTA carries no other material risk as administrator of the scheme.

During 2024/25, the pilot scheme collected \$54,000 of fares that were then dispersed to the public transport authorities.

With the exception of fare transactions, NZTA will recognise the following types of transactions in the financial statements associated with the running of the scheme.

- costs to run the Shared Services Organisation, including staff costs, financial transaction fees, commissions and software fees
- revenue and costs associated with the sale and cost to produce the Motu Move transit card
- interest revenue on the customer funds held by the external party.

Accounting standards issued and not yet effective

NZTA has adopted all accounting standards, amendments and interpretations to existing standards that have been published and are mandatory from 1 July 2024. There are no issued but not yet effective standards as at 30 June 2025 that NZTA considers would have a material impact on the financial statements.

Critical accounting judgements, estimates and assumptions

In preparing the financial statements, NZTA has applied judgements, estimates and assumptions concerning the future that may differ from the subsequent actual results. These judgements, estimates and assumptions are continually evaluated and are based on historical experience, where possible, and other factors. Note 4 outlines the judgements, estimates and assumptions applied to the valuation of the state highway network.

2 | Operating and capital funding and expense

The tables below represent funding from the National Land Transport Fund and the Crown and relevant expenses for operating transport infrastructure and other services throughout New Zealand.

2024/25 year

	Operating funding revenue* Actual 2024/25 \$M	Capital funding contribution Actual 2024/25 \$M	Total funding Actual 2024/25 \$M	Operating expense Actual 2024/25 \$M	Capital expense Actual 2024/25 \$M	Total expense Actual 2024/25 \$M
National Land Transport Fund						
Public-private partnerships	0	3	3	0	3	3
State highway improvements***	452	461	913	704	469	1,173
Local road operations	585	0	585	585	0	585
Local road pothole prevention	557	0	557	557	0	557
State highway operations**	819	98	917	886	98	984
State highway pothole prevention	545	202	747	545	202	747
Public transport services	569	0	569	570	0	570
Public transport infrastructure**	437	23	460	444	23	467
Local road improvements	112	0	112	112	0	112
Walking and cycling	69	60	129	69	60	129
Investment management	69	0	69	69	0	69
Safety	100	23	123	100	23	123
Coastal shipping	0	0	0	0	0	0
Local road improvements (Housing Infrastructure Fund)	35	0	35	35	0	35
Road user charges collection, investigation and enforcement	10	0	10	9	0	9
Refund of fuel excise duty	2	0	2	2	0	2
Debt	260	617	877	291	617	908
Total National Land Transport Fund funding and expense	4,621	1,487	6,108	4,978	1,495	6,473
Total Budget***	5,055	962	6,017	5,175	929	6,104
Classified as follows:						
Funding paid to approved organisations (excl. NZTA)				2,349		2,349
NZTA expenditure				2,338	878	3,216
Debt repayment				291	617	908
Total National Land Transport Fund expense				4,978	1,495	6,473
Crown						
Major Crown Investment Projects	17	739	756	17	739	756
COVID-19 related funding – public-private partnerships	63	76	139	63	76	139
Local road improvements (Provincial Growth Fund)	2	0	2	2	0	2

	Operating funding revenue [*] Actual 2024/25	Capital funding contribution Actual 2024/25	Total funding Actual 2024/25	Operating expense Actual 2024/25	Capital expense Actual 2024/25	Total expense Actual 2024/25
	\$M	\$M	\$M	\$M	\$M	\$M
Climate Emergency Response Fund						
Bus decarbonisation	4	0	4	4	0	4
Community connect programme	31	0	31	31	0	31
Mode shift – walking and cycling improvements	22	0	22	22	0	22
Mode shift – public transport services	1	0	1	1	0	1
Mode shift – public transport infrastructure	11	0	11	11	0	11
Retaining and recruiting bus drivers	15	0	15	15	0	15
Ngauranga to Petone walking and cycling path	0	24	24	0	24	24
SuperGold card administration and public transport concessions	41	0	41	41	0	41
Crown (Supporting Regions Programme)	0	11	11	0	11	11
Regional resilience	10	28	38	10	28	38
Eastern busway project	84	0	84	84	0	84
National infrastructure funding and financing	0	13	13	0	13	13
Clean Car Standard	5	0	5	5	0	5
Other Crown funding and expense	20	0	20	14	0	14
Total Crown funding and expense	326	891	1,217	320	891	1,211
Total Budget**	302	981	1,283	306	981	1,287
Classified as follows:						
Funding paid to approved organisations (excl. NZTA)				221		221
NZTA expenditure				99	891	990
Total Crown expense				320	891	1,211
Total funding and expense from fees, charges and other revenue***	546	0	546	285	0	285
Total Budget**	311	0	311	315	0	315
Total revenue and expense	5,493	2,378	7,871	5,583	2,386	7,969
Total Budget**	5,668	1,793	7,461	5,796	1,910	7,706

^{*} Funding from borrowing facilities is included within the funding revenue and capital funding columns. A non-current debtor from the National Land Transport Fund (NLTF) is recognised when borrowing facilities are drawn down to reflect the future obligation of the NLTF to fund NZTA for the borrowing repayment. The borrowing facilities included in funding in 2024/25 have been notionally allocated as follows: \$29 million local road improvements; \$92 million public transport services; \$65 million public transport infrastructure; \$8 million walking and cycling improvements; \$82 million state highway operations; \$33 million state highway pothole prevention; \$62 million local road operations and \$89 million local road pothole prevention.

^{**} Budgets by output class are included in the output class income and expenditure statements on pages 116–130.

^{***} The difference in funding and expenditure for State highway improvements relates to the revocation of a state highway to a local council and state highway write-offs. The difference in funding and expenditure for State highway operations and Public transport infrastructure relates to revenue received from third parties. Third-party revenues are shown in the Total funding and expense from fees, charges and other revenue line.

2023/24 year

	Operating funding revenue Actual 2023/24 \$M	Capital funding contribution Actual 2023/24 \$M	Total funding Actual 2023/24 \$M	Operating expense Actual 2023/24 \$M	Capital expense Actual 2023/24 \$M	Total expense Actual 2023/24 \$M
National Land Transport Fund						
Public-private partnerships	0	6	6	0	6	6
State highway improvements	755	91	846	925	118	1,043
Local road maintenance	1,241	0	1,241	1,241	0	1,241
State highway maintenance	1,228	572	1,800	1,286	571	1,857
Public transport services	511	0	511	514	0	514
Public transport infrastructure	519	22	541	519	22	541
Local road improvements	183	0	183	197	0	197
Walking and cycling	110	93	203	111	93	204
Investment management	63	0	63	76	0	76
Road to Zero	426	107	533	427	112	539
Coastal shipping	3	0	3	3	0	3
Local road improvements (Housing Infrastructure Fund)	14	0	14	14	0	14
Road user charges collection, investigation and enforcement	11	0	11	11	0	11
Refund of fuel excise duty	4	0	4	4	0	4
Total National Land Transport Fund funding and expense	5,068	891	5,959	5,328	922	6,250
Total Budget	4,772	748	5,520	4,800	749	5,549
Classified as follows:						
Funding paid to approved organisations (excl. NZTA)				2,701		2,701
NZTA expenditure				2,627	922	3,549
Total National Land Transport Fund expense				5,328	922	6,250

	Operating funding revenue Actual 2023/24 \$M	Capital funding contribution Actual 2023/24 \$M	Total funding Actual 2023/24 \$M	Operating expense Actual 2023/24 \$M	Capital expense Actual 2023/24 \$M	Total expense Actual 2023/24 \$M
Crown						
NZ Upgrade Programme	(2)	606	604	36	606	642
COVID-19 related funding – public-private partnerships	19	0	19	19	0	19
Local road improvements (Provincial Growth Fund)	(3)	0	(3)	(3)	0	(3)
Climate Emergency Response Fund						
Bus decarbonisation	4	0	4	3	0	3
Community connect programme	68	0	68	68	0	68
Mode shift – walking and cycling	55	0	55	55	0	55
Mode shift – public transport services	16	0	16	16	0	16
Mode shift – public transport infrastructure	33	0	33	33	0	33
Mode shift – investment management	5	0	5	5	0	5
Retaining and recruiting bus drivers	16	0	16	15	0	15
Ngauranga to Petone walking and cycling path	0	28	28	0	28	28
SuperGold card administration and public transport concessions	38	0	38	37	0	37
Crown (Supporting Regions Programme)	0	38	38	0	38	38
Regional resilience	0	16	16	0	16	16
Eastern busway project	77	0	77	77	0	77
Kaikōura earthquake response	1	0	1	1	0	1
National infrastructure funding and financing	0	34	34	0	33	33
Clean car discount	159	0	159	159	0	159
Clean car standard	13	2	15	13	2	15
Other Crown funding and expense	41	0	41	41	0	41
Total Crown funding and expense	540	724	1,264	575	723	1,298
Total Budget	845	1,135	1,980	812	1,134	1,946
Classified as follows:						
Funding paid to approved organisations (excl. NZTA)				301		301
NZTA expenditure				274	723	997
Total Crown expense				575	723	1,298
Total funding and expense from fees, charges and other revenue	398	0	398	268	0	268
Total Budget	288	0	288	257	0	257
Total revenue and expense	6,006	1,615	7,621	6,171	1,645	7,816
Total Budget	5,905	1,883	7,788	5,869	1,883	7,752

Funding from the National Land Transport Fund and the Crown

The majority of the funding is received from the National Land Transport Fund 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 legislation and the scope of the relevant government appropriations. The payment of funding does not entitle the payer to an equivalent value of services or benefits, because no direct exchange relationship exists between paying the funding and receiving services or benefits from NZTA. Apart from these general restrictions there are no unfulfilled conditions or contingencies attached to this funding and the funding is recognised as revenue when received and reported in the financial period to which it relates.

Funding is recognised as a capital contribution when expenditure for capital projects is incurred.

Funding from fees, charges and other revenue

Revenue from other activities has been classified and treated as exchange revenue and accounted for in accordance with PBE IPSAS 9 *Revenue from exchange transactions*.

Land transport funding

NZTA receives land transport funding and then provides it to approved organisations for the delivery of services and uses it to maintain and operate the state highway network.

Explanation of major variances against budget

There are no major variances against budget. Operating expense related to the NLTF was \$197 million (4 percent) below budget. This is mainly due to slower-than-anticipated progress on local road North Island weather events projects as well as state highway emergency works.

Capital expense related to the Crown was \$90 million (9 percent) below budget. This was the result of lower spend in the Major Crown Investment Projects. This is a timing of spend issue across multiple projects. Expenditure is expected to increase in later years.

3 | Revenue from other activities

	Actual 2024/25 \$M	Actual (restated)** 2023/24 \$M
Fees and Charges		
Motor vehicle licensing fees	89	78
Driver licensing and testing fees	89	77
Road user charges collections	34	27
Certification review fees	24	19
Transport licensing fees	26	21
Rail licensing fees	2	3
Border inspection fees	8	8
Total fees and charges	272	233
Recoveries from National Land Transport Programme and other activities*	195	99
Interest and finance income	42	36
Tolling fees and contributions	21	20
Levy on personalised plates for community road safety initiatives	10	9
Miscellaneous revenue	6	1
Total revenue from other activities	546	398

* Includes developer contributions.

** Prior year figures have been restated to match current year allocations.

4 | State highway network

	Actual 2024/25 \$M	Actual 2023/24 \$M
Opening balance	85,306	82,637
Additions (including work in progress)*	2,916	2,689
Depreciation**	(1,101)	(1,020)
Write-offs***	(30)	(107)
Assets vested to local authorities****	(101)	(106)
Disposals	(21)	(13)
Revaluation of state highway network	2,334	778
Impairment through the revaluation reserve*****	52	434
Net movement assets transferred from/ (to) held for sale	12	14
Closing balance	89,367	85,306

* Notable additions in 2024/25 include the continued progress on Te Ahu a Turanga Manawatū Tararua Highway, which opened in the later part of 2024/25, SH3 Mt Messenger Bypass, Ngauranga to Petone shared path, RoNS projects such as Ōtaki to North Levin, Takitimu North Link Stage 1, Warkworth to Te Hana and SH1 Cambridge to Piarere as well as RoRS projects such as O Mahurangi Penlink and SH1 Papakura to Bombay.

** Depreciation, amortisation and state highway write-off balance in the statement of comprehensive revenue and expense included \$18 million (2023/24: \$19 million) of depreciation and amortisation relating to property, plant, equipment and intangible assets and is not included in the state highway network disclosure above.

*** Includes the write-off of the disused Awakino Tunnel (\$6.4 million).

**** The assets vested to local authorities for 2024/25 reflect the revocation to Auckland Transport of the road bypassed corridor due to the new Puhoi to Warkworth highway.

***** 2024/25 has an impairment reversal related to Mangamuka Gorge due to it reopening in December 2024 and the impairment reversal of a section of SH3 to Wooklands road in the Manawatū with it to continue as highway with the opening of Te Ahu a Turanga Manawatū Tararua Highway.

The cost of constructing the state highway network is recognised as an asset. Subsequent cost is 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.

Valuation

The state highway network (excluding land and formation) is valued 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 corridor land 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. Qualified independent valuers carry out the valuation along with support from NZTA as shown in the table on the following page.

State highway network component	Valuer
Existing network assets: roads (formation and pavement), bridges, culverts and subways, drainage, traffic facilities and other structures	WSP (a consultant valuation company), based on unit rates provided by BondCM* (a cost estimation company), and outputs provided by NZTA of the AVM (previously known as RAMM) and HSIMS registers.
New major network assets**	Based on unit rates provided by BondCM* and input from internal project review assessments; reviewed by WSP.
Tunnels	Valued by NZTA based on indexed unit cost rates derived by WSP. Valuation is reviewed by WSP.
Land (held property)	Darroch (a property management and valuation company).
Land (corridor)	Internally valued by NZTA, based on an 'across the fence' methodology applied in GIS system, that uses inputs from QV and LINZ along with indexation from Core Logic all reviewed by WSP.
Miscellaneous assets	Derived as a proportion of depreciable assets and reviewed by WSP.

* Unit rates are provided by BondCM on a 3-yearly basis and reviewed and indexed annually in intervening years based on indices provided by Stats NZ and reviewed by WSP and BondCM. 2025 was an index year with unit rates remaining flat and no index adjustment applied.

** State highway projects with expenditure over \$20 million.

State highway network components	Optimised depreciated replacement cost		Depreciation expense	
	Actual 2024/25 \$M	Actual 2023/24 \$M	Actual 2024/25 \$M	Actual 2023/24 \$M
Land*	25,082	22,969	0	0
Formation	22,154	20,593	0	0
Pavement base course**	12,204	11,570	74	73
Pavement surface	2,302	2,296	348	321
Drainage	3,011	3,196	97	99
Traffic facilities	2,048	2,199	196	159
Bridges	15,421	15,440	238	232
Culverts and subways	1,084	1,014	29	25
Tunnels and other structures	5,507	5,515	74	71
Miscellaneous***	554	514	45	39
Total	89,367	85,306	1,101	1,019

*Land includes corridor land and held properties excluding properties held for sale.

**Pavement basecourse includes basecourse that is depreciable and pavement subbase that is nondepreciable.

***Miscellaneous asset class represents Intelligent Traffic Systems, traffic management units, tolling infrastructure, Bailey bridges, sea and river protection structures, and other minor structures.

State highway assets increased in value by \$4.1 billion mainly due to a movement in the internal cost component of the unit rates on-costs overhead, land corridor value movement particularly in Auckland, and the annual capital expenditure on state highway projects, less depreciation.

Depreciation

Depreciation is calculated on a straight-line basis on state highway network assets (other than land, held properties, formation and the subbase component of pavement) at rates that will reduce the value of the assets to their estimated residual value over their useful life. The depreciation expense for 2024/25 is calculated on the asset base at the 30 June 2024 valuation.

Impairment

State highway network assets are reviewed for impairment whenever events or changes in circumstances indicate that there may be a reduction in asset 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 or value in use. Impairment of state highway network assets is deducted from the asset revaluation reserve to the extent of an existing credit balance. Any excess is recognised in surplus or deficit.

Significant rain over August 2022 caused several slips under State Highway 1 through the Mangamuka Gorge in Northland that resulted in the closure of the road and further damage occurred in the North Island weather events in early 2023. The road has now been repaired and was opened to traffic in December 2024 and the impairment of \$32 million has been reversed.

Devils Elbow (Hawke's Bay) remains impaired due to ongoing reinstatement works and is operating under temporary traffic management restrictions. At Waikare Gorge (Hawke's Bay), service levels are reduced as traffic is limited by a single lane Bailey bridge, which also restricts access for heavy vehicles. A new impairment is captured for the Tauranga Eastern Link road due to pavement cracking issues affecting the quality of the pavement and potential shortened expected life and has been impaired to the estimated reinstatement cost of \$3 million.

Revocation

In September 2025, the section of highway bypassed by the Pūhoi to Warkworth expressway was revoked as a state highway and is now under the management and control of Auckland Transport. In total, \$157 million has been derecognised in total from the NZTA state highway which is made up of \$56 million revaluation reserve offset and \$101 million write-off.

Estimates, assumptions and judgements

Due to the unique nature of the state highway network, the value of the assets cannot be measured with precision. There are uncertainties about the values assigned to different components of the state highway network. These uncertainties include whether NZTA databases have accurate quantities and whether some cost components and in-service data are captured completely. NZTA is continually reviewing controls to improve the timeliness and accuracy of the main asset database – the Road Assessment and Maintenance Management (RAMM) database and the Highway Structures Information Management System (HSIMS) database. In addition, significant estimates and assumptions have been applied to the valuation, which include assumptions on quantities used in the construction of state highway network components, the life of the assets and the unit cost to apply. The useful lives of the assets is based on the most current available information and is next programmed for review for financial year 2026/27. Other changes to the underlying estimates and assumptions can cause a material movement in the state highway valuation and are reviewed periodically.

NZTA is continuously improving the accuracy of the asset databases and the identification of all costs that should be capitalised through its state highway valuation improvement programme. The state highway valuation improvement programme for 2024/25 continued the focus on simplifying the valuation process and improving the quality of the valuation input and outputs as well as the systems used for the valuation. A GIS based held property valuation was run in parallel and is being enhanced with the lessons learnt to apply in 2025/26 alongside the land corridor valuation. NZTA has changed RAMM to the Asset and Network Manager (AWM) and moved it onto a new technology platform. The Asset Management Data Standard has been applied to state highway assets and will further improve the 2026 valuation.

The table below provides the useful life of the main asset classes of the valuation.

State highway network component	Useful life (years)
Pavement subbase and base course	75-150 for basecourse N/A for subbase which is non-depreciable
Pavement surface	10-14
Drainage	10-100
Traffic facilities	10-25
Bridges	90 or 100
Culverts and subways	50 or 75
Other structures including tunnels*	10-150

*Tunnels includes the excavation component that is not depreciated and lining and services components that are depreciated.

The useful lives in the table above are based on design life. Some assets have exceeded their design life and a minimum remaining life has been assumed for others. A 5-year remaining minimum life has been applied to bridges, culverts and subways, and a 2-year remaining minimum life has been applied to other asset classes.

Unit prices

A significant component of the valuation is based on unit prices provided by independent expert BondCM. Unit cost rates are based on current national market construction costs and market indices from Stats NZ. These rates are adjusted for regional variations when significant.

BondCM undertakes a full review of rates every three years. Movements in rates are indexed in the intervening years. The indexation applied to the rates is from available construction and structures indices provided by Stats NZ up to March 2025 with Holt Winter smoothing applied to the forecast to June 2025. WSP reviews the indices. The unit rates BondCM provides generally relate only to the cost of physical construction. The unit rates for 2024/25 year have remained flat and no indexation has been applied.

Overhead costs

Overhead costs are estimated by BondCM based on actual information for recently completed projects. Replacement costs are multiplied by overhead costs to determine the replacement cost of an asset. The rate of overheads incurred on a project can vary significantly depending on whether the construction is taking place in a greenfield or brownfield environment. A change was applied to the NZTA internal cost component following a periodic review resulting in a movement from 3% to 4%. Overheads include the sum of preliminary and general on cost (36 percent) multiplied by professional fees (12 percent) multiplied by NZTA costs (4 percent), along with brownfield costs at 15 percent for urban and motorway carriageways or 5 percent for rural carriageways. The resulting overhead rate is applied consistently across all the network assets with the exception of land.

Quantities

The calculation of the state highway network valuation consists of estimated quantities that include the actual area and length of the network at the close of the prior year extracted from the asset management systems, RAMM and HSIMS. Completed construction projects within the current financial year are included in the calculation at cost.

Work in progress

Recent capital expenditure is not yet reflected in the asset database. This is because the projects are large and it can take several years to finalise the project and complete the necessary records in the asset management information systems. In some cases, large projects are entered into the information systems some years after they are first operational given the complexity of the asset components. The total work in progress included in the valuation is \$9 billion, which is initially recognised at cost, with prior years' work in progress being indexed.

Valuation inputs subject to estimation uncertainty

The valuation inputs and/or assumptions subject to the most estimation uncertainty are as follows.

- **Preliminary and general (P&G) on-costs, related to multiple asset components:** P&G on-costs are associated with site establishment and disestablishment, site management and compliance on-costs, and contractor mark-up.
- **Professional fees related to multiple asset components:** Professional fees are the cost for professional services from external consultants and internal cost for investigations, design and management surveillance quality. Professional fees of 15 percent are derived from project averages provided by BondCM.
- **Formation:** This is the constructed land form profile and platform on which the pavement structure is built. Formation within different terrain types can be highly variable, the valuation of formation is on an average basis with the unit rates used in the valuation provided by BondCM.
- **Brownfield costs:** A major component of brownfield costs are one-off costs necessary to make the land freely available to build the state highway. They include capital works relating to the relocation and refurbishment of assets owned by other parties, work to protect the privacy and environment of adjoining properties, and compensation to landowners. Other components of the brownfield cost result from the increased constraints or requirements imposed when constructing in an already-developed location; for example, increased traffic management and security; limitations on available contractor areas for storage, parking, buildings and general operations; noise and dust limitations; and restricted hours of work. BondCM provided a brownfield overhead rate for rural and urban areas that has been applied to the depreciable assets unit cost rates. The urban rate has also been applied to motorways.

Sensitivity analysis

The following sensitivity analysis represents possible impacts on the state highway network valuation based on changes to estimates of +10 percent.

	Change in optimised depreciated replacement cost 2024/25 \$M	Change in optimised depreciated replacement cost 2023/24 \$M
Movement in P&G on-cost by 10% (from 36.0% to 39.6%)	1,702	1,650
Movement in external professional fees by 10%	689	650
Movement in formation unit cost by 10%	2,215	2,059
Movement in bridge unit cost by 10%	1,542	1,544
Movement in unit prices* by 10%	3,101	3,032
Movement in land corridor prices by 10%	2,508	2,297
Movement in brownfield cost by 10%	402	402
Movement in price index** by 10%	6,428	6,234

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

**Excludes land.

WSP performed simulation analysis on the valuation to quantify the range of valuation outcomes that could occur as a result of changes in the different valuation inputs. WSP concluded that the overall valuation is likely to be between -7.5 percent and +10 percent of the current value. The sensitivity analysis above is only an indication of the range of possible impacts and should not be interpreted as the likely actual impact.

Property assets held for sale

NZTA owns 48 properties valued at \$12 million (2023/24: 55 properties valued at \$24 million) that have been classified as held for sale. It is expected that these properties will be sold by 30 June 2026. Held properties are classified as property assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Property assets held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

Explanation of major variances against budget

State highway assets were \$89,367 million, \$1,015 million (1 percent) above the budget of \$88,578 million mainly due to the greater than expected increased revaluation movement related to the land corridor. The increase primarily relates to an enhancement to the over-the-fence valuation.

5 | Public-private partnership liabilities

	Actual 2024/25 \$M	Actual 2023/24 \$M
Liabilities		
Transmission Gully	1,018	1,027
Pūhoi to Warkworth	877	887
Total public-private partnership liabilities	1,895	1,914

Public-private partnership agreements

NZTA has entered into public-private partnership agreements with the:

- Wellington Gateway Partnership for the Transmission Gully project
- Northern Express Group for the Pūhoi to Warkworth project.

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 NZTA under the arrangement should conditions exist such that the arrangement will not continue through to the service commencement date. At contract inception there are no scheduled payments before the service commencement date.

Once operational, the public-private partnership assets are accounted for as part of the state highway.

Under the agreements, the contractors will finance, design, build, operate and maintain the sections of state highway. NZTA provided land it owns to the contractors on which to build the state highway.

The operational agreements run for 25 years from the service commencement date, after which the responsibility for ongoing operation and maintenance of both roads will revert to NZTA.

As agreed at contract inception, now that the public-private partnership assets have become operational, NZTA pays the contractor a quarterly unitary charge in arrears subject to satisfactory performance against agreed service levels. The unitary charge has 3 components:

- A reduction in the service concession liability.
- Finance costs: Under the terms of the agreements, the operators have a provision to re-price the finance costs at intervals during the 25-year period. NZTA has put in place interest rate swaps to hedge the re-pricing of the finance costs. See note 11 for details of the interest rate swaps.
- Service costs: These cover the operational costs of running, maintaining and ensuring the availability of the highway to the service level agreed with NZTA. Some of these costs are indexed to the Consumer Price Index or to other relevant indices and can be varied from time to time.

The reduction in the service concession liability, finance and service costs are recognised in the period incurred.

Under the settlement agreements agreed between NZTA and the public-private partnership counterparts in 2021/22, the debt component of the quarterly payments started before the service commencement date. This occurred for both Transmission Gully and Pūhoi to Warkworth. For Transmission Gully, as a result of the settlement and project restructure agreement signed in 2024/25, the responsibility for the road now resides with NZTA. Only the financing component of the original public-private partnership agreement remains.

Deed of Indemnity

The Crown has issued indemnities to each consortium for all indemnified amounts (as defined in the respective Deeds of Indemnity). In general terms, the indemnified amounts consist of sums payable by NZTA in the operational phase of the project and defined compensation sums payable in the event of default on payment by NZTA. If the Crown is required to make a payment under its indemnity, NZTA must reimburse it under the Reimbursement and Management Agreement.

Commitments

The total estimated capital and operating expenditure (including financing costs) to be paid throughout the 25-year period is \$1.5 billion for Transmission Gully and \$1.3 billion for Pūhoi to Warkworth.

Explanation of major variances against budget

Public-private partnership liabilities were \$1,895 million, \$3 million (0 percent) above the budget of \$1,892 million. There are no major variances against budget.

6 | Capital commitments

The future aggregate construction contract commitments for the state highway network are as follows. These are based on our committed forward work programmes some of which are not yet fully contracted, but are in substance committed.

	Actual as at 30 June 2025 \$M	Actual as at 30 June 2024 \$M
Not later than one year	1,226	1,157
Later than one year and not later than five years	1,750	1,349
Later than five years	0	5
Total capital commitments	2,976	2,511

7 | NZ Transport Agency Waka Kotahi employee costs and employee entitlements

Reconciliation of total employee costs to NZ Transport Agency Waka Kotahi employee costs

	Actual 2024/25 \$M	Actual (restated)** 2023/24 \$M
Total employee costs	401	387
Deduct:		
Transport Agency capitalised employee costs allocated to NLTP activities	(66)	(49)
Transport Agency operating employee costs allocated to NLTP activities	(67)	(49)
Total NZ Transport Agency Waka Kotahi employee costs*	268	289

* Total NZTA employee costs exclude contractor costs, which are included under note 8.

** Prior year figures have been restated to match current year allocations between NLTP costs and those that remain as Agency employee costs.

Employee costs (included in the statement of comprehensive revenue and expense)

	Actual 2024/25 \$M	Actual (restated)** 2023/24 \$M
Salaries and wages	254	275
Defined contribution plan employer contributions	9	8
Other employee costs	5	6
Total NZ Transport Agency Waka Kotahi employee costs*	268	289

* Total NZTA employee costs exclude contractor costs, which are included under note 8.

** Prior year figures have been restated to match current year allocations between NLTP costs and those that remain as Agency employee costs.

Employee entitlements (included in the statement of financial position)

	Actual 2024/25 \$M	Actual 2023/24 \$M
Employee entitlements – current	36	35
Employee entitlements – non-current	5	4
Total NZ Transport Agency Waka Kotahi employee entitlements	41	39

Key management personnel

Key management personnel compensation and board member remuneration have been presented to the nearest thousand dollars (\$000) to provide more meaningful information to the users of the financial statements.

Key management personnel compensation

	Note	Actual 2024/25 \$000	Actual 2023/24 \$000
Board members			
Remuneration		403	367
Number of board members in the financial year	a	12	10
Leadership team			
Remuneration	c	5,430	4,813
Number of personnel		13	13
Total key management personnel compensation		5,833	5,180
Total personnel during the year	d	25	23

- a. Reflects the number of members on the board during the financial year.
- b. The leadership team includes the chief executive and key management personnel who report to the chief executive and have the authority and responsibility for planning, directing, and controlling the activities of NZTA. Commentary on movement year on year is included in appendix 5.
- c. Includes remuneration of the leadership team while they were members of the leadership team.
- d. The total number of key management personnel at balance date is 19 (2023/24: 17).

Board member remuneration

The total value of remuneration paid or payable to each board member during the year was as follows.

	Appointed	Resigned	Actual 2024/25 \$000	Actual 2023/24 \$000
Hon Simon Bridges (Chair)	March 2024		79	24
Cassandra Crowley* (Deputy Chair)	September 2019		49	56
David Smol	February 2019		41	41
Catherine Taylor	September 2019		43	42
Warwick Isaacs	August 2024		35	
Rob Gilmore	August 2024		35	
Pat Dougherty	August 2024		35	
Mary-Anne Macleod	November 2024		28	
Victoria Carter	September 2019	August 2024	26	42
John Bridgman	July 2020	October 2024	5	42
Ngarimu Blair	November 2021	October 2024	14	39
Patrick Reynolds	September 2019	December 2023	13	16
Tracey Martin	November 2021	April 2024		32
Dr Paul Reynolds (former Chair)	February 2023	December 2023		33
Total board member remuneration			403	367

* Cassandra Crowley was acting chair for the period December 2023 to March 2024.

No payments were made to committee members appointed by the Board who were not board members during the financial year.

NZTA has Directors and Officers Liability and Professional Indemnity Insurance cover in respect of the liability or costs of board members and employees. The Board also has insurance cover against personal accident and other travel-related risk for board members and employees where injury or loss occurs while they are on NZTA business.

No board members received compensation or other benefits in relation to cessation (2023/24: nil).

Employee remuneration

Total remuneration paid or payable	No. of staff 2024/25	No. of staff 2023/24
100,000-109,999	237	225
110,000-119,999	165	180
120,000-129,999	227	209
130,000-139,999	189	179
140,000-149,999	202	204
150,000-159,999	186	182
160,000-169,999	174	151
170,000-179,999	142	129
180,000-189,999	91	72
190,000-199,999	59	59

Total remuneration paid or payable	No. of staff 2024/25	No. of staff 2023/24
200,000-209,999	56	38
210,000-219,999	42	18
220,000-229,999	19	29
230,000-239,999	18	22
240,000-249,999	18	25
250,000-259,999	24	16
260,000-269,999	21	15
270,000-279,999	19	7
280,000-289,999	6	10
290,000-299,999	3	3
300,000-309,999	4	7
310,000-319,999	1	4
320,000-329,999	5	1
330,000-339,999	3	2
340,000-349,999	1	2
350,000-359,999	2	2
360,000-369,999	1	1
370,000-379,999	3	2
390,000-399,999	1	1
400,000-409,999	1	1
410,000-419,999	3	
430,000-439,999	1	
440,000-449,999		2
450,000-459,999		2
460,000-469,999	1	1
470,000-479,999	2	
480,000-489,999	1	1
490,000-499,999	1	
600,000-609,999		1
640,000-649,999	1	
730,000-739,999	1	1
Total employees	1,931	1,804

The table above contains remuneration information solely on permanent or fixed-term employees of NZTA who have been paid more than \$100,000 in respect of the financial year in accordance with the requirements of the Crown Entities Act 2004. Contract personnel are not included.

For 2024/25, NZTA provided permanent employees with life, critical illness and income protection insurance. The remuneration above includes the cost of this insurance benefit for these permanent employees.

During the year ended 30 June 2025, 87 (2023/24: 40) NZTA employees received compensation and other benefits in relation to cessation of \$4.3 million (2023/24: \$2.2 million). These costs are excluded from the remuneration table above.

8 | NZ Transport Agency Waka Kotahi operating expenses and payables

Operating expenses (included in the statement of comprehensive revenue and expense)

	Note	Actual 2024/25 \$M	Actual (restated)* 2023/24 \$M
Commissions and transaction costs	a	102	104
Contractor and professional services		17	24
Information technology		54	56
Business initiatives		31	35
Operating lease expense		14	15
Office and building management		11	12
Employee travel		4	4
Fees to principal auditors for:			
- audit of financial statements	b	0.7	0.7
- other assurance services	c	0.0	0.1
Other operating expenses		2	2
NZ Transport Agency Waka Kotahi operating expenses		236	253

a. This category includes payments to agents for driver licensing services, motor vehicle registration and motor vehicle licensing services, personalised plates, card merchant fees and bulk postage transaction costs.

b. This includes fees paid to Audit NZ for financial year 2024/25 and KPMG for financial year 2023/24.

c. Other assurance services by KPMG amounting to \$90,000 in 2023/24. This includes a review of the application of the Scrutiny Principle amounting to \$30,000 and secondment of KPMG staff into temporary, non-financial roles to provide specialised capability support to NZTA amounting to \$60,000.

* Prior year figures have been restated to match current year allocations between NLTP costs and those that remain as operating costs.

Explanation of major variances against budget

Operating expenses were \$236 million, \$15 million (6 percent) below budget of \$251 million mainly due to reclassification. The budget was set using a different set of allocation between NLTP costs and those that remain as operating costs.

Payables (included in the statement of financial position)

	Actual 2024/25 \$M	Actual 2023/24 \$M
Creditors	745	999
Income in advance	13	21
Goods and services tax payable	10	0
Total NZ Transport Agency Waka Kotahi payables	768	1,020

Short-term creditors and other payables are recorded at face value. Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. The carrying value of creditors and other payables approximates their fair value. All creditors are classified as current.

9 | Operating leases

Operating leases as lessee

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows.

	Actual 2024/25 \$M	Actual 2023/24 \$M
Not later than one year	37	28
Later than one year and not later than five years	80	87
Later than five years	38	43
Total non-cancellable operating leases	155	158

Significant operating leases are limited to buildings for office accommodation. An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

10 | Provisions

Movements for each class of provision (included in the statement of financial position) are as follows.

	State highway - current \$M	Redundancy provision \$M	Clean car discount admin \$M	Total \$M
Balance as at 1 July 2023	26	0	0	26
Additional provisions made	4	7	6	17
Amounts used	(21)	0	(3)	(24)
Unused amounts reversed	0	0	(3)	(3)
Balance as at 30 June 2024 / 1 July 2024	9	7	0	16
Additional provisions made	0	2	0	2
Amounts used	(5)	(4)	0	(9)
Unused amounts reversed	(4)	(2)	0	(6)
Balance as at 30 June 2025	0	3	0	3

The state highway provision relates to estimates for expected contractual claims, where it is probable that NZTA will be required to settle these claims. Actual costs may vary from the provision estimates.

Refer to note 13 on page 103 for details on contingent liabilities.

Explanation of major variances against budget

There were no major variances against budget.

11 | Borrowings, financial instruments and financial risk management

NZTA had the following borrowings outstanding as at 30 June 2025.

Name	Total facility \$M	Nominal amount borrowed \$M	Actual 30 June 2025 \$M	Actual 30 June 2024 \$M	Interest rate	Final repayment date
Auckland Transport Package	375	237	227	336	The interest-free loan was discounted using government bond rates of 2.36% to 3.29%.	June 2027
Housing Infrastructure Fund	389	144	113	81	The interest-free loan was discounted using government bond rates of 0.50% to 4.67%.	June 2035
Total interest free borrowing			340	417		
Tauranga Eastern Link	107	107	107	107	\$87.0 million at fixed rates ranging from 4.99% to 5.14%. \$20.0 million at floating rates.	June 2050
Regulatory facility	95	60	64	64	Fixed rates ranging from 1.32% to 4.34%.	December 2032
COVID-19 NLTF borrowing facility	425	325	332	332	Fixed rates ranging from 1.10% to 1.18%.	June 2027
Short term facility	500	0	0	501	Floating rates.	Not applicable
2021-24 NLTP facility	2,000	2,000	2,066	2,065	Fixed rate ranging from 3.63% to 5.10%.	June 2034
2024-27 NLTP facility	3,080	460	467	0	Fixed rate ranging from 4.74% to 4.87%.	December 2034
Total borrowing			3,376	3,486		
Tolling funds held in trust			5	5		
Total borrowing and other liabilities			3,381	3,491		
Classified as follows:						
Current			123	372		
Non-current			3,258	3,119		
Total			3,381	3,491		

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.

Interest-free loan movements are as follows.

	Actual 2024/25 \$M	Actual 2023/24 \$M
Opening balance	417	392
Face value of loans issued	39	22
Fair value adjustment	(12)	(8)
Repayments	(117)	0
Amortised interest (at government bond rates)	13	11
Closing balance	340	417

Interest and finance costs are recognised as an expense in the financial year in which they are incurred.

Interest and finance costs are as follows.

	Actual 2024/25 \$M	Actual 2023/24 \$M
Interest on borrowings	129	87
Interest on public-private partnerships	151	189
Interest rate swap net payment	11	(12)
Discount on Debtor National Land Transport Fund - debt related	4	10
Amortisation of discount on borrowings	13	11
Total interest and finance costs	308	285

Financial instruments

The carrying amounts of financial assets and liabilities are categorised as follows.

Category	Actual 2024/25 \$M	Actual 2023/24 \$M
Financial assets		
Cash and cash equivalents	A 209	559
Restricted cash	A 5	6
Debtor National Land Transport Fund and Debtor Crown	A 5,713	5,725
Other receivables and other assets	A 86	69
Derivative financial asset	C 1	27
Foreign exchange forward contracts asset	B 0	1
Total financial assets	6,014	6,387
Financial liabilities		
Payables	A 768	1,020
Borrowing and other liabilities	A 3,381	3,491
Public-private partnership liabilities	A 1,895	1,914
Derivative financial liability	C 95	69
Foreign exchange forward contracts liability	B 1	0
Total financial liabilities	6,140	6,494

A: Measured at amortised cost. All balances are short-term in nature.

B: At fair value through profit or loss. The notional principal amounts of outstanding foreign exchange contracts were \$66.6 million (2023/24: \$17.5 million).

C: Fair value through other comprehensive revenue and expense. All balances are non-current as the remaining maturity of the hedged item is more than 12 months.

The cash and non-cash movements for financial liabilities are shown below.

	Actual 1 July 2024 \$M	Cash inflows \$M	Cash outflows \$M	Non-cash \$M	Changes in fair value \$M	Actual 30 June 2025 \$M
Financial liabilities measured at amortised cost						
Borrowings	3,491	504	(617)	1	2	3,381
Public-private partnership liabilities	1,914	0	(33)	14	0	1,895
Financial liability at fair value through other comprehensive revenue and expense						
Derivative liabilities	69	0	(11)	0	37	95
Total	5,474	504	(661)	15	39	5,371
	Actual 1 July 2023 \$M	Cash inflows \$M	Cash outflows \$M	Non-cash \$M	Changes in fair value \$M	Actual 30 June 2024 \$M
Financial liabilities measured at amortised cost						
Borrowings	1,787	1,897	(250)	54	3	3,491
Public-private partnership liabilities	1,949	0	(241)	206	0	1,914
Financial liability at fair value through other comprehensive revenue and expense						
Derivative liabilities	75	0	1	0	(7)	69
Total	3,811	1,897	(490)	260	(4)	5,474

Financial risks

NZTA activities expose the organisation to a variety of risks, including market risk, credit risk and liquidity risk. NZTA has policies to manage the risks associated with financial instruments and seeks to minimise exposure from these risks.

Market risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure of NZTA to the risk of changes in market rates relates primarily to interest rates on long-term debt obligations. This is managed by having loans that are at fixed interest rates. As at 30 June 2025, approximately 99 percent (2023/24: 85 percent) of loans are either interest free or on a fixed interest rate.

In addition, there are risks associated with interest costs of future loans that will be required to support delivery of the NLTP with borrowing of up to \$3.1 billion. This risk is mitigated by borrowing from the Crown and having an agreed methodology for the interest rate that applies under NZTA's facility agreements.

NZTA has entered into public-private partnership agreements for Transmission Gully and Pūhoi to Warkworth roads. The arrangements require that a quarterly unitary charge be paid to the contractors from the time the section of state highway becomes operational (or earlier as per note 5). The unitary charge includes payment for finance costs that the operators have provision to re-price periodically during the 25-year term. NZTA has entered into interest rate swap contracts to hedge the re-pricing of interest costs. The total amount of forecast payments exposed to interest rate risk is fully hedged.

Details of the interest rate swaps held with the New Zealand Debt Management Office are as follows.

Swap relates to	Notional value of interest rate swap \$M	Commencement date	Maturity date	Interest rate pay leg (fixed)	Interest rate receive leg	Fair value of liability/ (asset) \$M
Transmission Gully	787	February 2021	October 2043	5.58%	Floating, with periodic reset	95
Pūhoi to Warkworth	726	August 2023	August 2045	4.16%	Floating, with periodic reset	(1)
Total	1,513					94

Timing of nominal principal amounts	Less than 1 year \$M	1-2 years \$M	3-5 years \$M	Over 5 years \$M	Total \$M	Average fixed rate
Transmission Gully	22	23	68	674	787	5.58%
Pūhoi to Warkworth	22	24	66	614	726	4.16%
Total	44					1,513

The interest rate swaps are accounted for as derivative financial instruments.

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 derivatives are considered level 2 on the fair value hierarchy. The fair value of the derivatives is estimated using inputs that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices). Inputs for the valuation were derived from Bloomberg and are independently valued by Bancorp Treasury Services Limited on a 6-monthly basis.

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.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to surplus or deficit, except for the effective portion of derivatives designated in cash flow hedges, which is recognised in other comprehensive revenue and expense.

The hedge relationship is designated as a cash flow hedge, and NZTA 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.

The terms of the derivative entered into match or are closely aligned with the terms of the hedged item. As such, the economic relationship and hedge effectiveness are based on a qualitative assessment.

The table below shows the movement of the cash flow hedge reserve.

	Actual 2024/25 \$M	Actual 2023/24 \$M
Balance as at 1 July	25	20
Effective cash flow hedge	(53)	5
Cash flow hedge reserve	(28)	25

During the year, the total ineffective portion of the cash flow hedge reserve charged to surplus or deficit is nil (2023/24: nil).

The table below illustrates the sensitivity analysis, which is the potential effect on the surplus or deficit and other comprehensive revenue and expense for reasonably possible market movements, with all other variables held constant, based on financial instrument exposure at balance date.

	2024/25		2023/24	
	+1% \$M	-1% \$M	+1% \$M	-1% \$M
Effect on surplus or deficit				
Cash and cash equivalents	2.1	(2.1)	5.7	(5.7)
Effect on other comprehensive revenue and expense				
Derivative financial asset/(liability)	115.2	(152.8)	63.6	(148.7)
Effect on surplus or deficit				
Borrowing	(0.2)	0.2	(5.2)	5.2

Foreign currency denominated transactions are not material. Therefore, the impact of exposure to **currency risk** is minimal.

Credit risk

Credit risk is the risk that a third party will default on its obligation to NZTA, causing NZTA to incur a loss.

In the normal course of business, NZTA is exposed to credit risk from cash and term deposits with banks, debtors and other receivables. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position.

NZTA holds all cash and term deposits with Westpac New Zealand Limited. As at 30 June 2025, Westpac had a Standard and Poor's credit rating of AA-. The largest debtor is the Crown, which has a Standard and Poor's credit rating of AA+.

NZTA depends upon funding from the National Land Transport Fund.

Liquidity risk

Liquidity risk is the risk that NZTA will encounter difficulty raising funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash reserves or access to funding.

NZTA manages liquidity risk by continuously monitoring forecast and actual cash flow requirements and maintaining funding facilities of \$250 million to manage seasonal variations in cash flow and \$250 million to manage unexpected and unfavourable variations in cash flow. NZTA has access to the facilities to support the NLTF and the regulatory function.

The following table analyses financial liabilities by relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts below are contractual cash flows that will sometimes differ from the carrying amounts of the relevant liability in the statement of financial position.

	Less than 1 year \$M	1-2 years \$M	2-5 years \$M	Over 5 years \$M
2024/25				
Payables	768	0	0	0
Borrowing	252	376	616	3,279
Derivative financial liability	26	25	46	4
Public-private partnership liabilities	92	200	548	1,918
Total	1,138	601	1,210	5,201
2023/24				
Payables	1,020	0	0	0
Borrowing	506	242	1,020	2,840
Derivative financial liability	(8)	5	35	12
Public-private partnership liabilities	132	291	764	2,851
Total	1,650	538	1,819	5,703

Explanation of major variances against budget

Cash and cash equivalents were \$214 million, \$164 million (328 percent) above the budget of \$50 million. Additional cash was held to meet expected year end claims from suppliers and approved organisations.

Borrowing was \$3,381 million, \$734 million (18 percent) below the budget of \$4,115 million due to not requiring the draw down of the short-term facilities, as well as lower draw down of the 2024-27 NLTP facility due to lower NLTP spend.

Derivative financial liability was net of \$94 million, \$44 million (88 percent) above the budget of \$50 million due to movements in the fair value of the interest rate swap contracts entered into for the Transmission Gully and Pūhoi to Warkworth public-private partnership agreements. The fair value movements reflect market interest rates that have decreased in the financial year.

12 | Regulatory equity accounts

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. These are for services that are intended to be fully recovered from third parties through fees, levies or charges. The balance of each memorandum account is intended to trend to zero over time. NZTA has grouped various fees, charges and appropriations into its memorandum regulatory equity accounts to group revenue and costs by summary product level.

Included is revenue provided under section 9(1)(A) of the Land Transport Management Act 2003 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.

As part of the fees and funding change approved in 2022/23, the combined deficit from the previous regulatory equity accounts was ringfenced from the new regulatory equity accounts and separately recorded as debt. Additional revenue collected from fee payers will then be used to repay the debt over time.

Total regulatory equity accounts movements

	Actual 2024/25 \$M	Actual 2023/24 \$M
Opening balance	(10.3)	0.0
Operating revenue	263.7	222.6
Revenue collected for debt repayment	10.4	10.4
Operating expenditure	230.3	232.9
Debt repayment	10.4	10.4
Net surplus/(deficit)	33.4	(10.3)
Closing balance	23.1	(10.3)
Transfer of balance to debt	0.0	0.0
Closing balance after transfer to debt	23.1	(10.3)

Ringfenced regulatory equity account debt

	Actual 2024/25 \$M	Actual 2023/24 \$M
Opening balance - ringfenced debt	(36.8)	(47.2)
Revenue collected for debt repayment	10.4	10.4
Transfer from regulatory equity accounts to debt	0.0	0.0
Closing balance - ringfenced debt	(26.4)	(36.8)

The regulatory equity accounts show a negative balance of \$3 million being the memo accounts including debt.

Breakdown of third-party account groupings

The below reflects the surplus/(deficit) of the memorandum accounts including the revenue collected for debt repayment.

	Note	Actual 2024/25 \$M	Actual 2023/24 \$M
Driver licensing and testing		7.6	(6.8)
Rail regulation		(1.2)	(0.2)
Road user charges collections		1.3	(2.3)
Transport licensing	a	0.9	(0.6)
Vehicle safety and certification	b	14.5	(0.4)
Total covered by fees and funding*		23.1	(10.3)

* A nil balance reflects transferring the accumulated deficits to a ring-fenced debt account.

a. Transport licensing activities include licensing of transport operators, dangerous goods and over-dimension permits.

b. Vehicle safety and certification activities include certification reviews (warrants of fitness and certificates of fitness), border inspections and motor vehicle licensing.

Other regulatory items covered by fees and funding

		Actual 2024/25 \$M	Actual 2023/24 \$M
Tolling		0.1	8.2
Fuel excise duty refunds		0.0	0.0
Road user charges refunds		0.0	(0.5)
Road user charges investigations and enforcement		0.0	0.6
Community road safety programme		17.6	26.1
Total third-party equity groups		17.7	34.4

13 | Contingencies

Contingent liabilities as at 30 June 2025

Roading and other contract disputes

Claims of \$59 million (2023/24: \$220 million) relate to a variety of roading and other contract disputes, including contractual claims arising from property acquisitions and disposals. The claims figure is gross of any amounts paid on account that could potentially be returned.

Previous disputes in relation to Transmission Gully and Pūhoi to Warkworth public-private partnership have been settled in the period.

As at 30 June 2025, NZTA has provided for certain contractual matters. Refer to note 10 provisions on page 93.

14 | Events after balance date

There were no significant events after balance date.

15 | Appropriation Statement

The following statements report information about the expenses and capital expenditure incurred against each appropriation for the year ended 30 June 2025.

	Actual 2024/25 \$M	Budget* 2024/25 \$M	Approved Appropriation** 2024/25 \$M	Actual 2023/24 \$M
Appropriations that directly fund the National Land Transport Fund				
National Land Transport Programme (NLTP) PLA	3,890	3,364	3,871	3,211
NLTP Capital PLA	29	247	0	67
Government Policy Statement on Land Transport (GPS) - Capital Grant (2024-28) MYA	1,186	0	1,407	0
North Island weather events - state highway recovery MYA	239	296	409	0
North Island weather events - road response and reinstatement (NIWE) MCA - local road response costs	23	0	23	203
NIWE MCA - local road recovery costs	168	280	240	92
NIWE MCA - state highway recovery costs - operating	0	42	0	0
NIWE MCA - equity injection to NZTA	0	0	0	79
NIWE MCA - minor resilience works	4	0	10	36
NIWE MCA - state highway recovery costs - capital	0	135	0	538
Cyclone Gabrielle - NLTF Opex Pressure funding	0	0	0	17
NLTP Additional Crown Funding (2021-24) MYA	0	0	0	61
GPS Loan (2024-28) MYA	460	0	620	0
NLTP Loan 2021-24 MYA	0	0	0	1,500
Housing Infrastructure Fund loans 2023-28 MYA	39	50	131	22
NLTF borrowing facility for short-term advances	0	750	750	250
Section 9(2) LTMA road user charges investigation and enforcement	7	4	7	8
Section 9(2) LTMA road user charges refund	2	3	3	3
Section 9(2) LTMA refund of fuel excise duty	2	4	4	4
Total NLTF Appropriations	6,049	5,175	7,475	6,091

	Actual 2024/25 \$M	Budget* 2024/25 \$M	Approved Appropriation** 2024/25 \$M	Actual 2023/24 \$M
Crown Appropriations that directly fund NZTA				
Public transport bus decarbonisation MYA	3	15	4	4
Retaining and recruiting bus drivers MYA	15	21	24	16
Ngauranga to Petone shared pathway project	24	23	25	28
Eastern busway project	84	84	84	77
Land transport regulatory services	6	9	7	7
Clean Vehicle Discount rebates PLA	0	0	0	98
Clean Vehicle Discount administration costs PLA	0	0	0	5
Clean Vehicle Discount scheme - rebates MYA	0	0	0	56
Clean Car Standard - operation	0	0	0	13
Clean Car Standard - capital	0	0	0	2
Capital Investment Package - funding for Crown assets MYA	739	866	836	606
Regional state highways MYA	1	3	1	13
Tuawhenua Provincial Growth Fund - transport projects (PGF) MCA - supporting regional and infrastructure projects	0	0	0	0
PGF MCA - enabling infrastructure projects	2	2	2	(3)
PGF MCA - infrastructure projects	10	8	9	25
COVID-19 MCA - NLTF operating cost pressure and revenue shortfall funding	62	1	138	19
COVID-19 MCA - NLTF capital cost pressure funding	76	0	0	0
SuperGold MCA - administration of the public transport concessions scheme	0	0	0	0
SuperGold MCA - public transport concessions for cardholders	41	39	41	37
Capital Investment Package MCA - operating costs	0	0	0	(2)
Capital Investment Package MCA - third-party projects	17	0	33	0
Community Connect Programme MCA - administration	1	0	0	2
Community Connect Programme MCA - public transport concessions	10	24	12	53
Community Connect Programme MCA - Total Mobility Scheme funding shortfall	0	0	0	1

	Actual 2024/25 \$M	Budget* 2024/25 \$M	Approved Appropriation** 2024/25 \$M	Actual 2023/24 \$M
Community Connect Programme MCA - Total Mobility Services concessions	20	12	24	12
Mode shift - planning, infrastructure, services, and activities MCA - operating costs	0	2	2	7
Mode shift - planning, infrastructure, services, and activities MCA - third-party projects and activities	34	53	37	102
Improving resilience of the roading network MCA - operating costs	1	1	1	0
Improving resilience of the roading network MCA - local roads	10	39	26	0
Improving resilience of the roading network MCA - state highways	28	54	61	16
Reinstatement of the South Island transport corridors MCA - restoration of SH1 Picton to Christchurch	0	0	0	1
Total Crown Appropriations to NZTA	1,185	1,256	1,367	1,195
Other Appropriations				
Section 9(1a) LTMA funding to support the regulatory function	40	42	42	31
Clean Vehicle Standard - issue of credits	63	150	115	93
Bad debt provision - land transport revenue collected by NZTA	21	18	36	19
Total Other appropriations	124	210	193	143
Total NLTF and Crown Appropriations	7,358	6,641	9,035	7,429

*This is the original Estimates Budget as set out in the Vote Transport - The Supplementary Estimates of Appropriations 2024/25.

**This is the Total Budget as set out in the Vote Transport - The Supplementary Estimates of Appropriations 2024/25.

Refer to note 2 for the funding and expenditure breakdown by output activity. There are some differences between the appropriation statement and note 2.

These are due to:

- note 2 including additional funding sources
- the note 2 Budget reflecting updated SPE forecasts in certain cases.

Supplementary information (unaudited)

This supplementary information contains additional disclosures to the financial statements and provides further information on the business.

In this section you will find:

- a summary of total NZTA expenditure
- reconciliation between NZTA funding inflows and NLTF outflows
- information about performance by segment of the business
- details of land transport management (road tolling scheme)
- details of regional fuel tax
- borrowing apportionment.

This information is consistent with and should be read in conjunction with the financial highlights on pages 62-63 and the audited financial statements on pages 64-106.

This supplementary information does not form part of the NZTA audited financial statements.

NZTA agency expenditure

	Actual 2024/25 \$M	Budget (restated)* 2024/25 \$M	Actual (restated)* 2023/24 \$M
Employee costs	268	262	289
Operating expenses	236	251	253
Depreciation and amortisation expense	18	18	21
NZTA operating expenditure	522	531	563

*Figures have been restated to match current year allocations.

The above costs are allocated to the relevant output classes

Reconciliation between NZTA funding inflows and National Land Transport Fund outflows

	Actual 2024/25 \$M	Actual 2023/24 \$M
NZTA		
National Land Transport Fund operating funding	4,621	5,068
National Land Transport Fund capital funding	1,487	890
Total funding from the NLTF	6,108	5,958
Deduct:		
Borrowing (shock/seasonal facilities)	0	(125)
Borrowing NLTP loan 2021-24	0	(1,497)
Borrowing NLTP loan 2024-27	(460)	0
(Borrowing)/repayment - public-private partnerships and related interest rate swap	(31)	45
State highway improvements - public-private partnerships non-appropriated movement	0	(6)
State highway improvements - other non-appropriated movement	7	(3)
Local road improvements - Housing Infrastructure Fund non-appropriated movement	(35)	(15)
Other National Land Transport Fund revenue	0	(2)
Total National Land Transport Fund (NLTP) outflows	5,589	4,355

Performance by segment of the business

The following tables provide detailed financial performance information for each of segment of NZTA. The segments are:

- NZTA operations – contracted services and non-third-party fees and charges activities funded by Crown
- tolling administration – tolling operations funded by tolling third party fees
- Clean vehicle discount – clean vehicle discount scheme funded by Crown
- Clean car standard – clean car standard scheme funded by Crown
- memorandum accounts – regulatory activities funded from fees and charges
- land transport funding – activities funded from the NLTF
- specific projects funded by the Crown.

	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Revenue			
NZTA operations	302	172	223
Tolling – administration	21	20	20
Clean vehicle discount	0	0	159
Clean Car Standard	5	6	13
Memorandum account – other fees and charges	277	245	233
Land transport funding	4,383	4,931	4,996
Specific projects funded by the Crown	505	294	362
Total revenue	5,493	5,668	6,006
Expenditure			
NZTA operations	310	180	220
Tolling – administration	29	21	26
Clean vehicle discount	0	0	159
Clean car standard	5	6	13
Memorandum account – other fees and charges	233	240	233
Land transport funding	4,501	5,055	5,122
Specific projects funded by the Crown	505	294	396
Total expenditure	5,583	5,796	6,169
Surplus/(deficit)			
NZTA operations	(8)	(8)	3
Tolling – administration	(8)	(1)	(6)
Clean vehicle discount	0	0	0
Clean car standard	0	0	0
Memorandum account – other fees and charges	44	5	0
Land transport funding	(118)	(124)	(126)
Specific projects funded by the Crown	0	0	(34)
Total surplus/(deficit)	(90)	(128)	(163)

Land transport management (road tolling scheme)

This supplementary information has been provided to fulfil the disclosure requirements for the Northern Gateway, Tauranga Eastern Link and Takitimu Drive toll roads.

Tolling disclosures are presented in millions to one decimal point to provide more meaningful information to the users of the financial statements.

Toll road traffic volumes and revenue for the year ended 30 June 2025

	Toll revenue (portion designated for repayment of Crown debt)			Traffic volumes (number of vehicles)		
	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M	Actual* 2024/25 M	Budget* 2024/25 M	Actual* 2023/24 M
Northern Gateway toll road – light vehicles	12.2	12.0	11.7	8.4	8.2	8.1
Northern Gateway toll road – heavy vehicles	2.3	2.5	2.3	0.6	0.7	0.6
Tauranga Eastern Link toll road – light vehicles	4.2	4.5	4.3	3.6	3.8	3.7
Tauranga Eastern Link toll road – heavy vehicles	1.9	2.2	2.1	0.5	0.5	0.5
Tikitimu Drive toll road – light vehicles	4.2	4.5	4.4	4.2	4.4	4.3
Tikitimu Drive toll road – heavy vehicles**	3.2	3.2	2.2	0.8	0.8	0.8

* Light vehicle traffic volumes include a small amount of unidentifiable number plates and exempt vehicles.

** In 2023/24, the heavy vehicle volume includes 230,771 trips that were treated as unable to be tolled because the free alternative road was closed from 8 January 2024 to 15 April 2024.

Tolling revenues for the year ended 30 June 2025

The table below shows the breakdown between tolling revenues used to repay debt and to operating the tolling business.

	Tolling revenue used to repay debt		Tolling revenue used to operate the business		Total Tolling revenue	
	Actual 2024/25 \$M	Actual 2023/24 \$M	Actual 2024/25 \$M	Actual 2023/24 \$M	Actual 2024/25 \$M	Actual 2023/24 \$M
Northern Gateway toll road	14.6	14.1	7.2	6.9	21.8	21.1
Tauranga Eastern Link toll road	6.1	6.5	3.2	3.3	9.3	9.8
Tikitimu Drive toll road	7.4	6.6	4	3.9	11.4	10.5
Total	28.1	27.2	14.4	14.1	42.5	41.4

	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Debt and other financial obligations			
Tauranga Eastern Link toll road borrowing	107.0	107.0	107.0
Total	107.0	107.0	107.0
Toll revenue inflow to the National Land Transport Fund for repayment of debt			
Tauranga Eastern Link toll road	6.0	6.7	6.3
Takitimu Drive toll road	7.3	7.7	6.5
Total	13.3	14.4	12.8

NZTA does not hold any debt in relation to Takitimu Drive. NZTA paid \$65 million for the road to Tauranga City Council, which it is recovering with notional interest from toll revenues.

NZTA does not include Northern Gateway tolling revenue in its financial statements. The tolling revenue is collected and passed to the Crown to repay the debt to the Crown.

Currently, payments to the Crown road are on hold until approximately June 2027 while NZTA uses the money to help finance the tolling back office system.

Feasible untolled alternative routes for the toll roads remain available to road users as follows:

- Northern gateway on State Highway 17 via Ōrewa
- Tauranga Eastern Link on the Te Puke highway via Te Puke
- Takitimu Drive via Cameron Road or Cambridge-Moffat Roads.

The table below shows the equity account movement for Tauranga Eastern Link debt repayment. If the equity account is in a surplus position (cumulative tolling revenue exceeds the cumulative interest on the \$107 million loan), then the surplus funds will be used to repay the Crown debt.

	Actual 2024/25 \$M	Actual 2023/24 \$M
Opening balance	1.9	1.2
Tolling revenue used to repay debt	6.1	6.4
Interest expenditure on \$107 million loan	5.5	5.7
Net surplus/(deficit)	0.6	0.7
Closing balance	2.5	1.9

Financial statements for NZTA road tolling operations

Statement of comprehensive revenue and expense for the year ended 30 June 2025

	Note	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Revenue				
Toll fees	a	20.9	20.6	20.4
Total revenue		20.9	20.6	20.4
Expenditure	b	29.3	26	25.6
Net surplus/(deficit)		(8.4)	(5.4)	-5.2

a. Toll fees includes \$14.4 million of tolling revenue used to operate the business (2023/24: \$14.1 million) and \$6.5 million of customer toll payment notice revenue (2023/24: \$6.2 million). Toll fees excludes tolling revenue used to repay debt. The tolling revenue used to repay debt is included in the Northern Gateway, Tauranga East Link and Takitimu Drive information on the previous pages.

b. The expenditure includes financing of the tolling back office system.

Statement of financial position as at 30 June 2025

		Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Assets				
Current assets		8.9	7.9	17.0
Non-current assets		7.6	7.6	7.1
Total assets		16.5	15.5	24.1
Liabilities		16.7	14.0	15.9
Net assets/equity		(0.2)	1.5	8.2

Statement of cash flows for the year ended 30 June 2025

		Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Net cash from operating activities		28.4	28.7	26.9
Net cash from financing activities		(27.4)	(28.6)	(25.9)
Net increase in cash and cash equivalents		1.0	0.1	1.0
Cash and cash equivalents at the beginning of the year		13.8	13.8	12.8
Cash and cash equivalents at the end of the year		14.8	13.9	13.8

NZTA tolling equity account

The table below shows the movement of the tolling administration equity account within retained funds in equity.

	Actual 2024/25 \$M	Actual 2023/24 \$M
Opening balance	8.2	13.4
Revenue	20.9	20.4
Expenditure	29.3	25.6
Net surplus/(deficit)	(8.4)	(5.2)
Closing balance	(0.2)	8.2

Tolling provision for doubtful debts

	Actual 2024/25 \$M	Actual 2023/24 \$M
Opening balance as at 1 July	3.3	2.4
Movement in doubtful debts provision	(0.1)	0.9
Closing balance as at 30 June	3.2	3.3

The tolling provision for doubtful debts is netted against the NZTA receivables balance in the statement of financial position.

Regional fuel tax

NZTA is mandated to administer and manage the collection of the regional fuel tax. Currently, the only regional fuel tax is for Auckland. Proceeds are remitted to Auckland City Council, and NZTA is paid a fee for the services provided.

The Regional Fuel Tax scheme ended on 30 June 2024 with final rebate payments to be made in 2024/25.

This supplementary information has been provided to fulfil the disclosure requirements under section 65Y of the Land Transport Management Act 2003.

Statement of comprehensive revenue and expense for the year ended 30 June 2025

	Actual 2024/25 \$M	Actual 2023/24 \$M
Revenue		
Regional fuel tax	12	157
Rebates	(2)	(7)
Total revenue	10	150
Distributed to:		
Auckland City Council	16	145
Transport Agency administration fee	0	1
Rebate reserve top-up	(6)	4
Total distributions	10	150
Net surplus/(deficit)	0	0

Statement of financial position as at 30 June 2025

	Actual 2024/25 \$M	Actual 2023/24 \$M
Assets		
Cash and cash equivalents	0	17
Total assets	0	17
Liabilities		
Payables	0	11
Regional fuel tax rebate reserve	0	5
Regional Fuel Tax advance funding operational costs	0	1
Total liabilities	0	17
Net assets/equity	0	0

Statement of cash flows for the year ended 30 June 2025

	Actual 2024/25 \$M	Actual 2023/24 \$M
Net cash from operating activities	(17)	0
Net (decrease)/increase in cash and cash equivalents	(17)	0
Cash and cash equivalents at the beginning of the year	17	17
Cash and cash equivalents at the end of the year	0	17

Borrowing apportionment

\$460 million of the \$3.08 billion NLTP 2024–27 loan facility has been drawn down and funding has been notionally apportioned across output classes as follows:

Output class	2024-27 NLTP facility \$M
State highway improvements	29
Local road improvements	92
Public transport services	65
Public transport infrastructure	8
Walking and cycling improvements	82
State highway operations	33
Local road operations	62
Safety	89
Total apportionment	460

Drawdowns from the \$3.08 billion NLTP 2024–27 loan facility are notionally apportioned.

Further detail on the impact of the borrowing on the NLTF is contained in the NLTF financial statements.

This supplementary information does not form part of the NZTA audited financial statements.

Output class income and expenditure

Investment management

	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Operating revenue			
Crown (Crash Analysis System)	2	1	1
Crown (Mode shift)	0	0	5
NLTF	69	86	63
Other	0	0	14
Total operating revenue	71	87	83
Operating expenses			
Transport Agency (Crash Analysis System)	1	0	1
Transport Agency (Mode shift)	0	0	5
Funding to approved organisations	5	0	8
Transport planning	30	47	23
Sector training and research	0	0	5
Investment in the funding allocation system	35	40	41
Total operating expenses	71	87	83
Surplus/(deficit)	0	0	0

Revenue collection and administration

	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Operating revenue			
Section 9(2) LTMA refund of fuel excise duty	2	4	4
Section 9(2) LTMA road user charges investigation	8	4	8
Section 9(2) LTMA road user charges refund	2	3	3
Fees and charges (tolling)	21	20	20
Fees and charges (road user charges)	32	29	24
Regional fuel tax administration	0	1	1
Section 9(1a) LTMA funding to support the regulatory function collections	3	0	2
Other (refund of fuel excise duty and road user charges)	0	0	1
Total operating revenue	68	61	63
Operating expenses			
Refund of fuel excise duty	2	4	4
Regional fuel tax administration	0	1	1
Tolling	29	21	26
Road user charges investigation and enforcement	8	12	8
Road user charges refund	2	2	3
Road user charges collections	30	29	28
Total operating expenses	71	69	70
Surplus/(deficit)	(3)	(8)	(7)

State highway improvements

	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Operating revenue			
NLTF	445	344	743
Crown (COVID-19 public-private partnerships funding)	63	1	19
National infrastructure funding and financing	12	0	31
Crown (Major Crown Investment Projects)	17	0	(2)
NLTF (tolling)	0	15	13
Developer contributions	8	0	27
Interest and finance income	10	11	7
Other income	123	0	6
Total operating revenue	678	371	844
Operating expenses			
Depreciation and state highway write-offs	681	485	663
Other interest and finance costs	0	0	216
Interest on Tauranga Eastern Link borrowings	6	9	5
Crown (COVID-19 public-private partnerships funding)	63	1	19
Crown (COVID-19 Response and Recovery Fund)	0	0	7
National infrastructure funding and financing	12	0	31
Crown (Major Crown Investment Projects)	17	0	36
Palmerston North lease	0	0	1
Other expenses	21	0	34
Total operating expenses	800	495	1,012
Surplus/(deficit)	(122)	(124)	(167)

	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Capital funding			
Crown (Major Crown Investment Projects)	739	811	606
Crown (Accelerated Regional Roading Programme)	28	50	29
Crown (Supporting Regions Programme)	11	15	25
National infrastructure funding and financing funding utilised for investment	12	29	31
Crown COVID-19 release	76	0	0
NLTF capital contribution	437	679	44
NLTF (public-private partnerships)	0	0	11
NLTF (public-private partnerships - interest rate swap movement)	3	0	-5
North Island weather events minor resilience works	4	0	36
Depreciation funding utilised for investment in the state highway network	574	361	511
NLTF (state highway disposals)	20	18	11
Total capital funding	1,904	1,963	1,299
Capital expenditure			
Crown investment (Major Crown Investment Projects)	739	811	606
Crown (Accelerated Regional Roading Programme)	28	50	29
Crown (Supporting Regions Programme)	11	15	25
National infrastructure funding and financing	12	29	31
Crown COVID-19 release	76	0	0
Public-private partnerships	0	0	11
Public-private partnerships - interest rate swap movement*	3	0	(5)
North Island weather events minor resilience works	4	0	36
Capital investment	951	963	504
Transport Agency capitalised expenditure	88	95	89
Total capital expenditure	1,912	1,963	1,326
Net capital movement	(8)	0	(27)
Total movement	(130)	(124)	(194)
Total operating and capital expenditure	2,019	1,973	1,643

* The movement in the public-private partnership interest rate swaps was due to yearly changes to market interest rates.

State highway operations

	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Operating revenue			
NLTF	709	433	893
NLTF (Emergency works)	0	0	30
NLTF (North Island Weather Events)	0	473	0
NLTF (2021-24 NLTP facility)	82	158	278
NLTF (rental and interest income)	28	25	27
Other revenue	67	0	58
Total operating revenue	886	1,089	1,286
Operating expenses			
Maintenance of the state highway network (Kaikōura earthquake response)	0	0	1
Depreciation on state highway renewals	208	250	306
Maintenance of the state highway network	595	759	806
Maintenance and operation of Transmission Gully and Pūhoi to Warkworth	10	14	17
Works funded by third-party contributions	56	0	56
Transport Agency operating activities	17	66	87
Interest and finance costs	0	0	14
Total operating expenses	886	1,089	1,287
Surplus/(deficit)	0	0	(1)
Capital funding			
NLTF	98	0	572
Depreciation funding utilised for investment in state highway renewals	208	250	306
Total capital funding	306	250	878
Capital expenditure			
Capital investment	300	250	877
Transport Agency capitalised expenditure	6	0	0
Total capital expenditure	306	250	877
Net capital movement	0	0	1
Total movement	0	0	0
Total operating and capital expenditure	984	1,089	1,858

State highway pothole prevention

	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Operating revenue			
NLTF	545	589	0
Total operating revenue	545	589	0
Operating expenses			
Maintenance of the state highway network	111	116	0
Depreciation on state highway pothole prevention	344	439	0
Transport Agency operating activities	90	34	0
Total operating expenses	545	589	0
Surplus/(deficit)	0	0	0
Capital funding			
NLTF capital contribution	202	0	0
Depreciation funding utilised for investment in the state highway network	344	439	0
Total capital funding	546	439	0
Capital expenditure			
Investment in the state highway network	546	439	0
Total capital expenditure	546	439	0
Net capital movement	0	0	0
Total movement	0	0	0
Total operating and capital expenditure	747	589	0

Walking and cycling improvements

	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Operating revenue			
Crown (Mode shift)	22	45	56
NLTF	61	11	0
NLTF (2024-27 NLTP facility)	8	34	110
Total operating revenue	91	90	166
Operating expenses			
Funding to approved organisations (Mode shift)	22	45	56
Funding to approved organisations	61	38	90
Transport Agency operating activities	8	7	9
Interest and finance costs	0	0	11
Total operating expenses	91	90	166
Surplus/(deficit)	0	0	0
Capital funding			
Crown (Ngauranga to Petone)	24	23	28
NLTF capital contribution	1	90	2
NLTF (2024-27 NLTP facility)	59	0	91
Total capital funding	84	113	121
Capital expenditure			
Crown (Ngauranga to Petone)	24	23	28
Capital investment	60	90	93
Total capital expenditure	84	113	121
Net capital movement	0	0	0
Total movement	0	0	0
Total operating and capital expenditure	175	203	287

Public transport services

	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Operating revenue			
Crown (SuperGold card)	41	39	38
Crown (Community Connect Programme)	21	37	15
Crown (Bus decarbonisation)	4	15	4
Crown (Mode shift)	1	2	16
Crown (Retaining and recruiting bus drivers)	15	21	16
Crown (Public transport subsidy)	10	0	54
NLTF	478	563	496
NLTF (2024-27 NLTP facility)	92	45	14
Total operating revenue	662	722	653
Operating expenses			
Crown (half-price fares)	41	39	37
Crown (SuperGold card and administration)	31	37	68
Crown (Community Connect Programme)	4	15	3
Crown (Bus decarbonisation)	1	2	16
Crown (Mode shift)	15	21	15
Crown (Public transport subsidy)	568	608	514
Funding to approved organisations	2	0	0
Total operating expenses	662	722	653
Surplus/(deficit)	0	0	0

Public transport infrastructure

	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Operating revenue			
Crown (Eastern busway project)	84	84	77
Crown (Mode shift)	11	8	33
National infrastructure funding and financing (Northwestern bus improvement)	0	0	3
NLTF	372	191	169
NLTF (2021-24 NLTP facility)	65	268	349
Other revenue	7	0	0
Total operating revenue	539	551	631
Operating expenses			
Funding to approved organisations	422	449	477
Funding to approved organisations (Eastern busway project)	84	84	77
Funding to approved organisations (Mode shift)	11	8	33
National infrastructure funding and financing (Northwestern bus improvements)	0	0	3
Other operating expenses	14	0	20
Transport Agency operating activities	8	9	4
Interest and finance costs	0	1	17
Total operating expenses	539	551	631
Surplus/(deficit)	0	0	0
Capital funding			
National infrastructure funding and financing funding utilised for investment	0	53	3
NLTF capital contribution	23	13	21
Total capital funding	23	66	24
Capital expenditure			
National infrastructure funding and financing	0	53	3
Capital investment	23	13	21
Total capital expenditure	23	66	24
Net capital movement	0	0	0
Total operating and capital expenditure	562	617	655

Local road improvements

	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Operating revenue			
NLTF	83	48	0
NLTF (Housing Infrastructure Fund)	35	50	14
NLTF (2021-24 NLTP facility)	29	98	185
Crown (Supporting Regions Programme)	2	2	(3)
Crown (Regional Resilience)	10	40	0
Interest and finance income	14	20	12
Total operating revenue	173	258	208
Operating expenses			
Funding to approved organisations	112	186	171
Funding to approved organisations (Housing Infrastructure Fund)	35	50	14
Funding to approved organisations (Supporting Regions Programme)	2	0	(3)
Funding to approved organisations (Regional Resilience)	0	20	0
Crown (Regional Resilience)	10	0	0
Interest and finance costs	14	22	26
Total operating expenses	173	278	208
Surplus/(deficit)	0	-20	0

Local road operations

	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Operating revenue			
NLTF	331	104	406
NLTF (North Island weather events)	192	280	312
NLTF (Emergency works)	0	0	30
NLTF (2024-27 NLTP facility)	62	323	493
Total operating revenue	585	707	1,241
Operating expenses			
Funding to approved organisations	585	706	1,235
Transport Agency operating activities	0	1	0
Interest and finance costs	0	0	6
Total operating expenses	585	707	1,241
Surplus/(deficit)	0	0	0

Local road pothole prevention

	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Operating revenue			
NLTF	557	579	0
Total operating revenue	557	579	0
Operating expenses			
Funding to approved organisations	557	579	0
Total operating expenses	557	579	0
Surplus/(deficit)	0	0	0

Debt repayment

	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Operating revenue			
NLTF	260	269	0
Other	32	0	0
Total operating revenue	292	269	0
Operating expenses			
Interest expense	291	269	0
Total operating expenses	291	269	0
Surplus/(deficit)	1	0	0
Borrowing funding and repayment - principal			
NLTF capital contribution	15	150	0
Crown funding	603	0	0
NLTF (public-private partnership quarterly unitary payment)	19	0	46
Total capital funding	637	150	46
Principal repayment			
Repayment of Auckland Transport Package	118	117	0
Repayment of shock/seasonal facility	500	0	0
Repayment public-private partnership quarterly unitary payment	19	33	46
Total capital expenditure	637	150	46
Net capital movement	0	0	0
Total movement	1	0	0

Coastal shipping

	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Operating revenue			
NLTF	0	0	3
Total operating revenue	0	0	3
Operating expenses			
Funding to approved organisations	0	0	3
Total operating expenses	0	0	3
Surplus/(deficit)	0	0	0

Regulation of the rail transport system

	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Operating revenue			
Fees and charges	2	3	3
Total operating revenue	2	3	3
Operating expenses			
Fees and charges funded activities	3	4	3
Total operating expenses	3	4	3
Surplus/(deficit)	(1)	(1)	0

Safety

	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Operating revenue			
NLTF	100	59	425
Community Road Safety Programme	-2	10	11
Developers contributions	1	0	7
Total operating revenue	99	69	443
Operating expenses			
Community Road Safety Programme	7	10	8
Funding to approved organisations	4	0	158
Speed camera operations	0	44	0
Depreciation	0	0	228
Transport Agency operating activities	96	15	36
Interest and finance costs	0	0	5
Total operating expenses	107	69	435
Surplus/(deficit)	(8)	0	8
Capital funding			
NLTF capital contribution	23	12	0
NLTF (2024-27 NLTP facility)	0	0	107
Depreciation	0	0	228
Total capital funding	23	12	335
Capital expenditure			
Capital investment	23	12	340
Total capital expenditure	23	12	340
Net capital movement	0	0	(5)
Total movement	(8)	0	3
Total operating and capital expenditure	130	81	547

Regulation of drivers

	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Operating revenue			
Crown (Equitable access to driver licences)	0	7	4
Crown (ministerial advice and official correspondence)	0	0	1
Crown (Land transport regulatory services)	5	1	1
Fees and charges	72	73	60
Section 9(1a) LTMA funding to support the regulatory function	17	0	17
Total operating revenue	94	81	83
Operating expenses			
Equitable access to driver licences	0	7	4
Fees and charges funded activities	78	80	82
Other	(2)	0	0
Total operating expenses	76	87	86
Surplus/(deficit)	18	(6)	(3)

Regulation of vehicles

	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Operating revenue			
Fees and charges	110	113	96
Section 9(1a) LTMA funding to support the regulatory function	11	0	10
Total operating revenue	121	113	106
Operating expenses			
Fees and charges funded activities	100	109	102
Other	1	0	0
Total operating expenses	101	109	102
Surplus/(deficit)	20	4	4

Regulation of commercial transport operators

	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Operating revenue			
Fees and charges	22	25	19
Section 9(1a) LTMA funding to support the regulatory function	3	0	2
Total operating revenue	25	25	21
Operating expenses			
Fees and charges funded activities	20	17	18
Total operating expenses	20	17	18
Surplus/(deficit)	5	8	3

Low emission vehicles

	Actual 2024/25 \$M	Budget 2024/25 \$M	Actual 2023/24 \$M
Operating revenue			
Crown (grant clean vehicle rebates)	0	0	56
Crown (clean vehicle discount fees)	0	0	103
Crown (clean car standard administration)	5	0	13
NLTF	0	4	0
Other revenue	0	2	0
Total operating revenue	5	6	172
Operating expenses			
Clean vehicle discount rebates	0	0	159
Clean Car Standard	5	0	13
Transport Agency operating activities	0	6	0
Total operating expenses	5	6	172
Surplus/(deficit)	0	0	0
Capital funding and expenditure			
NLTF	0	0	2
Capital investment	0	0	2
Net capital movement	0	0	0
Total movement	0	0	0
Total operating and capital expenditure	5	6	172

Costs of the Clean car standards scheme are not included above. They are included within the NLTF financial statements.

Independent auditor's report

To the readers of NZ Transport Agency Waka Kotahi Financial statements and performance information for the year ended 30 June 2025

The Auditor-General is the auditor of the NZ Transport Agency Waka Kotahi ("NZTA"). The Auditor-General has appointed me, Clint Ramoo, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- the annual financial statements that comprise the statement of financial position as at 30 June 2025, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information on pages 64 to 106;
- the performance information that consists of:
 - the statement of performance for the year ended 30 June 2025 on pages 17 to 58; and
 - the end-of-year performance information for appropriations for the year ended 30 June 2025 on pages 166 to 172.

Opinion

In our opinion:

- The annual financial statements of NZTA:
 - fairly present, in all material respects:
 - its financial position as at 30 June 2025; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- The statement of performance fairly presents, in all material respects, NZTA's service performance for the year ended 30 June 2025. In particular, the statement of performance:
 - provides an appropriate and meaningful basis to enable readers to assess the actual performance of NZTA for each class of reportable outputs; determined in accordance with generally accepted accounting practice in New Zealand; and
 - fairly presents, in all material respects, for each class of reportable outputs:
 - the actual performance of NZTA;
 - the actual revenue earned; and
 - the output expenses incurred as compared with the forecast standards of performance, the expected revenues, and the proposed output expenses included in NZTA's statement of performance expectations for the financial year; and
- complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- The end-of-year performance information for appropriations:
 - fairly presents, in all material respects:
 - what has been achieved with the appropriation; and

- the actual expenses or capital expenditure incurred in relation to the appropriation as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
- complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

Our audit was completed on 31 October 2025. This is the date at which our opinion is expressed.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): The Audit of Service Performance Information issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter – State Highway Valuation

Without modifying our opinion, we draw your attention to Note 4 in the financial statements which describes the accounting policy, the valuation of inputs and estimates made in determining the fair value of the State Highway network. The State Highway network is a significant asset of NZTA and changes in valuation inputs and estimates can have a material impact on the financial statements. Note 4 also provides a sensitivity analysis to highlight such impacts. We consider the disclosures about the valuation of the State Highway network to be adequate.

Responsibilities of the Board for the annual financial statements and the performance information

The preparation of the financial statements and performance information of NZTA is the responsibility of the Board.

The Board is responsible on behalf of NZTA for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. This includes preparing performance information that provides an appropriate and meaningful basis to enable readers to assess what has been achieved for the year.

The Board is responsible for such internal control as it determines is necessary to enable it to prepare annual financial statements, a statement of performance, and the end-of-year performance information for appropriations that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations, the Board is responsible on behalf of NZTA for assessing NZTA's ability to continue as a going concern.

The Board's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

Responsibilities of the auditor for the audit of the annual financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations.

For the budget information reported in the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations, our procedures were limited to checking that the information agreed to NZTA's statement of performance expectations or to the Estimates of Appropriations for the Government of New Zealand for the year ending 30 June 2026.

We did not evaluate the security and controls over the electronic publication of the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NZTA's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate whether the statement of performance and the end-of-year performance information for appropriations:
 - provide an appropriate and meaningful basis to enable readers to assess the actual performance of NZTA in relation to the forecast performance of NZTA (for the statement of performance) and what has been achieved with the appropriation by NZTA (for the end-of-year performance information for appropriations). We make our evaluation by reference to generally accepted accounting practice in New Zealand; and
 - fairly present the actual performance of NZTA and what has been achieved with the appropriation by NZTA for the financial year.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board.
- We evaluate the overall presentation, structure and content of the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations, including the disclosures, and whether the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises all of the information included in the annual reports of NZTA and the National Land Transport Fund (NLTF), but does not include NZTA's annual financial statements, statement of performance, and the end-of-year performance information for appropriations, and our auditor's report thereon.

Our opinion on the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the annual financial statements, the statement of performance, and the end-of-year performance information for appropriations or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of NZTA in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, we have carried out a Limited Assurance engagement over the application of the Scrutiny Principle and an audit engagement in respect to the NLTF's 2025 annual report, which are compatible with those independence requirements. Other than the audit and these engagements, we have no relationship with or interest in NZTA.



Clint Ramoo

Audit New Zealand

On behalf of the Auditor-General

Wellington, New Zealand

Independent limited assurance report

Independent Limited Assurance Report to the Readers of the NZ Transport Agency Waka Kotahi Report '*Putting the Scrutiny Principle into Practice*' for the period ended 30 June 2025

Conclusion

Our limited assurance conclusion has been formed on the basis of the matters outlined in this report.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that, in all material respects, NZ Transport Agency Waka Kotahi ('NZTA') '*Putting the Scrutiny Principle into Practice*' report (the 'report') is not fairly presented, in that:

- the controls described in the report on pages 138 to 140 were not suitably designed to achieve the control objective specified in section 96(1)(d)(ii) of the Land Transport Management Act 2003 (the 'Act') being, NZTA giving, when making decisions in respect of land transport planning and funding under subpart 1 of Part 2 of the Act, the same level of scrutiny to its own proposed activities and combinations of activities as it would give to those proposed by approved organisations throughout the period 1 July 2024 to 30 June 2025;
- the description does not fairly present the systems and procedures as designed, throughout the period 1 July 2024 to 30 June 2025; and
- the controls, necessary to achieve the control objective, did not operate effectively as designed, throughout the period from 1 July 2024 to 30 June 2025.

Information subject to assurance

We have undertaken a limited assurance engagement on:

- the design of controls within the systems and procedures of NZTA, throughout the period 1 July 2024 to 30 June 2025, relevant to the control objective specified in section 96(1)(d)(ii) of the Act, that NZTA give, when making decisions in respect of land transport planning and funding under subpart 1 of Part 2 of the Act, the same level of scrutiny to its own proposed activities and combinations of activities as it would give to those proposed by approved organisations;
- the NZTA description of its systems and procedures at pages 138 to 140 (the 'description'); and
- the operating effectiveness of those controls.

Note that as part of our work we did not test any Roads of National Significance (RoNS) projects applying the new decision-led approach referred to in NZTA's report on page 138.

The Auditor-General is the auditor of NZTA. The Auditor-General has appointed me, Clint Ramoo, using the staff and resources of Audit New Zealand, to carry out this work on his behalf.

Criteria

An assurance engagement to report on the design, description and operating effectiveness of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the control objectives, the completeness, accuracy and method of presentation of the description of the systems and procedures and the operating effectiveness of controls throughout the period. The criteria are specifically designed to obtain this evidence and as a result, may not be suitable for another purpose.

Standards we followed

We conducted our work in accordance with International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and Standard on Assurance Engagements 3150 *Assurance Engagements on Controls*. In accordance with those standards we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that the Statement is free from material misstatement, whether due to fraud or error; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Summary of procedures performed

Our procedures includes, but were not limited to:

- making enquiries of management and other staff within NZTA;
- performing walkthroughs of key processes;
- performing tests of controls for a sample of decisions;
- inspecting relevant documentation;
- evaluating the evidence obtained.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance conclusion on the controls.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

How to interpret limited assurance and material misstatement

A limited assurance engagement is restricted primarily to enquiries and other relevant procedures as described above.

Misstatements, including omissions, within the report are considered material if, individually or in the aggregate, they could reasonably be expected to influence the relevant decisions of the intended users taken on the basis of the report.

Limitations of controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objective may not be achieved and so fraud, error, or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the controls that we have assured operate, has not been assured and no opinion is expressed as to its design or operating effectiveness.

An assurance engagement on operating effectiveness of controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Directors' responsibility

The Directors of NZTA are responsible for:

- the implementation of systems and procedures that enable NZTA to give, when making decisions in respect of land transport planning and funding under subpart 1 of Part 2 of the Act, the same level of scrutiny to its own proposed activities and combinations of activities, as it would give to those proposed by other approved organisations;
- identifying the control objective;
- identifying the risks that threaten achievement of the control objective;
- designing controls to mitigate those risks, so that those risks will not prevent achievement of the identified control objective;
- preparing the description and report at pages 138 to 140, including the completeness, accuracy and method of presentation of the description and report; and
- operating those controls effectively as designed throughout the period.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the NZTA report regarding the suitability of the design of controls to achieve the control objective, the presentation of the description of the systems and procedures and the operating effectiveness of the controls within the NZTA systems and procedures, based on our procedures.

Our independence and quality control

When carrying out the limited assurance engagement we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board (NZAuASB) which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the External Reporting Board.

Audit New Zealand has also provided statutory audit services to NZTA. Subject to certain restrictions, directors and employees of Audit New Zealand may also deal with NZTA on normal terms within the ordinary course of trading activities of the business of NZTA.

These matters have not impaired our independence as assurance providers of NZTA for this engagement. Audit New Zealand has no other relationship with, or interest in, NZTA.



Clint Ramoo

Audit New Zealand, Wellington
On behalf of the Auditor-General
31 October 2025

Putting the scrutiny principle into practice

Report on the implementation of systems and procedures to give effect to the scrutiny principle

Legislative requirement and control objective

The Land Transport Management Act 2003 (section 96(1)(d)(ii)) states that NZTA must ensure it gives, when making decisions in respect of land transport planning and funding, ... the same level of scrutiny to its own proposed activities and combinations of activities as it would give to those proposed by approved organisations'.

We refer to this requirement as the 'scrutiny principle'. Among other things, we must develop systems and procedures to give effect to this principle and report on the implementation of those systems and procedures in our annual report. This is our report on that implementation.

Application in 2024/25

We continue to apply the scrutiny principle as a core element of our investment decision-making and assurance frameworks. This principle ensures all investment decisions are made with transparency, impartiality and consistency, particularly when we assess our own proposals alongside those submitted by approved organisations.

In 2024/25, all investment applications, including those we initiated, were assessed using the same criteria and processes applied to applications from approved organisations in line with the systems and procedures we implemented to give effect to the scrutiny principle, including the Scrutiny and Transparency Policy.³ During the year, we applied a 'decision-led approach'⁴ to investment decision-making in relation to the Roads of National Significance investment cases. This is a trial before we consider rolling out the approach to other activities and organisations. The decision-led approach utilises similar systems and procedures to other investment applications. NZTA maintained a strong internal assurance framework to support the scrutiny principle, including independent review mechanisms for high-value and high-risk investments.

³ For more details on these procedures and controls, visit nzta.govt.nz/planning-and-investment/planning-and-investment-knowledge-base/202427-nltp-investment-requirements/202427-nltp-principles-and-policies/assessment-2/scrutiny-and-transparency-policy (last updated September 2023).

⁴ A decision-led approach is one of the ways we are supporting faster, cost-effective outcomes and driving the clear management of scope, budget and risk from the beginning of a project. For more details, visit nzta.govt.nz/roads-and-rail/highways-information-portal/standards-and-guidelines/decision-led-approach

This framework consists of a series of procedures and controls:

- Operational: designed to guide individuals in applying the appropriate level of scrutiny when making decisions;
- Managerial: focused on overseeing and reinforcing the consistent application of the scrutiny principle;
- Monitoring and reporting: to verify that operational procedures are being followed and that scrutiny principle is being properly applied. These include:
 - Following the same procedure for similar types of activities
 - Applying equivalent evaluation criteria
 - Requiring an equivalent level of information
 - Applying the same level of rigour to analysis
 - Applying the same level of tolerance to cost estimate rigour and potential cost overruns
 - Having staff with equivalent seniority and experience involved with equivalent decisions

NZTA also requires external reviews of higher-risk and/or higher-cost activities, including peer review of business cases, peer review of costs or full parallel cost estimates, and safety audits. In 2024/25 audits were undertaken of selected AOs. NZTA does not ordinarily conduct formal audits of its own activities, as its system of internal controls, monitoring and reporting achieve the same end.

Procedures and controls help our staff, management and board members apply the scrutiny principle to individual decisions by using consistent procedures for similar types of activities, applying uniform evaluation criteria, requiring comparable levels of supporting information, ensuring analytical rigour is consistent across decisions, and maintaining a risk-based approach to cost estimates.

NZTA recognises the importance of robust systems to underpin its investment decision making. Transport Investment Online (TIO), a web-based platform capturing details of all proposed activities for funding, provides transparency by documenting the evidence supporting investment decisions, recording NZTA's decisions and any funding conditions, and allowing approved organisations to view their proposals, NZTA's recommendations, and final decisions. TIO also stores all relevant documentation, including cost estimates, senior staff approvals, and minutes from committees and board meetings, ensuring a clear audit trail.

The Planning and Investment Knowledge Base (PIKB), an online portal that outlines the policies, principles, and processes governing investment from the NLFT, sits alongside TIO and sets the rules for assessing and evaluating all funding applications, reinforcing consistency and transparency across the investment lifecycle.

Evidence base for decision-making

A key development in governance was the shift to a more efficient funding request review process through the Value, Outcomes, Scope Committee (VOS). Previously, all funding requests were reviewed by VOS, regardless of scale or risk. Under the new approach, lower-risk or smaller proposals are reviewed by the Local Government Partnership Manager for AO activities or by the Team Lead - Portfolio Advice and Assurance for NZTA activities. The VOS chair reviews all applications and selects those for consideration at, or to inform, VOS, consciously considering the scrutiny principle in such deliberations. This targeted scrutiny ensures that appropriate consideration is applied on a consistent basis, freeing up committee time for consideration of larger and/or riskier proposals, while final approval remains with the chief financial officer, to preserve accountability for funding decisions.

Building on insights obtained from the previous review and other activities, NZTA took care to communicate to staff involved in investment assessments the need for impartiality, transparency and auditability to maintain the consistent application of the scrutiny principle. The new VOS SharePoint resource acts as a single source of truth to both State Highways and Local Government teams.

Additional information

We publish on our webpage minutes of all funding decisions the Board has made (on nzta.govt.nz/planning-and-investment/funding-and-investing/investment-decisions/board-decisions) and all decisions delegated to staff (nzta.govt.nz/planning-and-investment/funding-and-investing/investment-decisions/delegated-decisions) since 1 August 2008. Both pages are updated regularly as the board decisions are confirmed.

Post-approval review

As in previous years, our Investment Assurance team undertook a post-approval review of a random sample of 19 approved organisation and NZTA activities that were brought forward for funding consideration over 2024/25. The purpose of the review was to ensure funding decisions are applied consistently, regardless of whether the activity originates from an approved organisation or us.

We are satisfied that any inconsistencies in the documentation and recording of information supporting investment decisions identified by that review have not had a material impact on the application of the scrutiny principle. No major issues were found that would raise concerns about our diligence in applying this principle.