

# Mō te pūnaha haumitanga ikiiki whenua

About the land  
transport investment  
system



# About the land transport investment system

## About this report

Waka Kotahi is responsible under the Land Transport Management Act 2003 (section 11) for allocating and investing the National Land Transport Fund (NLTF) and preparing the National Land Transport Programme (NLTP). Waka Kotahi must prepare an annual report on the NLTF, which must include how the activities funded under the NLTP contribute to the Government Policy Statement on land transport (GPS).

The outcomes and achievements presented in this report are the result of a collective investment in land transport and the efforts of all those delivering the activities in and around the NLTP. The activities in the NLTP are planned, invested and delivered in partnership between Waka Kotahi, local and regional authorities, New Zealand Police and other transport sector partners. Where Waka Kotahi is funded to deliver activities in the NLTP, performance on delivery of these activities is also reported in the Waka Kotahi annual report.

This is the third and final annual report against the GPS for 2018/19 to 2027/28 (GPS 2018).

## Statement of performance

The following information forms the statement of performance for the activity classes funded by the NLTF.

Activity class	Page
State highway improvements	234
State highway maintenance	236
Local road improvements	238
Local road maintenance	238
Road safety promotion and demand management	239
Road policing	239
Regional improvements	241

Activity class	Page
Public transport	242
Walking and cycling improvements	243
Rapid transit	244
Transitional rail	245
Investment management	246

## National Land Transport Fund

The National Land Transport Fund (NLTF) is a dedicated fund for maintaining and developing local and national transport services. The NLTF is made up of funding from:

- **fuel excise duty** – excise collected at source (fuel shipments and refineries) and recharged in petrol, liquid petroleum gas and compressed natural gas prices
- **road user charges** – charges paid by users of vehicles over 3.5 tonnes manufacturer's gross laden weight and by users of vehicles using diesel or another fuel not taxed at source
- **motor vehicle registry fees** – registration and licence fees paid by public road users to access the road network
- **state highway property rental and sale** – rentals and other charges on state highway property and from the sale of land surplus to transport requirements
- **surplus and short-term debt movement** – use of surplus from a previous NLTF and movement in short-term debt.

The NLTF is a partnership between Waka Kotahi and approved organisations.<sup>1</sup> Waka Kotahi assesses and prioritises which activities proposed by approved organisations will be invested in on behalf of the Crown (see page 12 for the Waka Kotahi investment approach).

<sup>1</sup> Approved organisations are regional councils, territorial authorities and approved public organisations (such as the Department of Conservation) with authority to invest local funding on behalf of ratepayers.

## Government Policy Statement on land transport

The GPS sets out the government's strategic direction for the land transport system for the next 10 years.

The GPS guides how the NLTF is invested and how activities are assessed and prioritised for regional land transport plans. It also sets out how the government intends to use land transport funding to realise its long-term transport outcomes.<sup>2</sup>

Each GPS identifies a set of activity classes that the NLTF is to be invested in to deliver on the GPS along with a funding range for each activity class. Waka Kotahi works with the Ministry of Transport to identify how to measure investment performance for each activity class (activity class measures).

Performance against activity class measures and expenditure is reported in the NLTF annual report each year and quarterly to the Ministry of Transport through the Waka Kotahi performance report. Waka Kotahi also provides detailed annual reporting on the GPS to the Ministry of Transport.

## Government Policy Statement on land transport 2018/19–2027/28

The GPS is refreshed every three years, with the GPS 2018 in effect from 2018/19 to 2020/21. GPS 2018 had four strategic objectives: safety, access, environment and value for money. It also described three guiding themes for how Waka Kotahi and its partners should deliver these priorities. These themes were to:

- apply a mode-neutral approach to transport system investment
- use technology and innovation to improve performance
- integrate land use, transport planning and delivery activities.

See page 214 for the GPS 2018 activity classes and *Use of the National Land Transport Fund* (from page 234) for GPS 2018 activity class measure results and expenditure.

## Government Policy Statement on land transport 2021/22–2030/31

From 1 July 2021, GPS 2018 was superseded by GPS 2021. The four strategic priorities of GPS 2021 are safety, better travel options, improving freight connections and climate change.

## National Land Transport Programme

The priorities of the GPS are progressed through the NLTP, a three-year programme that sets out how Waka Kotahi, working with its partners, plans to invest national land transport funding. The NLTP sets out activities that can receive funding from the NLTF under the Land Transport Management Act 2003. Regional land transport plans, developed by local government, must also align with the GPS.

The NLTP is a snapshot of:

- committed funding from previous NLTPs for transport improvements that are generally large scale
- continuous programmes Waka Kotahi delivers every day, such as for public transport and road maintenance
- upcoming activities Waka Kotahi will consider funding, which are developed collaboratively using the GPS and regional land transport plans.

The NLTF is the primary revenue source for the NLTP and is supplemented by revenue from other sources (see Table 1 for additional revenue streams used to fund the 2018–21 NLTP).

<sup>2</sup> For more information, see Ministry of Transport, no date, Transport outcomes framework (webpage), [www.transport.govt.nz/area-of-interest/strategy-and-direction/transport-outcomes-framework](http://www.transport.govt.nz/area-of-interest/strategy-and-direction/transport-outcomes-framework)

**Table 1: Sources of NLTF funding for the 2018–21 NLTP**

Funding source	Description
Local share of NLTP activities	Rates and charges local residents pay for local authority provision of transport infrastructure and services
SuperGold card	Subsidies taxpayers pay through the Ministry of Transport to fund SuperGold card for off-peak public transport travel
Kaikōura Earthquake Recovery Fund	Crown appropriation to fund the reinstatement of SH1 following the Kaikōura-Hurunui earthquake
Housing Infrastructure Fund loan	Crown loan to fund acceleration of roading projects to support high-growth urban development in Auckland, Hamilton, Tauranga and Queenstown
Auckland Accelerated Programme loan	Crown loan to fund acceleration of key Auckland roading projects targeted to reduce congestion
Accelerated State Highway Regional Programme	Crown appropriation to fund earlier delivery of regional state highway projects
Urban Cycleway Programme	Crown appropriation to accelerate delivery of urban cycleways by leveraging NLTF and local funding
Crash Analysis System	Crown appropriation to reflect collection and use of the Crash Analysis System for wider transport sector

## Waka Kotahi investment approach

Waka Kotahi has the primary objective under the Land Transport Management Act 2003 to undertake its functions in a way that contributes to an effective, efficient and safe land transport system in the public interest.

Waka Kotahi allocates funding across transport modes to give effect to the GPS and build an affordable, integrated, safe, responsive and sustainable land transport system.

Waka Kotahi works closely with co-investment partners and stakeholders (local communities and national policy makers) to determine the transport solutions that will work best for New Zealand. The following sections describe the Waka Kotahi investment approach.

### Investment principles

When considering the best mix of activities to receive investment funding, Waka Kotahi applies the following 10 planning and investment principles to guide its investment decisions.<sup>3</sup>

- A partnership approach, founded on trust, clarity and accountability, aligns regional and local

investments with Waka Kotahi national priorities to optimise their shared investment and deliver whole-of-network benefits.

- A business case approach supports planning and investing for outcomes, achieves value for money, and supports stakeholder collaboration early in the investment process.
- An integrated approach to land use and transport planning optimises existing and new investments in the transport network, supports access to social and economic opportunities, and fosters liveable cities and thriving regions.
- A whole-of-network approach, targeting areas of greatest need, achieves an optimised, integrated transport network that is fit for purpose and provides best value for money.
- A value-for-money approach delivers the right outcomes, at the right time and at the right cost.
- A risk-based approach ensures risks are considered and managed through the planning to delivery process, including financing, for all transport activities funded from the NLTF.
- The Safe System approach to planning, improving, maintaining, renewing and operating components

<sup>3</sup> A new set of investment principles was developed in 2019/20 as part of the review of the investment decision-making framework. These will apply to future NLTP periods.

of the land transport system supports the achievement of a land transport system that is free of death and serious injury.

- A socially and environmentally responsible approach results in land transport investments that improve overall community wellbeing and avoid or mitigate the adverse environmental effects of transport.
- Users of the land transport system who provide revenue into the NLTF will benefit from its investments; other beneficiaries, should pay for the benefits they receive (as a general principle).
- The scrutiny principle is applied when making decisions in respect of land transport and planning and funding and ensures Waka Kotahi gives the same level of scrutiny to its own proposed activities and combinations of activities as it gives to activities proposed by approved organisations.<sup>4</sup>

### Assessing investment proposals

The Waka Kotahi Investment Assessment Framework 2018–21 was used to prioritise investment in land transport activities and programmes for the 2018–21 NLTP. Following this prioritisation, Waka Kotahi applied a business case approach to assess investment proposals in accordance with investment policies and requirements.

Primary and secondary benefits were identified for each proposed investment activity and programme in the NLTP. Table 2 identifies the types of safety, access and environment-related benefits identified.

**Table 2:** *Planned benefits of investments made through the 2018–21 NLTP*

GPS objective	Benefits identified in Transport Investment Online
Safety	Safety, physical health
Access	Access, throughput, reliability, travel time, resilience, comfort and customer experience, financial cost, pricing
Environment	Pollution, noise, greenhouse gases, resource consumption, biodiversity, community cohesion, amenity value

This report describes the amount invested in planned benefits through the 2018–21 NLTP expenditure.

### Review of investment decision-making and benefits frameworks

#### *Outcome of the review of the investment decision-making framework*

Over 2018/19 and 2019/20, Waka Kotahi and the Ministry of Transport reviewed the Waka Kotahi investment decision-making framework for land transport investments. The review was prompted by changes in the GPS to support a system-based, outcomes-focused and mode-neutral approach to assessing transport interventions. The review resulted in:

- a revised set of investment principles
- new tools for business case development, optioning and assessment
- a new monetised benefits and costs manual and a non-monetised benefits manual
- a new benefits framework
- development of supporting materials to lift the sector’s capability when applying the new investment decision-making framework.

See page 232 for more information on the review.

#### *New benefits framework*

The new Waka Kotahi benefits framework aligns with the Ministry of Transport’s Transport Outcomes Framework. A benefits management approach has also been developed to guide how benefit measures are applied, monitored and reported, so all parties understand how and whether benefits are realised from land transport investment.

The 2021–24 NLTP uses the new Waka Kotahi benefits framework to inform investment decisions and measure investment benefits. Table 3 summarises the benefits identified by the new benefits framework and how they relate to the Transport Outcomes Framework.

<sup>4</sup> The scrutiny principle is set out in the Land Transport Management Act 2003 (section 96) and relates to Waka Kotahi decisions on land transport planning and funding under subpart 1 of part 2 of the Act. A report on the implementation of systems and procedures to give effect to the scrutiny principle is included in the Waka Kotahi annual report 2020/21.

**Table 3:** New benefits framework mapped to the Transport Outcomes Framework

Transport outcome	Related benefits in new benefits framework
<b>Healthy and safe people</b>	<ul style="list-style-type: none"> <li>▪ Impact on social cost and incidents of crashes</li> <li>▪ Impact on a safe system</li> <li>▪ Impact on perceptions of safety and security</li> <li>▪ Impact of mode on physical and mental health</li> <li>▪ Impact of air emissions on health</li> <li>▪ Impact of noise and vibration on health</li> </ul>
<b>Inclusive access</b>	<ul style="list-style-type: none"> <li>▪ Impact on mode choice</li> <li>▪ Impact on access to opportunities</li> <li>▪ Impact on user experience</li> <li>▪ Impact on community cohesion</li> </ul>
<b>Resilience and security</b>	<ul style="list-style-type: none"> <li>▪ Impact on system vulnerabilities</li> <li>▪ Impact on heritage and cultural values</li> <li>▪ Impact on landscape</li> <li>▪ Impact on townscape</li> <li>▪ Impact on te ao Māori</li> </ul>
<b>Environmental sustainability</b>	<ul style="list-style-type: none"> <li>▪ Impact on greenhouse gas emissions</li> <li>▪ Impact on water</li> <li>▪ Impact on land and biodiversity</li> <li>▪ Impact on resource efficiency</li> </ul>
<b>Economic prosperity</b>	<ul style="list-style-type: none"> <li>▪ Impact on system reliability</li> <li>▪ Impact on network productivity and utilisation</li> <li>▪ Wider economic benefit (productivity)</li> <li>▪ Wider economic benefit (employment impact)</li> <li>▪ Wider economic benefit (imperfect competition)</li> <li>▪ Wider economic benefit (regional economic development)</li> </ul>