

Tirohanga whānui o te tau 2021/22

Overview
of 2021/22



He tirohanga whānui nā te heamana me te pou whakahaere

Chair and chief executive overview

Ko te whāinga nui a te Kaupapa Tūnuku Whenua ā-Motu 2021-24 kia haumarua ake, kia toitū ake te taiao, ā, kia tuwhera ake te pūnaha tūnuku mō Aotearoa. He mahi hira kua oti i a mātau ko ō mātau pātui haumitanga o ngā kaunihera ki te whakatutuki i taua manako nui, me te tino nui haere o ngā mahinga kua whakaritea i te nuinga o ngā wāhi.

E whirinaki ana te whakatutukitanga whānui o te Kaupapa Tūnuku Whenua ā-Motu 2021-24 (NLTP) ki te toitū me te mōhio ki ngā ara moni whiwhi Tahua Tūnuku Whenua ā-Motu (NLTF). He tino uaua tēnei, ā, te āhua nei ka pērā tonu mō tēnei wā tonu.

Nā te whakaputanga o te Te Tauākī Kaupapa Here a te Kāwanatanga mō ngā waka whenua 2021, te Tauākī Kaupapahere a te Kāwanatanga (GPS) mō te tūnuku whenua 2021 i whakawhānui i te whānuitanga me ngā tūmanako o ngā mea ka whakatutukihia e mātau me ō mātau hoa mā te NLTP.

Pērā anō i ētahi atu whakahaere, kua pā mai ki a Waka Kotahi me ōna hoa pātui ngā raru ōhanga mai i te KOWHEORI-19, ā, he nui te whakararu ki te ara ratonga me te whakapikinga utu. I whai pānga ēnei raru ki ngā utu me te whakararanga o ā mātau kaupapa pūrawa maha me te tautiaki rawa. Kei te tino hē kē atu ēnei āhuatanga nā te itiiti me te tino whakataetae o te rāngai mahi.

Kua tuku taurewa te kāwanatanga i te \$2 piriona ki a Waka Kotahi hei whakatutuki i te whānuitanga me ngā tūmanako o te NLTP 2021-24, me te tuku i ngā pūtea a te Karauna hei whakangāwari i ngā pānga o ngā noho rāhui o te KOWHEORI-19, tae atu ki te pānga o te mate urutā ki ngā huringa o ngā whanonga hāereere me te whakamahinga o ngā ratonga tūnuku tūmatanui. Nā tēnei i taea ai e Waka Kotahi te whakapiki haere tonu te haumitanga ki te tūnuku tūmatanui, ahakoa te heke o te tautokonga me ngā moni whiwhi mai i te tūnuku tūmatanui. Kua whakakāia anōtia e te kāwanatanga te NLTF hei whakatautika i ngā pānga o ngā poronga tāke kora.

Ko ngā tautoko ā-pūtea mai i te kāwanatanga i roto i tēnei NLTP ka taea e Waka Kotahi me ōna hoa te whakarato kia nui ake i roto i te wā o te Kaupapa Tūnuku Whenua ā-Motu.

Kei te tino tautoko mātau i te Arotake Moni Whiwhi a Tūnuku Whenua i whakahautia e te kāwanatanga i te Ākuhata 2021, e whai ana ki te whakarite me pēhea, ā, e hia te roa e pūmau ai te ara pūtea. Ahakoa i āwhina ngā tautoko ā-pūtea mai i te kāwanatanga i te 2021/22 ki te whakamāmā i ētahi o ngā pēhitanga ā-pūtea i roto i te wā poto, kāore e whakaritea e tērā ngā whakaritenga pūtea haere ake nei.

E tautoko ana a Waka Kotahi i te whakaheke i te tukunga waro o te pūnaha tūnuku whenua hei kaupapa matua mō Aotearoa me te mōhio ki tō mātau wāhanga mō te whakatutuki i te whakahekenga tukunga waro āpōpō. Kāore e kore ka iti iho te whakawhirinaki ki ngā waka tūmataiti me ngā koranehe i te whakahekenga tukunga waro, ā, ka whakaiti i ngā moni whiwhi mai i te tāke kora me ngā nama kaiwhakamahi rori – koinei ngā puna matua o ngā moni whiwhi a te Tahua Tūnuku Whenua ā-Motu. Ka whakanui ake tēnei i ngā pēhitanga ki te

tahua nā ngā pānga o te mate KOWHEORI-19, arā ko te heke o ngā moni whiwhi mai i te tāke kora me ngā nama kaiwhakamahi rori nā te heke o te haere i runga rori.

I te kino haere o ngā pānga o te huringa āhuarangi, kua tino piki kē ngā pēhitanga ki ngā tahua tautiaki hei utu i ngā kaupapa me ngā tapitapi ohotata kua whakaritea. I te tau 2021/22 i urupare ngā mana tūnuku ki ngā āhuatanga huarere kino nui. He mea taketake te whakaotinga o ngā mahi ohotata hāngai kia noho haumaruru tonu ai, kia noho honohono ai ngā hapori. Engari, nā tērā i hīkina ai ētahi hōtaka tautiaki i whakaritea mō tērā tau nā te iti rawa o ngā pūtea me ngā rawa e hiahiatia ana hei whakaoti i ngā mahi ohotata me ngā mahi tautiaki kua whakaritea.

He otinga wā poto ngā tapitapi ohotata. I roto i te wā, me whai haumitanga nui atu anō hei whakapiki i te pakari ake o te kōtuinga nā ngā huarere kino me te pikitanga o te moana. I te mea he whenua pae moana a Aotearoa, ka tino pā mai ēnei āhuatanga huringa āhuarangi ki a tātau, ā, ko ngā pānga kino rawa ka pā ki ngā hapori whakaraerae me te taratahi.

He nui ngā mea kua taea ahakoa ēnei uauatanga i mua i a mātau me ō mātau hoa. Kei roto i tēnei ko te whakatutuki i ngā whakapaitanga o te Ara ki te Kore mō te tere me te tūāhanga me te whakarewa i te kaupapa whakahau tūmatanui mō te Ara ki te Kore. E whai ana te kaupapa whakahau ki te huri i te āhua o te kōrero a Aotearoa mō te haumaruru rori, ā, kua tīmata kē me tēnei mā te kaupapa whakahau pāpāho pāpori nui rawa me te iwi whānui kua whakahaerehia e mātau.

I taea ētahi tohu nui hira mō te whakatutuki i ngā kaupapa pūrawa nui, tae atu ki te whakatuwheratanga o Te Aranui o Te Rangihaeata me te whakaroa ake i te Ara Pahi o te Raki. I tutuki anō ngā tohu nui hira mā ngā haumitanga i roto i te Kaupapa Whakahāngai Tūnuku o Tāmaki Makaurau me Let's Get Wellington Moving. I ngā wāhi tuawhenua me ngā porowini i Aotearoa, i arotahi ngā haumitanga o ngā whakapaitanga tūāhanga kia noho tūhono tonu ngā hapori noho tawhiti me te tae atu o ngā rawa ki te mākete.

Kua tīmata te whakatinanatanga o te Mahere Rēra o Aotearoa hei whakapai haere i te āhua o te kōtuinga rēra. Ka tautoko tēnei i ngā ratonga onāiane me te whakarato i tētahi kaupapa mō te whakatipu, e nui ake ai ngā kōwhiringa ki te tangata mā te tuku i tētahi kōwhiringa tūnuku kē.

He maha ngā kaha me toro atu hei whakatutuki i ngā whāinga huringa āhuarangi me te toitūtanga taiao a te kāwanatanga. Kei roto i tēnei ko te whakaū i ngā mātāpono toitūtanga mō te hanga mahere me te whakatutuki, te whakarato, te whakarato i ngā kōwhiringa tūnuku atu anō mā te tangata me te kawē rawa, te mahi tahi mō ngā kaupapa whakaheke kiromita waka, te tautoko i ngā kaupapa kia mā ake ngā waka me te tūnuku tūmatanui, me te tuitui taura here angitu ki te hunga whai pānga. Kei te whakatinana anō tēnei i a Tiro Arorangi, tā mātau mahere urutau huringa āhuarangi. Kei te mahia tonutia te mahere, ā, he mahi hira tēnei i raro i te Mahere Urutaunga ā-Motu.

Kei te pūmau tonu a Waka Kotahi ki te whakarato i tētahi pūnaha tūnuku toitū, haumaruru me te tuwhera. Mā tētahi tauira tuku pūtea toitū, he wāhanga hira tonu te haumitanga mai i te NLTF mō te tautoko i tēnei uaratanga, e āwhina ana ki te tūhono i te tangata, ngā hua me ngā wāhi, ā, kia taea ai te hanga mahere me ngā kaupapa kia momoho ai a Aotearoa.



Sir Brian Roche KNZM
Chair



Nicole Rosie
Chief Executive



He tirohanga whānui nā te heamana me te pou whakahaere

Chair and chief executive overview

The 2021-24 National Land Transport Programme has the ambition for a safer, more environmentally sustainable and more accessible transport system for Aotearoa New Zealand. We and our local government investment partners have made important steps toward achieving that ambition, with significant increases in activity planned across most areas.

Overall achievement of the 2021-24 National Land Transport Programme (NLTP) ambition is dependent on National Land Transport Fund (NLTF) revenue streams being sustainable and predictable. This has been particularly challenging and is likely to remain so for the immediate future.

The release of Te Tauākī Kaupapa Here a te Kāwanatanga mō ngā waka whenua 2021, the Government Policy Statement (GPS) on land transport 2021 broadened the scope and expectations of what we and our partners would deliver through the NLTP.

Like many other organisations, Waka Kotahi and its partners have also been affected by the economic fall-out from COVID-19, which has seen significant supply chain disruption and price inflation. These issues have affected costs and delivery of many of our capital projects and asset maintenance. These factors are being exacerbated by a tight and increasingly competitive labour market.

The government has loaned Waka Kotahi up to \$2 billion to meet the scope and expectations of the 2021-24 NLTP and has provided Crown funds to offset some of the impacts of COVID-19 lockdowns, including the impact of the pandemic on changes to travel behaviours and use of public transport services. This enabled Waka Kotahi to continue to increase investment in public transport, despite reduced public transport patronage and revenue. The government has also topped up the NLTF to offset impacts of this year's fuel tax cuts.

The financial support received from the government in this NLTP is enabling Waka Kotahi and its partners to deliver much more during this National Land Transport Programme period.

We are in full support of the Land Transport Revenue Review commissioned by the government in August 2021, which aims to determine how and over what time the funding path can be stabilised. While the financial support received from the government over 2021/22 has helped to ease some of the funding pressures in the short-term, it will not address our ongoing funding requirements.

Waka Kotahi supports decarbonising the land transport system as a priority for Aotearoa and recognises our role in achieving a decarbonised future. Decarbonisation will inevitably reduce reliance on private vehicles and fossil fuels, which in turn will reduce revenue from fuel tax and road user charges – currently the main sources of National Land Transport Fund revenue. This will exacerbate the pressures put on the fund by the impacts of the COVID-19 pandemic, which included declining fuel tax and road user charge revenue due to reduced road travel.

As climate change impacts have become more severe, the pressure on maintenance budgets to fund both planned programmes and emergency repairs has already increased. In 2021/22 local transport authorities responded to a significant number of severe weather events. Completion of the associated emergency works was critical to communities remaining safe and connected. However, that meant some scheduled programmes of maintenance were deferred to next year because there was not enough funding and resources required to complete both emergency works and scheduled maintenance.

Emergency repairs are also only a short-term solution. Over time, substantial additional investment will be required to increase the resilience of the network in the face of extreme weather and sea level rise. As Aotearoa is a coastal nation, we will be significantly affected by these impacts of climate change, with the worst impacts likely felt by the most vulnerable and isolated communities.

Much has been achieved in the face of the challenges we and our partners have faced. This included delivery of Road to Zero speed and infrastructure improvements and launch of the national Road to Zero public awareness campaign. The campaign aims to change the way Aotearoa talks about road safety and has already begun to do so with the highest public engagement of any social media campaign we have run to date.

Some important milestones in delivery of significant capital projects were achieved, including the opening of Te Aranui o Te Rangihaeata Transmission Gully and the Northern Busway extension. Important milestones were also achieved through investments in the Auckland Transport Alignment Project and Let's Get Wellington Moving. In rural and provincial Aotearoa, investment in infrastructure improvements focused on keeping geographically distanced communities connected and getting goods to market.

Implementation of the New Zealand Rail Plan is under way to restore the condition of the rail network. It will support existing services and provide a platform for growth, giving people more choice by offering an alternative transport option.

Multiple levers will need to be drawn on to achieve the government's climate change and environmental sustainability goals. This includes embedding sustainability principles into planning and delivery, delivering more transport choices for people and freight, partnering on vehicle kilometre reduction programmes, supporting cleaner vehicle initiatives and public transportation, and forming successful relationships with stakeholders. It also includes implementing the Tiro Rangi, our climate change adaptation plan. The plan is in development and is a critical action under the National Adaptation Plan.

Waka Kotahi remains committed to delivering a sustainable, safe and accessible transport system. With a sustainable funding model, investment from the NLTF will continue to play an important role in supporting this vision, helping to connect people, products and places and enabling the planning and projects that will help Aotearoa thrive.



Sir Brian Roche KNZM
Chair



Nicole Rosie
Chief Executive



About the land transport investment system

About this report

Waka Kotahi is responsible under the Land Transport Management Act 2003 for allocating and investing the National Land Transport Fund (NLTF) and preparing the National Land Transport Programme (NLTP). Under section 11 of the Act Waka Kotahi must prepare an annual report on the NLTF that includes how the activities funded under the NLTP contribute to achievement of outcomes set out in 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. The activities in the NLTP are planned, invested in and delivered as a co-investment partnership between Waka Kotahi, local and regional authorities, New Zealand Police, KiwiRail and other transport sector partners in line with statutory requirements. 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 first annual report under the GPS for 2021/22 to 2030/31 (GPS 2021).

Statement of performance for activity classes funded by the National Land Transport Fund

The following information forms the statement of performance for the 11 activity classes funded by the NLTF.

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National Land Transport Fund

The NLTF is a dedicated fund for maintaining and developing local and national transport infrastructure, services and activities. The NLTF is made up of funding from:

- **fuel excise duty** – excise collected at source 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 rentals and sales** – rentals and other charges on state highway property and from the sale of land surplus to transport requirements
- **track user charges** – charges collected from KiwiRail
- **surplus and short-term debt movement** – use of surplus from a previous NLTF and movement in short-term debt
- **Crown** – the Crown provides funding to support the Rail Network Investment Programme and to offset the cost of the fuel tax reductions, and it also provides money to Waka Kotahi (rather than to the NLTF) to help supplement the NLTF to achieve specific policy objectives such as NZUP and half price fares.

It is a co-investment partnership governed by the statutory framework between Waka Kotahi, which uses the NLTF to invest on behalf of the Crown, and approved organisations.¹ Waka Kotahi assesses and prioritises which activities proposed by approved organisations will be invested in on behalf of the Crown.

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 the government's plan for investing in the land transport system to realise the government's long-term transport outcomes.²

The GPS is refreshed every three years. The GPS 2021 is now in effect. The four strategic objectives 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 the NLTF. The NLTP sets out activities expected to be funded from the NLTF under the Land Transport Management Act 2003. It takes into account local government's regional land transport plans, which set out the land transport priorities for each region and need to be aligned with the GPS for funding.

The NLTP includes:

- committed funding from previous NLTPs for transport improvements that are generally large scale and under way
- continuous programmes, such as road maintenance and public transport services
- new activities Waka Kotahi will consider funding, which are developed collaboratively in line with statutory requirements, including giving effect to the GPS and taking into account regional land transport plans.

¹ An approved organisation is a regional council, a territorial authority or an approved public organisation (such as the Department of Conservation) with authority to invest local funding on behalf of ratepayers.

² For more information, see Te Manatū Waka Ministry of Transport (2021) Te Anga Whakatakoto Hua mō ngā Waka: Transport Outcomes Framework (webpage). www.transport.govt.nz/area-of-interest/strategy-and-direction/transport-outcomes-framework

Waka Kotahi investment approach

The primary objective of Waka Kotahi under the Land Transport Management Act 2003 is 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 from the NLTF across transport modes to meet its objective and give effect to the GPS and help deliver a safe, integrated, well-connected and sustainable land transport system within available funding.

Waka Kotahi works closely with its co-investment partners and stakeholders such as local communities and national policy makers to ensure the transport solutions deliver the best outcomes for Aotearoa.

Investment principles

When considering the best mix of activities to receive investment funding in line with statutory requirements, Waka Kotahi applies the following investment principles to guide investment policy:³

- 1. Invest in the transport system to achieve multiple outcomes.** Waka Kotahi invest to deliver key land transport outcomes and GPS on land transport priorities. Waka Kotahi encourages activities and packages of solutions that are deliberately designed to deliver multiple outcomes, including contributing to wider government priorities and wellbeing where transport has a role to play.
- 2. Take a robust approach to delivering best value for money.** To ensure the most effective and efficient solutions are implemented, Waka Kotahi require an appropriate assessment of options and the application of its intervention hierarchy. When assessing 'value', Waka Kotahi consider social, environmental, safety, cultural and economic impacts, whole-of-life costs and benefits. Waka Kotahi ensure an equitable sharing of costs to reflect both public and private benefits.
- 3. Ensure Solutions are future-focused and adaptable.** Waka Kotahi ensure intergenerational impacts and land-use integration opportunities are considered, so that immediate decisions support long-term system outcomes. Recognising future uncertainty, activities should also be able to adapt to changing technology and be resilient to unexpected events.
- 4. Collaborate and engage with the local government sector to understand and reflect local, regional and national perspectives.** Waka Kotahi work with local government and other investment partners and agencies to plan, seek aligned priorities and coordinate activities. Māori, stakeholder and community engagement informs decision making and helps tailor solutions to local conditions.
- 5. Make decisions following a transparent, risk-based process informed by a strong evidence base.** Waka Kotahi is open, clear and impartial when making investment decisions. Waka Kotahi uses timely, agile, right-sized and fit-for-purpose processes that are easy to understand and scaled to the appropriate level of risk. Waka Kotahi will continue to improve future investment decision making through the ongoing evaluation of results to ensure evidence remains robust.

³ These principles sit alongside the operating principles in the Land Transport Management Act 2003 and guide the application of existing and development of new investment policies.

Waka Kotahi investment decision-making approach

To develop the NLTP in accordance with relevant statutory criteria, including giving effect to the GPS, Waka Kotahi uses an investment decision-making framework and process (outlined in figure 1) that includes the Investment Prioritisation Method 2021-24, and the investment policies and guidance in the Waka Kotahi Planning and Investment Knowledge Base. The basis for prioritisation, assessment and investment decisions is set out on the Waka Kotahi website, which also describes the investment decisions made during the year.

For each activity or programme included in the NLTP, the principles of the business case approach need to be applied in considering options to achieve the desired outcomes. A preferred solution is put forward for an investment decision. The Waka Kotahi Board makes significant investment decisions, and, under the delegation rules, Waka Kotahi managers make other investment decisions. The Board has delegated funding authority to Auckland Transport for investment decisions for its activities in the range of \$2 million to \$15 million.

If the investment is approved, the activity is implemented and benefits from that investment are measured and reported.

For the 2021-24 NLTP, where possible, Waka Kotahi captured baseline and forecast benefits information for all activities submitted for inclusion against a new benefits framework. Assessing whether benefits have been realised will take time as data needs to be gathered and analysed for reporting.

⁴ Waka Kotahi (2022) How decisions are made (webpage). www.nzta.govt.nz/planning-and-investment/funding-and-investing/investment-decisions/how-decisions-are-made

Figure 1 Waka Kotahi investment decision-making framework

