

Tirohanga whānui o te tau 2022/23

Overview of
2022/23



He tirohanga whānui nā te heamana me te pou whakahaere

Chair and chief executive overview

I tā mātou mahi hei kaitiaki o te pūnaha tūnuku ā-papa, i mahi tahi tonu a Waka Kotahi ki ōna hoa rangapū me te hunga whaipānga ki te whakamana i te Tauākī Kaupapahere a te Kāwanatanga mō te tūnuku ā-papa 2021 (GPS 2021) mā te haumi ake ki te Tahua Tūnuku ā-Papa ā-Motu i roto i te Kaupapa Tūnuku ā-Papa ā-Motu 2021-24 (2021-24 NLTP). E whai ana ēnei haumitanga ki te whakatutuki i ngā panonitanga tauroa i whakatakotoria i roto i te Anga Putanga Tūnuku me te matawhānui o te pūnaha tūnuku e tautoko ana i te māmā o te noho me te oranga mā ngā tāngata katoa o Aotearoa.

Ko te tau ahumoni 2022/23 te tau tuarua o te 2021-24 NLTP. I tēnei tau, i haumi ake te \$6.03 piriona mā te NLTP, kei roto ko te:

- \$1.39 piriona mō ngā painga e pā ana ki te haumaruru
- \$2.81 piriona mō ngā painga e pā ana ki ngā kōwhiringa haere pai ake
- \$995.5 miriona mō ngā painga huringa āhuarangi
- \$831.2 miriona mō ngā painga e pā ana ki te whakapai ake i ngā hononga kawewatanga.

I te 2022/23, i urupare a Waka Kotahi me ngā hoa rangapū ki te pāpātanga o te maha ake o ngā āhuatanga huarere i ō te tau o mua. I roto i ō mātou urupare ko te uauatanga nui o te tūhono anō i ngā haporī me te whakaora i te haumaruru me te urunga i muri i te tūkinotanga o ētahi o ngā rohe o Te Ika-a-Māui e ngā āhuatanga huarere taikaha. I roto hoki ko te urupare ki te tūkinotanga ki ngā wāhi maha puta noa i te motu i te Ākuhata 2022, tae atu ki Te Taihū-o-te-Waka, Whakatū, Te Whanganui-a-Tara me Te Tai Tokerau, i aukatihia e te pūnaha huarere korahi i puta ai ngā waipuke, ngā horowhenua me te waipuke o ngā huarahi.

Ahakoia i pōhiritia e mātou te pūtea tūtahi i tukua mai i raro i te Tahua 2023 mō te urupare ohotata tuatahi ki ngā āhuatanga huarere i Te Ika-a-Māui, ehara i te mea he whakakapinga ngā otinga taupoto mō te pūtea toitū tauroa. Kei te pēhia te pūnaha pūtea o nāianei nā ngā pāpātanga o te iti o te haumitanga ki te tiaki rawa, ngā pēhitanga o te pikiutu tukipū ki ngā whakapaunga me te auau o ngā āhuatanga huarere taikaha. Otirā, nā te tere haere o te whakaitinga o te tukuwaro a te pūnaha tūnuku, me te kūkā haere o ngā rohe tāone i hiahia ai kia nui rawa ake

te haumitanga i ngā taumata haumitanga o mua.

He whāruarua nui ināianei i waenga i te pūtea tūnuku ā-papa i matapaetia me te haumitanga e hiahiatia ana hei whakatutuki i ngā wawata o te GPS. Me whai i tētahi otinga pūtea toitū mēnā ka mahi tahi mātou ki ō mātou hoa rangapū ki te hanga i tētahi pūnaha tūnuku ā-papa haumaruru, whāomo, e āhei ana hoki ki te urupare me te urutau ki te huringa āhuarangi. Mā te whakapono ki te tukunga pūtea ā muri ake e āwhina hoki i te haumitanga tauroa me ngā whakataunga whakamahinga whenua e tautoko ana i te wāriu pūrawa ā-māketete nui ake e hiahia ana hei kawē i te tūāhanga e waiwai ana ki te tōnui ā-ōhanga e whai hua ai a Aotearoa whānui.

I a mātou e ahu atu ana ki te tau whakamutunga o te GPS 2021, ka kōrerorero tonu mātou i ngā kōwhiringa o te pūtea toitū ki Te Manatū Waka me Te Tai Ōhanga. Ka ū tonu mātou ki te mahi tahi me ō mātou hoa rangapū ki te haumi ake me te kawē i tētahi pūnaha e whai painga ai ngā hapori o Aotearoa.



Dr Paul Reynolds, QSO
Haemana



Nicole Rosie
Tumuaki

He tirohanga whānui nā te heamana me te pou whakahaere

Chair and chief executive overview

In our role as kaitiaki of the land transport system, Waka Kotahi has continued to work closely with its partners and stakeholders to give effect to the Government Policy Statement on land transport 2021 (GPS 2021) by investing the National Land Transport Fund in the 2021–24 National Land Transport Programme 2021–24 (2021–24 NLTP). These investments work toward the long-term changes set out in the government’s Transport Outcomes Framework and the vision of a transport system that supports liveability and wellbeing for everyone in Aotearoa New Zealand.

The 2022/23 financial year was the second year of the 2021–24 NLTP. This year, \$6.03 billion was invested through the NLTP, including:

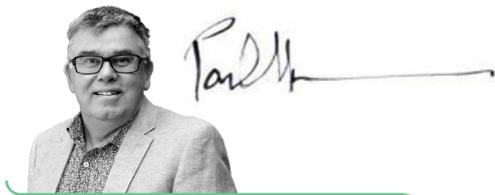
- \$1.39 billion towards safety-related benefits
- \$2.81 billion towards benefits related to better travel options
- \$995.5 million towards climate change benefits
- \$831.2 million towards benefits related to improving freight connections.

During 2022/23, Waka Kotahi and partners responded to the impact of more weather events than in the previous year. Our responses included the significant challenge of reconnecting communities and restoring safety and access after severe weather events devastated parts of Te Ika-a-Māui North Island. They also included addressing the damage caused across many parts of the country in August 2022, including Marlborough, Nelson, Wellington and Northland, which were cut off by a large-scale weather system that caused flooding, slips and washouts.

While we welcomed the one-off funding provided by Budget 2023 for the initial emergency response to the North Island weather events, short-term solutions are not a substitute for long-term sustainable funding. The current funding system is strained due to the combined impact of past under-investment in asset condition, inflationary pressures on costs and more frequent extreme weather events. At the same time, accelerated decarbonisation of the transport system and growing urban congestion require step changes from past levels of investment.

A substantial gap now exists between projected land transport funding and the investment needed to deliver the ambitions of the GPS. A sustainable funding solution is needed if we are to work with our partners to build a land transport system that is safe, is efficient, and can respond and adapt to climate change. Confidence in future funding will also aid long-term investment and land use decisions that support the increased market capacity needed to deliver the infrastructure essential for the economic prosperity that will benefit all of Aotearoa New Zealand.

As we move into the final year of GPS 2021, we continue to discuss options for sustainable funding with Te Manatū Waka Ministry of Transport and The Treasury. We remain committed to working with our partners on investing in and delivering a system that benefits the communities of Aotearoa New Zealand.



Dr Paul Reynolds, QSO
Chair



Nicole Rosie
Chief Executive

About this report

Waka Kotahi is responsible under the Land Transport Management Act 2003 (section 11) for allocating and investing the NLTF and preparing the NLTP. It must prepare an annual report on the NLTF, which must include how the activities funded under the NLTP contribute to the 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 in partnership between Waka Kotahi, local and regional authorities, New Zealand Police and other transport sector partners, including KiwiRail. Where Waka Kotahi is funded to deliver activities in the NLTP, performance on delivery of these activities is also reported in this report.

This is the second annual report against 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 activity classes funded by the NLTF

Activity class	Page
Public transport services	250
Public transport infrastructure	251
State highway maintenance	256
Local road maintenance	257
State highway improvements	255
Local road improvements	254
Walking and cycling improvements	252
Road to Zero	249
Investment management	258
Coastal shipping	259
Rail network	260

The land transport investment system

National Land Transport Fund

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

- **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
- **fuel excise duty** – excise collected at source and recharged in petrol, liquid petroleum gas and compressed natural gas prices
- **motor vehicle registry fees** – registration and licence fees paid by public road users to access the road network
- **Rail Network Investment Programme** – Crown top-up to the NLTF
- **surplus and short-term debt movement** – use of surplus from a previous NLTF and movement in short-term debt.

It is a partnership 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

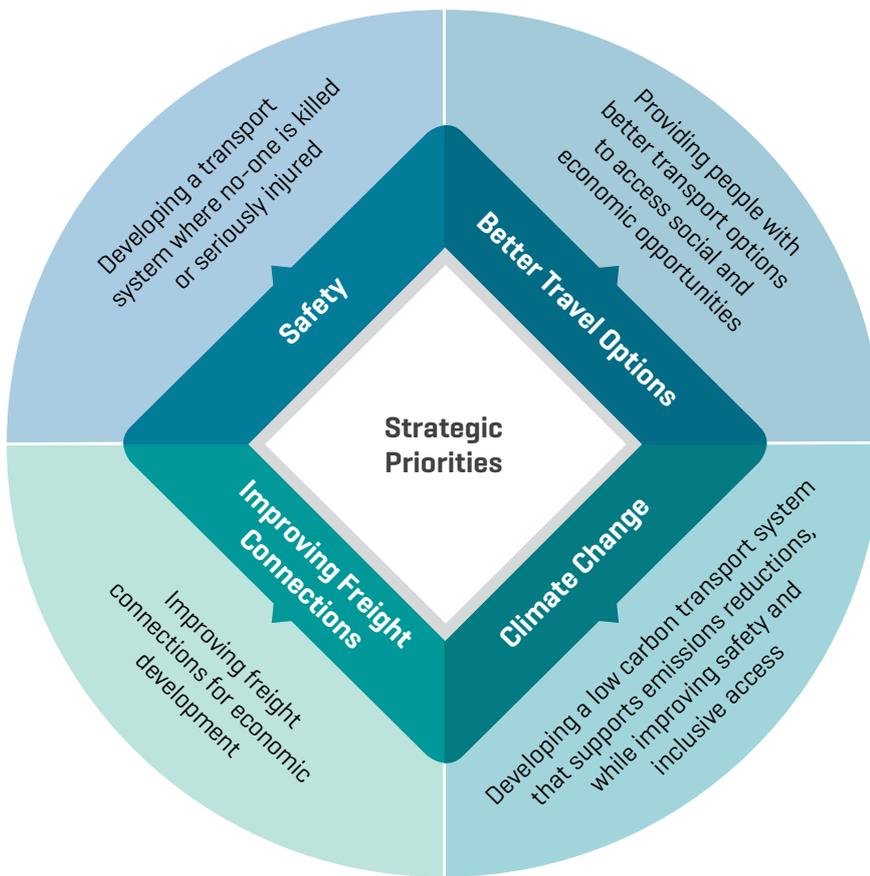
The GPS sets out the government's strategic direction for the land transport system for the next 10 years. The GPS guides how the NLTF is invested and how activities are assessed and prioritised for regional land transport plans. It also sets out the government's plan for investing in the land transport system to realise the government's long-term transport outcomes.²

The GPS is refreshed every three years. GPS 2021 is now in effect. The four strategic objectives of GPS 2021 are safety, better travel options, improving freight connections and climate change (see figure 1).

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 the Ministry of Transport (2020) Te Anga Whakatakoto Hua mō ngā Waka: Transport Outcomes Framework. www.transport.govt.nz/area-of-interest/strategy-and-direction/transport-outcomes-framework

Figure 1 – Strategic direction of the GPS 2021



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 are expected to be funded 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 public transport and road maintenance
- upcoming activities Waka Kotahi will consider funding, which are developed collaboratively using the GPS and regional land transport plans.

Other sources of funding to the National Land Transport Programme

Table 1 - Sources of NLTF funding for the 2021-24 NLTP

Funding source	Description
Local share of NLTP activities	Rates and charges local residents pay for local authority provision of transport infrastructure and services
New Zealand Upgrade Programme (NZUP)	Additional Crown funding
SuperGold card	Subsidies taxpayers pay through the Ministry of Transport to fund SuperGold card for off-peak public transport travel
Crown Infrastructure Package/economic stimulus package	Additional Crown funding
Provincial Growth Fund	Additional Crown funding
NZUP Regional Investment Opportunities	Additional Crown funding
Housing Infrastructure Fund loan	Crown loan to fund acceleration of roading projects to support high-growth urban development in Auckland, Hamilton, Tauranga and Queenstown

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 activities to give effect to the GPS and contribute to an effective, efficient, and safe land transport system in the public interest.

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.

Investment principles

When considering the best mix of activities to receive investment funding, Waka Kotahi applies the following investment principles.³

- Invest in the transport system to achieve multiple outcomes
- Take a robust approach to delivering best value for money
- Ensure solutions are future-focused and adaptable
- Collaborate and engage with the local government sector to understand and reflect local, regional and national perspectives
- Make decisions following a transparent, risk-based process informed by a strong evidence base

Waka Kotahi investment decision-making approach

In developing the NLTP, Waka Kotahi uses an investment decision-making framework and process (outlined in figure 2). This includes an Investment Prioritisation Method 2021–24, legal requirements, investment policies, rules and guidance for prioritisation of activities in the NLTP and investment decisions. The basis for prioritisation, assessment and investment decisions are set out on our website. Policies, rules and guidance relating to planning and investment are set out on the Waka Kotahi website www.nzta.govt.nz/planning-and-investment

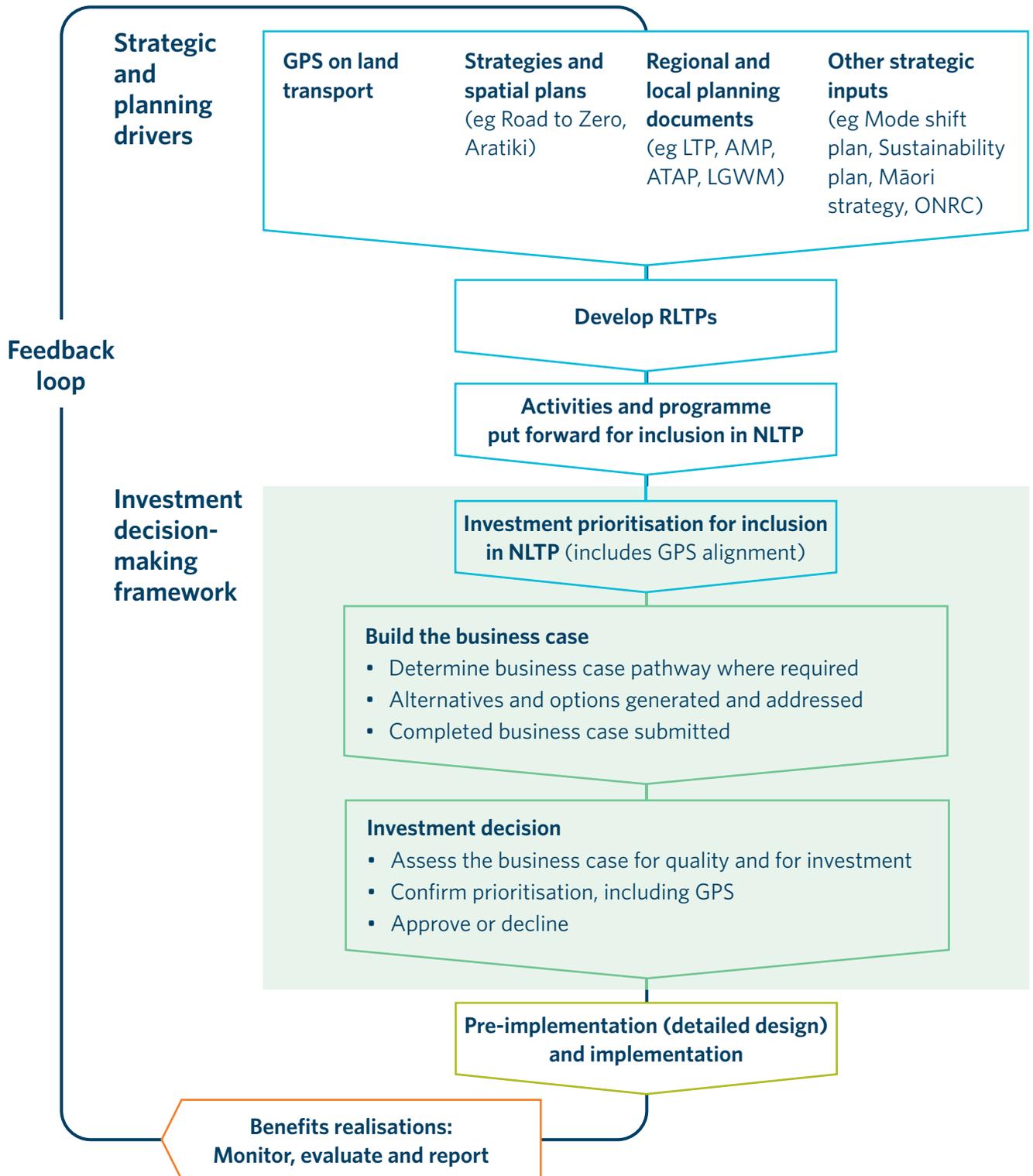
For each activity proposed for inclusion in the NLTP, a business case is developed, and options are identified and assessed. A preferred solution is put forward for an investment decision. Waka Kotahi Board makes significant investment decisions while under the delegation rules, managers within Waka Kotahi make other investment decisions. The Board has also delegated funding authority to Auckland Transport for its investment decisions \$2m-\$15m.

³ These investment principles sit alongside the Land Transport Management Act operating principles and provide an overarching direction for our investment decisions. Further information on these investment principles is on our website <https://www.nzta.govt.nz/planning-and-investment/planning-and-investment-knowledge-base/202124-nltp/202124-nltp-principles-and-policies/investment-principles/>

If the investment is approved, the activity is implemented and the NLTF funding is claimed as costs are incurred. Benefits from that investment are identified so that they can be measured and reported.

For the 2021-24 NLTP, we captured baseline and forecast benefits information for all activities submitted for inclusion against an updated benefits framework. However, assessing whether those benefits have been realised will take some time as data is gathered for reporting.

Figure 2 - Waka Kotahi investment decision-making framework



Note: AMP – asset management plan; ATAP – Auckland Transport Alignment Project; GPS – Government Policy Statement; LGWM – Let’s Get Wellington Moving; LTP – long-term plan; NLTP – National Land Transport Plan; ONRC – One Network Road Classification; RLTP – regional land transport plan.