

Section C

Ngā taipitopito o ngā otinga

Detailed results



Summary of 2022/23

Improving how we delivered our core services

Following a challenging year, our vision of a land transport system that connects people, products and places for a thriving Aotearoa New Zealand is more important than ever. To deliver our vision, during 2022/23, we continued to focus on delivering our core functions and services well, from regulation to planning and investing in the land transport system.

Improving how we deliver our regulatory role is critical to making the land transport network more reliable, safe and sustainable. It's our responsibility to make sure regulations are easy to comply with and hard to avoid, and that they are coordinated with other land transport levers such as infrastructure design, planning and investment management. Our delivery of regulatory services has stabilised since the 2018 regulatory failure, and our performance in 2022/23 shows we are becoming more consistent and effective in our approach. Building on the successes since our first regulatory strategy was released in 2020, we updated Tū Ake, Tū Māia in 2022/23. It has a more outward focus on what we can do across the system and will help us as we strengthen our role as a regulator that is firm, fair and focused on community safety.

To provide better experiences for our people, partners and customers, we're modernising the way we do things by using technology more and in different ways. We have two major digital projects under way: one to transfer and expand the safety camera network and one to plan and implement the country's first integrated public transport ticketing system. We're also making it easier for customers to get what they need quickly and easily. Our website has over 1 million visitors each month. During 2022/23, we upgraded it to provide more accurate search engine results and continued to make more processes available online, so it is easier to do things like pay road user charges without having to travel to an office to do it in person.

We continued to partner with others to deliver infrastructure projects, another of our core responsibilities. The new Ara Tūhono – Pūhoi to Warkworth motorway opened in June 2023, providing an efficient, safe, modern and resilient corridor connecting Tāmaki Makaurau Auckland and Te Tai Tokerau Northland. It is estimated that more than 7000 people worked over 8 million hours to build this new road. This significant and complex project relied on trusted partnerships, including with our treaty partners Hōkai Nuku.

To help us progress Te Kāpehu, our strategic direction, we developed four new priorities. These will guide us as we prioritise our work and will help us leverage our organisation to deliver better outcomes for New Zealanders.

We are responding to the climate emergency

Preparing for and responding to the impacts of climate change and environmental conditions will shape every aspect of our work for decades to come. As kaitiaki of the land transport system, we are changing the way we plan, build, maintain and use transport infrastructure. We need to champion more sustainable, accessible and equitable transport options that enhance the vibrancy and wellbeing of our communities, now and in the future.

We are making it easier for customers and users of the land transport system to support the country's decarbonisation goals. During 2022/23, this work included continuing to deliver the Clean Car Discount, introducing the Clean Car Standard and progressing the national ticketing solution. We worked with partners to make the public transport system more reliable and efficient by continuing to provide discounted public transport, improving pay and conditions for bus drivers, and preparing to implement the Community Connect programme from 1 July 2023.

Our initiatives to support people to drive at safer speeds, including expanding the safety camera network, also reduce emissions and transport noise and improve air quality. This is important because air-borne pollution from transport contributes to the premature deaths of more than 2200 New Zealanders every year. In May 2023, we updated the Rightcar environmental ratings system so it more directly relates to impacts on human health. This is a positive step to help New Zealanders make informed transport choices and underscores our collective responsibility to create a safer, healthier and more sustainable transport system for everyone, that meets the needs of the way we live and work, now and in the future.

The reality of a changing climate and environmental conditions is already being felt across the motu. The severe weather events during 2022/23 highlight how important adapting the land transport system is to avoid ongoing disruptions, the emotional cost to communities and costly emergency responses. We published Tiro Rangi, our first climate adaptation plan, in December 2022. Tiro Rangi sets the climate adaptation goal that, by 2050, our land transport system is resilient in a changing climate to enable a system that improves wellbeing and liveability. Adapting to, and mitigating the effects of, climate change will be complex to get right, so we need a more sustainable approach, and to innovate and work smarter with iwi, our other partners, communities and the private sector.

The land transport system and our infrastructure activities have a significant impact on biodiversity and human health and wellbeing, and we are committed to being more environmentally and socially responsible in our work. We updated our environment and social responsibility policy in 2022/23 to reflect our operating context and address gaps, including working toward reducing land transport emissions, transitioning to lower emission infrastructure, adapting to climate change and using nature-based solutions. It also strengthens existing provisions on working with Māori, urban design and continuous improvement.

Being smarter in how we work and partner with others

As kaitiaki of the land transport system, it's our role to ensure everything is integrated – the people, infrastructure, services and vehicles.

We achieve great things when we demonstrate kotahitanga, working together inside and outside Waka Kotahi. Partnering with iwi, central and local government, and our supply chain underpins everything we do.

Over the last year, we changed how we work with our partners and stakeholders, taking a more collaborative approach and working to build the capability of our partners, the supply chain and those accountable to us. We are using an alliance model more, including in our infrastructure work and the response to severe weather events. The model has been successfully applied in Auckland for over a decade and used in the response to earlier emergency events. This model makes us focus on the customer, delivers better transport outcomes and is adaptable to the complex environments we work in.

Condition of the state highway network needs to be improved

The state highway network is one of the country's most important and valuable assets, helping people and goods move safely and efficiently across Aotearoa New Zealand. The network supports economic growth and is critical in connecting regions and communities. Our role, as investor and asset owner, is to maintain the state highway network for all New Zealanders.

The state highway network continues to grow and become more complex, and this larger network requires more repair and renewal. Increased freight, heavier vehicles and more intense weather events are also putting more pressure on the network. As a result, the condition of the network is worsening, which is affecting service levels, meaning the network is not as safe as it needs to be.

There has not been enough funding in maintenance and renewal over several years, at the same time as the scope of maintenance has increased. More complex infrastructure such as road safety barriers and new regulations to improve biodiversity and water quality outcomes mean existing funding is not at the level the network requires. Preventive maintenance, which helps limit the impact of emergency events, preserve pavements and minimise network disruption, is falling behind. We are also doing less road surfacing and pavement renewals than required to sustain the condition of the network.

We continued to work with The Treasury and Te Manatū Waka over the last year to understand the scale of investment required to support growth in sector capacity and increase the pace of our maintenance activities. Significant work and investment are required if we are to maintain the state highway network for a safer, resilient and more climate-friendly future. And this will take time.

Safety remained a priority

Deaths and injuries on roads have serious and wide-reaching impacts on people and communities. Moving toward the Road to Zero vision of a land transport system where no one is killed or seriously injured on the roads remained a priority during 2022/23. The vision and targets set in Road to Zero are highly ambitious and require system-wide changes. Over the last year, these changes needed to be balanced with other system-wide challenges such as increasing resilience of the land transport system, improving the condition of the state highway network and responding to emergency events.

Deaths and serious injuries increased in 2022/23, showing we have a long way to go to reach Vision Zero. It is important we hold the course on Road to Zero. We have had some successes that resulted in improved road safety behaviour, including the implementation of safer speeds around schools and marae. We have also set up our regulatory function to support a Safe System, introduced bilingual kura signs, and continued to make infrastructure improvements to help prevent crashes or, if they do occur, to stop people from being killed or seriously injured.

The government's policy reprioritisation in March 2023 significantly limited the scope of some of our safety programmes. These delays give us the opportunity to engage with communities to ensure we get the right safety outcomes for Aotearoa New Zealand as we continue to implement Road to Zero.

Case study

Te Ika-a-Māui North Island weather events

Climate change is having a profound impact on communities in Aotearoa New Zealand. Our climate change adaptation plan, Tiro Rangi, focuses on enhancing responses to climate change impacts. Significant weather events have far-reaching consequences, leading to disruptions in supply chains, causing shortages of essential goods such as food in supermarkets, and isolating vulnerable rural communities. The reliability of infrastructure networks is crucial for communities to withstand and recover from such climate-related shocks.

Te Ika-a-Māui North Island weather events highlighted the urgency of addressing the challenges posed by extreme weather events now and in the future. In response to these challenges, we have played a crucial role in community safety and recovery. We did an amazing job at bringing communities back together and ensuring critical supplies could get through. In the four days after Cyclone Gabrielle, contractors worked tirelessly in challenging conditions to clear slips, remove debris and carry out vital geotechnical safety inspections at dozens of affected sites.

'Our number one priority was restoring access to isolated North Island communities as soon as possible, to enable essential services and supplies to get through', said Mark Owen, our National Emergency Response team spokesperson.

Due to the extensive damage caused by the weather events, the recovery and rebuild will take a long time. Important decisions on how and where resources are allocated need to be made, and we need the appropriate funding to support recovery and rebuild. We already face financial pressures to adequately maintain and improve the transport network. Prioritising our response to the North Island weather events put additional strain on an already pressured funding situation. We need to balance response efforts with improving network resilience.

We and others in government need to prioritise investments in both repairing damage from the weather events and building climate-resilient infrastructure so the transport system is robust and capable of withstanding future shocks.



Progress against Budget initiatives and significant activities

Significant Budget initiatives

Through the Budget process, the government allocates funding to deliver its strategic objectives and priorities. The following table identifies where reporting on progress for significant Budget initiatives we deliver can be found.

Table 1 – Location of reporting on Significant Budget initiatives progress

Initiative	Year funded	Location
Implementing a Clean Car Standard	Budget 2021	Page 39 Page 192
Community Connect - Public Transport concessions for Community Services Cardholders	Budget 2022	Page 47 Page 196
Decarbonising the Public Transport bus fleet	Budget 2022	Page 40 Page 194
Establishment of the Clean Car Discount	Budget 2022	Page 39 Page 192
Mode shift and reducing Light Vehicle Kilometres Travelled - investments, planning and enabling congestion charging	Budget 2022	Page 40 Page 197
Retaining and Recruiting Bus Drivers - Improving Terms and Condition	Budget 2023	Page 47 Page 194
Initial Response to Cyclone Gabrielle and the January Flooding	Budget 2023	Page 27 Page 192

Significant activities

Our significant activities, identified in our statement of performance expectations for 2022/23,³ capture what we planned to achieve through our major programmes, strategies and initiatives. The following table identifies where reporting on progress for each activity can be found.

Table 2 – Location of reporting on significant activity progress

Significant activity	Location
● Safe	
1.1 Progress implementation of the safety camera management system, including the transfer of functions from New Zealand Police	Page 32
1.2 Make final recommendations to Cabinet for a revised regulatory funding and fees regime	Page 59
● Environmentally sustainable	
2.1 Embed our resource efficiency policy data collection and supplier reporting requirements into new contracts and continue negotiations for existing contracts to prepare for the Carbon Neutral Government Programme requirements	Page 182
2.2 Operationalise the Clean Vehicle Discount Scheme	Page 39
2.3 Establish and commence delivery of an integrated work programme for all Climate Emergency Response Fund funded, Emissions Reduction Plan and Carbon Neutral Government Programme activities that involve Waka Kotahi	Page 41
2.4 Partner with councils to develop and begin to deliver the 'cleaner transport choices' package, focused on rapid roll out of urban cycle networks; walkable neighbourhoods; safer, greener, and healthier school travel; and more reliable and user-friendly public transport	Page 40
2.5 Publish a national light vehicle kilometres travelled (VKT) reduction plan that is aligned to the national light VKT reduction target in the Emissions Reduction Plan	Page 40
2.6 Partner with councils, iwi/Māori and community representatives on planning for, and initial development of, light VKT reduction programmes for Tier 1 and Tier 2 urban areas that are aligned to relevant sub-national light VKT reduction targets	Page 40

³ Waka Kotahi (2022) Waka Kotahi tauākī o nga tūmanako whakatutukinga: Waka Kotahi NZ Transport Agency statement of performance expectations – 2023/24. Wellington: Waka Kotahi NZ Transport Agency. www.nzta.govt.nz/resources/nz-transport-agency-statement-of-performance-expectations-main-index/spe-2023-2024

● Effectively and efficiently moving people and freight

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|-----|---|---------|
| 3.1 | Continue to implement our freight action plan to improve connections and movement of freight across the land transport system, whilst reducing emissions in line with Emissions Reduction Plan targets | Page 48 |
| 3.2 | Reassess and update land transport corridor plans to ensure longer-term corridor planning is consistent with emissions reduction objectives and ensure projects, landholdings and other asset planning processes are managed consistently with the updated plans | Page 49 |
| 3.3 | Sign the Participation Agreement for National Ticketing Solution with all parties (including all public transport authorities) and establish the transport and ticketing payments function for piloting and to deliver shared services | Page 47 |
| 3.4 | Progress planning for future rapid transit projects in Auckland (complete the Auckland Rapid Transit Plan with Auckland Transport Alignment Partners), Wellington (complete an indicative business case with Let's Get Wellington Moving) and Christchurch (progress an indicative business case in line with wider spatial planning work with Future Christchurch) | Page 48 |

● Meeting current and future needs

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|-----|--|---------|
| 4.1 | Complete a review of value for money of Waka Kotahi operational spend | Page 56 |
| 4.2 | Implement measures to increase capability and capacity for road user charges compliance monitoring, debt collection and recovery | Page 57 |
| 4.3 | Identify bilingual traffic signs for consultation | Page 57 |

Applying the PBE FRS 48 reporting standard

The PBE FRS 48 standard, which forms part of generally accepted accounting practice, establishes requirements for reporting non-financial performance information. This is the first year Waka Kotahi is applying it to the annual report.

Our performance framework, set in the Waka Kotahi statement of intent 2021–2026, includes the measures and targets we are working to achieve. We regularly review and refine our system outcome, result, output class and appropriation measures to ensure they remain meaningful and relevant, including considering the qualitative characteristics and constraints of performance information set in PBE FRS 48.

In selecting and reporting measures, we have made some judgements and assumptions. Information on the judgements that have the most significant effect on the selection, measurement and presentation of performance measures are included alongside reported results and in the explanatory notes for non-financial performance measures on our website: nzta.govt.nz/resources/annual-report-nzta



Safe

Safe is about ensuring no one is killed or seriously injured when using or working on the transport system

Summary

Implementing Road to Zero

Road to Zero is the national road safety strategy for a transport system where no one is killed or seriously injured. The target is a 40 percent reduction in deaths and serious injuries by 2030 (from the 2018 baseline). This means we need to work with our partners, including New Zealand Police, Te Manatū Waka Ministry of Transport, and local government to ensure the transport system has safe infrastructure, speeds, vehicles, road user behaviour and workplaces.

There were 2894 deaths and serious injuries on the roads over the last year. This number remains unacceptably high. Despite some improvements, such as a reduction in deaths and serious injuries from crashes involving vehicles with low safety ratings and in crashes involving alcohol or other drugs, there were increases in many other types of crashes, including where the speed limit does not align with the safe and appropriate speed. Crash data shows travelling too fast for the conditions is consistently one of the highest contributing factors in fatal and serious injury crashes. The Safety Camera System Programme and Speed Management Programme will improve road safety by establishing a streamlined process for speed management that involves setting safer speeds and implementing a more effective approach to speed enforcement.

Where safer speed limits have been set, for example around some schools and marae, we have seen positive changes in road safety behaviour. In March 2023, the government narrowed the focus of our approach to speed management to focus on the most dangerous 1 percent of state highways where there are the highest number of deaths and injuries and where communities support change. The Land Transport Rule: Setting of Speed Limits 2022 requires certified plans to be in place before we can make most speed changes, so we could not continue to deliver the full Speed and Infrastructure Programme as planned. To continue to support communities to move around safely, we increased the pace of delivering road safety infrastructure interventions such as median barriers and roundabouts. Over time, these interventions are expected to reduce deaths and serious injuries caused by the most common crash types. We are committed to Vision Zero and the targets set in Road to Zero and will continue to partner with communities to deliver road safety solutions that meet their needs.

Enforcement is important to make sure speed reduction changes have the greatest impact on reducing serious deaths and injuries. We know safety cameras discourage excessive speeds, improve compliance with speed limits, and reduce deaths and serious injuries. As part of the Tackling Unsafe Speeds Programme, we are delivering a new approach to safety cameras. Following a range of challenges, including delays in progressing the Land Transport (Road Safety) Amendment Bill and global supply chain issues with sourcing hardware, a staged approach to delivering the safety camera programme was agreed in December 2022. The new approach prioritises the expansion of the safety camera network to achieve greater reductions in deaths and serious injuries sooner. The transfer of existing cameras from New Zealand Police will start in July 2024, a year later than originally planned. The first stage, successfully completed in 2022/23, included setting up and testing a new safety camera prototype to ensure the equipment operated correctly with credible and robust detection performance.

Providing high quality regulatory services

As the lead regulator for land transport, it is our role to improve safety and reduce the risk of harm across the land transport system. Our regulatory function plays a significant role in achieving the ambitious target set in Road to Zero.

We need a sustainable funding model if we are to do a good job as regulator. Following consultation with a range of stakeholders last year, in March 2023, Cabinet agreed to a new funding model for regulatory funding, fees and charges. The new funding model is based on people paying the right and fair amount for the services they are getting and will mean changes to 170 fees and charges. These changes are planned to be implemented from October 2023.

We refreshed *Tū Ake, Tū Māia*, our regulatory strategy, in 2022/23. To help us continue to improve as a regulatory steward, the refreshed strategy takes a whole-of-system approach and broadens the definition of regulation, recognising that all of Waka Kotahi plays an important part in delivering the organisation's regulatory role. Since *Tū Ake, Tū Māia* was first developed in 2020, our delivery of regulatory services has stabilised and we're becoming more effective and consistent in our approach. At same time as we are maturing, the challenges we are facing are changing. We need to actively manage diverse and, at times, conflicting expectations for the land transport system. The new strategy recognises these challenges and reflects changes in the regulatory environment since 2020, including the establishment of the statutory role Te Kaiurangi the Director of Land Transport. *Tū Ake, Tū Māia* will help guide our work for the next decade as we seek to become more visible, agile, responsive and decisive in our regulatory approach and actions.

Case study

Te Tairāwhiti driver licensing trial

A driver licence is more than just a bit of plastic says Kane Patena, former Director of Land Transport.

'Hearing the stories about just how much getting that driver licence means to people is heartening - the confidence it gives them, the freedom it gives them, the opportunities it provides', he says.

Getting a driver licence opens the door to a world of opportunities - jobs, training, support for whānau and social connection. But access to driver licensing is harder for some communities than others.

A partnership between the Tairāwhiti Rural Education Activities Programme (REAP), Waka Kotahi and McInnes Driver Training is making it easier for more people in Tairāwhiti to gain their licence and benefit from the rewards of being licensed.

The Tairāwhiti trial is one of the initiatives being undertaken by the Driver Licensing Improvement Programme, a cross-agency programme we lead.

A key factor in the success of the trial has been the flexibility offered by new community driver testing officers. These officers work for community providers and test students who have completed a community driver licence support programme.

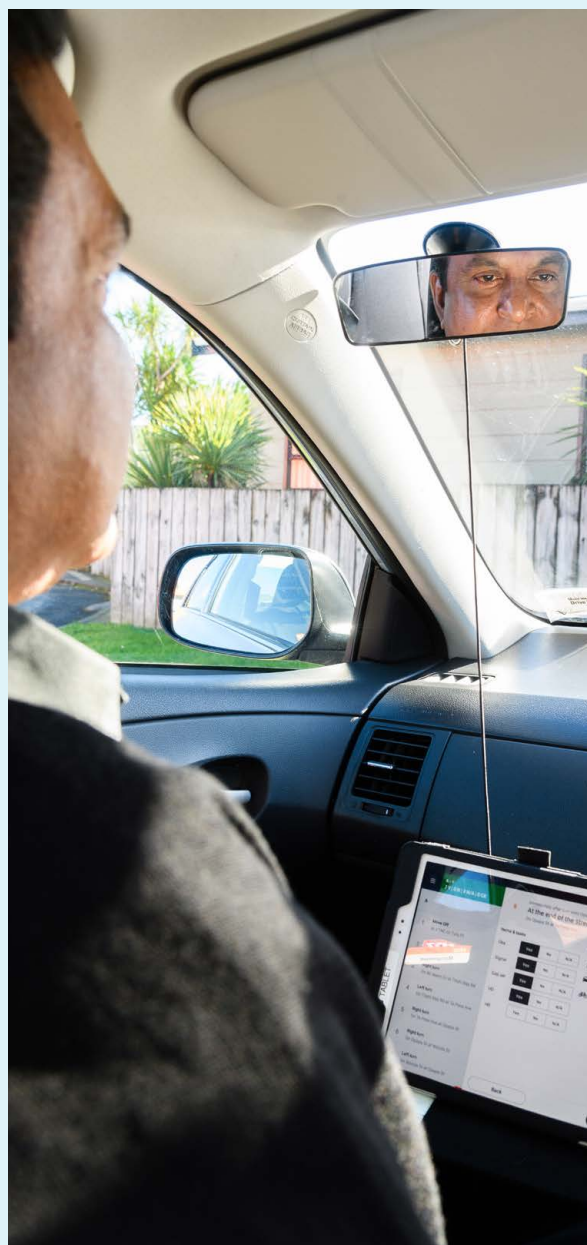
The trial involves the provision of pastoral care, transport and administration support by Tairāwhiti REAP and practical tests can be scheduled with the dedicated officers. These changes have seen an increase in the number of people moving beyond a learners licence and passing the restricted or full driving test.

Using community driver testing officers means community providers can offer more testing times, meaning a dramatic decrease in wait times for scheduling and rescheduling a practical test. Sometimes a re-test can now occur on the same day.

'Waka Kotahi is listening to communities and is committed to trying new things to make driver licensing more equitable and accessible', says Kane Patena.

'If we continue on with this partnership for success approach that we've been able to deliver in Tairāwhiti, it will continue to deliver great outcomes for people,' he said.

Tairāwhiti REAP is supported by the Community Road Safety Fund.



Measuring our performance

System outcome measures

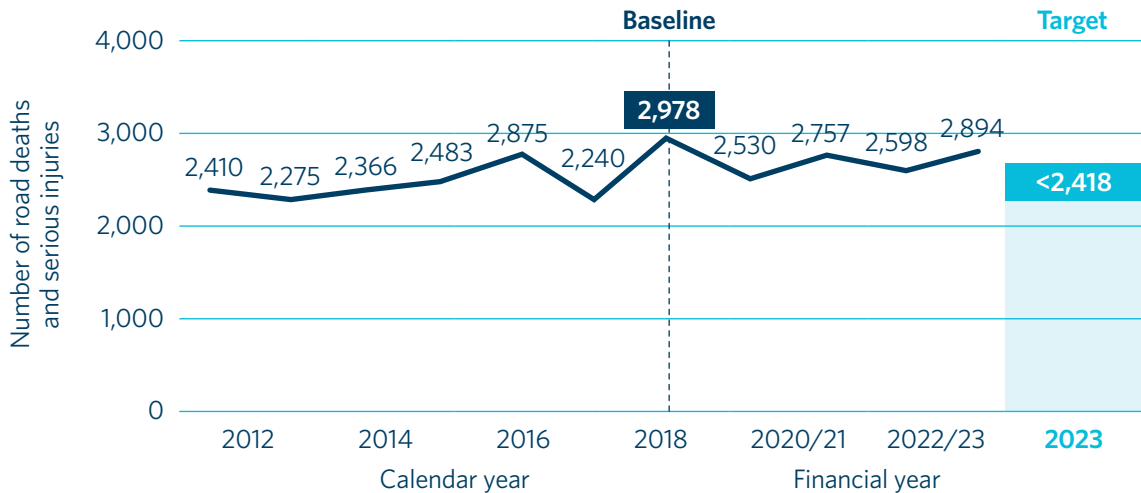
Reference	Measure	Status	Target	2022/23 actual	2021/22 actual
SAFE1	Deaths and serious injuries ^{A B}	Not achieved	<2,418 ^C	2,894 ^D	2,598

Deaths and serious injuries (DSI) remain significantly higher than the target and have increased since 2021/22 (see figure 6).

While there has been some improvement in behavioural-related DSIs (see SRUB1), DSIs from head-on, run-off road and intersection crashes have increased (see STI1 and STI2). The Speed and Infrastructure Programme will help to make speeds and infrastructure safer. In 2022/23, the changes required to implement a new Cabinet direction for the Speed and Infrastructure Programme, along with low public support for speed changes in some areas, meant the programme couldn't be delivered as planned. For more information on how the Cabinet direction has affected programme delivery, see RTZ1, page 76.

We are working on increasing the delivery of speed and infrastructure changes through the programme. Where we have worked with communities to implement speed changes, such as around some marae and schools, we've seen improvements to safety. We're also continuing to work with our partners to increase the pace of delivery of key road safety infrastructure interventions, including median barriers and roundabouts. In time, these interventions will reduce DSIs attributed to the most common crash types (head-on, run-off road and intersection crashes).

Figure 6 - Deaths and serious injuries 2012-2023 (12-month rolling total)

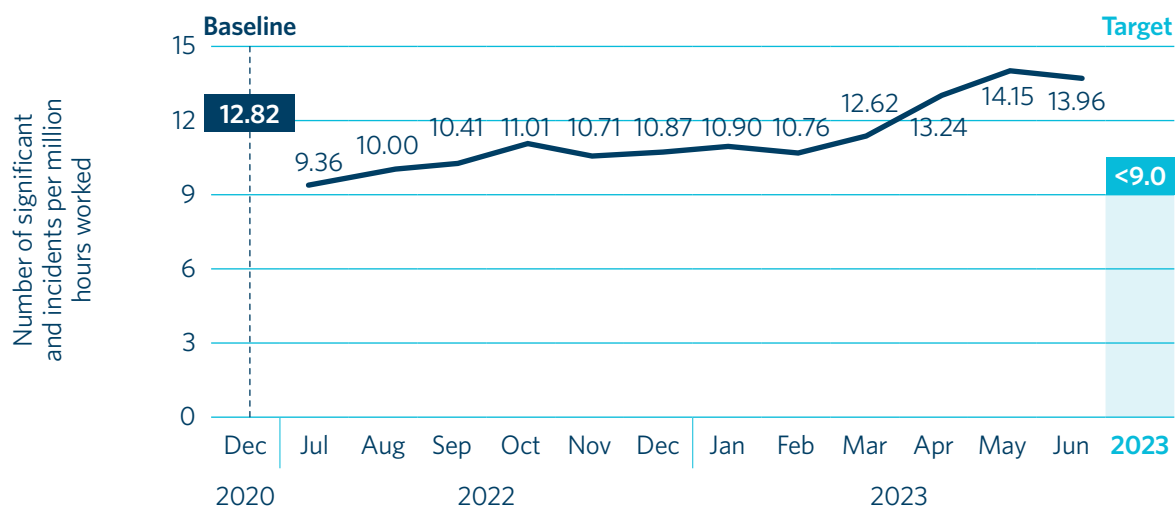


Reference Measure	Status	Target	2022/23 actual	2021/22 actual
SAFE2 Significant incident frequency rate	Not achieved	<9.0 per million hours worked	13.96 per million hours worked	9.32 per million hours worked

SAFE2 is the number of incidents per million hours worked, which can increase if more incidents are reported or if fewer hours worked are recorded. In 2022/23, multiple factors contributed to the increased SIFR. While the incident and work hour reporting systems have improved overall, contributing to more incidents being reported, technical issues in quarter four meant that work hours were underreported for the quarter. Additionally, reporting was not completed for some projects due to internal resource constraints.

We have since resolved the technical issues and continue to improve our reporting platform. Irrespective of the reporting platform challenges the result is not trending down as we intend. We continue to work with our partners and contractors to increase awareness and understanding of health and safety best practice, guidance and trends.

Figure 7 - Significant injury frequency rate, December 2020 - June 2023



^A From 2019/20 onwards, results are a 12-month rolling total to 30 June of each year. Before 2019/20, data was only available to 31 December of each year at the time of annual report preparation.

^B Information received after publication may mean deaths and serious injuries figures need to be adjusted. For example, New Zealand Police may receive fatal crash notifications for a period after the data has been extracted for this table, and some deaths may occur after the reporting period. Additionally, the data for serious injuries sometimes changes as we reconcile hospitalisation data with Crash Analysis System records.

^C The SAFE1 target for 2022/23 was to reduce below 2418 by 30 June 2023 (a 19 percent decrease from the 2018 baseline of 2,978). Our longer-term target is to reduce below 2085 by 30 June 2026 (a 30 percent decrease from baseline).

^D The Road to Zero dashboard which provides the result for SAFE1 is updated continuously. While we have retrospectively updated data from previous years in our systems, we have not changed the prior year actuals presented in this report.

Results measures

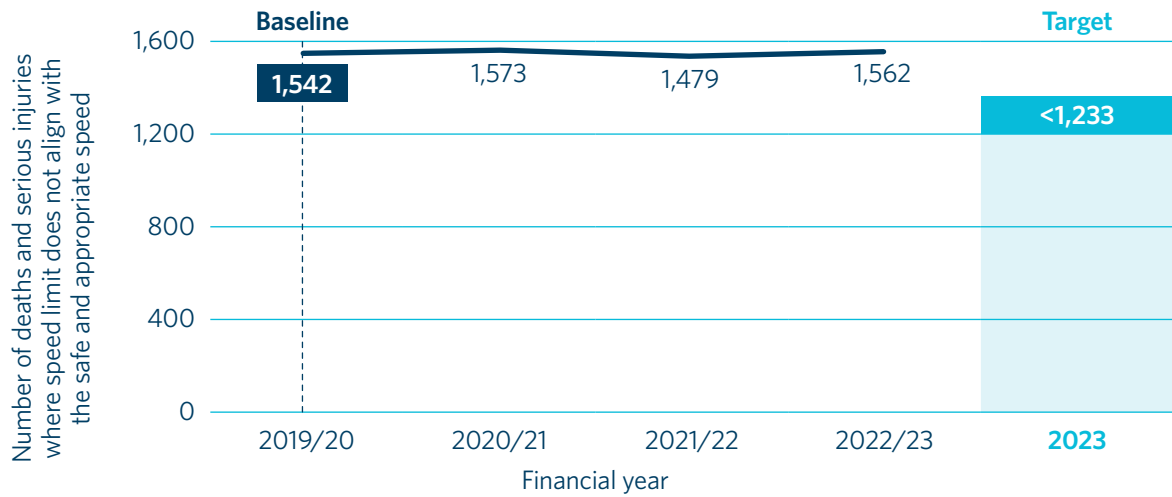
Safer travel and infrastructure

Improving the safety of transport infrastructure and setting safe speed limits to improve the safety of travel across all modes

Reference	Measure	Status	Target	2022/23 actual	2021/22 actual
STI1	Number of deaths and serious injuries where the speed limit does not align with the safe and appropriate speed	Not achieved	<1,233 ^A	1,562	1,479

Speed limit reductions are a proven intervention, and corridors where the speed limit has been reduced are showing improved safety performance. However, progress to reduce speed limits to safer and more appropriate levels has been slower than planned. Many local road controlling authorities are reducing speed limits, but progress to reduce speed limits on state highways has not progressed as quickly. The delayed delivery of the Speed and Infrastructure Programme has contributed to this result (see RTZ1 on page 76 for more information).

Figure 8 – Deaths and serious injuries where the speed limit does not align with safe and appropriate speed



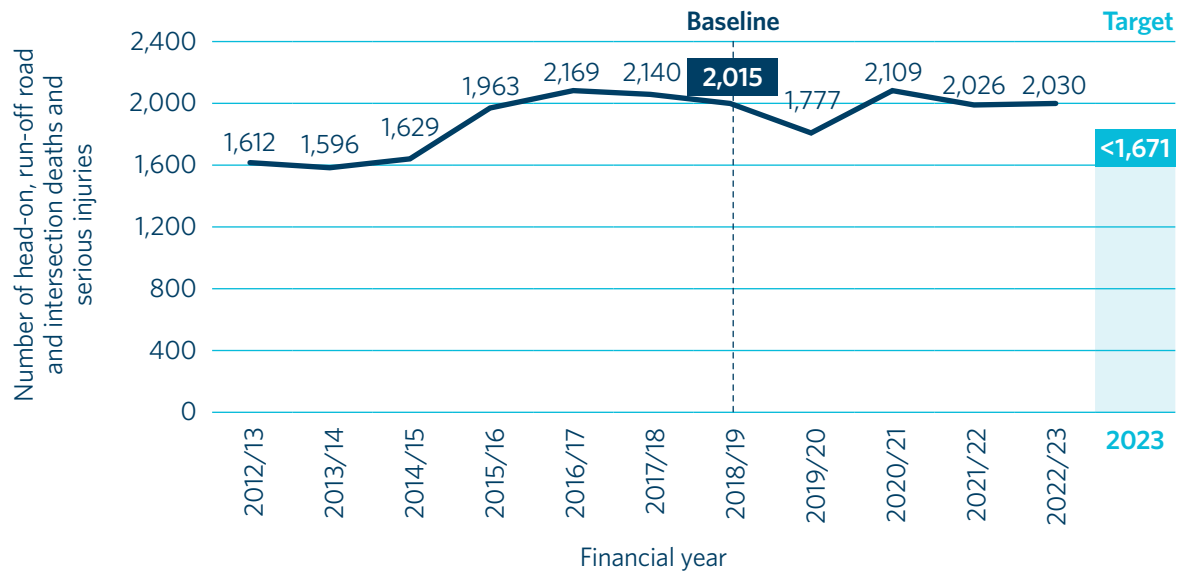
STI2	Number of head-on, run-off road and intersection deaths and serious injuries	Not achieved	<1,671 ^B	2,030	2,026
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DSIs for this indicator remain significantly above the target. As this indicator counts the three most common types of crashes, it is also affecting achievement of the overall DSI target.

The delayed delivery of speed changes on state highways as part of the Speed and Infrastructure Programme is likely to have contributed to this result. The causes of these delays are described in the commentary for RTZ1, page 76.

The programme is, however, increasing the pace of delivery of key road safety infrastructure interventions such as median barriers and roundabouts. In time, this will help to reduce DSIs attributed to the most common crash types (head-on, run-off road and intersection crashes).

Figure 9 - Deaths and serious injuries from head-on, run-off and intersection crashes



^A The ST11 target for 2022/23 was to reduce below 1,233 by 30 June 2023 (a 20 percent decrease from the 2019/20 baseline of 1,542). Our longer-term target is to reduce below 925 by 30 June 2026 (a 40 percent decrease from baseline).

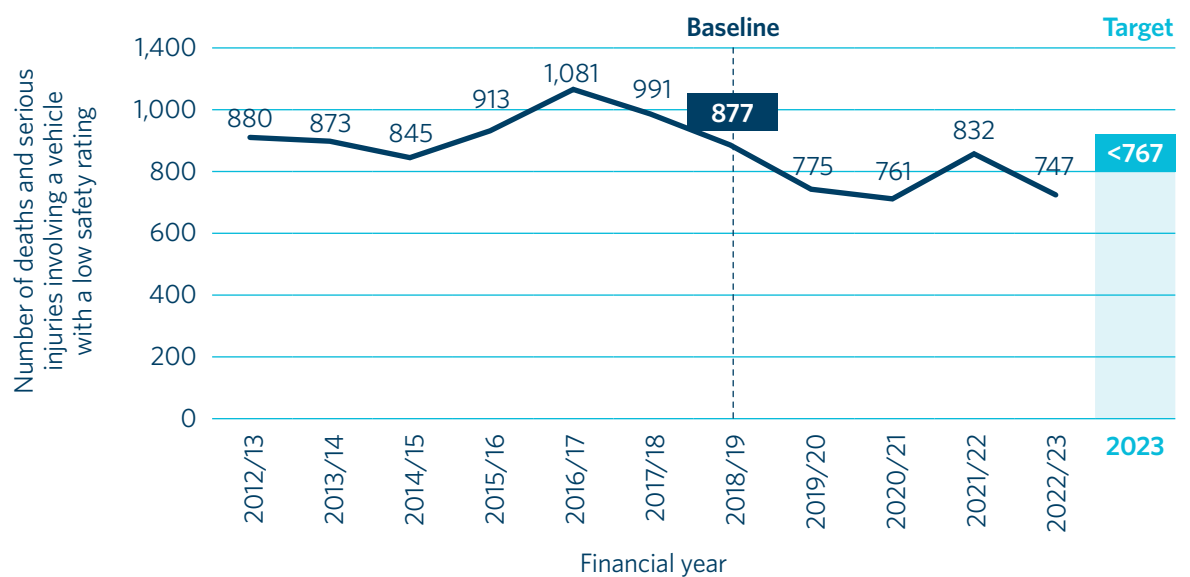
^B The ST12 target for 2022/23 was to reduce below 1671 by 30 June 2023 (a 17 percent decrease from the 2018/19 baseline of 2015). Our longer-term target is to reduce below 1411 by 30 June 2026 (a 30 percent decrease from baseline).

Safer vehicles

Encouraging more people to buy safe vehicles

Reference Measure	Status	Target	2022/23 actual	2021/22 actual
SV1 Number of deaths and serious injuries involving a vehicle with a low safety rating	Achieved	<767 ^A	747	832

Figure 10 - Deaths and serious injuries involving a vehicle with a low safety rating



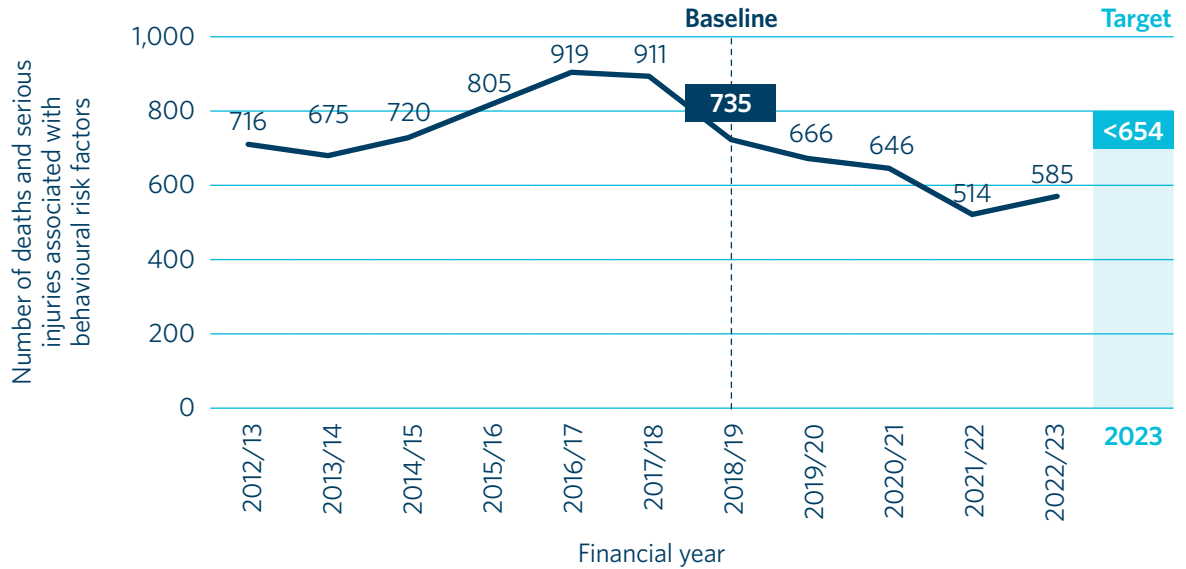
^A The SV1 target for 2022/23 was to reduce below 767 by 30 June 2023 (12.5% percent decrease from 2018/19 baseline of 877). Our longer-term target is to reduce below 702 by 30 June 2026 (20% percent decrease from baseline).

Safer road user choices

Encouraging safer road user choices and behaviours

Reference	Measure	Status	Target	2022/23 actual	2021/22 actual
SRUC1	Number of death and serious injuries associated with behavioural risk factors	Achieved	<654 ^A	585	514

Figure 11 - Deaths and serious injuries associated with behavioural risk factors (use of alcohol and other drugs, and the impact of driver fatigue and distraction)



^A The SRUC1 target for 2022/23 was to reduce below 654 by 30 June 2023 (a 11 percent decrease from the 2018/19 baseline of 735). Our longer-term target is to reduce below 588 by 30 June 2026 (a 20 percent decrease from baseline).



Environmentally sustainable

Environmentally sustainable means reducing harm to and improving the environment with a focus on reducing greenhouse gas emissions

Summary

Reducing emissions from the land transport system

The government's Emissions Reduction Plan (ERP) provides clear direction to transition the country to a low emissions and climate-resilient future. The actions to reduce transport emissions will support a healthier, fairer and more accessible transport system, improved freight efficiency, better road safety outcomes, as well as more pleasant and vibrant spaces for everyone in the community to enjoy.

We, along with our transport sector partners, have a vital role to play in delivering the ERP and are working toward the target of a 41 percent reduction in emissions from the land transport system by 2035 (from 2019 levels). New funding from the Climate Emergency Response Fund will help us achieve the goals set in the ERP. The Decarbonising Transport Action Plan 2022–2025, published in December 2022,⁴ builds on the transport-related actions in the ERP and focuses on enabling New Zealanders to make transport choices that work for them and also reduce emissions.

Transport, primarily land transport, is the second largest source of greenhouse gas emissions and the fastest growing source of emissions in Aotearoa New Zealand. To monitor progress toward the ERP goal, we set a target of reducing emissions from the land transport system below 2019 levels. While this target was achieved, emissions from the land transport system increased in 2022/23 compared for 2021/22 (see ENV1 on page 43). Emissions are estimated to remain high over coming years before starting to decrease. Transformational and intergenerational changes are needed to put the country's transport emissions on the trajectory to a low emissions future, and it will take time to see the results of our interventions.

Supporting the uptake of low emissions vehicles

The Clean Car Discount Scheme paid over \$342 million in rebates to New Zealanders who purchased low or zero emissions vehicles with a three-star or higher safety rating throughout the year. Since the scheme began in April 2022, the proportion of light vehicles that were low or zero emissions almost doubled, increasing from 0.98 percent to 1.86 percent (see ENV2 on page 44 for more detail). We also improved processes during the year to make it easier and quicker for customers to receive their rebate.

The Clean Car Standard took effect on 1 January 2023. The standard regulates light vehicle importers, with the aim of encouraging a greater supply of low and no emissions vehicle imports. To prepare for the standard, we collaborated with external partners, including industry, to develop a new technology system, operational policies and organisational processes.

⁴ New Zealand Government (2022) Mahere Hohenga kia Whakakorea te Waro ā-Kawenga 2022–25: Decarbonising Transport Action Plan 2022–25. Wellington: Te Manatū Waka Ministry of Transport. www.transport.govt.nz/assets/Uploads/MOT4716_Emissions-Reduction-Plan-Action-Plan-PO4-V02.pdf

Despite a slight increase over the last year, the proportion of low emissions vehicles in the light vehicle fleet remains low at 1.9 percent. This highlights the system-wide challenge we face in meeting the ERP target of 30 percent low emissions vehicles in the light vehicle fleet by 2035. Progress in decarbonising vehicles was slowed down by the government's policy reprioritisation in March 2023, which stopped the Clean Car Upgrade and Social Leasing Car Schemes. These schemes were intended to support the public to access more environmentally friendly modes of transport and improve equity of access to cleaner cars.

Providing more sustainable and climate friendly transport options

Alongside decarbonising the country's light vehicle fleet, providing better transport options and improving urban form will be important ways to reduce transport emissions. We developed a national reduction plan for light vehicle kilometres travelled (VKT) in 2022/23, although it has not yet been published. This plan sets out what we will do to achieve the ERP target in partnership with others.

We're also working in partnership with local government, iwi/Māori and community representatives to develop VKT reduction programmes for major urban environments. As these urban environments have the greatest population growth, they also have the greatest capacity to achieve reductions in VKT if lower emissions transport options such as cycling, walking and public transport are safer, more accessible, pleasant, reliable and affordable for people. In 2022/23, we began working with our partners to develop VKT reduction programmes in Auckland, Christchurch, Wellington, Tauranga and Hamilton. We expect these plans to be published by 30 June 2024.

Transitioning the public transport bus fleet from diesel-fuelled to zero or low emissions vehicles will help meet the country's emissions reduction targets. During 2022/23, we engaged with the sector to understand the challenges it is facing and designed a contestable fund to give financial support to public transport authorities as they begin to decarbonise their bus fleets. The contestable fund was announced in April 2023, with the first recipients announced in September 2023. This is a major step towards the target of complete decarbonisation of the bus fleet by 2035.

The Transport Choices Programme will provide people with more transport options and make it easier to travel in ways that are good for everyone and the environment. During 2022/23, we supported councils across the motu to apply for Transport Choices funding, moderated the expressions of interest and provided recommendations to the government. An indicative package of 46 councils and projects was identified in December 2022 and Waka Kotahi has been working one-on-one with councils across the motu to scope these projects. The final package of projects will be confirmed in December 2023. By 30 June 2023, one had started construction in Auckland and one had been completed.

As the lead transport system investor, planner and regulator, we are committed to working with our partners, central and local government, and communities to support New Zealanders to choose more climate-friendly transport options. We continue to look at how things can be done differently across the system, keeping our customers at the centre. The scale of change required to reduce emissions means further government policy changes and investment are required to meet the ambitious ERP targets.

Adapting the land transport system to be more resilient to climate change

Climate change adaptation is one of the biggest challenges facing the country. The increased frequency and intensity of extreme weather events during 2022/23 significantly tested the resilience of the land transport system, disrupted supply chains and isolated communities. While our responses to the severe weather events throughout the year enabled networks and communities to be reconnected as quickly as possible, these events highlight the importance of adaptation and how quickly the country needs to make progress.

The government released the National Adaptation Plan in August 2022 to enable New Zealanders to prepare for and adapt to the impacts of climate change. A critical action in the plan is for us to develop a plan for adapting the land transport system to the reality of a changing climate.

Our plan, Tiro Rangi, was published in December 2022. It brings together the resilience work already under way on the transport network and includes new adaptation actions. Through implementing Tiro Rangi, we will lay a strong foundation and begin the step change for climate adaptation in the way we plan, invest in, design, operate and use the land transport system.

We're developing a transition plan to identify the resources we need to deliver the 21 high level actions in Tiro Rangi and have started work on some of those actions.

Developing an integrated work programme and reducing our own emissions

Our roles, responsibilities and programmes of work continue to increase as we work toward the national emissions reduction and adaptation goals for the land transport system.

In 2022/23, we developed and began to deliver an integrated work programme, bringing together all Waka Kotahi activities required under the ERP (including those funded through the Climate Emergency Response Fund), the National Adaptation Plan and the Carbon Neutral Government Programme. We also developed a climate action tracker tool, an internal view of actions we are accountable for, to help us monitor and manage our actions efficiently and provide decision makers with more transparency and insight into our climate response. We'll continue to refine the tracker in 2023/24.

Toitū te Taiao, our sustainability action plan, sets our vision of a low carbon, safe and healthy transport system. It also identifies the actions we will take to respond to the challenges of reducing transport system greenhouse gas emissions, reducing harm to public health, and reducing our environmental impact and corporate emissions. Our progress in delivering Toitū te Taiao is described throughout this report and summarised in appendix 1, page 168 to 173.

The Carbon Neutral Government Programme aims to accelerate the reduction of emissions within the public sector. Guided by Toitū te Taiao, we have reported on our efforts to reduce corporate emissions in the last two years. This year, we are also required to report on our non-corporate emissions, which come from the construction, maintenance, operation and end-of-life processes of our physical assets (including the state highway network). The scale, volume and nature of our infrastructure activities and assets mean we have significant embodied carbon emissions, and accurately capturing data on these emissions is a considerable challenge. To collect the information we need to understand

our carbon footprint, we continued negotiations with suppliers to update data collection and reporting requirements for existing contracts and included requirements in new contracts. These negotiations are complex and will continue in 2023/24. We also scoped the requirements for a new digital platform to enable the accurate capture of corporate and non-corporate emissions, and will procure the new platform in 2023/24 to support enhancing reporting and target setting in the future.

Our progress in fulfilling the intent of the Carbon Neutral Government Programme is summarised in appendix 1, page 178 to 182.

Case study

Timaru parklet

The Timaru District Council is the first of 46 councils to deliver a project from the government's Transport Choices Programme. The nationwide \$350m programme is giving communities a wider variety of sustainable transport options designed to help cut the country's carbon emissions.

The MyWay parklet in Timaru introduces new relocatable seating and stopping bays for MyWay vans. MyWay is an on-demand transport service, and an alternative to the city's previous scheduled, timetabled bus service. MyWay is a transportation service operating in Timaru, providing affordable and environmentally friendly transport solutions. With a strong focus on accessibility and customer satisfaction, MyWay aims to revolutionise public transport and contribute to a sustainable future.

The Timaru District Council mayor, Nigel Bowen, says the parklet has brought public transport right into the heart of Timaru for the first time and was raising the profile of the

service. 'Ensuring public transport is accessible and desirable is a really important part of making people want to choose environmentally friendly options.'

'This funding means we can do things we might not have been able to do before. We can provide more environmentally friendly transport choices for our people and make things more accessible for people who find it trickier to get around in traditional ways. We're excited to trial this new parklet and get cracking into the other projects that are being funded through Transport Choices', he said.

'All our contributions, both big and small, towards a healthier transport system have an impact', says Kathryn King, our manager of urban mobility. 'Projects like the parklet in Timaru are important in contributing to more vibrant communities. Interim measures like this parklet can build confidence and highlight the benefits really quickly - in turn prompting confidence for a more permanent change.'



Measuring our performance

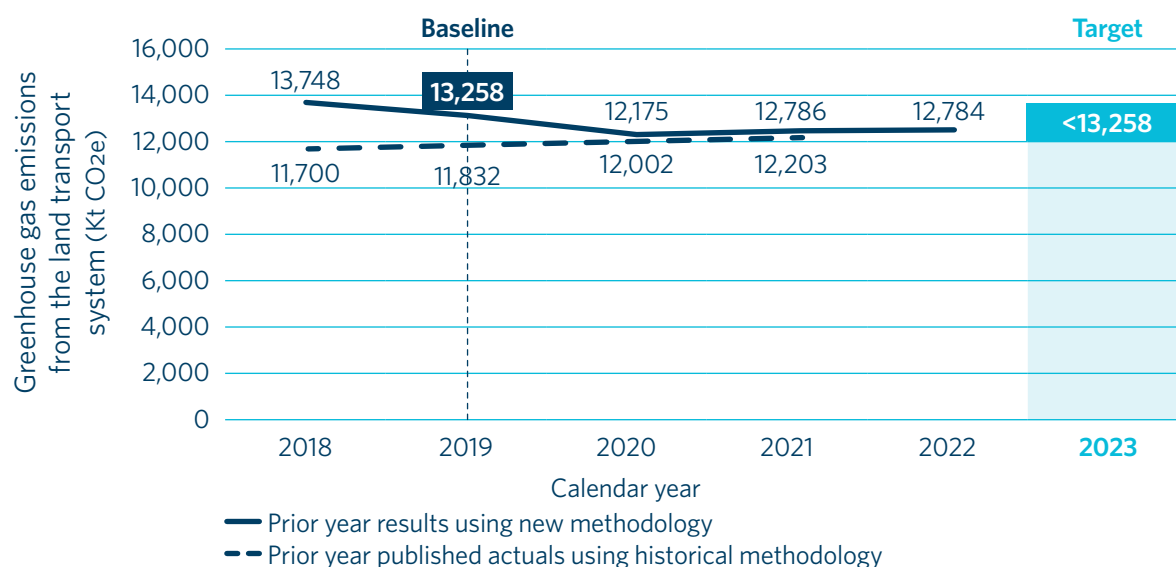
System outcome measures

Reference	Measure	Status	Target	2022/23 actual	2021/22 actual
ENV1	Greenhouse gas emissions from the land transport system ^A	Achieved	Decreasing trend (from the 2019 baseline of 13,116 kilotonnes of CO ₂ e)	12,784 kilotonnes of CO ₂ e	Not comparable due to methodology change (see figure 12)

As signalled in our 2021/22 annual report, in 2023 we adopted the Ministry for the Environment’s approach to measuring greenhouse gas emissions. Details of the new approach are in the performance measure explanatory notes on our website: nzta.govt.nz/resources/annual-report-nzta

When we recalculated historical figures using the new approach, the result for our baseline year (2019) changed from 11,832 kilotonnes of carbon dioxide equivalent (Kt CO₂e) to 13,116 Kt CO₂e. Relative to this revised baseline, greenhouse gas emissions have fallen since 2019 (see figure 12).

Figure 12 – Greenhouse gas emissions from the land transport system



Method

The methodology for calculation of ENV1 is aligned to the NZ Greenhouse gas (GHG) Inventory methodology for measuring road transport emissions⁵. The NZ GHG inventory is the official national reporting required under the UN Framework Convention on Climate Change and the Kyoto Protocol. The NZ greenhouse gas inventory results tend to be published with a 15-month delay in April each year. Waka Kotahi has applied the same calculation methodology and input assumptions as the GHG Inventory calculation to calculate the results for 12-month periods ending on 31 December. The calculation is prepared on a calendar year basis so that the ENV1 results directly align to the GHG Inventory results over time.

The methodology for calculation of 2022 emissions utilises MBIE annual fuel data for land transport for the 12 months to 31 December 2022: <https://www.mbie.govt.nz/assets/Data-Files/Energy/nz-energy-quarterly-and-energy-in-nz/oil.xlsx>

⁵ To date we have not included rail data in the land transport emissions result for ENV1 as this was not available in the previous calculation methodology through the National Vehicle Emission Database. Rail also has only a minor contribution to land transport emissions.

Assumptions

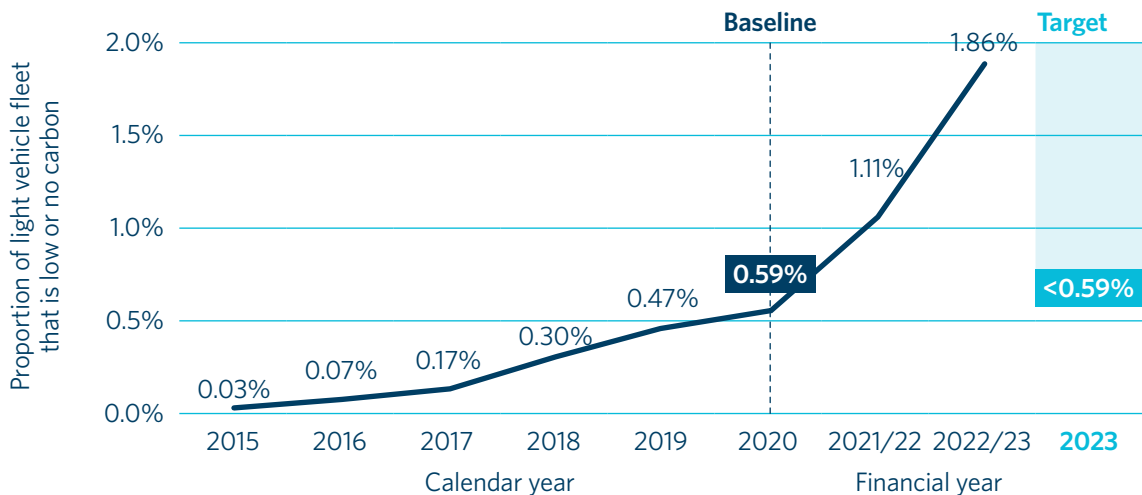
Road transport data relates to on road vehicle use. Findings of the EECA Off-road liquid fuel insights report have been used by MBIE to remove the off-road fuel consumption from the reported MBIE annual fuel data ⁶. Using a top-down approach using MBIE fuel data that aligns with and effectively replicates the MfE GHG Inventory methodology is considered to be the most robust approach for national level reporting.

Limitations

Findings of the EECA Off-road liquid fuel insights report have been used to revise the national fuel consumption for land transport data reported by MBIE. This approach has limitations as the off-road fuel calculation relies on the results of one-off survey data and the survey of recreational boat owners required self-reporting. MBIE fuel data are based on supplier and distributor reports, and therefore there may be a delay which has not been accounted for between when the fuel is supplied to a retailer, and the time the fuel is consumed.

ENV2	Proportion of the light vehicle fleet that are low or no carbon vehicles ^B	Achieved	Increasing (from 2020 baseline of 0.59% ^C)	1.9%	1.1%
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Figure 13 – Percentage of the fleet that is low or no carbon



^A For ENV1 data is shown for the last full calendar year, for example 2022/23 is for the 2022 calendar year.

^B This measure has been revised to align with the ERP transport sector target. Zero-emissions vehicles in the ERP include hybrid EVs.

^C This baseline result is for quarter 2 of the 2020/21 financial year.

⁶ The report can be found at <https://www.eeca.govt.nz/assets/EECA-Resources/Research-papers-guides/Off-road-liquid-fuel-insights.pdf>

Results measures

Increased protection of the environment

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

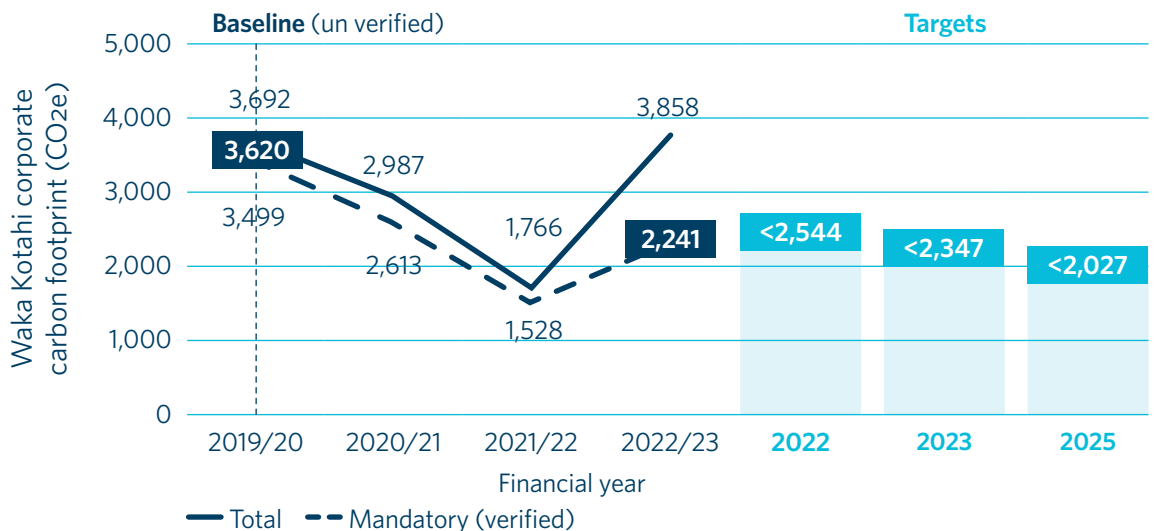
Reference	Measure	Status	Target	2022/23 actual	2021/22 actual
IPOE1	The percentage of projects that are undergoing an Infrastructure Sustainability Council (ISC) rating are progressing on track to achieve an Infrastructure Sustainability (IS) rating	Achieved	Maintaining or increasing	100%	Baseline not set
IPOE2	Waka Kotahi corporate carbon footprint	Achieved	<2,544 tonnes CO ₂ e	2,240.97 tonnes CO ₂ e	1766.17 tonnes CO ₂ e (unverified)

The version of IPOE1 published in the 2022/23 SPE attempted to capture forecast ISC - IS points. After the SPE was published, we found it was not possible to forecast project points as the ISC - IS scheme was still early in its implementation. This meant we couldn't set a baseline in 2021/22 as intended and had to revise the measure and methodology. This report uses the revised measure wording from the 2023/24 SPE, which captures the percentage of projects on track to achieve an IS rating.

Using the new methodology, the 2021/22 baseline is 100%, as all six registered projects were on track to meet ISC award level requirements and achieve the rating. This result has been maintained for 2022/23; at 30 June 2023, all six registered projects were on track to achieve the rating.

Our corporate emissions figures are verified independently each year by Toitū Envirocare. Our annual reports publish the unverified figures, as the verification process is only completed after the annual report has been finalised. The prior year actuals stated in this section, including in figure 14, use the verified figures, rather than the figures published in previous annual reports. Prior to CNGP reporting requirements coming into effect in 2022/23, IPOE2 reported on total corporate emissions. When new reduction targets were set as part of the CNGP, these used mandatory emissions only. Figure 14 shows total and mandatory verified emissions, as well as the unverified baseline figure that was published in our 2022/23 SPE. The sharp increase in total between 2021/22 and 2022/23 was due to the addition of estimated emissions from staff commuting (non-mandatory) to the total emissions figure, which were added for the first time in 2022/23.

Figure 14 - Waka Kotahi corporate carbon footprint (tonnes of CO₂e)





Effectively and efficiently moving people and freight

Effectively and efficiently moving people and freight is about ensuring networks are available and reliable with a focus on increasing the uptake of efficient, cost-effective, low carbon transport options

Summary

Keeping communities connected

As kaitiaki of the land transport system, we are responsible for partnering with others to keep people and products moving and communities connected. A key part of this is improving the resilience of the land transport network. This means undertaking preventive work to improve safety and reduce the impacts of natural hazards, as well as enabling effective recovery from sudden disruptions with a return to normal levels of service as quickly as possible.

The reality of a changing climate is already being felt across the motu with the number of weather events affecting the transport network growing from 271 in 2021/22 to 512 in 2022/23. Many parts of the country, including Marlborough, Nelson, Wellington and Northland, were cut off by a large-scale weather system in August 2022 that caused flooding, slips and washouts. The land transport network was further damaged in early 2023, particularly in Te Ika-a-Māui North Island. Responding to and recovering from severe weather events such as these was a priority for us throughout the year and meant other planned work needed to be paused or deferred. The additional work has also added pressure to our already strained funding system.

The recovery and rebuild from the severe weather events during 2022/23 will take time. Most of the country has been affected by serious weather-related emergency events in recent years, and many corridors are still relying on interim solutions such as single lanes, detours or Bailey bridges.

For the North Island weather events, our response and recovery approach has three phases: emergency response, providing community access and rebuilding smarter for long-term resilience. Following the weather events in March 2023, our immediate priority was to work with our partners to open emergency access and lifeline networks to isolated communities. We have now started network assessments and planning for the recovery in each affected region, recognising that each affected corridor will have different needs and solutions.

Through the recovery process we are building on the work we have done in recent years to adapt the land transport network and develop more efficient emergency works processes. In the East Coast, for example, we've confirmed an interim agreement for a collaborative alliance involving KiwiRail, Downer, Fulton Hogan and Higgins to enable a collaborative and flexible recovery. The rebuild approach for regions outside the East Coast used our Network Outcome Contracts suppliers, as well as setting up separate recovery contracts for harder hit areas.

We will continue to work across government, particularly with Te Manatū Waka Ministry of Transport and The Treasury, as we look at what it means to build smarter, safer and more resilient infrastructure for the whole country. We are committed to improving the condition and resilience of the land transport network, including through delivering the actions set in Tiro Rangi. Funding and legislative decisions taken by Cabinet and Parliament over coming years will influence how we support communities to rebuild and become more resilient.

Encouraging mode shift

During 2022/23, one in five trips in urban areas was by public transport or active mode. By making it easier for people to travel using public transport or active modes, we can reduce light vehicle movements in towns and cities. This will reduce greenhouse gas emissions, air and noise pollution and traffic congestion and will provide more options for people in how they move around.

To improve public transport networks across the country, in 2022/23 we worked with the sector to address bus driver shortages by providing better pay and conditions for staff. International recruitment of drivers also restarted following confirmation of a transport sector agreement. We've had positive feedback from our Operations team, which is receiving more driver applications and noticing reduced driver turnover. This will continue to be an area of focus in 2023/24 as we aim to make bus services more frequent and reliable.

Half-price public transport fares for all New Zealanders came to an end on 30 June 2023. During 2022/23, we worked with the sector to prepare for the implementation of Community Connect. This programme provides half-price public transport fares for all Community Service Card holders and those aged 13 to 25, and free fares for children under 13. Community Connect will improve access to transport and reduce congestion as well as supporting our safety and emissions reduction targets.

Another way we are making public transport easier and more accessible is through the National Ticketing Solution (NTS). The NTS will use a nationally coordinated approach to payment for public transport services. Customers will be able to pay for public transport using easy-to-use payment methods such as bank-issued contactless cards and the new technology will automatically make sure customers are charged the best possible fare. In October 2022, we, public transport authorities and the supplier of the solution signed a participation agreement. We started work on designing and developing the solution, working closely with our partners and suppliers, and progressed the establishment of a shared services function within Waka Kotahi to provide ongoing support for partners as the NTS is implemented.

Through the Climate Emergency Response Fund programme, we're delivering initiatives to help the country transition to a more climate-friendly, accessible and equitable transport system. These initiatives, including developing a nationwide VKT reduction plan and delivering Transport Choices, will contribute to mode shift by changing the way people move around towns and cities, establishing convenient and affordable public transport networks and reducing reliance on cars.

Improving freight networks

Efficient, reliable and resilient freight networks are vital for a thriving economy. The disruptions to supply chains due to COVID-19 and more frequent severe weather events causing damage to transport networks have shown how important it is to have reliable networks to keep freight, and the economy, moving.

We continued to implement our freight action plan to improve connections and the movement of freight across the country, while reducing emissions in line with ERP targets.

Most freight in Aotearoa New Zealand is moved by road. Travel times were less predictable in 2022/23 than in 2021/22, reflecting the return of urban congestion to pre-COVID-19 levels, the impacts of severe weather events and road closures.

To reduce greenhouse gas emissions from freight movement, we need to both increase efficiency and use more climate-friendly options such as rail and coastal shipping. The Rail Network Investment Programme, released in 2021/22, aims to restore the national rail network to a resilient and reliable state. We supported KiwiRail in the second year of the programme, with \$455 million invested in the programme during 2022/23.

As well as supporting our emissions reduction and safety outcomes, coastal shipping is a reliable and resilient alternative to land transport. Coastal shipping has an important role to play as severe weather events and emergencies continue to damage the land transport network. During 2022/23, we worked with the sector to set the foundations so coastal shipping can play a greater role in moving freight. A total of \$30 million is being invested during this NLTP in coastal shipping, supporting four new ships and associated services to move goods between the North and South Islands and key regional ports that would traditionally have been transported by road. This investment is part of the move to build a stronger multi-modal freight network, ensuring freight is moved by the most appropriate mode of transport to help the country achieve its environmental and safety outcomes. With the potential for disruption to rail and road networks caused by natural disasters, coastal shipping offers a reliable alternative, as well as providing an additional lifeline for businesses to get goods to market and supplies to communities.

Investing in infrastructure to improve transport outcomes

In partnership with other government agencies, iwi and local authorities, we continued to invest in infrastructure improvements to the land transport network. During 2022/23, this included improvements in public transport, walking and cycling infrastructure, state highways and local roads. For more information on what was delivered in 2022/23, see the NLTF annual report on pages 233 to 247.

We continued to work with our partners to progress planning for future rapid transit projects in Auckland, Wellington and Christchurch. These projects will support city growth, enable effective urban development, and make it easier and safer for people to move around. Indicative business cases for Let's Get Wellington Moving and mass rapid transit in Christchurch were endorsed in 2022/23. Completion of the Auckland Rapid Transit Plan was delayed so it can be integrated with the Auckland Rail Network, Auckland Light Rail and Waitemata Harbour Connections business cases.

Our corridor plans provide a link between long-term planning, such as Arataki – out 30-year plan – and the National Land Transport Programme (NLTP) by setting out the pressures on the corridor, its current state and planned investments. To make sure longer-term corridor planning is consistent with emissions reduction objectives, we began reassessing the various planning programmes. This includes work on the state highways investment proposal for the next NLTP and further work to refresh Arataki. This work will continue in 2023/24.

Case study

Ara Tūhono snaps up top global sustainability rating

The new Ara Tūhono – Pūhoi to Warkworth motorway opened in June 2023, providing an efficient, safe, modern and resilient corridor connecting Tāmaki Makaurau Auckland and Te Tai Tokerau Northland. It is estimated that more than 7000 people worked over 8 million hours to build this new road. This significant and complex project relied on trusted partnerships, including with our treaty partners Hōkai Nuku.

Ara Tūhono – Pūhoi to Warkworth motorway was also awarded a silver sustainability rating by the American-based Greenroads programme – the highest score ever awarded by Greenroads. Run by the Sustainable Transport Council, Greenroads is an independent third-party review of the environmental, social, and economic performance of transportation infrastructure projects and challenges project teams to go beyond business as usual.

The Ara Tūhono rating reflects the project team’s commitment to sustainability and to ensuring decision making on the project was considered through a sustainability lens. Ara Tūhono now holds Greenroad’s top sustainability score in the world.

National Manager Programmes and Standards, Vanessa Browne, says the amazing result is a testament to the absolute dedication of everyone in the team who contributed to reducing Waka Kotahi’s impact on the environment and helping to preserve the biodiversity and natural heritage along the route.

‘A huge congratulations to the project team in achieving this rating which will be experienced by users of the road and the local community for generations to come,’ she says.

Project Director Jon Patman says there are many examples of how project design and sustainability have been integrated into the project. He’s particularly proud of the Kauri Eco Viaduct, which protects a significant stand of kauri and other native trees that form a northern gateway.

Other highlights include:

- sediment and erosion controls during earthwork operations to protect the Mahurangi and Pūhoi Rivers, including 45km of protective silt fencing and 150 sediment retention ponds
- protections for the local ecology including the planting of kauri dieback resistant trees to help prevent the disease from spreading, and contributing to public awareness
- more than 100 hectares of plantings in forests, wetlands, alongside streams, on fill sites, and across new landscaped areas
- species relocation of threatened plants and animals into suitable habitats including 39 gecko, almost 1000 freshwater crayfish (koura) and 1045 freshwater mussel (kākaahi)
- strong collaboration and partnership with Hokai Nuku (the collective iwi of the area) to design and implement the environmental initiatives and cultural recognition of the project.

Climate change resilience has been factored into many aspects of Ara Tūhono including a porous road surface that can contribute to decreasing the risk of surface flooding, rockfall mesh barriers to catch any falling debris, and efficient drainage, with 46 culverts designed to maintain natural fish migration routes.

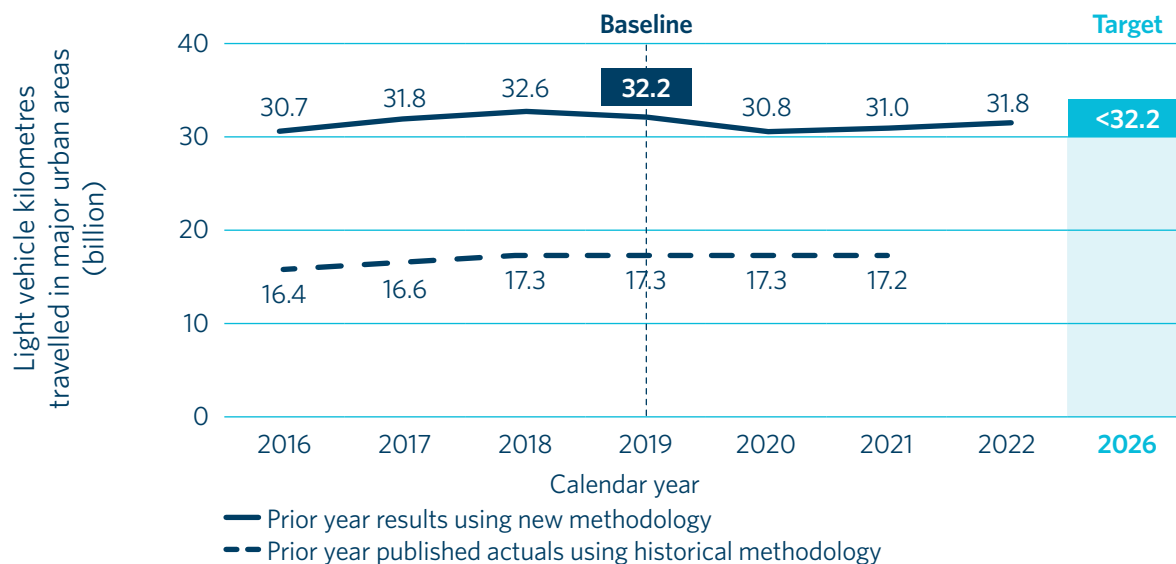
Measuring our performance

System outcome measures

Reference	Measure	Status	Target	2022/23 actual	2021/22 actual
MOVE1	Light vehicle kilometres travelled in main urban areas ^A	Achieved	<32.2 billion kilometres by 2026	31.8 billion kilometres	Not comparable due to methodology change (see figure 15)

As indicated in our 2022/23 SPE, this measure has been updated to align with the ERP transport sector target, including a new calculation method resulting in changes to the baseline and targets. For the full methodology, see VKT and GHG emissions baseline report – a research note (available at nzta.govt.nz/resources/research/notes/008/). The published 2021/22 actual is not comparable due to the methodology change. Using the new methodology, the prior year actual is 31 billion.

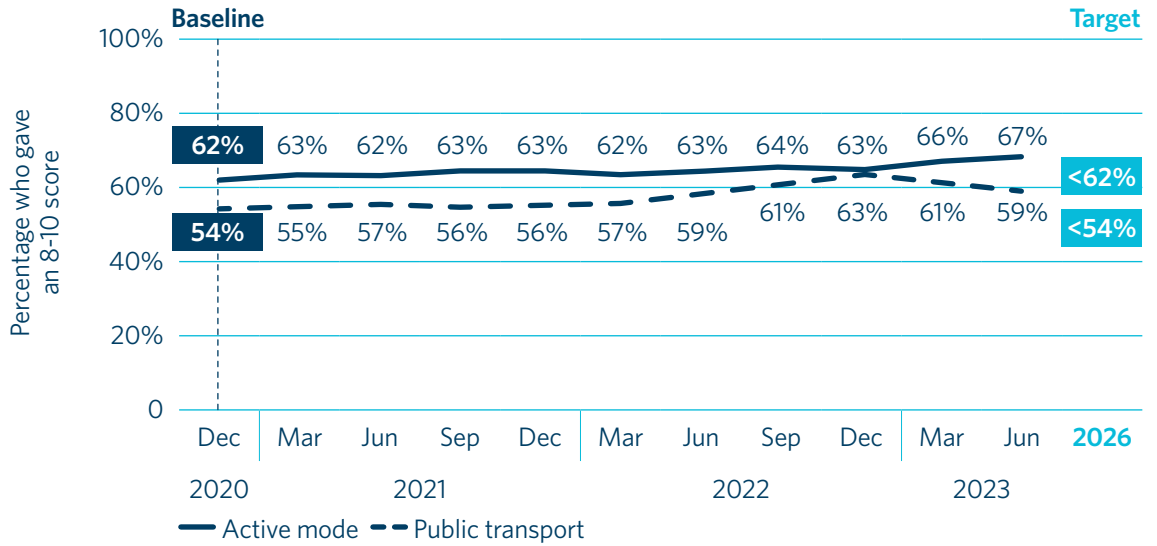
Figure 15 - Light vehicle kilometres travelled in major urban areas (billion)



MOVE2	User experience of transport network by mode ^B	Achieved	Improving (from December 2019 baseline)	Public transport 59% Active modes: 67%	Public transport 59% Active modes: 62%
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The results for 2022/23 continue to be above the December 2019 baseline (54 percent for public transport and 62 percent for active mode). Between 2021/22 and 2022/23, the result improved for active modes, but remained the same for public transport.

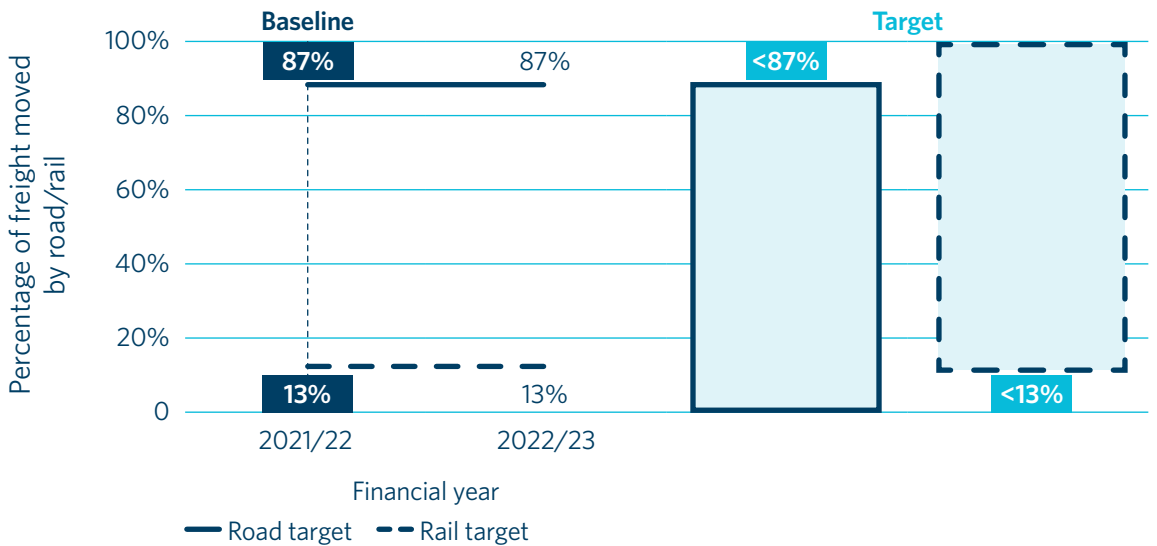
Figure 16 – Self-reported user experience by mode



MOVE3	Freight mode share of road and rail	Not achieved	Decreasing for road/ increasing for rail (from 2021/22 baseline)	Road 87% Rail 13%	Road: 87% Rail: 13%
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Although there has been a modest decrease in the average weight of road freight (4 percent) and rail freight (5 percent), the proportion of freight moved by road (87 percent) remains unchanged. The result for MOVE3 is calculated using a freight tonnage model developed by Te Manatū Waka, which was adjusted during 2022/23 for one vehicle type. We have recalculated historical figures using this adjusted model (see figure 17).

Figure 17 – Freight mode share (road and rail)



^A Major urban areas refer to tier 1 and tier 2 council areas.

^B Overall experience (based on our customer journey monitor survey), with recent journeys by main transport mode scored from 1 (lowest) to 10 (highest). The percentages shown are for ratings of 8 to 10. Active modes are walking and cycling.

Results measures

Improved resilience to disruptive events

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

Reference	Measure	Status	Target	2022/23 actual	2021/22 actual
RES1 (SHM4)	Proportion of unplanned road closures resolved within standard timeframes	Not achieved	Weather events: $\geq 50\%$ Other events: $\geq 90\%$	Weather events: 53% Other events: 86%	Weather events: 58% Other events: 85%

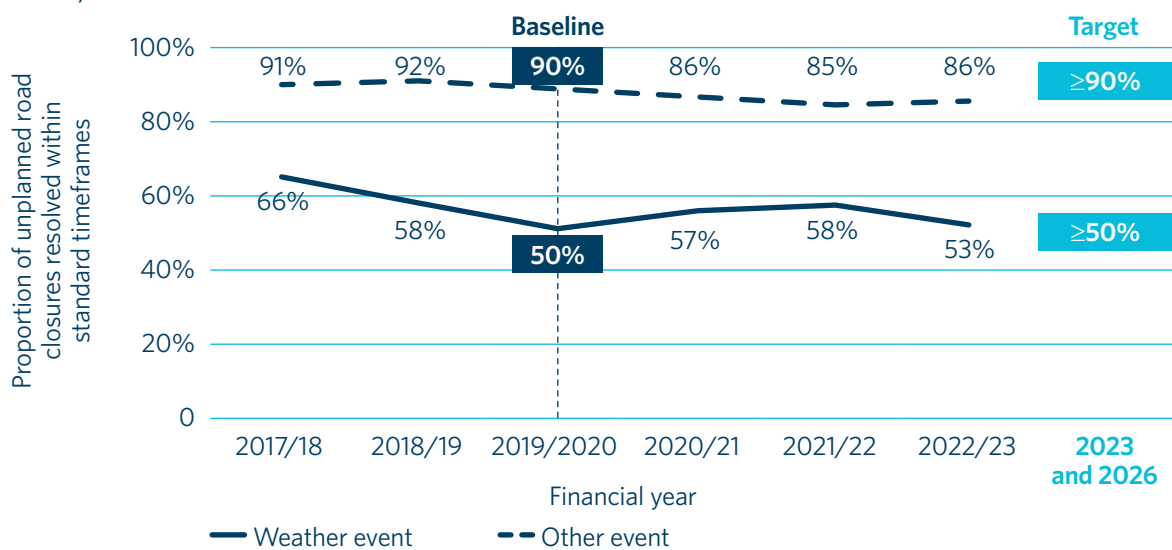
The total number of events leading to unplanned road closures increased between 2021/22 and 2022/23, from 272 to 504 for weather events and 568 to 670 for other events.

The target for weather-related events was met, although the proportion of weather-related closures resolved within standard timeframes decreased from 58 percent in 2021/22 to 53 percent in 2022/23.

The target was not met for all other events. Crashes make up a large proportion of these events. Numerous factors in attending and managing crashes may cause standard timeframes to be exceeded such as weather conditions, people’s injury status, emergency services’ requirements, and the number and type of vehicles involved.

To improve this performance, we implemented a monthly reporting structure that provides the regional managers oversight of performance in their regions. We also updated our memorandum of understanding (MOU) on incident management with the New Zealand Police, Fire and Emergency NZ, St Johns Ambulance and Wellington Free Ambulance. This update sets out clear expectations on how incidents will be managed. All parties will work under the philosophy that New Zealand’s roading networks will not be closed or restricted for any longer than is necessary for each party to carry out its functions and duties, with the overarching vision of ‘working together to advocate for better road safety.’ As a result, work has started across the regions in embedding the understanding of the MOU above into the processes for the emergency services and network outcomes contract contractors.

Figure 18 - Proportion of unplanned road closures resolved within standard timeframes, 2017/18 - 2022/23



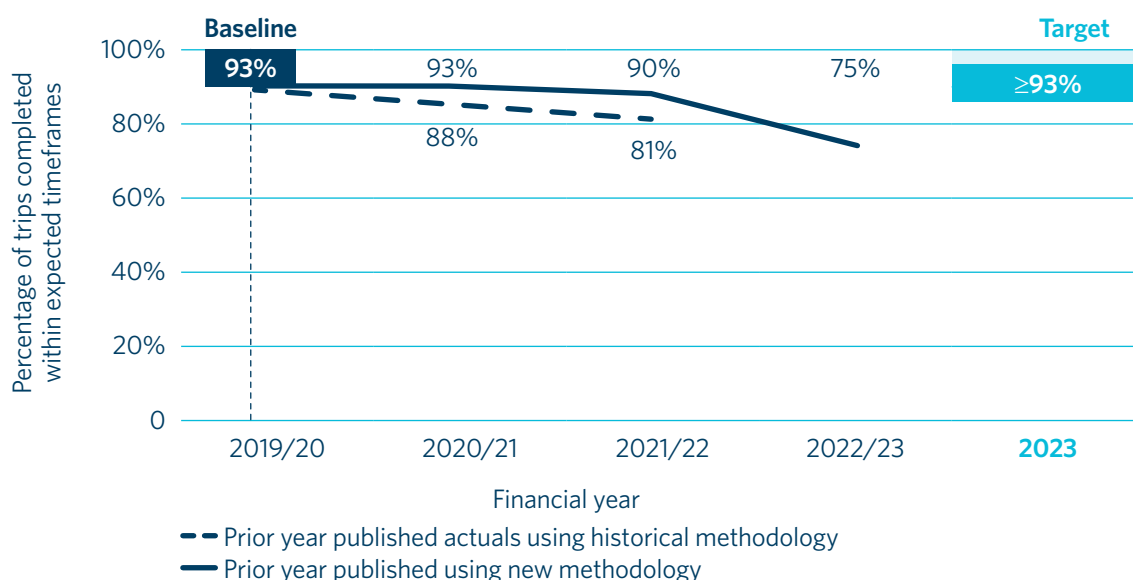
More reliable freight network

Improving network predictability

Reference	Measure	Status	Target	2022/23 actual	2021/22 actual
MRFN1	Interpeak predictability of travel times on priority freight routes	Not achieved	Maintain or increase (from 2019/20 baseline of 93%)	75%	81%

The methodology for this measure was revised during 2022/23 to make it easier to understand and to provide a truer reflection of performance. The revised methodology determines if interpeak journey times (journeys between 10am and 2pm) on priority freight routes are predictable by comparing journey times with a typical experience in the previous financial year, using a 12-month rolling median. See the explanatory notes on our website for more detail about the revisions to the measure methodology: nzta.govt.nz/resources/annual-report-nzta. Historical results using both the old and new methodology are shown on figure 19. This year's 12-month rolling median comparison is unfavourable due to urban traffic congestion returning to pre-COVID-19 levels and the impacts of weather events and road closures.

Figure 19 - Interpeak predictability of travel times on priority freight routes, 2019/20 - 2022/23

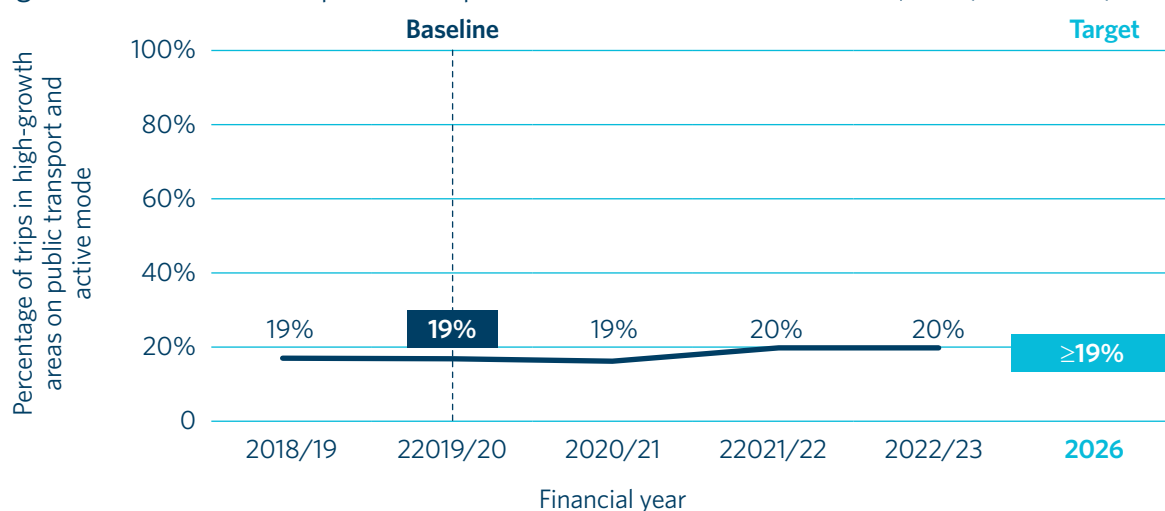


Increased share of travel by public transport, walking and cycling

More people are choosing active and/or shared modes as their preferred method of travel

Reference	Measure	Status	Target	2022/23 actual	2021/22 actual
SHARE1	Mode share of public transport and active modes in urban areas ^A	Achieved	Increase (from 2019/20 baseline of 19%)	20%	20%

Figure 20 – Mode share of public transport and active modes in urban area, 2018/19 – 2022/23



Improved connections to key destinations

Reference	Measure	Status	Target	2022/23 actual	2021/22 actual
ACCESS1	Access to social and economic opportunities by mode	Not achieved	Increasing for public transport and active modes (from 2019/20 baseline)	Maintaining	Maintaining

Access to social and economic opportunities using shared and active modes remains similar to previous years.

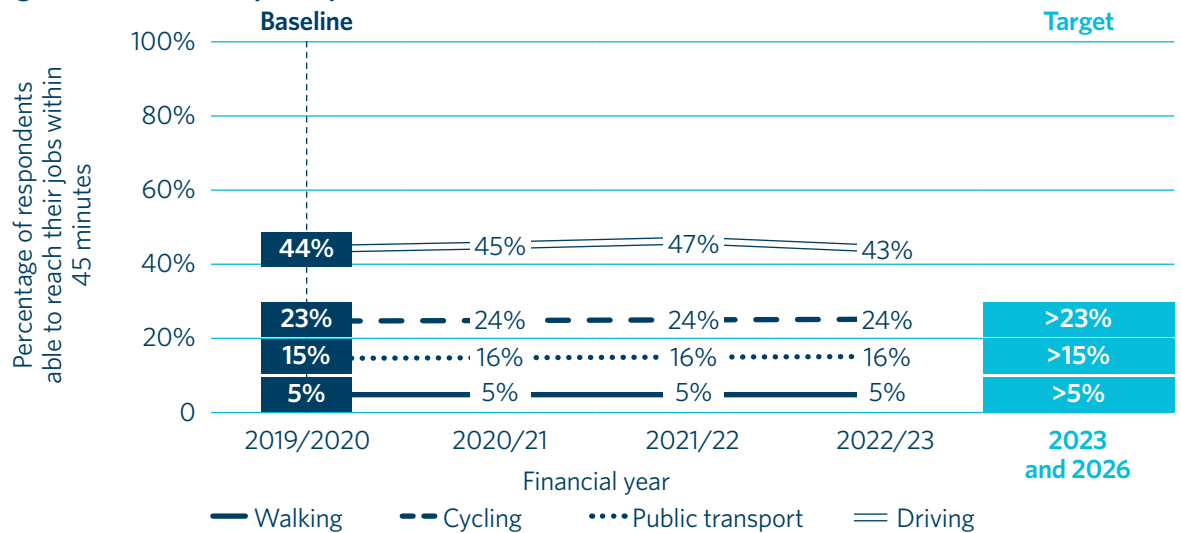
Compared with the 2019/20 baseline there were some small improvements to access to secondary schools by cycling (1.3 percent), and slight increases to access to general practitioners by both walking (1.1 percent) and cycling (1.1 percent; see table 3). However, there were no material improvements for access to jobs, and overall access remains similar to 2021/22 (see figure 21).

Table 3 – Access to schools, general practitioners and supermarkets by mode, 2019/20 – 2022/23

Mode	Financial year	Primary schools	Secondary schools	General practitioners	Supermarkets
Walking	2019/20	62%	21%	51%	40%
	2020/21	62%	21%	52%	40%
	2021/22	62%	21%	52%	39%
	2022/23	62%	21%	52%	40%
Cycling	2019/20	89%	70%	82%	82%
	2020/21	89%	71%	83%	82%
	2021/22	89%	71%	83%	82%
	2022/23	89%	71%	83%	82%

Public transport	2019/20	70%	28%	62%	51%
	2020/21	70%	28%	62%	51%
	2021/22	70%	28%	63%	51%
	2022/23	70%	27%	62%	51%
Driving	2019/20	99%	92%	95%	95%
	2020/21	98%	92%	95%	95%
	2021/22	98%	92%	95%	95%
	2022/23	98%	92%	95%	95%

Figure 21 - Access to jobs by mode, 2019/20 - 2022/23



ACCESS2	Proportion of recently consented residential units in major urban areas with access to frequent public transport services ^{B C}	Not achieved	Maintain or increase (from 2019/20 baseline of 20%)	19.6%	19.5%
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This measure is based on morning peak frequent public transport services and a count of residential unit building consents issued in major urban areas. For more detail, see the measure explanatory notes on our website: nzta.govt.nz/resources/annual-report-nzta

Most residential units continue to be consented outside areas served by frequent public transport. In most major cities, the total number of consented units has increased, it's just that they're either in areas that never had good public transport or in areas where public transport has become less frequent with recent timetable changes.

To lift performance, Waka Kotahi needs to work with our urban development partners (including local councils and central government stakeholders) on:

- increasing consenting near public transport spines (particularly multi-unit consenting)
- decreasing consenting away from public transport spines (particularly multi-unit consenting)
- increasing the frequency of public transport services - particularly rapid transit (given the larger walk catchment)
- improving the footpath network to and from public transport services.

^A Data is for the past three years, for example, the column labelled 2021/22 means the period 1 July 2018 to 30 June 2021.

^B This is based on morning peak frequent public transport services and building consents issued in major urban areas.

^C This result is based on the percentage of units consented, the results published in the statement of performance expectations for 2021/22 was based on the percentage of consents, so is not comparable.



Meeting current and future needs

Meeting current and future needs is about ensuring we have access to the people, funding and systems we need

Summary

Delivering within a strained funding system

We believe a sustainable funding model for land transport is in the country's best interests. Confidence in future funding provides the basis for long-term investment and land use planning, and supports an increase in the capacity of the market to deliver the infrastructure essential for economic prosperity. For Waka Kotahi, it would support us to more effectively manage our investments and assets, including the state highway network, and progress broader climate and safety outcomes. Our current funding system is constrained due to the combined impact of past under-investment in asset management, 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.

Over the last year, due to our funding constraints we focused on investing in critical road maintenance, responding to emergency events and completing construction projects that were already under way. As a result, the outputs from the 2021-24 NLTP will be well below those originally planned with many projects delayed or deferred. This funding outlook highlights the importance of the Land Transport Revenue Review, led by Te Manatū Waka and The Treasury. Ensuring an effective response to the review, completed during 2022/23, is critical to supporting an effective and sustainable land transport system, now and in the future.

As the scale and scope of our roles and responsibilities have grown, our operational budget has also increased. Te Manatū Waka completed a preliminary review of the value for money from our operational expenditure during 2022/23. We provided data and information to support the review. No findings pointed to significant shortcomings in delivering value for money, but we continue to focus on delivering as much value as possible across all our activities.

Monitoring the condition of the state highway network

The state highway network is one of the country's most important and valuable assets, connecting people and products across the motu. As asset manager for the network, we know the condition of the network and that it needs to improve.

The network has grown over recent years and is ageing, with more of the network reaching replacement age due to the impact of deferred maintenance and our constrained funding system. There is also increased demand on the network due to population growth and heavier vehicles, and networks have been considerably affected by severe weather events.

Together, these factors mean the condition of the state highway network is declining and significant maintenance and renewal work is required if the network is to support the current and future needs of the land transport system. This work will take several years and require further investment.

Partnering and engaging with Māori

We are committed to working in partnership with Māori across the land transport system, from setting operational strategy to delivering targeted work programmes. Te Ara Kotahi, our Māori strategy, provides the strategic direction to guide how we work with and respond to Māori as the Crown's Tiriti partner. In 2022/23, this included partnering to improve Māori road safety outcomes through the driver licensing schemes in Te Tai Tokerau Northland and Tairāwhiti Gisborne (for more information, see the case study on page 33).

We want to contribute to te reo Māori being seen, heard and spoken to support the revitalisation of the language. Over the last year, we continued to partner with Te Mātāwai on He Tohu Huarahi Māori Bilingual Traffic Signs Programme, resulting in the release of a package of 94 signs for consultation in May 2023. The programme captured the views of iwi and Māori through Ngā Pae Motuhake o Te Mātāwai, the community-based panels of Māori language, experts, practitioners and champions, as well as engaging with Māori partnership staff in local councils and the traffic industry. The roll out of the signs is planned to begin with those that need to be replaced after being damaged during weather events.

To support our continued focus on creating more opportunities for partnership with Māori and doing more in our commitment to give effect to te Tiriti, we are improving our own capability. We've committed to the cross-agency Whāinga Amorangi Programme and continue to be the highest subscriber across government to workshops run by Te Arawhiti on engagement with Māori and Māori planning. For detailed reporting on how we are improving our cultural competence, see appendix 5, page 203.

Improving our regulatory capability and performance

As regulators of the land transport system, we are responsible for people, businesses and vehicles entering the system, monitoring compliance and taking enforcement action when required. During the last year, we updated Tū Ake, Tū Māia and Cabinet approved our new regulatory funding model (see the case study on page 59). We are also improving the way we deliver our core regulatory services, so they are more consistent and effective. The progress we've made in delivering our regulatory role, from vehicle safety to regulation of the rail transport system, is reflected in our output class measure results, with all targets achieved in 2022/23 (see page 81 to 85).

A focus over the last year has been on increasing our capability and capacity for road user charges compliance monitoring, debt collection and recovery. Over the last two years, we recovered \$20.2 million more in debt than planned by increasing the number of staff working in this area. This helps us improve our regulatory performance by making sure compliance activities are monitored and fees are collected in a fair and equitable way and enables us to meet the cost of providing high-quality regulatory services.

Together, our achievements in 2022/23 are helping us address past regulatory failure and make progress toward the Tū Ake, Tū Māia purpose of ensuring the land transport system is safe, effective and efficient and functions well for everyone.

Accelerating digital

We are using our digital and data capabilities and leveraging emerging technologies to change the way we deliver services to our customers. We have two major digital projects under way: the expansion of the safety camera network (see page 32) and development of the country's first integrated public transport ticketing system (see page 47).

These projects will put in place modern and fit-for-purpose systems focused on the needs of our customers, and support our major behaviour change programmes, such as road safety, climate change and mode shift.

Investment in our internal digital capability is also needed to upgrade ageing platforms, better integrate our systems and allow our people to work smarter and more efficiently. Several of our critical systems are no longer fit for purpose and require updating through our Technology Remediation Programme, so they are current, supported and secure and have built-in redundancy. For more information on the performance of our information and communication technology assets, see page appendix 2, page 185 to 187.

Strengthening our organisational foundations

Since Te Kāpehu was launched in 2020, our role and the expectations of what we deliver have changed. We have ambitious targets, more responsibilities, and are delivering new services and programmes. We also need to balance increased pressure on our funding, responding to more frequent and damaging weather events and the ongoing impact of COVID-19, with delivering our core responsibilities.

In 2022/23, we identified the main organisational shifts – our kāhui whetū (guiding stars) – we need to make to deliver on Te Kāpehu. They cover the areas of culture and leadership, future focus, accelerating digital and delivery excellence. We updated our organisational structure in 2023 so we are aligned behind our strategy and will continue to use our kāhui whetū to prioritise our work to deliver Te Kāpehu.

To strengthen our organisational foundations, we need a highly engaged organisational culture built on great leadership and teams, shared values and effective partnerships. Over the last year, we:

- developed Pā Harakeke, our new people capability framework, which has an initial focus on leadership
- launched our first pay gaps action plan to address the drivers of gender, Māori, Pasifika and ethnic pay gaps
- partnered with the Tupu Toa and Tupu Mai internship programmes to build a more diverse and inclusive workforce, and recruited interns from the first cohort into our Emerging Professionals Programme
- continued to support an inclusive culture, including helping our people connect through our five employee-led networks and running events and activities for important awareness events.

For more information on the actions we've taken to make Waka Kotahi a great place to work, see appendix 5, page 203.

Case study

Funding and fees review

In 2018, a passenger in a car died when their seatbelt failed. They were travelling in a car that had just received a warrant of fitness. Two investigations into what happened found the way we were regulating the land transport industry hadn't been good enough, and we had failed as regulator. One investigation said we didn't have enough money to do our job properly.

We had not fully reviewed all our fees and charges since Waka Kotahi was set up in 2008. Some of the fees were set as far back as the 1980s.

We found that the money we receive for doing our work does not cover the costs of doing the work. Right now, we are charging too much for some services and not enough for others. Some people are paying more than they should, some are paying less than they should, and others aren't paying anything at all.

The new regulatory fees and charges regime will make sure the right people are paying the right amount and we're properly resourced to regulate the land transport system effectively.

We've made many improvements since our regulatory failure, and we'll be able to continue these improvements, building and sustaining a high-performing regulatory function.

Consultation on the new regime was done in March and May 2022. Members of the public were vocal with their feedback. We held 10 industry workshops with 77 attendees, met with key service delivery partners, engaged with 30 local authorities in seven workshops and seven focus groups, and received 144 written submissions.

Cabinet approved the package of changes to fees and charges on 3 April 2023. The changes will come into effect in October 2023.



Measuring our performance

System outcome measures

Reference	Measure	Status	Target	2022/23 actual	2021/22 actual
MEET1	Funding sustainability -proportion of net revenue forecast to be spent on continuous programmes and public private partnerships	Achieved	≤ 75%	67% (2023/24 forecast)	Not applicable, new measure for 2022/23

MEET1 is the proportion of current and future NLTF revenue required to be spent to maintain existing assets, services and debt obligations (referred to as continuous programmes). It indicates the minimum amount of revenue required to cover continuous programmes and does not account for committed or forecast improvement activities.

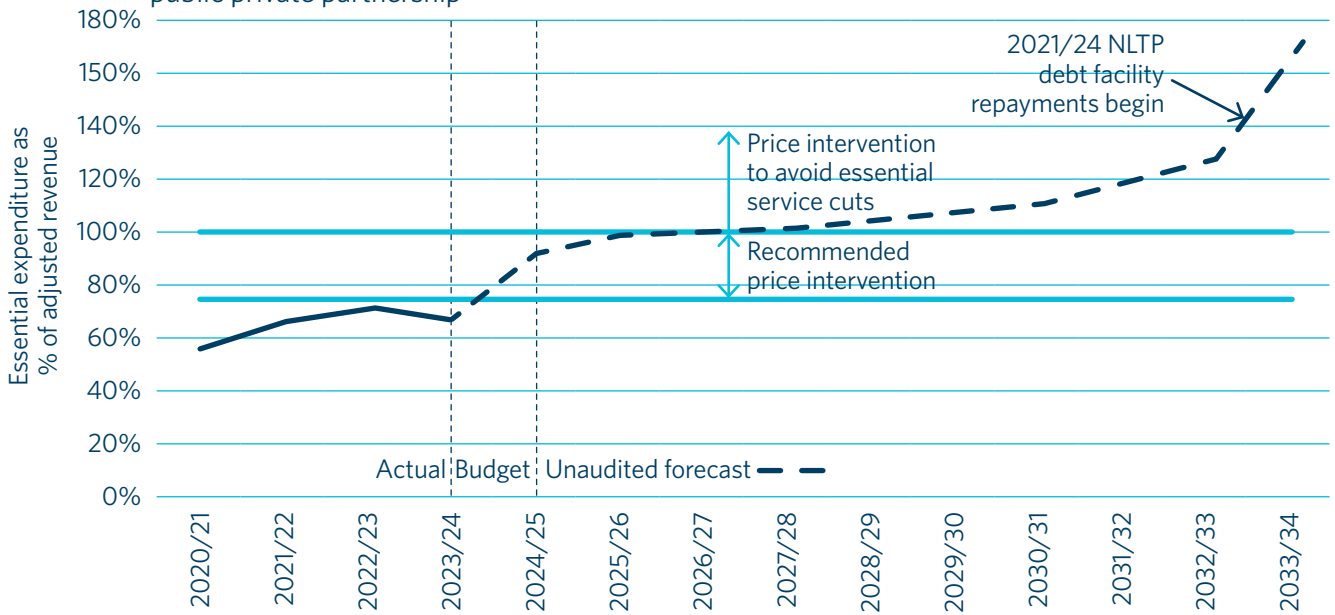
A result over 75% and approaching 100%, in the absence of any additional funding, significantly constrains the ability of Waka Kotahi and our co-investment partners to deliver the NLTP. Under this scenario, revenue would be consumed by expenditure to maintain existing assets, services and debt obligations with little or no scope for investment in new infrastructure and system improvements. A result approaching 100% should be a trigger for increases to fuel excise duty and road user charges as this would indicate that all revenue would be consumed by continuous programmes, with no scope of responding to weather events or continuing capital programmes.

Figure 22 on the following page shows how the proportion of expenditure as a percentage of NLTF revenue has changed over time since 2020/21, and how it is forecast to change from 2023/24 to 2033/24. 'NLTF revenue' includes revenue from fuel excise duties (FED) and road user charges (RUC), as well as current and forecasted Crown contributions and debt financing movements. The figures for 2020/21-2022/23 have been calculated primarily by using revenue, expenditure and borrowing actuals published in prior year Waka Kotahi and NLTF annual reports. The forecasts for 2023/24 have been taken from the Waka Kotahi statement of performance expectations 2023/24, while the outer year information comes from unaudited models and estimates developed by Te Manatū Waka and by Waka Kotahi. These forecasts assume that the majority of NLTF revenue will continue to come from FED and RUC, as future Crown funding and debt financing cannot be assumed, particularly for the outer years. For detailed information on the data sources used to inform these forecasts, see the explanatory notes on our website on our website: nzta.govt.nz/resources/annual-report-nzta

Figure 22 shows that over the 2021-24 NLTP period, forecast expenditure is expected to average approximately 68% of revenue, but will jump materially over the 2024-27 NLTP, averaging 98%. The main driver of this increase is a sharp increase in continuous programme costs (+26%), due to more frequent weather events, more lane kilometres of roads to maintain and a period of abnormally high inflation, in the absence of corresponding increases to FED and RUC. Revenue from FED and RUC make up approximately 77% of total NLTF revenue (based on 2021-24 NLTP figures) and have not been increased since July 2020, when they were raised by 3.5 cents per litre and 5.3% respectively.

Due to the combined impacts of sharply rising costs and stagnant FED and RUC pricing, for the ten-year period from 2024/25 to 2034/2035, expenditure to maintain existing assets, services and debt obligations is forecast to average 114% of revenue, requiring an additional \$6.4 billion in funding to cover this shortfall. An additional \$13.6 billion of funding would be required to meet the lower limits for capital improvements envisaged in the draft GPS for 2024. The \$20.0 billion shortfall is the equivalent of an increase in fuel excise duty and road user charges equivalent, of about 6 cents per litre per annum for the 10-years. This is consistent with the funding gaps highlighted in the November 2022 Land Transport Revenue Review.

Figure 22 – Proportion of net revenue forecast to be spent on continuous programmes and public private partnership

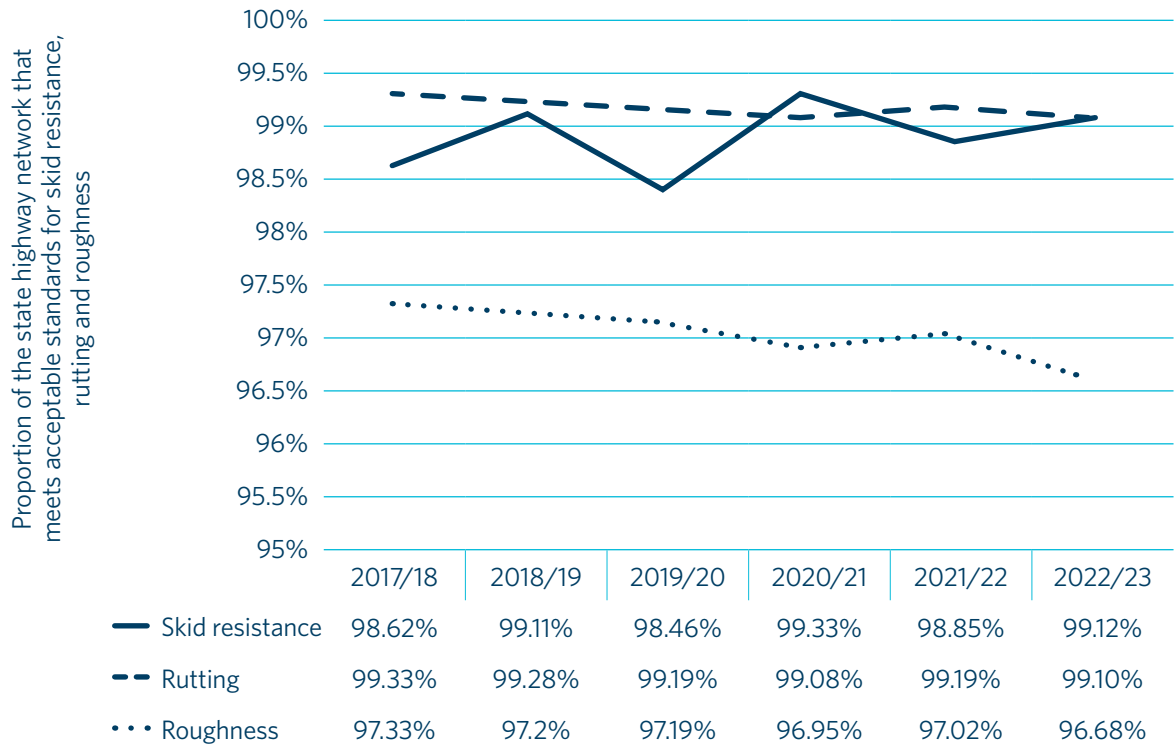


MEET2	Proportion of the state highway network that meets minimum asset condition requirements	Achieved	≥97%	98%	97%
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This is an aggregate measure that combines results from separate measures of surface skid resistance, rutting in the surface underneath wheel paths and roughness. While the 2022/23 result has improved from last year, breaking down the components of the measure shows state highway network condition is deteriorating.

Figure 23 shows that there has been a general decline in the proportion of roads that meets rutting and roughness standards. While roads meeting skid resistance thresholds seem to be increasing, this can be attributed to longer wet seasons in recent years that affected results from road surveys, as rain washes contaminants off the roads and affects skid resistance results. We are developing measures that more accurately capture the condition of the state highway network. We will apply a revised approach for reporting from 2023/24, including incorporating the asset sustainability ratio into our performance framework (see appendix 2, from page 183). For more detail, see the measure explanatory notes on our website: nzta.govt.nz/resources/annual-report-nzta

Figure 23 – Proportion of the state highway network that meets acceptable standards for skid resistance, rutting and roughness



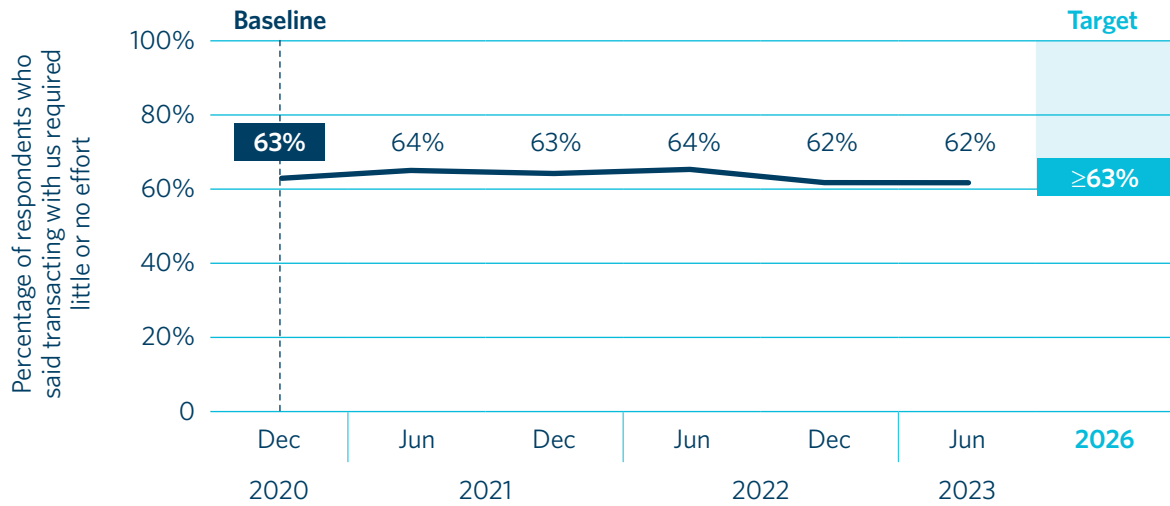
^A We have retrospectively calculated the prior period ratio following the same methodology but using the actual results from our published financial statements as the inputs.

^B A result for MEET1 above 75% creates risk that Waka Kotahi may not have sufficient funding headroom to respond to weather events and complete planned capital investment works. In absence of price or funding interventions we would be looking closely at our discretionary programme of work to ensure the NLTF is no overcommitted. If the result for MEET1 exceeds 75%, changes to FED and/or RUC pricing would be needed to bring the result within the target of $\leq 75\%$ (“Recommended price intervention” on the graph). If the result reaches $\geq 100\%$, a price intervention would be needed to avoid cuts to continuous programmes, so that Waka Kotahi does not become insolvent (“Price intervention to avoid essential service cuts” on the graph).

Effective delivery

Reference	Measure	Status	Target	2022/23 actual	2021/22 actual
DEL1	Staff survey engagement score	Achieved	Maintain or increase from baseline (7.4)	7.5	Not comparable due to methodology change
<p>For 2022/23, staff engagement is based on the results of Tapatahi, the staff engagement survey we launched in October 2021. Tapatahi takes a continuous listening approach with shorter and more frequent surveys that will help us better measure, understand and improve staff engagement. Tapatahi delivers results in real-time and recommends targeted actions to drive up engagement.</p> <p>Our 2022/23 statement of performance expectations reset the baseline and target for DEL1 to align with the new method. The new baseline of 7.4 is the global benchmark for the overall staff engagement score in the second quarter of 2021/22. The benchmark is based on the average responses from government organisations in Aotearoa New Zealand and comparable locations (Australia, the United Kingdom and the United States). The data is cumulative and updated only when significant changes in responses occur. For more information on the changes to benchmarks, see the survey provider's website support.peakon.com/hc/en-us/sections/360005353580-Benchmarking</p>					
DEL2	Waka Kotahi investor confidence rating ^A	Unable to report	Increasing trend (from a 'C' rating in 2018)	Unable to report	Not available (rating only undertaken every 3 years)
<p>Cabinet has approved discontinuation of Investor Confidence Review, which will not be replaced. The new investment assurance mechanisms to mitigate the review's absence are the quarterly investment report and The Treasury risk profile assessment process.</p>					
DEL3	Service quality (ease of transacting with us)	Not achieved	Maintaining or improving trend (from December 2020 actual of 63%)	62%	64%
<p>The overall user experience score was slightly below target due to slight declines in the individual scores for renewing driver licences, purchasing road user charges, paying road tolls and obtaining a warrant of fitness for motor vehicles, which experienced slight declines of 3 to 4 percentage points.</p>					

Figure 24 – Percentage of respondents who said transacting with us required little or no effort



DEL4 Progress in delivering the regulatory strategy **Achieved** Achieved Achieved Achieved

We refreshed Tū Ake, Tu Māia, our regulatory strategy, and embedded the role of Director of Land Transport, which has made regulatory accountabilities and responsibilities clearer. We also established intelligence capability to provide insights about the performance of the land transport regulatory system and levels of compliance. We developed a regulatory performance framework to support greater understanding of the regulatory environment. We also continue to build risk and assurance maturity by embedding the regulatory risk and assurance framework endorsed in February 2021.

^A The rating scale is from A to E, with an A signalling high performance. The last rating was in 2018 (C rating).

Effective collaboration

Reference	Measure	Status	Target	2022/23 actual	2021/22 actual
COL1	Partnerships and engagements with Māori (average performance score of key strategic relationship drivers of Māori partnerships)	Achieved	>45%	49%	45% (baseline set)
COL2	Partnerships and engagement with stakeholders (co-investment partners) stakeholder satisfaction ^A	Not achieved	Improving trend (from 2020/21 actual of 54%)	53%	56%

Stakeholders' satisfaction with their relationship with us in 2023 (53 percent) is slightly lower than the high of 56 percent last year but is similar to previous years. This year's survey had a low response rate (16% compared to 31% in 2022) and a margin of error of +/-8.6%. Waka Kotahi is reviewing the results of the survey and is committed to continuing to grow and improve so partners and stakeholders have increased trust and confidence in us and our ability to deliver on our strategies.

Our analysis of the underlying drivers of satisfaction indicate that satisfaction levels are relatively stable for aspects of stakeholders' working relationships with Waka Kotahi. Views have strengthened for a range of communication attributes including two-way dialogue on important matters to the stakeholder and being open and transparent about key funding influences. Waka Kotahi staff remain an area of strength, with performance lifting in a number of areas including ease of contact, collaboration and understanding of stakeholders' transport-related needs and concerns of their local area.

Dissatisfaction continues to fluctuate and increased to 25 percent, which is slightly higher than last year but lower than in 2021 and 2019.

^A Data is shown for the last full calendar year. Results shown are the percentages of stakeholders who said they were satisfied with the current relationship of their organisation with Waka Kotahi.

Output class performance

Overview

We are funded to deliver and invest in a range of goods and services across categories known as output classes. These categories reflect the types of activities (activity classes) the government expects us to deliver and invest in to realise the objectives of Government Policy Statement on land transport for 2021/22 to 2030/31 (GPS 2021) and effectively perform our regulatory function.

In 2022/23, we had 16 output classes. Under each system outcome we list the output classes we'll deliver and invest in to complete our significant activities. Table 4 summarises the contribution of each output class to our four Te Kāpehu system outcomes.

Table 4 - Contribution of each output class to our system outcomes

Output class	Safe	Environmentally sustainable	Effectively and efficiently moving people and freight	Meeting current and future needs
State highway improvements	●	●	●	●
Local road improvements	●	●	●	●
Walking and cycling improvements	●	●	●	
State highway maintenance	●	●	●	●
Local road maintenance	●	●	●	●
Public transport services	●	●	●	
Public transport infrastructure	●	●	●	
Road to Zero	●	●		
Rail network	●	●	●	
Coastal shipping	●	●	●	
Investment management				●
Driver licensing and testing	●		●	●
Vehicle safety and certification	●		●	●
Regulation of commercial transport operators	●		●	●
Regulation of the rail transport system	●		●	●
Revenue collection and administration			●	●

Output class results

Our output class measures tell us whether we are effective in undertaking the activities the government expects us to deliver and invest in. The relationships between these measures and Te Kāpueu outcomes aren't linear - the results influence each other and will work together to help us achieve our system outcomes. We've used the following key to indicate the outcomes each result contributes to:

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

For measure definitions and data sources, see the explanatory notes on our website: nzta.govt.nz/resources/annual-report-nzta

For full details on output class funding and expenditure see page 279 onwards.

State highway improvements ●●●●

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

What we do

We plan, invest in and deliver infrastructure (including roads, roadsides and all supporting infrastructure and technology) by working collaboratively with council partners to co-create integrated, community-wide solutions.

Difference this output class makes

State highway improvements primarily contribute to a safer, more resilient transport system, improved access to social and economic opportunities, better travel options and improved freight connections. We also aim to improve levels of service and value for money for more sustainable transport outcomes. Investing in state highway improvements plays a critical role in reducing safety and resilience-related risks across the land transport system.

Reference	Measure	Status	Target	2022/23 actual	2021/22 actual
SH11	Proportion of state highway improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes ^{A B}	Not achieved	≥90%	71% ^C	86%

Extreme weather events, including cyclones Hale and Gabrielle and the Auckland flooding, had a significant impact on projects due to the re-prioritisation of resources to support the large-scale response and recovery efforts. Forty-five percent of projects that did not achieve milestones were in weather impacted regions. Despite this, 16 large projects achieved their milestones, including 8 significant capital projects. Delays on other projects were mainly due to the re-prioritisation of resources, sector wide resource constraints, increased time to obtain consents and approvals, remedial work, cost escalation and funding uncertainty. Delivery challenges are expected to continue given the growth of the transport infrastructure portfolio because of new rebuild and resilience works.

SHI2	Proportion of state highway improvement activities funded by the Crown delivered to agreed standards and timeframes	Not achieved	≥90%	69%	58%
<p>Extreme weather events, including cyclones Hale and Gabrielle and the Auckland flooding, had a significant impact on projects due to the re-prioritisation of resources to support the large-scale response and recovery efforts. There were delays to six projects due to rescoping and reprioritisation because of cost escalation and funding uncertainty.</p>					

^A This is also an appropriation measure in Vote Transport (see appendix 4, page 192 onwards).

^B For SHI1 and SHI2, the standards and timeframes that are assessed against include milestones and budget and delivery of property acquisition programmes against time, budget and quality standards. Further detail on how performance against these measures is calculated can be found in the performance measures explanatory notes, found on our website: nzta.govt.nz/resources/annual-report-nzta

^C Achievement of cost standards was assessed based on project baselines set in August 2022.

	Actual 2022/23 \$M	Budget 2022/23 \$M	Variance 2022/23 \$M	Actual 2021/22 \$M
Revenue	1,446	2,000	(554)	1,369
Expenditure	1,446	2,000	(554)	1,330
Net surplus/(deficit)	0	0	0	39

Excludes repayment of borrowing for the Auckland Transport Package and other borrowings.

Note: expenditure is net of developers' contributions, so reflects increases in Waka Kotahi assets. Some non-cash capital and operating expenses presented in the financial statements are not included in these figures. They are expenditure for:

- depreciation and state highway write-offs of \$524 million (2021/22: \$548 million)
- public-private partnerships of (\$14) million (2021/22: (\$171 million))
- assets vested to local authorities of nil: (2021/22: \$2 million)

State highway improvements was \$554 million (28 percent) below budget mainly due to underspends and delays across a number of projects caused by supply chain pressures and weather events.

Local road improvements ● ● ● ●

Invested in by Waka Kotahi, delivered by approved organisations and funded from the National Land Transport Fund and the Crown

What we do

We co-invest in infrastructure (including roads, roadsides and all supporting infrastructure and technology) by planning collaboratively to co-create integrated, resilient, multimodal and community-wide transport solutions.

Difference this output class makes

Local road improvements primarily contribute to a safer, more resilient transport system, improved access to social and economic opportunities, and better travel options. We also aim to improve levels of service and value for money for more sustainable transport outcomes. Investing in local road improvements plays a critical role in reducing safety and resilience-related risks across the land transport system.

Reference Measure	Status	Target	2022/23 actual	2021/22 actual
LRI1 Proportion of local road improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes ^A	Not achieved	≥80%	66%	61% ^B

2022/23 has been a complex year for our local government partners with rising interest rates; natural disaster response, particularly Auckland flood and Cyclone Gabrielle; continuing post-COVID recovery; low availability of professional transport and construction services; and the inflation in cost of labour and material. Local government has also worked to maximise their work programmes in higher funding areas and reprioritising capital programmes, such as the Transport Choices Programme and Infrastructure Acceleration Fund. Responding to the outcomes of community consultation and internal restructures have also had an impact on Council's ability to deliver.

We continue to work with local government partners to ensure programmes are successfully delivered

^A This is also an appropriation measure in Vote Transport (see appendix 4, page 192 onwards).

^B The LRI1 result published in our 2021/22 report (68%) inaccurately excluded the budget component of this measure. The recalculated result including the budget component is shown in the 2021/22 actual column in the table.

	Actual 2022/23 \$M	Budget 2022/23 \$M	Variance 2022/23 \$M	Actual 2021/22 \$M
Revenue	182	259	(77)	216
Expenditure	182	259	(77)	216
Net surplus/(deficit)	0	0	0	0

Local road improvements were \$77 million (30 percent) below budget mainly due to delays in and reprioritisation of council roading projects partly caused by weather events in the current financial year.

Walking and cycling improvements ●●●

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

What we do

We plan and co-invest in new and improved walking and cycling facilities, as well as in community education and promotion activities, to increase the uptake of walking and cycling. We deliver walking and cycling facilities in state highway corridors, and local and regional councils primarily deliver local walking and cycling facilities.

Difference this output class makes

Walking and cycling improvements encourage more people to change mode (or 'mode shift') by:

- creating safer and more accessible walking and cycling infrastructure
- creating transport networks that give people more transport choices
- supporting access to social and economic opportunities, including education, employment and tourism supporting, environmentally friendly and sustainable transport modes.

Active travel modes, walking and cycling also promote health and wellbeing.

Reference	Measure	Status	Target	2022/23 actual	2021/22 actual
WCI1	Proportion of cycleways, pathways and shared paths delivered against plan ^A	Unable to report	≥80%	Not available	Not available
<p>The status against target remains 'unable to report' for 2022/23. More work is needed to ensure our delivery partners accurately record the improvements they plan to deliver and what they actually deliver, so the result for this measure can be reliably calculated. This measure may need to be reviewed for future years as it does not capture other types of improvements being implemented to improve walking and cycling access in urban areas such as safe crossing zones.</p>					
WCI2	Cycling count in main urban areas	Unable to report	Increasing	Not available	Not available
<p>The status against target remains 'unable to report' for 2022/23, due to significant issues with reliability of the data collected through the bicycle and pedestrian eco-counters across the network. Work with the supplier to resolve the issues should be completed by the end of 2023. Our annual Understanding Attitudes and Perceptions of Cycling & Walking survey asks people living in urban areas to tell us about their walking and cycling behaviours and attitudes. Based on the survey results, we estimate that, in 2022/23, 11 percent of people living in urban areas cycled to work, study or get around town, once a week or more. This is the same as our estimate for 2021/22.</p>					

WCI3	Walking count in main urban areas	Unable to report	Increasing	Not available	Not available
<p>The status against target remains 'unable to report' for 2022/23, due to significant issues with reliability of the data collected through the bicycle and pedestrian eco-counters across the network. Work with the supplier to resolve the issues should be completed by the end of 2023. Based on the results of our annual Understanding Attitudes and Perceptions of Cycling & Walking survey, we estimate that, in 2022/23, 50 percent of people living in urban areas cycled to work, study or get around town, once a week or more. This is the same as our estimate for 2021/22.</p>					

^A This is also an appropriation measure in Vote Transport (see appendix 4, page 192 onwards).

	Actual 2022/23 \$M	Budget 2022/23 \$M	Variance 2022/23 \$M	Actual 2021/22 \$M
Revenue	209	245	(36)	156
Expenditure	209	245	(36)	156
Net surplus/(deficit)	(0)	0	(0)	0

Walking and cycling expenditure was \$36 million (15 percent) below budget mainly due to delays as projects were put on hold pending the outcome of budget reviews, or deferred as impacted Councils responded to the demands of emergency events.

State highway maintenance

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

What we do

We maintain and operate the state highway network (including roads, roadsides, supporting infrastructure, technology and emergency works) to agreed levels of service.

Difference this output class makes

State highway maintenance provides reliable access for people to social and economic opportunities, while maintaining the safety and resilience of the state highway network.

Reference	Measure	Status	Target	2022/23 actual	2021/22 actual
SHM1	Proportion of state highway maintenance activities delivered to agreed programme	Not achieved	≥90%	72%	85%
	The North Island Weather Events significantly affected delivery of renewals to programme, as these occurred during a critical window for renewals delivery (January to March).				
SHM2	REFER TO MEET2 ^A				
SHM3	State highway maintenance cost per lane kilometre delivered B	Achieved	\$25,000 - \$34,200	\$31,505	\$29,423
SHM4	REFER TO RES1 (page 52)				

^A This is also a measure for our system outcome meeting current and future needs (see page 61).

^B This is also an appropriation measure in Vote Transport (see appendix 4, page 192 onwards).

	Actual 2022/23 \$M	Budget 2022/23 \$M	Variance 2022/23 \$M	Actual 2021/22 \$M
Revenue	1,228	949	279	840
Expenditure	1,228	949	279	840
Net surplus/(deficit)	0	0	0	0

State highway maintenance expenditure was \$279 million (29 percent) above budget. This was mainly due to additional costs from higher emergency works mainly as a result of the North Island weather events.

Local road maintenance

Invested in by Waka Kotahi, delivered by approved organisations and funded from the National Land Transport Fund

What we do

We co-invest in the planning and maintenance of the local road network (including roads, roadsides and all supporting infrastructure and technology) to the appropriate levels of service.

Difference this output class makes

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

Reference Measure	Status	Target	2022/23 actual	2021/22 actual
LRM1 Proportion of the local road maintenance activities funded by the National Land Transport Fund delivered to plan ^A	Not achieved	≥90%	82%	85%
<p>Delivery of renewal activity was adversely affected by the redirection of resources to emergency response works, resource shortages and by rising costs. Specifically, cyclones Hale and Gabrielle and the Auckland Anniversary weather events struck the North Island over January and February of 2023, at the start of the construction season for renewals. Additionally, resource shortages have impacted councils, causing delays and higher costs. Shortages affected staff recruitment, design consultant commissioning, contractor procurement and materials acquisition. Activities uncompleted this year will be deferred to 2024/25, which is also the start of the 2024-27 NLTP. Allowance will be made in the budgets to facilitate the deferred works and the overall cost increases. A stronger focus on resilience in future maintenance and improvement programmes will reduce the vulnerability of the network and assets to weather events.</p>				
LRM2 Proportion of travel on smooth roads	Achieved	≥86%	86%	87%
LRM3 Local road maintenance cost per lane kilometre delivered ^B	Not achieved	≤\$4,480	\$4,627	\$4,108

The cost of delivering maintenance and renewal activities was adversely affected by higher-than-forecast inflation, industry cost increases, resource shortages and indirectly by extreme weather events. Activities uncompleted this year will be deferred to 2024/25, which is also the start of the 2024-27 NLTP. Allowance will be made in budgets to facilitate the deferred works and overall cost increases. A stronger focus on resilience in future maintenance and improvement programmes will reduce the vulnerability of the network and assets to weather events.

^A This measure compares the delivery of sealed pavement and resurfacing and rehabilitation, unsealed road metalling and rehabilitation and drainage renewals by approved organisations against forecast works and budget. See the performance measure explanatory notes on our website for further detail: nzta.govt.nz/resources/annual-report-nzta

^B This is also an appropriation measure in Vote Transport (see appendix 4, page 192 onwards).

	Actual 2022/23 \$M	Budget 2022/23 \$M	Variance 2022/23 \$M	Actual 2021/22 \$M
Revenue	1,047	774	273	736
Expenditure	1,047	774	273	736
Net surplus/(deficit)	0	0	0	0

Local road maintenance was \$273 million (35 per cent) over budget mainly due to additional costs from higher emergency works mainly as a result of the North Island weather events.

Public transport services ●●●

Invested in by Waka Kotahi, delivered by approved organisations and funded from the National Land Transport Fund and the Crown

What we do

We co-invest with approved organisations in bus, ferry and rail public transport services, customer information, technology, facilities operations and maintenance. We also subsidise door-to-door transport for people with mobility impairments and administer the Crown-funded SuperGold card concession scheme.

Difference this output class makes

Public transport improves travel choices; increases people's access to employment, educational and social opportunities; eases congestion; and makes better use of the existing transport system. It also reduces the impact of transport on the environment and contributes to reducing the number of deaths and serious injuries from road crashes. Public transport supports vibrant and liveable urban communities and effective land use. The Total Mobility scheme increases equity of access for mobility-impaired people, and the SuperGold scheme improves access to social and health opportunities for older people.

Reference	Measure	Status	Target	2022/23 actual	2021/22 actual
PTS1	Number of boardings on urban public transport services (bus, train and ferry) ^A	Achieved	Increasing (from 2021/22 actual)	129 million	86 million
While this year's result is an improvement on the last two years' COVID-19 affected results, the 2022/23 result is still below the pre-COVID-19 result of 139 million in 2019/20.					
PTS2	Reliability of urban rail, bus and ferry services	Achieved	Set a baseline ^B	83%	Not comparable due to methodology change ^C
PTS2 measures the proportion of scheduled services that completed the trip to destination which left the origin stop between 59 seconds early and four minutes 59 seconds late. While this measure captures some aspects of reliability that are important to users, it doesn't capture the impacts of cancellations or suspended services on users' experiences and their ability to use public transport services to meet their needs.					

^A This is also an appropriation measure in Vote Transport (see appendix 4, page 192 onwards).

^B The PTS2 target for 2022/23 was published incorrectly in the 2022/23 SPE as 'Increasing from 2022/23'. The correct target is 'Set a baseline', as the methodology for PTS2 was revised in 2022/23 and required that a new baseline be set using the new methodology.

^C The PTS2 result for 2021/22 is not comparable as it used a different methodology with results reported separately for Auckland and Wellington and broken down by type of public transport. From 2022/23 the calculation for PTS2 uses a new methodology that combines the results for buses, trains and ferries and includes all regions in New Zealand with complete data. This excludes Otago, Nelson-Tasman, Northland, Invercargill bus, Canterbury ferry and Te Huia and Capital Connection trains. Results are based on self-reported data provided by public transport authorities.

	Actual 2022/23 \$M	Budget 2022/23 \$M	Variance 2022/23 \$M	Actual 2021/22 \$M
Revenue	673	580	93	534
Expenditure	673	580	93	534
Net surplus/(deficit)	0	0	0	0

Public transport services expenditure was \$93 million (16 percent) above budget mainly due to additional support the Crown has provided councils due to farebox revenue reductions and half price fare funding.

Public transport infrastructure ●●●

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

What we do

We co-invest with approved organisations in bus, ferry and rail public transport infrastructure improvements to deliver safe and effective public transport services.

Difference this output class makes

Public transport improves travel choices; increases people's access to employment, educational and social opportunities; eases congestion; and makes better use of the existing transport system. It also reduces the impact of transport on the environment and contributes to reducing the number of deaths and serious injuries from road crashes. Public transport supports vibrant and liveable urban communities and effective land use. Investing in infrastructure improvements for public transport increases the safety, reliability, resilience and effectiveness of services, as well as increasing public transport's attractiveness to users.

Reference	Measure	Status	Target	2022/23 actual	2021/22 actual
PT11	Punctuality of metro rail services	Not achieved	≥95% ^A	82%	92%

Punctuality is measured as the percentage of metro rail services in Auckland and Wellington that depart no more than 1 minute early or 5 minutes late.

Since last year, punctuality reduced from 94 percent to 84 percent in Auckland and from 89 percent to 80 percent in Wellington. In both areas, punctuality was affected by significant infrastructure works on both metro networks that led to lines being closed and the implementation of a significant number of temporary speed restrictions so work could be carried out safely. We continue to monitor the delivery of projects.

For more information on how this measure result is calculated, see the explanatory notes.

^A The target was updated after the SPE was published. The 2022/23 SPE target was maintaining or increasing.

	Actual 2022/23 \$M	Budget 2022/23 \$M	Variance 2022/23 \$M	Actual 2021/22 \$M
Revenue	627	502	125	350
Expenditure	627	502	125	350
Net surplus/(deficit)	0	0	0	0

Public transport infrastructure expenditure was \$125 million (25 percent) above budget mainly due to additional Crown funding provided for Eastern busway not in the original budget.

Road to Zero ●●

Delivered by Waka Kotahi and approved organisations with funding from the National Land Transport Fund

What we do

We work with approved organisations to:

- deliver the Road to Zero Speed and Infrastructure Programme, which will deliver safety treatments and speed management changes on state highways and local roads, targeting roads and roadsides that offer the greatest potential for reducing deaths and serious injuries
- deliver road safety promotion activities, including the Vehicle Safety Programme, national, regional and local road safety education and advertising campaigns and initiatives, and a public awareness campaign to support Road to Zero
- prepare for the delivery of the Tackling Unsafe Speeds Programme that supports effective speed management
- support the court-imposed alcohol interlocks subsidy scheme
- deliver system leadership, research, monitoring and coordination to support Road to Zero.

Difference this output class makes

This output class contributes to the Road to Zero target of a 40 percent reduction in deaths and serious injuries by 2030 (from 2018 levels). This means 750 fewer people killed and 5,600 fewer seriously injured by 2030. It also embeds the Safe System approach in our safety interventions and investment.

Reference	Measure	Status	Target	2022/23 actual	2021/22 actual
RTZ1	Length of the network treated with reduced speed limits ^A	Not achieved	≥500km	206km	165km

Cabinet announced its direction for the Speed and Infrastructure Programme to focus on the top 1 percent of high-risk roads, schools, townships and marae. In response to this direction, we revised our Interim Speed Management Plan, which provides the legal mechanism for changing speed limits. The approval and certification of the revised plan has been delayed until the end of 2023/24. The Land Transport Rule: Setting of Speed Limits 2022 requires a certified plan to be in place before we can make most speed limit changes, so we could not continue to deliver the programme as planned.

While waiting for approval and certification, the programme has continued to prepare designs and processes to support future delivery.

RTZ2	Number of corridor infrastructure safety improvements projects started to plan	Achieved	≥5	5	4
RTZ3	Number of intersections with primary safe system interventions started to plan	Achieved	≥4	4	4
RTZ4	Number of passive breath tests conducted	Not achieved	≥3 million	2.6 million	1.6 million
Reflects New Zealand Police delivery	Performance improved from last year but is still below target. Performance varied across the motu: Waikato, Central and Southern districts all exceeded their targets. The Tāmaki Makaurau impairment prevention team and motorways unit also exceeded their targets. The Wellington, Tasman and Canterbury districts came close to achieving their targets, but activity in Wellington and Canterbury reduced dramatically in the last few months of the fiscal year.				
RTZ5	Number of hours mobile cameras are deployed	Not achieved	≥80,000	61,028	58,408
Reflects New Zealand Police delivery	There was a slight improvement in performance from 2021/22, but figures are still below target. While hours increased only 4.5 percent from last year, the number of mobile speed camera notices issued (442,000) was 21 percent greater than in the previous year.				
RTZ6	Proportion of road safety advertising campaigns that meet or exceed their agreed success criteria ^B	Achieved	≥86%	88%	81%

^A This is also an appropriation measure in Vote Transport (see appendix 4, page 192 onwards).

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

	Actual 2022/23 \$M	Budget 2022/23 \$M	Variance 2022/23 \$M	Actual 2021/22 \$M
Revenue	792	815	(23)	703
Expenditure	789	815	(26)	700
Net surplus/(deficit)	3	0	3	3

Road to zero was \$26 million (3 percent) under budget. This was mainly driven by slower delivery than expected across the speed and infrastructure programme and delays in safety camera system implementation. Road to zero includes spend on road safety promotion, system management, speed and safety infrastructure works for both Approved Organisations and State Highways.

Road policing

	Actual 2022/23 \$M	Budget 2022/23 \$M	Variance 2022/23 \$M	Actual 2021/22 \$M
Revenue	415	417	(2)	394
Expenditure	415	417	(2)	394
Net surplus/(deficit)	0	0	0	0

Road policing was materially on budget.

Rail network ●●●

Invested in by Waka Kotahi, delivered by KiwiRail and funded from the National Land Transport Fund and the Crown

What we do

We support KiwiRail to deliver the first Rail Network Investment Programme, which sets out all rail activities that will be funded from the NLTF over the next three years. With KiwiRail, we monitor the delivery of this programme and report to the Minister of Transport on progress.

Difference this output class makes

Rail network activities enable the development of a resilient and reliable rail network, which improves safety and supports freight movements in a mode-neutral system by enabling choices to be made (by companies and customers) about the most efficient way to move freight. Improving the rail network also contributes to reducing congestion and emissions.

Reference	Measure	Status	Target	2022/23 actual	2021/22 actual
RN1 Delivered by KiwiRail	Amount of freight carried by rail	Not achieved	>4,420	3,928	New measure
	A subdued freight market towards the end of the financial year led to a lower than planned freight net tonne kilometres carried result. The subdued market was felt across all freight modes and at ports.				
RN2 Delivered by KiwiRail	Freight travel time reliability ^A	Not achieved	90%	83%	86%
	The number of temporary speed restrictions and other network issues have impacted this result. KiwiRail continues to deliver the Rail Network Investment Programme to improve the condition of the network				

^A This is also an appropriation measure in Vote Transport (see appendix 4, page 192 onwards).

	Actual 2022/23 \$M	Budget 2022/23 \$M	Variance 2022/23 \$M	Actual 2021/22 \$M
Revenue	434	467	(33)	287
Expenditure	434	467	(33)	287
Net surplus/(deficit)	0	0	0	0

While the rail network activity class was \$33 million (7 percent) below budget, we note that KiwiRail re-aligned their programme baseline at commencement of the financial year with a revised expenditure target of \$370 million. The final result of planned works was \$407 million (\$37 million above budget) with track renewal targets being achieved. There was an additional \$27 million of unplanned expenditure on the North Island Weather Events Rail Reinstatement.

Coastal shipping ●●●

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

What we do

We assess the type of assistance and investments that would best achieve the government's coastal shipping outcomes. This involves supporting research and other activities to identify how the domestic coastal shipping sector could be best supported to grow and more freight could be moved on the 'blue highway'. Through activities in other output classes, we also invest in infrastructure feasibility work and improvements to help support moving freight by coastal shipping.

Difference this output class makes

Coastal shipping activities enable growth in the domestic coastal shipping sector that generates a variety of benefits. These benefits include reduced emissions and air pollution, reduced safety risks of freight travel, improved mode choice for freight transporters, and Aotearoa-flagged coastal shipping that can operate on a more level playing field with other freight operators, enhancing the sustainability and competitiveness of the domestic sector.

Reference	Measure	Status	Target	2022/23 actual	2021/22 actual
CS1	Coastal shipping activities delivered and funded in accordance with contractual terms ^A	Not achieved	Achieved	Not achieved	Achieved

Two of the four suppliers implemented their new services as planned with additional vessels operational. The other two suppliers are behind plan. One of these suppliers is expected to have its services complete and implemented by June 2024, while the other may be delayed up to 6 months after 2024. We are working with that supplier on options to hasten delivery. The manufacture of a new vessel is taking longer than planned because additional time is needed to optimise the hull design and future proof the dual fuel engine.

^A This is also an appropriation measure in Vote Transport (see appendix 4, page 192 onwards).

	Actual 2022/23 \$M	Budget 2022/23 \$M	Variance 2022/23 \$M	Actual 2021/22 \$M
Revenue	23	10	13	0
Expenditure	23	10	13	0
Net surplus/(deficit)	0	0	0	0

Coastal shipping was \$13 million (131 percent) above budget. The second year of coastal shipping has seen a re-timing of payment milestones for two of the four suppliers to align with revised delivery schedules for new vessels and services.

Investment management ●

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

What we do

We develop and manage the NLTP, including managing the NLTF; advising the government on investment and funding, including development of the GPS; developing the NLTP and Waka Kotahi Investment Plan; and providing risk-based targeted assurance over outcome delivery. We plan the transport system, including supporting the development of statutory, regional, long-term and spatial transport planning. We also develop transport models and business cases and plan activity management. We deliver sector research, including engaging with the sector, and developing, delivering and promoting research projects.

Difference this output class makes

Investment management allows us to shape the land transport system in accordance with government direction. Minimising the cost of managing the investment funding allocation system will help ensure we're reducing expenditure on unnecessary or inefficient processes.

Reference	Measure	Status	Target	2022/23 actual	2021/22 actual
IM1	Proportion of total cost of managing the investment funding allocation system to National Land Transport Programme expenditure ^A	Achieved	≤1.1%	0.83%	0.86% ^B
<p>The 2022/23 actual for IM1 reflects the cumulative cost over the first two years of the 2021–24 NLTP.</p> <p>The methodology for IM1 was adjusted in quarter 3 this year to make the numerator and denominator used to calculate the measure result more comparable. See the explanatory notes on our website for more information: nzta.govt.nz/resources/annual-report-nzta</p>					

^A This is also an appropriation measure in Vote Transport (see appendix 4, page 192 onwards).

^B This reflects the cumulative cost across the three years of the 2018–21 NLTP.

	Actual 2022/23 \$M	Budget 2022/23 \$M	Variance 2022/23 \$M	Actual 2021/22 \$M
Revenue	73	89	(16)	62
Expenditure	73	89	(16)	62
Net surplus/(deficit)	0	0	0	0

Investment management expenditure was \$16 million (18 percent) below budget mainly due to underspends in transport planning for approved organisations.

Driver licensing and testing ●●●

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

What we do

We improve the safety of the land transport system by helping drivers to meet and maintain required safety standards. We develop and manage the driver licensing system, including by providing approved driver licensing courses and developing licensing and testing rules. We also run public education campaigns and develop and maintain resources, including road codes, theory and practical test requirements, and testing and provider manuals. We work with our partners to audit systems and implement other regulatory activities. Our partners include driver licensing and testing course providers, testing officers, alcohol interlock providers and our driver licensing agent network.

Difference this output class makes

Driver licensing and testing contributes to safe, competent and legal drivers, builds public confidence in the licensing system, and enhances access to the social and economic opportunities associated with being able to drive.

Reference Measure	Status	Target	2022/23 actual	2021/22 actual
DLT1 Proportion of non-compliance actions for driver licence course providers and testing officers that are progressed within acceptable timeframes	Achieved	≥95%	98%	100%
DLT2 Proportion of practical tests taken within 30 working days of booking	Achieved	>63%	84%	63%

	Actual 2022/23 \$M	Budget 2022/23 \$M	Variance 2022/23 \$M	Actual 2021/22 \$M
Revenue	76	78	(2)	68
Expenditure	67	71	(4)	85
Net surplus/(deficit)	9	7	2	(17)

Drivers licencing and testing recorded a surplus of \$9 million which was near the budget.

Vehicle safety and certification ●●●

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

What we do

We use vehicle registration, licensing, standards and certification to help ensure vehicles on the country's roads are compliant and safe. We do this by developing rules, standards and guidelines for vehicle inspection and certification, appointing vehicle inspectors and inspecting organisations, and revoking certification of vehicles when we find they are unsafe or illegal. We monitor performance of inspectors and inspecting organisations, investigating complaints and taking appropriate action against inspectors and organisations that do not meet required standards. We also manage the delivery of motor vehicle registration and licensing services to the public. These services include maintaining the integrity of the motor vehicle register and related systems, authorising and managing third-party access to registry information, and informing the public of vehicle standards, registration and licensing regulatory requirements.

Difference this output class makes

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

Reference	Measure	Status	Target	2022/23 actual	2021/22 actual
VSC1	Proportion of non-compliance actions for vehicle inspecting organisations, vehicle certifiers and vehicle inspectors that are progressed within acceptable timeframes	Achieved	≥95%	99%	98%
VSC2	Proportion of vehicles re-licensed on time	Achieved	≥98%	98%	98%

	Actual 2022/23 \$M	Budget 2022/23 \$M	Variance 2022/23 \$M	Actual 2021/22 \$M
Revenue	75	63	12	70
Expenditure	81	85	(4)	66
Net surplus/(deficit)	(6)	(22)	16	4

Vehicle safety and certification recorded a deficit of \$6 million which was less than budget. This was partly due to receiving section 9(1)(A) revenue to support the regulatory function and more revenue from motor vehicle licensing than was budgeted for.

Regulation of commercial transport operators

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

What we do

We improve the safety of the land transport system by helping to ensure commercial operators and drivers meet the required safety standards. This includes developing land transport rules relating to commercial transport operation, setting regulatory standards and requirements for the industry, and educating operators and the public on commercial transport obligations. We also administer permits for over-weight, over-dimension and high-productivity vehicles and manage commercial transport operator licensing. We monitor compliance with commercial operator obligations, and investigate and prosecute operators and drivers who do not meet required standards.

Difference this output class makes

Effective regulation of commercial transport operators helps to ensure commercial operators and drivers are safe and legal, so people and goods can be moved safely.

Reference Measure	Status	Target	2022/23 actual	2021/22 actual
CTO1 Proportion of non-compliance actions for commercial operators that are progressed within acceptable timeframes	Achieved	≥95%	100%	99%

	Actual 2022/23 \$M	Budget 2022/23 \$M	Variance 2022/23 \$M	Actual 2021/22 \$M
Revenue	13	10	3	12
Expenditure	12	13	(2)	12
Net surplus/(deficit)	1	(3)	4	(0)

Regulation of commercial transport operators recorded a surplus of \$1 million surplus which was more than budget. This was mainly due to additional fee revenue collected.

Regulation of the rail transport system ●●●

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

What we do

We regulate the rail transport system to assure stakeholders and the public that rail participants effectively manage rail safety risks. We manage entry to and exit from the rail system by licensing and restricting operations, approving 'safety cases' (documents that describe a licensee's safety approach) and guiding the development of safety standards. We also assess compliance, investigate safety accidents, and direct improvements or restrictions in response to safety breaches. We prosecute breaches of the Railways Act 2005, monitor risks and the overall level of safety in the rail system, and provide advice and information on rail system safety.

Difference this output class makes

Effective regulation of rail participants helps Aotearoa have safe rail networks that can be used with confidence to move people and goods.

Reference	Measure	Status	Target	2022/23 actual	2021/22 actual
RTS1	Proportion of non-compliance actions for rail participants that are progressed within acceptable timeframes	Achieved	≥95%	96%	95%

	Actual 2022/23 \$M	Budget 2022/23 \$M	Variance 2022/23 \$M	Actual 2021/22 \$M
Revenue	3	2	1	3
Expenditure	3	4	(1)	3
Net surplus/(deficit)	0	(2)	2	0

Regulation of the rail transport system recorded a nil surplus which was more than budget. This was mainly due to additional Crown funding to support rail regulation.

Revenue collection and administration ●

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

What we do

We collect and refund road user charges revenue (to be paid to the NLTF) by selling road user charges licences, investigating evasion and enforcing payment, and refunding customers' charges paid for off-road travel. We collect road tolling revenue to fund or repay the cost of building, maintaining and operating toll roads, investigating evasion and enforcing payment, and managing associated systems, customer interfaces and payment channels. We collect and rebate regional fuel tax to fund regional projects, including collecting fuel tax from distributors, providing rebates for off-road use, auditing compliance with the requirements, and reporting fuel prices and volumes. We refund and account for fuel excise duty claims so customers are refunded for offroad fuel use. We also inform and advise the public about revenue collection and administration, including road user charges and road tolling.

Difference this output class makes

Revenue collection and administration allows us to collect the amount of revenue prescribed fairly and in accordance with the law to invest in a safe, resilient and accessible transport system. Revenue collected through motor vehicle registration is also invested in the transport system.

Reference	Measure	Status	Target	2022/23 actual	2021/22 actual
REV1	Proportion of unpaid road user charges identified through investigations and assessments that are collected ^A	Achieved	≥65%	81%	82%
REV2	Average number of days to process road user charges, fuel excise duty and regional fuel tax refund applications	Achieved	≤20 working days	14 working days	15 ^B working days

^A This is also an appropriation measure in Vote Transport (see appendix 4, page 192 onwards).

^B The 2021/22 REV2 result was incorrectly reported as 20 working days in the 2021/22 annual report. This was due to a reporting issue that included all calendar days instead of working days in the calculation. A new reporting tool has rectified this issue.

	Actual 2022/23 \$M	Budget 2022/23 \$M	Variance 2022/23 \$M	Actual 2021/22 \$M
Revenue	49	45	4	41
Expenditure	53	52	1	37
Net surplus/(deficit)	(4)	(7)	3	4

Revenue collection and administration recorded a deficit of \$4 million which was lower than planned due to additional Crown funding to support administration of road user charges and fuel excise duty refunds.

Other outputs

Low emission vehicles

	Actual 2022/23 \$M	Budget 2022/23 \$M	Variance 2022/23 \$M	Actual 2021/22 \$M
Revenue	371	193	178	135
Expenditure	371	193	178	134
Net surplus/(deficit)	(0)	0	(0)	1

Low emission vehicles expenditure was \$178 million (92 percent) above budget as more rebates than planned were paid out under the clean vehicle discount scheme.