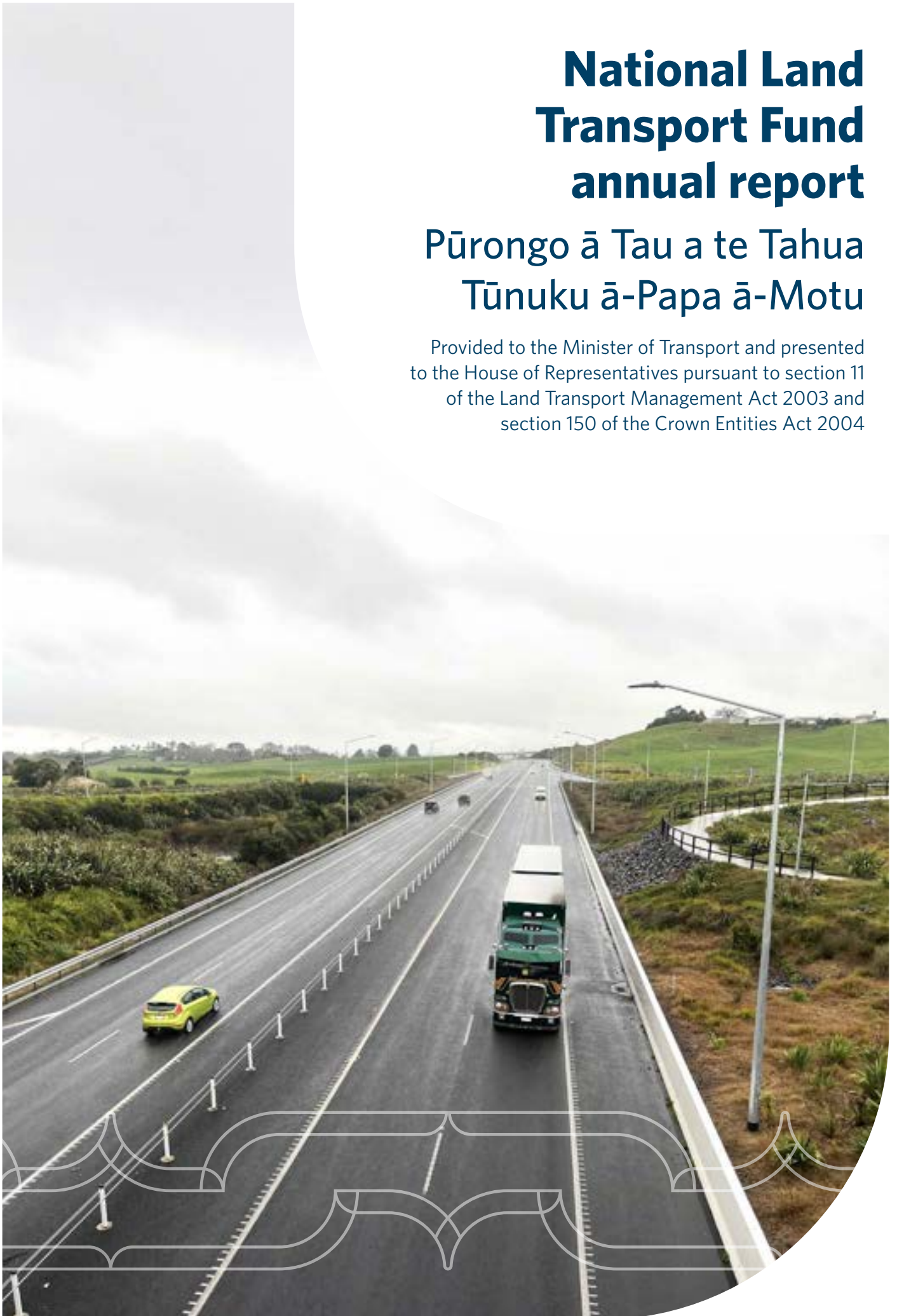


National Land Transport Fund annual report

Pūrongo ā Tau a te Tahua Tūnuku ā-Papa ā-Motu

Provided to the Minister of Transport and presented
to the House of Representatives pursuant to section 11
of the Land Transport Management Act 2003 and
section 150 of the Crown Entities Act 2004



Contents

Section A	Section B	Section C
Overview of 2023/24	Detailed results	Financial statements and audit reports
Tirohanga whānui o te tau 2023/24 205	Ngā taipitopito o ngā otinga 213	Ngā tauākī pūtea me ngā pūrongo arotake pūtea 235
Chair and chief executive overview 206	Delivering on the Government Policy Statement on land transport 2021 214	Statement of responsibility 236
About this report 208	Use of the National Land Transport Fund 223	Financial statements 237
The land transport investment system 209		Notes to the financial statements 240
NZTA investment approach 211		Statement of performance 251
		Independent auditor's report 253

Overview of 2023/24

Tirohanga whānui
o te tau 2023/24



Chair and chief executive overview

He tirohanga whānui nā te heamana me te pou whakahaere

National Land Transport Fund (NLTF) investments support a transport system that enables people and freight to get where they need to go, quickly and safely.

Over the last year, NZ Transport Agency Waka Kotahi (NZTA) worked closely with our partners and stakeholders to give effect to the Government Policy Statement on land transport (GPS) 2021 by investing the NLTF in the final year of the 2021–24 National Land Transport Programme (NLTP). Along with our partners, we responded quickly to changing government priorities during the year, including stopping blanket speed limit reductions and withdrawing from the Let's Get Wellington Moving programme. We also worked with our local government partners to develop the NLTP for 2024–27, which aligns with the priorities and direction set by GPS 2024.

A total of \$19.7 billion was invested in delivering the 2021–24 NLTP, including \$17.5 billion from the NLTF. Over the 3-year NLTP period, the NLTF invested:

- \$3.66 billion towards safety-related benefits
- \$6.39 billion towards providing better travel options
- \$2.82 billion towards improving freight connections
- \$2.11 billion towards climate change benefits.

Over 2023/24, \$5.9 billion of the NLTF was invested in delivering the NLTP, including:

- \$1.45 billion towards safety-related benefits
- \$2.39 billion towards providing better travel options
- \$1.27 billion towards improving freight connections
- \$791 million towards climate change benefits.

Our significant capital projects support economic growth, create social and economic opportunities, and provide better connections for people and freight. Despite challenges due to delays in property acquisition and consenting, reduced supply chain capacity and emerging affordability issues, good progress was made on significant capital projects. Key achievements include fully opening the Ara Tūhono – Pūhoi to Warkworth motorway, beginning enabling works on State Highway 29 Tauriko West and opening 2 bridges as part of the Takitimu North Link Stage 1 project.

We also invested in major public transport projects to provide people with more choice, improve reliability and reduce travel times. In 2023/24, construction started on the Eastern Busway which will enable buses to run every 4 minutes during peak hours once complete, and the Northwest Rapid Transit project engaged with over 4,000 people on their transport needs. We acknowledge the work of our local partners who helped progress these projects, as well as other significant capital projects, throughout the year.

Following an increase in severe weather events in recent years, we continued to invest in the recovery of the land transport network. Critical recovery and maintenance works were completed on State Highway 1 at the Brynderwyn Hills in Northland, with this important route reopened in time for the Matariki long weekend. To organise and deliver the much-needed recovery and rebuild work needed on the highway and rail networks in Gisborne and Hawke's Bay, we formed the Transport Rebuild East Coast alliance with 4 of our partners. We also worked with our partners to build a new bridge on State Highway 25A in Coromandel using an innovative approach that enabled the route to be reopened on time and under budget, reconnecting communities ahead of Christmas 2023.

As we move into the first year of giving effect to GPS 2024, our focus is on delivering with others at pace and achieving value for money through our NLTF investment. To do this well, we need to partner for success by developing high-value and highly accountable relationships with local government. The government expects us to focus on performance and efficiency, and to hold the organisations we work with to account to do so the same.

Ensuring New Zealand has a well-maintained, reliable and resilient land transport network and being able to deliver the capital improvements signalled in GPS 2024 requires increased revenue and a sustainable funding model. Funding and financial sustainability is an ongoing issue, and over the coming year we'll continue to look at other revenue sources and funding and delivery models, and improve how we plan, manage and invest the NLTF.

We remain committed to working with our partners to invest in and deliver a land transport network that benefits everyone in New Zealand.



Simon Bridges
NZTA Board Chair



Nicole Rosie
NZTA Chief Executive

About this report

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

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

This is the third annual report against the GPS for 2021/22 to 2030/31 (GPS 2021).

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

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

Activity class	Page
Road to Zero	Page 223
Public transport services	Page 225
Public transport infrastructure	Page 226
Walking and cycling improvements	Page 227
Local road improvements	Page 228
State highway improvements	Page 229
State highway maintenance	Page 230
Local road maintenance	Page 231
Investment management	Page 232
Coastal shipping	Page 233
Rail network	Page 234

The land transport investment system

National Land Transport Fund

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

- **fuel excise duty** – excise collected at source and recharged in petrol, liquid petroleum gas and compressed natural gas prices
- **road user charges** – charges paid by users of vehicles over 3.5 tonnes manufacturer's gross laden weight and by users of vehicles using diesel or another fuel not taxed at source
- **motor vehicle registry fees** – registration and licence fees paid by public road users to access the road network
- **state highway property rental and sale** – rentals and other charges on state highway property and from the sale of land surplus to transport requirements
- **track user charges** – charges collected from KiwiRail
- **surplus and short-term debt movement** – use of surplus from a previous NLTF and movement in short-term debt
- **Crown** – the Crown provides funding to support the Rail Network Investment Programme, and provided additional funds to the NLTF for the North Island weather events emergency relief package and emergency works
- **tolling** – charges collected from tolled roads for the repayment of tolling debt
- **Clean Car Standard programme** – charges collected from cars imported with a CO₂ level above the standard.

The NLTP is a partnership between NZTA, which uses the NLTF to invest on behalf of the Crown, and approved organisations.¹ NZTA assesses and prioritises which activities proposed by approved organisations will be invested in on behalf of the Crown.

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

Government Policy Statement on land transport

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

The Minister of Transport must issue a GPS every 6 financial years and review the Crown’s land transport investment strategy within it every 3 years. GPS 2021 was in effect for the 2021-24 period.

The 4 strategic objectives of GPS 2021 are safety, better travel options, improving freight connections and climate change (see figure 1).

From 1 July 2024, GPS 2021 was superseded by GPS 2024. The 4 strategic priorities of GPS 2024 are economic growth and productivity, increased maintenance and resilience, safety and value for money.

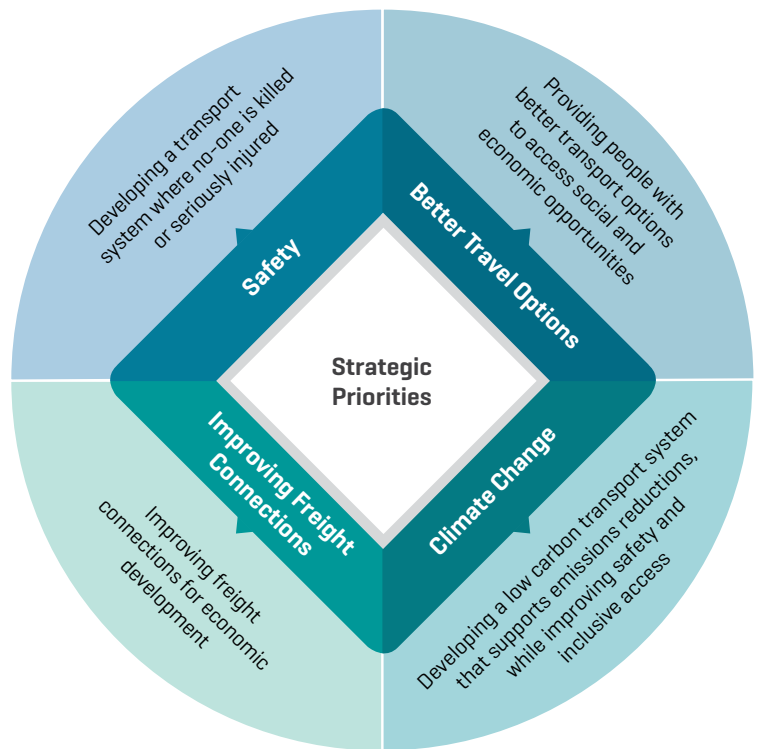


Figure 1 – Strategic direction of the GPS 2021

National Land Transport Programme

The priorities of the GPS are progressed through the NLTP, a 3-year programme that sets out how NZTA, working with its partners, plans to invest national land transport funding. The NLTP sets out activities that are expected to be funded from the NLTF under the Land Transport Management Act 2003. Regional land transport plans, developed by local government, must also align with the GPS.

The NLTP is a snapshot of:

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

² For more information, see transport.govt.nz/area-of-interest/strategy-and-direction/transport-outcomes-framework

NZTA investment approach

NZTA allocates funding across transport activities to give effect to the GPS and contribute to an effective, efficient and safe land transport system in the public interest. To do this, NZTA works closely with co-investment partners and stakeholders (including local communities and national policy makers) to determine the transport solutions that will work best for New Zealand.

Investment principles

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

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

NZTA investment decision-making approach

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

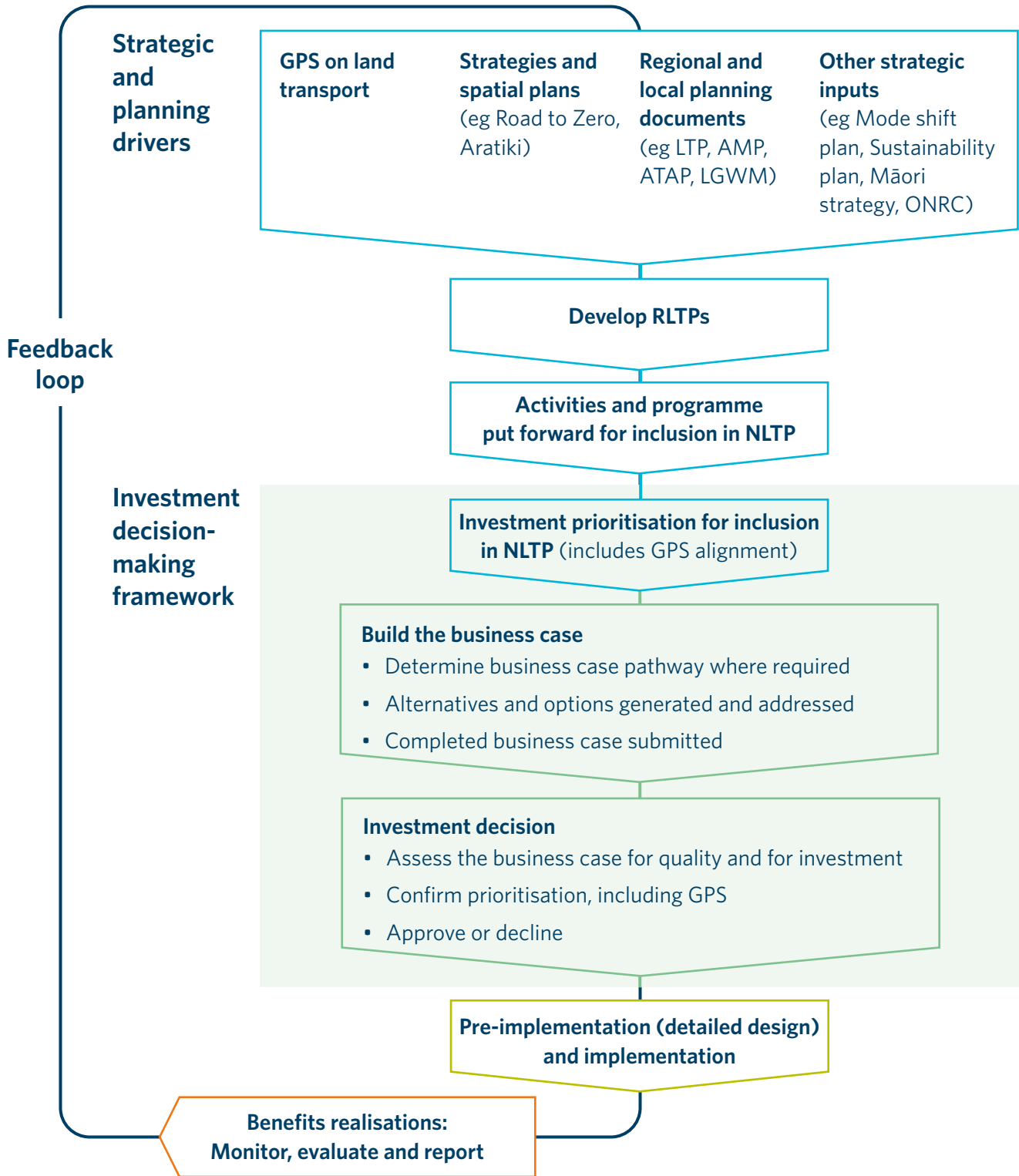
For each activity proposed for inclusion in the NLTP, a business case is developed, and options are identified and assessed. A preferred solution is put forward for an investment decision. The NZTA Board makes significant investment decisions, while under the delegation rules, managers within NZTA make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

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

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

³ These investment principles sit alongside the Land Transport Management Act 2003 operating principles and provide an overarching direction for our investment decisions. Further information on these investment principles is available at nzta.govt.nz/planning-and-investment/planning-and-investment-knowledge-base/202124-nltp/202124-nltp-principles-and-policies/investment-principles

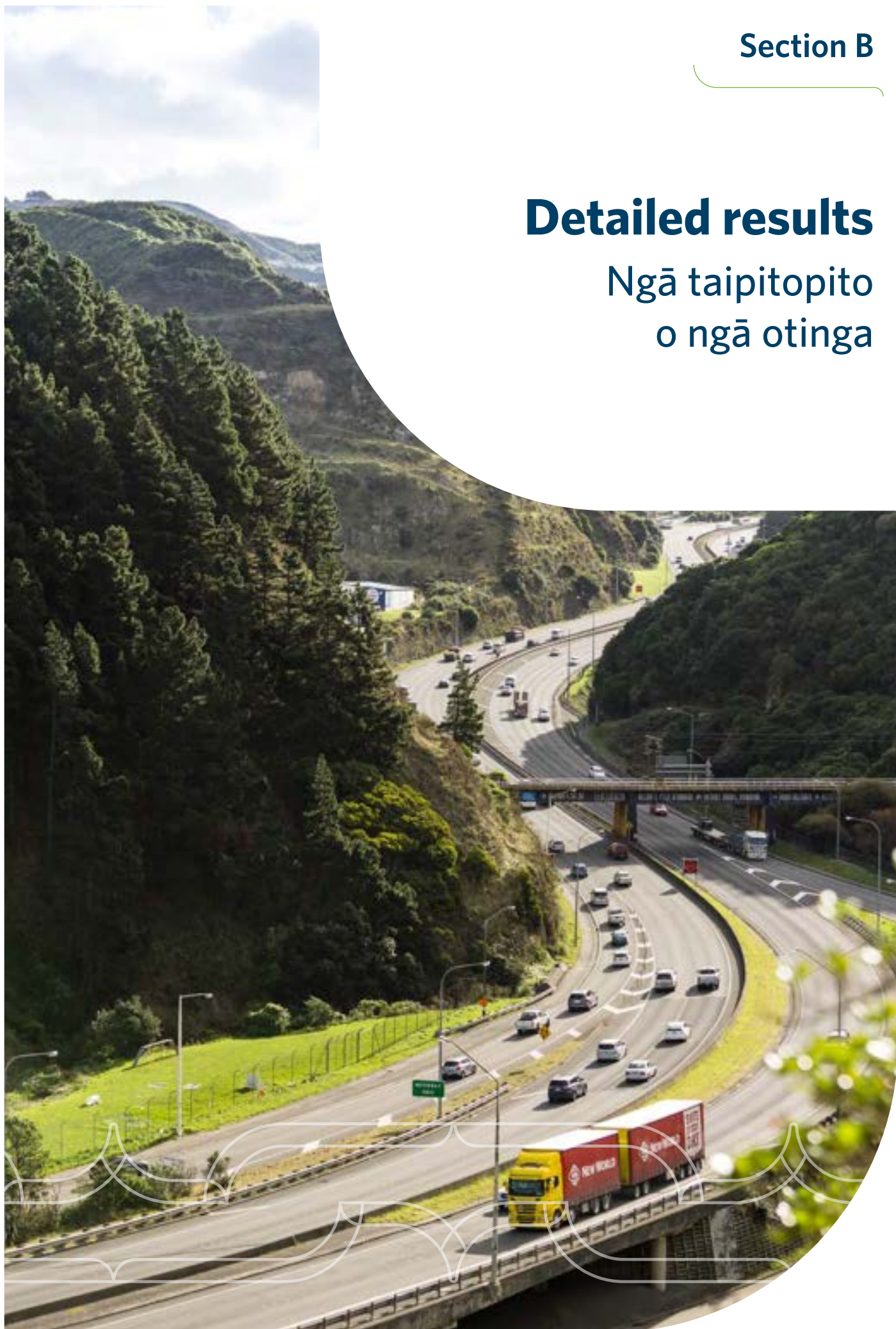
Figure 2 – NZTA investment decision-making framework



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

Detailed results

Ngā taipitopito
o ngā otinga

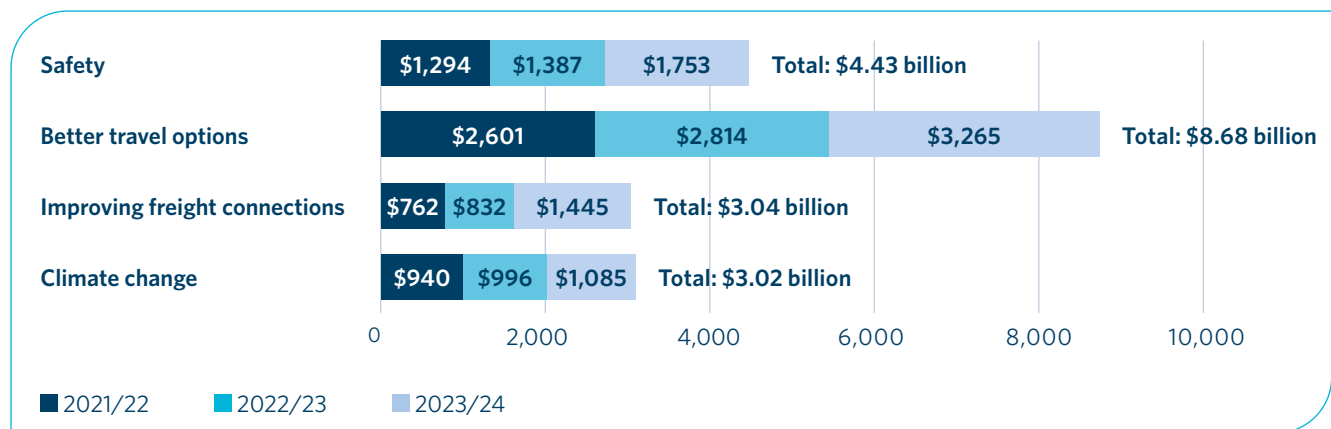


Delivering on the Government Policy Statement on land transport 2021

The 2021-24 NLTP planned to invest \$24.3 billion across the strategic priorities of GPS 2021, including \$15.6 billion from the NLTF.

Over the 2021-24 NLTP, \$19.2 billion was invested in the NLTP, including \$15 billion from the NLTF. Over 2023/24, the final year of the 2021-24 NLTP, \$7.5 billion was invested across the strategic priorities of GPS 2021, including \$5.9 billion of the NLTF. Figure 3 shows how much of the total NLTP spend over the 3-year period was invested in each GPS 2021 priority.

Figure 3 – Investment toward GPS 2021 strategic priorities for the 2021-24 NLTP



For more detail on how the NLTF was used across activity classes, see Use of the National Land Transport Fund on page 223.

The following sections describe what the land transport system invested in and delivered to achieve the results and objectives of GPS 2021, including a subset of GPS 2021 measure results.

Regional summary

Each year, NZTA publishes a summary of what's been done in each region over the last 12 months and the investment across activity classes. For details, see nzta.govt.nz/assets/resources/2021-24/2023-24-national-land-transport-fund-annual-report-regional-summaries.pdf

Progress toward GPS results

Better travel options



- **Summary of significant capital project delivery**
 - Focus on Roads of National Significance and Roads of Regional Significance highlights as applicable
- **Public transport output class measures**
 - PTS1: Number of boardings on urban public transport services
 - PTS2: Reliability of public transport services
 - PTI1: Punctuality of metro rail services
- **State highway & local road improvements output class measures**
 - SHI1: Proportion of state highway improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes
 - LRI1: Proportion of local road improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes

Improved freight connections



- **MRFN1: Interpeak predictability of travel times on priority freight routes**
- **KiwiRail-delivered output class measures**
 - RN1: Amount of freight carried by rail
 - RN2: Freight travel time reliability

Safety



- **Deaths and serious injuries**
 - SAFE1: Number of deaths and serious injuries
 - SRUC1: Number of deaths and serious injuries associated with behavioural risk factors
- **New Zealand Police-delivered output class measures**
 - RTZ3: Number of intersections treated with primary Safe System treatments
 - RTZ4: Number of passive breath tests conducted
 - RTZ5: Number of hours mobile cameras are deployed
 - RTZ8: Kilometres of the network treated with new median barriers

Climate change



- **Maintenance & resilience**
 - MEET2 (SHM2): Proportion of the state highway network that meets minimum asset condition requirements
 - RES1: Unplanned road closures resolved within standard timeframes
 - NIWE6: Percentage of programme completed for state highways (measured annually)
 - SHM1: Proportion of state highway maintenance activities delivered to agreed programme
 - LRM1: Proportion of the local road maintenance activities funded by the National Land Transport Fund delivered to plan (be clear that is delivered by councils)
 - LRM2: Proportion of travel on smooth roads (be clear that is delivered by councils)
- **Emissions**
 - ENV1: Greenhouse gas emissions from the land transport system (but reframe and provide detail on changing context and targets, eg ETS, ERP2)

Value for money (GPS 2024)



- **IM1:** Proportion of total cost of managing the investment funding allocation system to National Land Transport Programme expenditure
- **SHM3:** State highway maintenance cost per lane kilometre delivered
- **LRM3:** Local road maintenance cost per lane kilometre delivered (be clear that is delivered by councils)

Safety

What we invested

A total of \$4.43 billion was invested in activities with safety-related benefits during the 2021-24 NLTP period. In 2023/24, this included \$1.45 billion from the NLTF, including \$633.5 million invested in the Road to Zero activity class, \$250.4 million in state highway maintenance and \$184.4 million in local road maintenance.

What was delivered

NZTA invested in New Zealand Police delivery of the Road Safety Partnership Programme 2021-24.

- NZTA signed an updated memorandum of understanding with New Zealand Police in July 2023 reinforcing the commitment to work together to achieve **joint sector outcomes** including delivering road safety initiatives, operating an efficient and effective safe road system, and providing effective regulation, enforcement and road policing services.
- As part of the commitment to provide effective road policing services, NZTA funds New Zealand Police activities aimed at improving road safety such as reducing drug and alcohol impairment among drivers. New Zealand Police conducted over 3.58 million **breath tests** in 2023/24, the highest number in a decade. This reflects New Zealand Police's revised approach to breath testing, which balances conducting a high number of tests with targeting specific risk times and locations.
- Mobile safe speed cameras were operated by New Zealand Police for 63,054 hours in 2023/24, which was below the target of 80,000 hours set by the Road Safety Partnership Programme 2021-24. The transition of mobile cameras from New Zealand Police to NZTA affected the delivery of hours, partly due to the difficulty of retaining and recruiting traffic camera operators. Despite not achieving the target in 2023/24, the number of mobile camera operating hours has steadily increased through delivery of the 2021-24 programme, up from 58,406 in 2021/22.
- A new schedule to the memorandum of understanding was signed, making it easier for NZTA to **share CCTV footage with New Zealand Police**. Police can now request footage online and receive it electronically, rather than needing to visit a Transport Operations Centre in person. It also means all 12 police regions have equal access to footage, and it is easier and quicker for NZTA to respond to information requests.

NZTA invested in and delivered initiatives to encourage safer road user behaviour.

- During 2023/24, preparations to transfer existing safety cameras from New Zealand Police were completed and the first **NZTA-run safety camera** was installed. The rate and pace of the safety camera network expansion has been adjusted to reflect the ambition of GPS 2024, with safety camera enforcement beginning in July 2024 and the first New Zealand Police safety camera on track to transfer to NZTA in August 2024.
- NZTA delivered 951km of **speed limit changes** on local roads (28% of the top 10% of highest risk roads) and 1,032km on state highways (15% of the top 10% of highest risk roads). GPS 2024 has a material impact on NZTA's ability to reach Speed and Infrastructure Programme targets that align to the direction of GPS 2021. The Minister of Transport released the Setting of Speed Limits Rule 2024 (the draft Speed Rule) for public consultation on 13 June 2024 which, once finalised, will replace the current Setting of Speed Limits 2022 rule.
- NZTA partnered with the Accident Compensation Corporation on a **safety campaign** targeting male open-road motorcyclists aged 45 to 64, one of the most at-risk groups for death or serious injury on New Zealand roads. The campaign used real riders and told their stories in documentary style, aiming to connect people with shared experiences and motivate riders to better manage the risks of every ride.

NZTA invested in and delivered infrastructure improvements to make the network safer.

- In 2023/24, 181km of **median barriers** and **Primary Safe System treatments** (such as roundabouts and raised safety platforms) on 132 intersections were completed. Median barriers were prioritised over other safe system treatments due to the long-term benefits they provide. To address delays and increase efficiency of the safety work programme, high-risk intersections were treated alongside median barrier works and median barriers were included in the state highway maintenance programme.
- NZTA continued to invest in and work with partners to make the land transport network safer by making **safety infrastructure improvements** through delivery of our significant capital projects. In 2023/24 this included:
 - completing a new roundabout on **State Highway 51 Napier to Hastings**, making it safer for people turning onto the state highway. Routine state highway maintenance, such as resurfacing, was also completed while safety improvements were made to reduce disruption on road users
 - opening an alternative route to the busy road freight link **State Highway 88 Dunedin to Port Chalmers** for pedestrians and cyclists in August 2023 to improve safety for all road users
 - responding to community calls for safety improvements on the **State Highway 1 Cambridge to Piarere** Road of National Significance, by completing the first turnaround bay, starting construction on a roundabout at the intersection of SH1 and SH29, and installing a flexible median barrier between Keeley's Reserve and Moana Roa Road
 - through the **State Highway 2 Wairarapa** improvements project, completing road reconstruction on the northbound side of the road in Carterton, maintenance on SH2 Chapel Street in Masterton and new white line markings on roundabouts.

Better travel options and improving freight connections

What we invested

A total of \$8.68 billion was invested in activities delivering better travel options during the 2021–24 NLTP period. In 2023/24, this included \$2.39 billion from the NLTF, including \$337.7 million invested in the public transport services activity class, \$625.9 million in state highway maintenance and \$460.9 million in local road maintenance.

A total of \$3.04 billion was invested in activities improving freight connections during the 2021–24 NLTP period. In 2023/24, this included \$1.27 billion from the NLTF, including \$391.9 million in the rail network activity class, \$316.1 million in state highway improvements, as well as \$250.4 million in state highway maintenance and \$184.4 million in local road maintenance.

What was delivered

NZTA worked with partners to progress significant capital projects that help connect people and freight quickly and safely, and support economic growth.

- The **Ara Tūhono – Pūhoi to Warkworth** motorway opened in June 2023 while non-critical works and quality assurance tests were completed during 2023/24. The road provides a safe, resilient and direct route that supports tourism, improves connections between Auckland and Northland, boosts the economic potential of the Northland region and reduces travel times. It is the second New Zealand motorway to be constructed under a public–private partnership, and as part of the operating phase will be maintained by Northern Express Group for the next 24 years.
- Construction started on **State Highway 29 Tauriko West Enabling Works**, a \$264 million investment in the western Bay of Plenty that NZTA and Tauranga City Council are delivering together. It's expected that up to 2,400 of the 4,000 new homes planned for Tauriko West will be enabled through these works. All consents were approved and enabling works began in March 2024. Property acquisition is well underway and expected to be completed in October 2024.
- As part of **Takitimu North Link Stage 1**, Cambridge Road and Wairoa Road Bridges opened to traffic in April 2024, meaning the planned 4-lane expressway and shared path can be built underneath. This new infrastructure will connect Tauranga and Te Puna, improve safety and resilience, and give communities better access to places for earning, learning and participating in society. GPS 2024 identifies stage 2, Te Puna to Ōmokoroa, as a Road of National Significance.
- See appendix 3 of the NZTA annual report for more detail on progress for all significant capital projects.

NZTA invested in maintenance and improvements to improve reliability and resilience of the state highway and local road network.

- The overall **condition of the state highway network** has been declining over recent years. To improve condition, NZTA needs to maintain roads that are in better condition while also fixing those in poor condition. NZTA has developed a 10-year programme to gradually increase the level of rehabilitation, alongside other renewal activities, to reach an acceptable level of service across the whole state highway network by 2033. Delivery of this programme will be subject to funding over the next 3 NLTPs.

- In 2023/24, 82% of planned **local road maintenance** activities funded by the NLTF were delivered to plan. Local road maintenance and renewal activities continued to be affected by resource shortages, emergency works and rising costs. These rising costs, due to higher than forecast inflation and industry cost increases, also meant the cost per lane delivered for local road maintenance increased to \$5,020 over the last year. Unfinished activities will be deferred and delivered as part of the 2024–27 NLTP. Increased maintenance and resilience is a priority in GPS 2024, with funding focused on resealing, rehabilitation and drainage maintenance works on both state highways and local roads.
- During 2023/24, **unplanned road closures** were resolved within standard timeframes for 64% of weather events and 89% of other events (such as crashes). To improve this performance, NZTA signed an updated memorandum of understanding on incident management with New Zealand Police, Fire and Emergency New Zealand, St John Ambulance and Wellington Free Ambulance. The memorandum sets clear expectations on how incidents will be managed to ensure New Zealand’s roading networks are not closed or restricted for longer than necessary for each party to carry out its functions.

NZTA invested in local government and KiwiRail delivery of public transport services.

- NZTA continued to co-invest with approved organisations in bus, ferry and rail **public transport services**. Boardings on urban public transport services increased to 154 million in 2023/24 due to reduced cancellations, increased service levels and discounted fares through the Community Connect initiative funded by the Climate Emergency Response Fund. Addressing workforce shortfalls helped to increase reliability of urban rail, bus and ferry services during the year.
- To make public transport services more accessible, NZTA worked in partnership with 13 public transport authorities to progress the **National Ticketing Solution**. During 2023/24, NZTA began testing and started work on establishing the ticketing and payments function. Although the budget and timelines for this project are challenging, implementation is planned to start in Timaru in December 2024, followed by Greater Christchurch in 2025.

NZTA invested in local government and KiwiRail delivery of major public transport projects that will provide people with more choice, improve reliability and help reduce travel times, congestion and emissions.

- In June 2024, the signalling systems for the **City Rail Link** were successfully integrated into the wider network, the new overhead electric lines between Papakura and Pukekohe powered up and implementation of signalling updates began at Morningside, Newmarket, Quay Park, Waitematā (Britomart) and Penrose. KiwiRail also carried out rail network rebuild work between Papakura and Pukekohe, Middlemore station upgrades and work on the new western power feed to improve resilience of the rail network.
- Construction has started on the **Eastern Busway** to add 7km of new bus routes and 12km of safe and separate cycle routes and walkways. This long-term project is part of the Southwest Gateway programme and is expected to improve access to Auckland CBD by enabling buses to run every 4 minutes during peak hours.
- Nearly 4,000 people completed a survey about their travel experiences and needs through the first phase of community engagement on **Northwest Rapid Transit** in August to September 2023. The community supported a rapid transit solution that is delivered quickly to reduce congestion and provide better transport options. NZTA is continuing to work with local government partners and engage with the community to identify next steps.

- NZTA are working with KiwiRail, Auckland Transport and mana whenua to deliver several projects to provide growing South Auckland communities with more travel options. As part of the **South Auckland Package**, joint Ministers approved the detailed business case for the State Highway 22 Drury and Waihoehoe Road upgrades which will provide access to the new Drury Railway Station, Ngākōroa Railway Station and planned housing developments.

NZTA invested in and monitored KiwiRail's delivery the first Rail Network Investment Programme, aimed at achieving a reliable, resilient and safe rail network.

- Through NZTA's investment in the final year of the Rail Network Investment Plan 2021-24 (RNIP), KiwiRail built on the delivery momentum established over the duration of the 3-year programme. In particular, delivery outputs for track renewals have increased year-on-year and individual targets for rerail, re-sleepering, and relay have all been exceeded.
- Significant work has also been delivered in the Auckland and Wellington metro networks (both funded within the RNIP and from other sources). However, further investment is required to lift the network to the desired state and deliver the desired levels of reliability to customers.

Climate change

What we invested

A total of \$3.02 billion was invested in activities delivering climate change benefits during the 2021-24 NLTP period. In 2023/24, this included \$791.0 million from the NLTF, including \$117.7 million in the public transport services activity class, \$170.9 million in public transport infrastructure, \$106.2 million in state highway maintenance and \$92.2 million in local road maintenance.

What was delivered

NZTA continued to invest in and deliver recovery works in response to the North Island weather events.

- Auckland, Northland, Waikato, Coromandel, Bay of Plenty, Tairāwhiti and Hawke's Bay regions and the Tararua district suffered extensive and devastating damage from significant weather events in 2023. The focus over the last year has been on ongoing recovery work to return the state highway network to how it was before the weather events. Budget 2024 confirmed \$609.25 million of direct Crown funding to complete the **state highway recovery**.
- **State Highway 1 Brynderwyn Hills** was reopened at the end of June 2024, following a 4-month closure to complete critical recovery and maintenance works in response to the significant damage caused by the North Island weather events. Repair works and ensuring the availability and safety of detour routes during the closure period were a joint effort between NZTA and our Northland partners, including the Northern Transport Alliance. To protect the future resilience of this crucial connection, GPS 2024 prioritises development of an alternative route as a Road of National Significance.
- NZTA completed **Resilience Strategic Response business cases** for Whangārei to Dome Valley, Coromandel Hauraki, Tairāwhiti Wairoa and Hawke's Bay that identified short, medium and long-term prevention-based interventions to maintain and improve the resilience of the state highway network. Local government, iwi, suppliers and central government partners provided input, covering topics such as how people use the transport network, what they need from it and how it can be future-proofed.
- In Tairāwhiti and Hawke's Bay, NZTA partnered with KiwiRail, Downer, Fulton Hogan and Higgins to form the **Transport Rebuild East Coast alliance** which is delivering an ongoing recovery programme to remediate hundreds of slips, underslips, retaining walls and bridges.

NZTA invested in delivery of significant capital projects that improve the resilience of the network to severe weather events.

- **Te Ahu a Turanga: Manawatū Tararua Highway** is a new highway being built over the Ruahine Range to provide a safe, resilient and efficient route between Woodville and Ashhurst that connects to the local network. The new highway replaces the old State Highway 3 Manawatū Gorge route following a large slip in 2017 and ongoing instability that closed the road indefinitely. Bulk earthworks have been completed and construction started on major structures in 2023/24.
- As part of the **O Mahurangi – Penlink** project, main construction for a new 7km highway between Whangaparāoa Road and State Highway 1 started in October 2023 following completion of consenting and approval of the outline plan of works, additional earthworks and wetlands. This Road of Regional Significance supports economic growth and productivity and will reduce congestion, improve safety and support housing development.

NZTA invested in activities aimed at reducing transport sector emissions, in line with the National Adaptation Plan and Emissions Reduction Plan.

- Emissions from the land transport system continued to increase in 2023/24, but remain below the 2019 baseline.
- NZTA's investment in major public transport projects help to reduce emissions from the transport sector. In 2023/24, this included the **Lower North Island Integrated Mobility** project which started procurement following approval of the business case in November 2023. The project is a partnership between Metlink, Horizons Regional Council and KiwiRail to deliver 18 new low-emission hybrid trains and infrastructure improvements to ensure service continuity on the Wairarapa and Manawatū lines.
- NZTA invested the NLTF in activities aimed at reducing **transport sector emissions** including supporting more efficient freight movement and increasing uptake of electric vehicles.
- Implementation of National Adaptation Plan and Emissions Reduction Plan initiatives was also funded by the Climate Emergency Response Fund. See page 49 of the NZTA annual report for more information on Climate Emergency Response Fund initiatives.

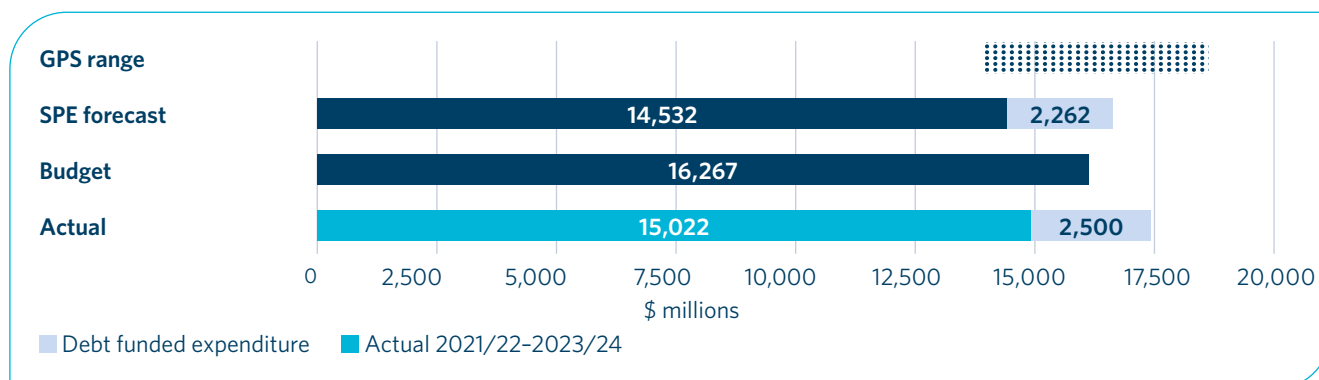
Use of the National Land Transport Fund

Revenue for the NLTF during the 2021-24 NLTP was eight percent higher than forecast in the published programme mainly due to additional Crown funding provided for North Island weather events.

At the end of the 2021-24 NLTP, overall NLTF spend across all activity classes was eight percent above budget. This was largely due to higher spend on emergency works due to North Island weather events.

The actual investments from the NLTF compared with the planned level of funds allocated in the 2021-24 NLTP are shown in the tables in the next sections. These tables do not account for NLTP funds contributed by local authorities or other sources, including Crown grants.

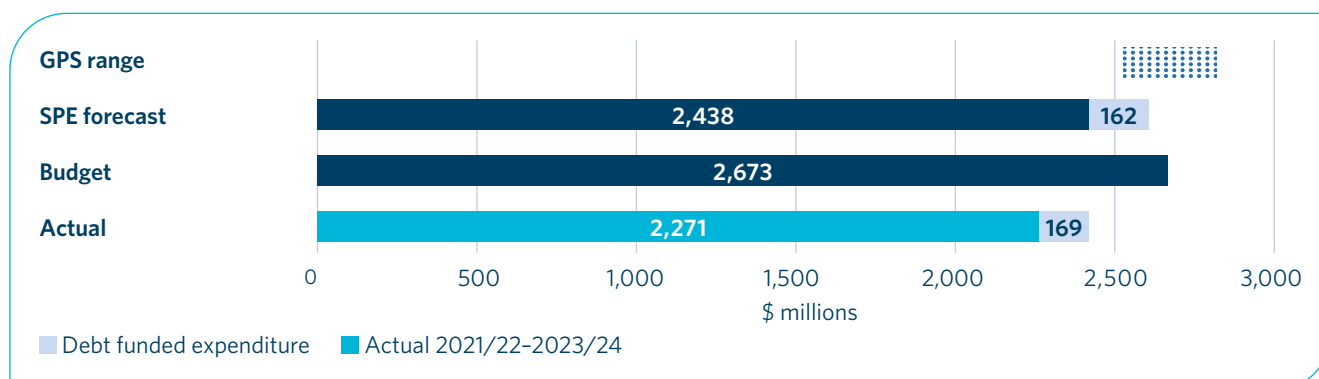
Overall use of the National Land Transport Fund



At the end of the third and final year of the 2021-24 NLTP, overall National Land Transport Fund spend across all activity classes is above the budget. This was mainly due to higher spend on emergency works due to North Island weather events. The budget represents the three-year investment target set by the Board at the start of the 2021-24 National Land Transport Programme while the actual represents the current spend for the 2021-24 National Land Transport Programme.

Road to Zero

Expenditure



Road to Zero expenditure was \$233 million (nine percent) below budget at the end of the 2021-24 National Land Transport Programme. This was mainly driven by slower delivery 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 local roads and state highways.

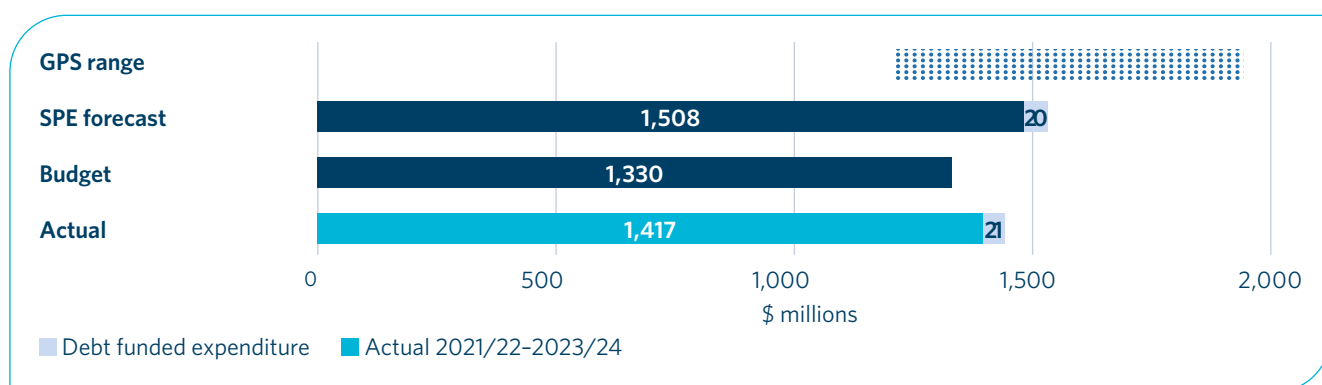
Performance measures

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
RTZ3	Number of intersections treated with Primary Safe System treatments	Not achieved	≥500	132	Not available
	We treated 132 intersections with Primary Safe System treatments in the Speed and Infrastructure Programme, including a mix of roundabouts, raised safety platforms, and left in left out treatments. Multiple factors affected our ability to treat more intersections, including the North Island weather events in 2023, which required resources to be reallocated to response and recovery. Changes in government direction saw us move away from delivering raised safety platforms.				
RTZ4 Reflects New Zealand Police delivery	Number of passive breath tests conducted	Achieved	≥3 million	3.6 million	2.6 million
RTZ5 Reflects New Zealand Police delivery	Number of hours mobile cameras are deployed	Not achieved	≥80,000	63,054	61,028
	Mobile safe speed cameras operated 63,054 hours in 2023/24, which was below the target of 80,000 hours set under the Road Safety Partnership Programme (RSPP). New Zealand Police gradually increased the total number of mobile camera operating hours during the Road Safety Partnership Programme 2021-24 from 58,406 in 2021/22 to 63,054 in 2023/24. The transition of mobile cameras from New Zealand Police to NZTA affected the delivery of hours, due to, for example, difficulty in retaining and recruiting traffic camera operators during the transition.				
RTZ6	Proportion of road safety advertising campaigns that meet or exceed their agreed success criteria	Achieved	≥86%	94%	88%
RTZ7	Kilometres of high-risk roads addressed through speed management	Not achieved	≥3,500	1,983	New measure
	We delivered 951km of speed change on local roads by June 2024, which represents 28% of the top 10% of high risk roads. On state highways we delivered 1,032km of speed change, equating to 15% of the top 10% of high risk roads. Changes in government direction have required this work to be re-aligned, including to appropriately consider the proposed changes in the draft Setting of Speed Limits Rule 2024.				
RTZ8	Kilometres of the network treated with new median barriers	Not achieved	≥400	181	New measure

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
	<p>The overall target for state highway and local road delivery was not achieved due to lower state highway delivery than initially planned and local government funding constraints. On the state highway network, it took longer than anticipated over the two years to gain the necessary momentum to achieve the original target. This was largely due to the time necessary to fully appreciate local site conditions, working with communities to gain local insights and then to prepare final design solutions ready for implementation. Upon realising that the original target was unlikely to be achieved, a dedicated median barrier acceleration programme was developed with a reduced forecast and a focus on efficient delivery. Efforts to accelerate delivery ultimately resulted in state highways exceeding the revised forecast. While the local roads component was comparatively much smaller, local government could not contribute funding due to financial constraints and the lack of local share meant almost no median barriers were delivered on the local road network in 2023/24.</p>				

Public transport services

Expenditure



Public transport services expenditure was \$108 million (eight percent) above budget at the end of the 2021-24 National Land Transport Programme. This mainly relates to the additional support the Crown has provided to councils to compensate for lower farebox revenue and a period of half price fares.

Performance measures

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
PTS1	Number of boardings on urban public transport services (bus, train and ferry) ^{A B}	Achieved	>129 million	154 million	129 million
PTS2	Reliability of urban rail, bus and ferry services ^C	Achieved	>83%	89%	83%

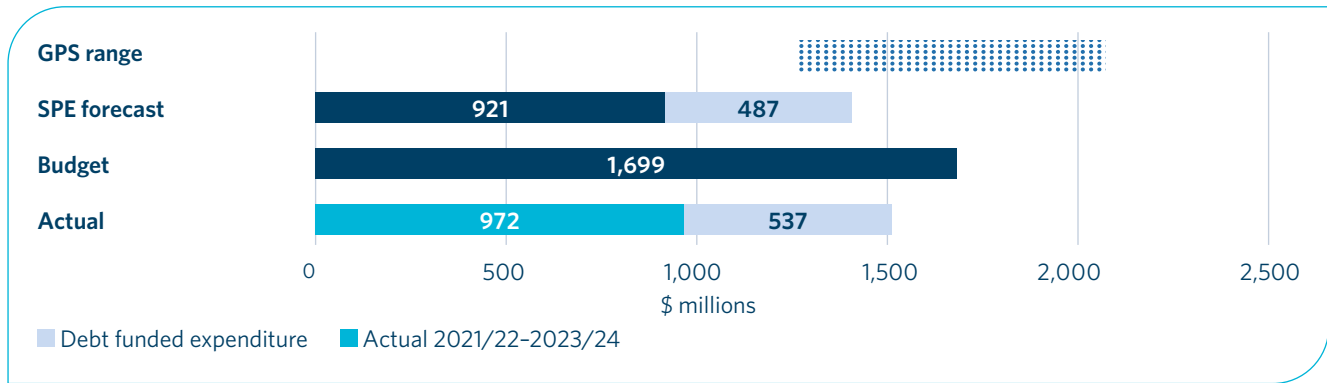
^A This is also an appropriation measure in Vote Transport (see appendix 4).

^B This is also a performance measure for the public transport infrastructure output class.

^C Service trips are considered 'completed in full' when the trips departed the origin on time and arrived at the destination. 'On time' is between 59 seconds before and 4 minutes and 59 seconds after the scheduled departure time.

Public transport infrastructure

Expenditure



Public transport infrastructure expenditure was \$190 million (11 percent) below budget at the end of the 2021-24 National Land Transport Programme. This is due to work ceasing on Let's Get Wellington Moving projects following a change in Government priorities and slower than planned spend on the National Ticketing Solution.

Performance measures

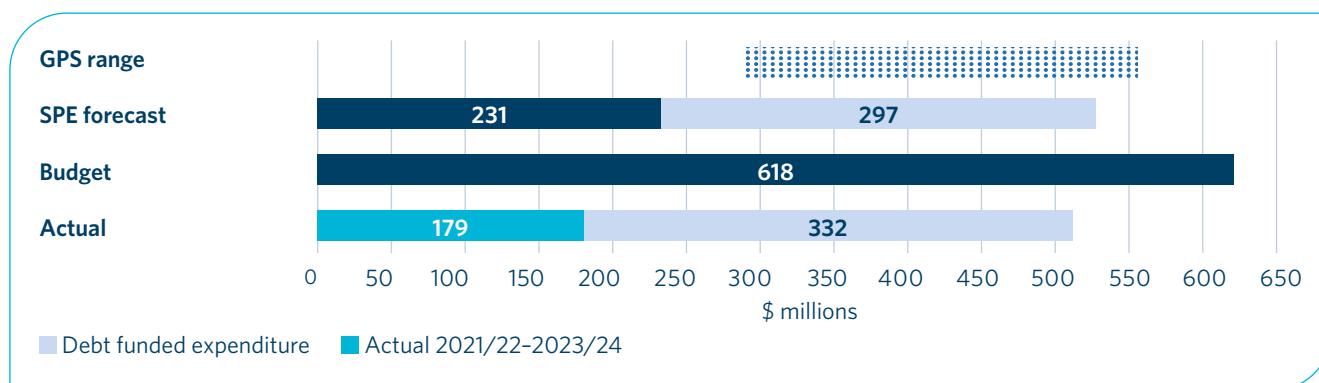
Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
PT11	Punctuality of metro rail services	Not achieved	≥95% ^A	85%	82%

PT11 measures the percentage of metro rail services in Auckland and Wellington that depart no more than 1 minute early or 5 minutes late. Punctuality in both areas was affected by significant infrastructure works being carried out on both metro networks. This resulted in temporary speed restrictions that had a significant impact on the punctuality of services. We continue to monitor the delivery of relevant projects.

^A The target was updated after the SPE was published. The 2023/24 SPE target was maintaining or increasing.

Walking and cycling improvements

Expenditure



Walking and cycling expenditure was \$107 million (17 percent) below budget at the end of the 2021-24 National Land Transport Programme. This mainly relates to project deferrals as impacted Councils responded to the demands of extreme weather events.

Performance measures

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
WCI1	Proportion of cycleways, pathways and shared paths delivered against funded ^A	Not achieved	80%	65%	Not available
	A total of 55.5km of cycleways, pathways and shared paths were planned to be delivered this year. Seventeen out of 27 projects were delivered during 2023/24 representing 36.2km (65%) delivered and opened to the public. These included the shared path in Bunnythorpe, Richmond cycle lanes, Mangawhai shared path, and Petone to Melling walking cycling link. Project delivery was impacted for a variety of reasons. Weather events and redesigns caused delays in construction. Some projects were paused due to changing priorities for councils.				
WCI2	Average national change in cyclist counts ^{B C}	Achieved	Increasing	5.4% growth	Not available
	Nationally, on average, cyclist counts increased by 5.4% compared to 2022/23. Growth in cyclists counted is due to a range of factors including increased investment in safe cycling infrastructure and speed environments that are more attractive for safer cycling. Tasman region (14%) and Nelson region (13%) had the highest growth, followed by Wellington region (9%), Auckland region (7%), and Canterbury region (6%). Regions with declines in cycling counts were Marlborough region (-10%), Manawatū-Whanganui region (-1%), Northland region (-1%), and Southland region (-1%).				
WCI3	Average national change in pedestrian counts ^{B C}	Achieved	Increasing	18.5% growth	Not available
	Nationally, on average, pedestrian counts increased by 18.5% compared to 2022/23. Growth in pedestrians counted is due to a range of factors including increased investment in safer and more attractive urban environments including slower speed areas. The regions with highest growth rate were Nelson region (36%), Auckland region (28%), and Manawatū-Whanganui region (26%). Only two regions' saw declines from last year, Northland region (-9%) and Southland region (-3%).				

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

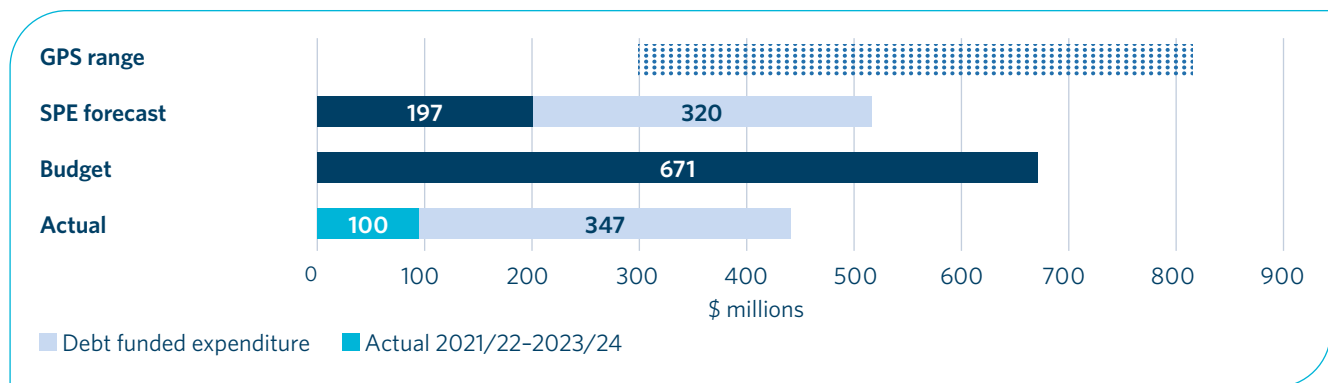
^B The methodology and descriptions for WCI2 and WCI3 have been updated and the measure names differ from what was published in our statement of performance expectations for 2023/24. This is the first year we've been able to reliably ingest this large dataset from councils. We are measuring changes in walking and cycling using automated counters across 15 regions, using data from those sites where we have had counters in place for at least 2 consecutive years. We use these counts to assess the

impact our activity is having on uptake of walking and cycling. Because regions have varying numbers of sites with counters, on both higher and lower volume routes, the number of cyclists and pedestrians counted does not reflect the number of cyclists or pedestrians in that region. We calculated the change in pedestrian and cyclist counts between 2022/23 and 2023/24 for each region. The rate of change from each region was averaged, weighted by population, to give the average national change in pedestrian and cyclist counts. The result is heavily influenced by the regions containing cities with large populations.

^c Several count sites have not been used to provide data for the measure as a result of large spikes in data that appeared inconsistent with the underlying trend, or where gaps in the data meant the results were not directly comparable. The count sites disaggregate the road users into cyclists and pedestrians. E-scooters are included in the pedestrian count, except a few sites which can count e-scooters separately. This isn't considered to influence the results significantly because of the low numbers of e-scooters relative to pedestrians and the relatively stable numbers of e-scooters.

Local road improvements

Expenditure



Local road improvements expenditure was \$224 million (33 percent) below budget at the end of the 2021-24 National Land Transport Programme. This mainly relates to delays in and reprioritisation of council roading projects, partly caused by extreme weather events.

Performance measures

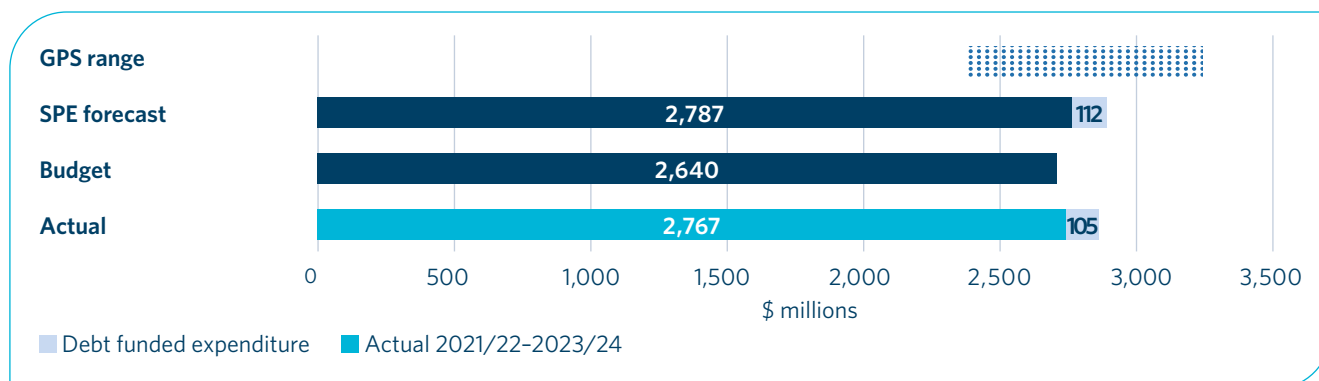
Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
LRI1	Proportion of local road improvement activities funded by the National Land Transport Fund delivered to agreed and timeframes ^A	Not achieved	≥80%	30%	60% ^B
<p>Phases of projects not being completed as planned was mainly due to the availability of funding from local government. Spend was reprioritised to respond to weather events and changing government direction also impacted on delivery. However, not all councils were affected in the same way. Several phases of projects also required cost and scope adjustments, which led to delays while options were evaluated.</p> <p>There will be an increased focus on monitoring of projects to ensure early identification and resolution of issues, to support delivery to plan.</p>					

^A This is also an appropriation measure in Vote Transport (see appendix 4). In our statement of performance expectations for 2024/25, we removed 'standards' from the measure description to better reflect what is being measured. The measure description and methodology were updated accordingly to match the change, and the results for both 2023/24 and 2022/23 have been recalculated using the new measure description and methodology.

^B This result published in 2022/23 report was 66%, using the old measure description.

State highway improvements

Expenditure



State highway improvements expenditure was \$232 million (nine percent) above budget at the end of the 2021-24 National Land Transport Programme. This is mainly due to COVID related cost escalation and contract variations on existing large projects.

Performance measures

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
SHI1	Proportion of state highway improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes ^{A B}	Achieved	≥80% ^C	81%	71%

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

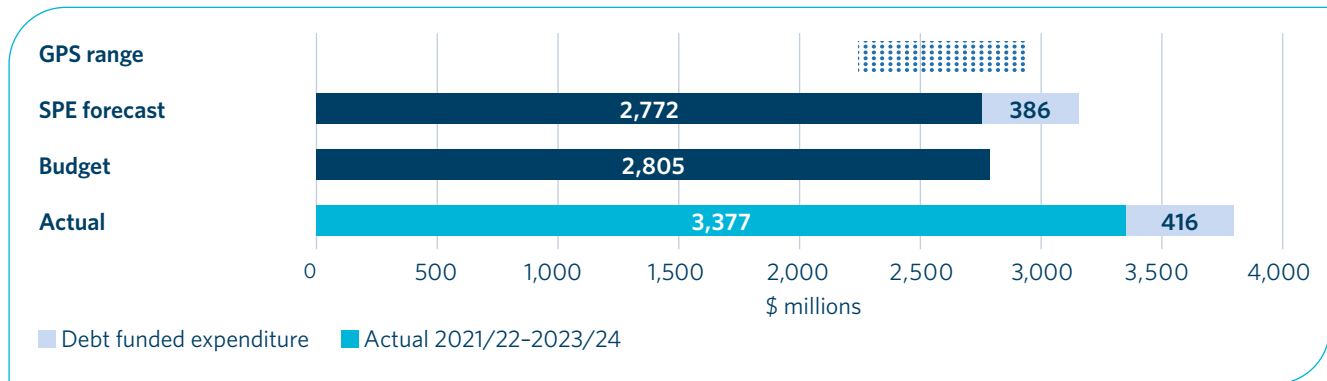
^B For SHI1, the standards and timeframes that are assessed against include milestones and budget and delivery of property acquisition programmes against time, budget and quality standards. Further detail on how performance against these measures is calculated can be found in the technical notes on our website⁴.

^C The target, scope and methodology for this measure was changed this year to align with the change made in the appropriation measure in the Vote Transport Estimates of Appropriation Supplementary 2023/24. The change significantly increased the number of activities and projects assessed and included progress delivery, which provided a more accurate reflection of delivery performance. Without the change, the result would have been 58%.

⁴ NZ Transport Agency Waka Kotahi annual report and National Land Transport Fund annual report - main index. nzta.govt.nz/resources/annual-report-nzta

State highway maintenance

Expenditure



State highway maintenance expenditure was \$988 million (35 percent) above budget at the end of the 2021-24 National Land Transport Programme. This was mainly due to higher spend on emergency works due to North Island weather events and higher spend on the planned maintenance programme.

Performance measures

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
SHM1	Proportion of state highway maintenance activities delivered to agreed programme	Not achieved	≥90%	76%	72%
<p>We successfully delivered our resurfacing programmes with 95% delivered to the agreed programme, but didn't achieve targets for other programme activities. Emergency works-related projects (excluding those associated with the North Island weather events in 2023) didn't meet forecast end dates. The inclusion of emergency works in this measure continues to impact our ability to achieve the target.</p>					
SHM2	REFER TO MEET2 ^A				
SHM3	State highway maintenance cost per lane kilometre delivered ^B	Not achieved	\$25,000 - \$36,000	\$39,894	\$31,505
<p>The increase of state highway maintenance cost per lane kilometre delivered reflects industry cost increases. During the renegotiation and contract extension work with our suppliers, cost across all activities increased.</p> <p>We're transitioning to a Portfolio, Programme and Project Management (P3M) best practice model for project delivery and moving into the Integrated Delivery Model^C. This is designed to improve how we monitor, report, and manage costs.</p>					
SHM4	REFER TO RES1				

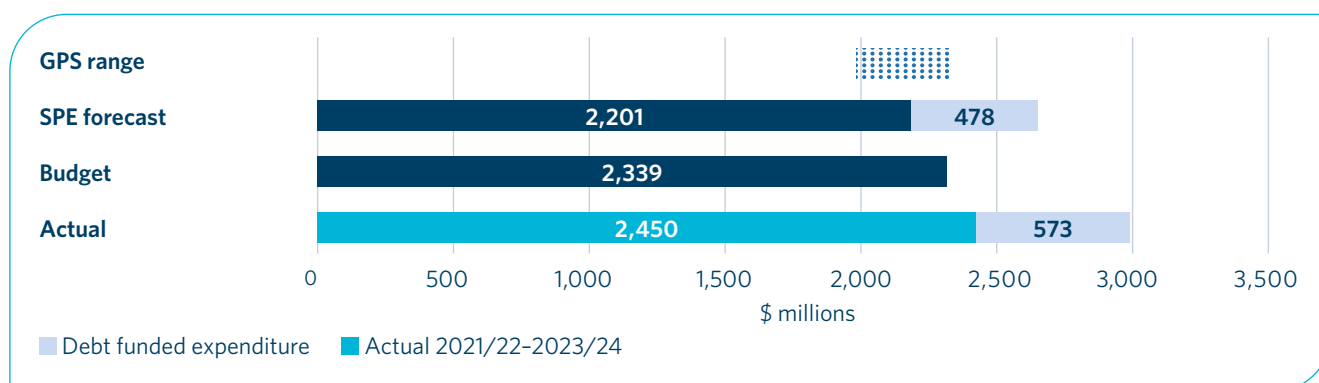
^A This is also a measure for our system outcome meeting current and future needs (see page 35).

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

^C The Integrated Delivery Model (IDM) is the new delivery model for road maintenance on our state highway network. The model aims to drive better value for money outcomes across the country, while also improving network condition. The IDM ensures NZTA gives effect to the State Highway Asset Management Plan (SHAMP), which outlines how maintenance, operations, and improvements together provide services to road users, so they have safe and accessible roads to travel on. The IDM will replace the Network Outcomes Contracts (NOC) that have been in place since 2014.

Local road maintenance

Expenditure



Local road maintenance expenditure was \$684 million (29 percent) above budget at the end of the 2021-24 National Land Transport Programme. This mainly relates to higher emergency works spend, mainly due to North Island weather events.

Performance measures

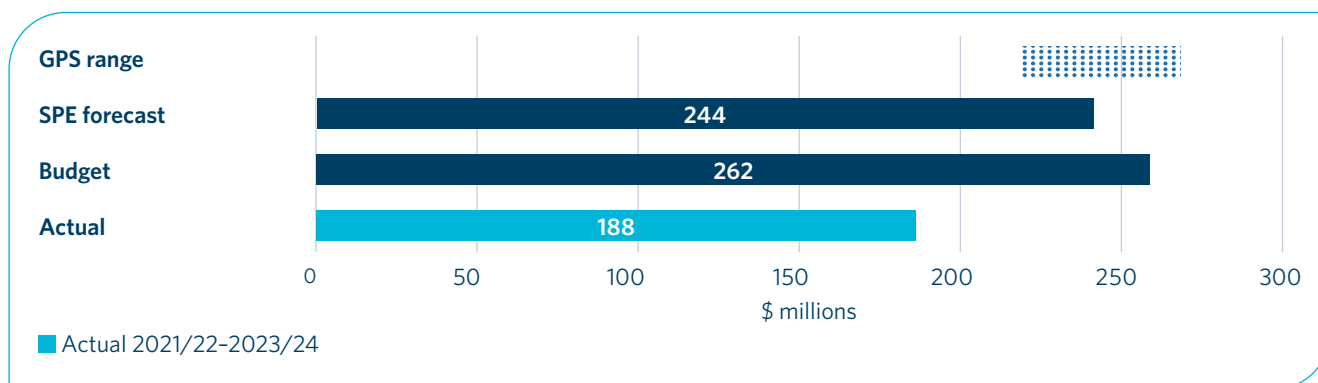
Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
LRM1	Proportion of the local road maintenance activities funded by the National Land Transport Fund delivered to plan ^A	Not achieved	≥90%	82%	82%
	<p>Councils' delivery of maintenance and renewal activities continued to be adversely affected by the redirection of resources to emergency works, resource shortages and rising costs. The North Island weather events in early 2023 had a huge and continued impact on the Northland, Auckland, Gisborne, and Hawke's Bay regions. The response and recovery works associated with these events carried on into 2023/24, diverting resources away from planned renewals. Additionally, resource shortages affected councils' delivery in terms of both timelines and costs.</p> <p>Unfinished activities have been deferred to 2024/25, which is also the start of the 2024-2027 NLTP. Allowance has been made in the local road pothole prevention activity class to facilitate the deferred works and the overall cost increase.</p>				
LRM2	Proportion of travel on smooth roads	Not achieved	≥86%	85%	86%
	<p>The year's result was slightly lower than the target, reflecting the reduced delivery of road resurfacing and rehabilitation works across the network. This was due to the redirection of resources to emergency works, resource shortages and rising costs.</p> <p>Increased maintenance and resilience is a strategic priority in GPS 2024. Through the local road pothole prevention activity class, road resealing, road rehabilitation and drainage maintenance have been prioritised.</p>				
LRM3	Local road maintenance cost per lane kilometre delivered ^B	Not achieved	\$3,800-\$4,700	\$5,020	\$4,627
	<p>The cost of delivering maintenance and renewals activities was adversely affected by higher than forecast inflation over recent years, industry cost increases, resource shortages and extreme weather events. Unfinished activities have been deferred to 2024/25, which is also the start of the 2024-2027 NLTP. We've made allowance in the local road pothole prevention activity class to facilitate the deferred works and the overall cost increase.</p>				

^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 technical notes for further detail at: nzta.govt.nz/resources/annual-report-nzta

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

Investment management

Expenditure



Investment and management expenditure was \$74 million (28 percent) below budget at the end of the 2021–24 National Land Transport Programme. This is mainly due to operational cost savings in the programme management of the National Land Transport Programme and lower transport planning spend.

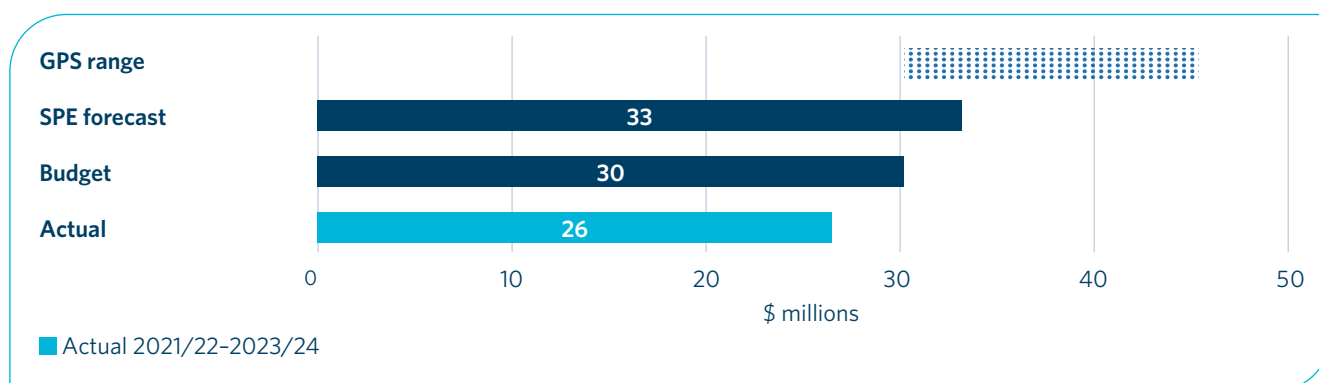
Performance measures

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
IM1	Proportion of total cost of managing the investment funding allocation system to National Land Transport Programme expenditure ^A	Achieved	≤1.1%	0.86%	0.83%

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

Coastal shipping

Expenditure



Coastal shipping expenditure was \$4 million (13 percent) below budget at the end of the 2021-24 National Land Transport Programme. This was mainly due to one supplier being unable to deliver its proposal as agreed.

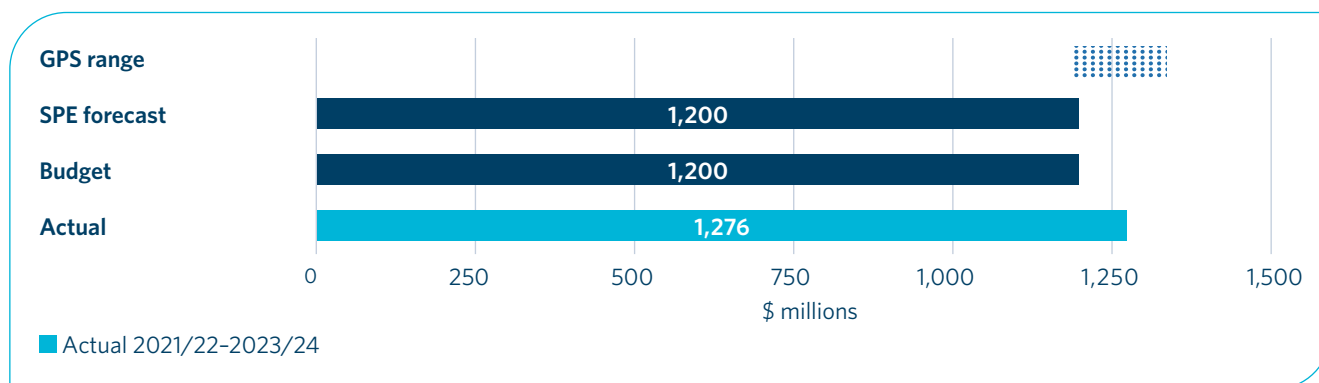
Performance measures

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
CS1	Coastal shipping activities delivered and funded in accordance with contractual terms ^A	Not achieved	Achieved	Not achieved	Not achieved
<p>Three of the 4 coastal shipping suppliers have new vessels in operation. One supplier is no longer proceeding with their proposal due to complexities with the detailed design for its new vessel. As a result, not all activities were delivered in accordance with contractual terms.</p>					

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

Rail network

Expenditure



Rail network expenditure (funded by the National Land Transport Fund) was \$76 million (six percent) above budget at the end of the 2021–24 National Land Transport Programme. This reflects additional expenditure to reinstate the rail network following the North Island weather events. Additional Crown funding was provided for weather events recovery after the setting of the Budget. KiwiRail was materially on budget for the rest of the Crown and NLTF funded rail network investment programme.

Performance measures

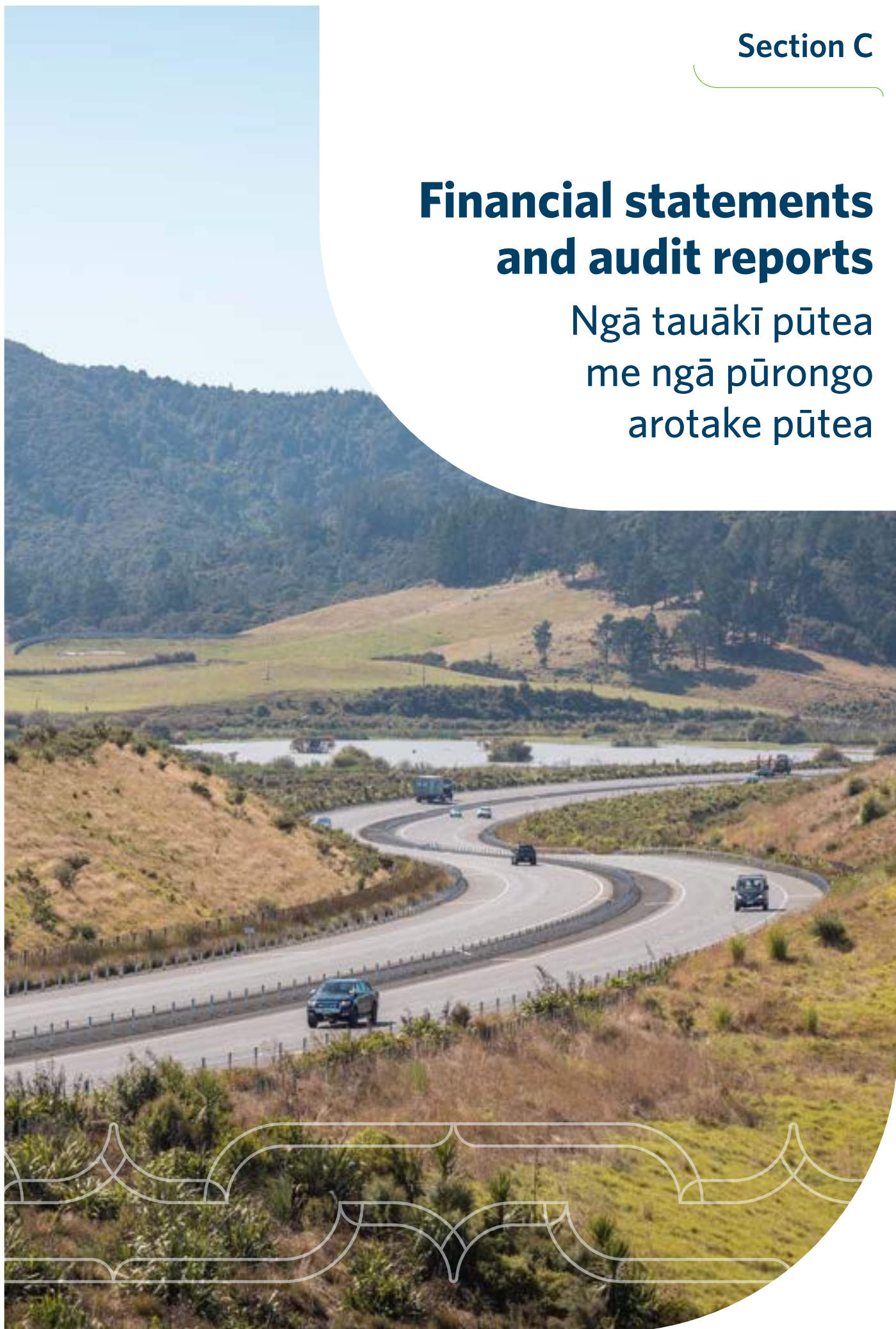
Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
RN1 Delivered by KiwiRail	Amount of freight carried by rail ^{AB}	Not achieved	≥4,050 million net tonne km	3,482 million net tonne km	3,928 million net tonne km
	The total tonnage of rail freight declined by 16.7%. This decline has largely been driven by recessionary factors and noted across the road and rail sector, port import volumes and commented on by the ANZ Truckometer. We continue to work with KiwiRail as they deliver their infrastructure programme and improve the reliability and condition of the freight network.				
RN2 Delivered by KiwiRail	Freight travel time reliability ^B	Not achieved	≥90%	89%	83%
	The volume of current maintenance and renewal work had a significant impact on network availability and freight travel time reliability. We continued to monitor this indicator via KiwiRail quarterly reporting.				

^A The scope, budget standard, and methodology for this measure were changed and approved in the Supplementary Estimates of Appropriations 2023/24 for Vote Transport.

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

Financial statements and audit reports

Ngā tauākī pūtea
me ngā pūrongo
arotake pūtea



Statement of responsibility

Under the Land Transport Management Act 2003, the NZ Transport Agency Waka Kotahi Board (the Board) is responsible for the preparation of the National Land Transport Fund financial statements and statement of performance, and for the judgements made in them.

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

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

In the Board's opinion, these financial statements and statement of performance fairly reflect the financial position and operations of the National Land Transport Fund for the year ended 30 June 2024.

Signed on behalf of the Board:

Countersigned by:



Simon Bridges
NZTA Board Chair
30 September 2024



Nicole Rosie
Chief Executive
30 September 2024



Cassandra Crowley
Chair of the Risk and Assurance Committee
30 September 2024



Howard Cattermole
Chief Financial Officer
30 September 2024

Financial statements

Statement of comprehensive revenue and expense for the year ended 30 June 2024

	Note	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Revenue inflows*				
Land transport revenue	3	3,985	4,060	4,338
Crown emergency works		1,105	336	250
Crown Public Transport operating shortfall		0	0	140
Clean Car Standard revenue		146	36	56
Funding from the Crown - Rail Network Investment Programme		417	326	312
Management of Crown land		38	53	39
Tolling revenue		13	14	13
Interest revenue		7	5	5
Total revenue inflows	2	5,711	4,830	5,153
Outflows				
National Land Transport Programme (NLTP)		4,355	3,820	4,260
Road Policing Programme		433	426	415
Rail Network Investment Programme		610	534	455
Clean Car Standard expense		140	36	54
Fuel excise duty/road user charges administration		11	11	14
Forecasting and strategy		3	3	5
Total outflows	2	5,552	4,830	5,203
Surplus/(deficit) from current National Land Transport Fund (NLTF) balance		159	0	(50)
Fair value gain on long-term payables		10	13	13
NLTP expenditure to be funded long-term		(1,601)	(1,418)	(680)
Finance charges		(11)	(11)	(10)
Surplus/(deficit) to be funded from future NLTF revenue	2	(1,602)	(1,416)	(677)
Surplus/(deficit)		(1,443)	(1,416)	(727)

* This heading has been used to be consistent with the terminology in the Land Transport Management Act 2003.

Statement of financial position as at 30 June 2024

	Note	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Assets				
Cash and cash equivalents	7	50	0	49
Receivables	3/7	707	480	613
Total assets		757	480	662
Liabilities				
Payables	4/7	5,712	5,576	4,185
Provisions	5	65	36	54
Total liabilities		5,777	5,612	4,239
Net assets		(5,020)	(5,132)	(3,577)
General funds		(5,020)	(5,132)	(3,577)
General funds closing balance *	8	(5,020)	(5,132)	(3,577)

* This heading has been used to be consistent with the terminology in the Land Transport Management Act 2003.

Statement of changes in general funds balance for the year ended 30 June 2024

	Note	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
General funds opening balance				
General funds - current		133	0	183
General funds - long-term		(3,710)	(3,716)	(3,033)
Total general funds opening balance		(3,577)	(3,716)	(2,850)
Changes in general funds balance				
Surplus/(deficit) from current NLTF balance		159	0	(50)
Surplus/(deficit) to be funded from future NLTF revenue		(1,602)	(1,416)	(677)
Total changes in general funds balance		(1,443)	(1,416)	(727)
General funds closing balance				
General funds - current	8	292	0	133
General funds - long-term	8	(5,312)	(5,132)	(3,710)
Total general funds closing balance *		(5,020)	(5,132)	(3,577)

* This heading has been used to be consistent with the terminology in the Land Transport Management Act 2003.

Statement of cashflows for the year ended 30 June 2024

Note	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Cash flows from operating activities			
Receipts from land transport revenue	5,488	4,777	4,939
Payments to suppliers	(5,487)	(4,777)	(4,988)
Net cash from operating activities	1	0	(49)
Net increase/(decrease) in amounts held by the Crown			
Amounts held by the Crown at the beginning of the year	49	0	98
Amounts held by the Crown at the end of the year *	50	0	49

* The National Land Transport Fund is a notional account only. There are no actual cash and cash equivalents as funds are held by the Crown. However, this statement has been provided to meet the requirements of section 11 of the Land Transport Management Act 2003.

Reconciliation of net surplus/(deficit) to net cash for the year ended 30 June 2024

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Net surplus/(deficit) after tax	(1,443)	(1,416)	(727)
Add/(less) movements in working capital items:			
(Increase)/decrease in receivables and prepayments	(94)	133	(192)
Increase/(decrease) in payables	1,538	1,283	870
Net movements in working capital items	1,444	1,416	678
Net cash from operating activities	1	0	(49)

Notes to the financial statements

1 | Entity information

Reporting entity

The Land Transport Management Act 2003 includes a requirement for NZTA to prepare at the end of the financial year an annual report on the National Land Transport Fund (NLTF).

All revenue from fuel excise duty, road user charges, motor vehicle registration and licensing fees, revenues from Crown appropriations, management of Crown land interest, and tolling are accounted for in the NLTF.

The NLTF is used to manage the funding of the:

- National Land Transport Programme (NLTP) for:
 - activities delivered by approved organisations such as councils
 - state highway, public transport; coastal shipping and walking and cycling activities
 - other NZTA activities, such as transport planning and sector research.
- New Zealand Police Road Policing Programme
- Rail Network Investment Programme
- Ministry of Transport (MOT) for forecasting and strategy
- Collection of road user charges and refunds on fuel excise duty and road user charges
- The Clean Car Standard.

NLTF cash funds are held as part of total Crown funds. The MOT is responsible for authorising payments from NLTF and administering appropriations.

The NLTF, being a notional entity, does not hold any physical assets.

The NLTF does not have any employees.

The financial statements for the NLTF are for the year ended 30 June 2024 and were approved by the Board on 30 September 2024.

Basis of preparation

The financial statements of the NLTF have been prepared in accordance with the requirements of the Crown Entities Act 2004 and Financial Reporting Act 2013 which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

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

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period. Further details on the use of the going concern assumption are in note 7.

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

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

Budget figures

The budget figures are derived from the NZTA *Statement of performance expectations 2023/24* as approved by the Board on 20 June 2023. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are materially consistent with those adopted by the board in preparing these financial statements. The budget figures are not audited.

Explanations of major variances against budget are provided in the notes.

Taxes

All items in the financial statements are stated exclusive of goods and services tax (GST).

The NLTF is a notional entity, so is exempt from the payment of income tax.

Accounting for Clean Car Standard

The Clean Car Standard (CCS) is a Crown Scheme which became effective on 1 January 2023. Cars that are imported with a CO₂ level above the CCS standard pay a charge, while cars that are imported with a CO₂ level below the CCS standard receive a credit. The credit can be used by importers to offset a current charge, kept (for a period of time) to offset future charges, or sold to another importer. The net charges are returned to the Crown and then can be drawn down into the NLTF for use in green projects.

The charges are recorded as revenue and debtors where they haven't been collected. The credits are recorded as expenses and provision for credits where they haven't been used. The basis for recording the credits as a provision and not a creditor is that they can be used to offset future charges, however, there is not certainty of if and when they may be used. If there are more credits than charges, there is a judgement required as to whether there is sufficient certainty as to record a provision or whether the amount is recorded as a contingent liability.

Accounting standards issued and not yet effective

The NLTF financial statements have adopted all accounting standards, amendments and interpretations to existing standards that have been published and are mandatory from 1 July 2023. There are no issued, but not yet effective standards as at 30 June 2024 that NZTA considers would have a material impact on the financial statements.

2 | Statement of inflows, outflows and capital expenditure including the previous two financial years

	Actual 2023/24 \$M	Actual 2022/23 \$M	Actual 2021/22 \$M
Revenue inflows			
Land transport revenue	3,985	4,338	4,166
Funding from the Crown - Rail Network Investment Programme	417	312	180
Management of Crown land	38	39	75
Clean Car Standard	146	56	0
Crown emergency works*	1,105	250	0
Crown Public Transport operating shortfall	0	140	0
Tolling revenue	13	13	12
Interest revenue	7	5	3
Total revenue inflows	5,711	5,153	4,436
Outflows			
NLTP	4,355	4,260	3,813
Road Policing Programme	433	415	394
Rail Network Investment Programme	610	455	287
Fuel excise duty/road user charges administration	11	14	12
Clean Car Standard	140	54	0
Forecasting and strategy	3	5	4
Total outflows	5,552	5,203	4,510
Surplus/(deficit) from current National Land Transport Fund (NLTF) balance	159	(50)	(74)
Fair value gain on long-term payables	10	13	8
NLTP expenditure to be funded long-term	(1,601)	(680)	131
Finance charges	(11)	(10)	(9)
Deficit to be funded from future NLTF revenue	(1,602)	(677)	130
Surplus/(deficit)	(1,443)	(727)	56

* Crown emergency works revenue includes North Island weather events and emergency works cost pressure.

The statement of inflows, outflows, and capital expenditure including the previous two financial years is provided under the requirements of the Land Transport Management Act 2003.

Separate disclosure of the management of Crown land and interest is required under the Land Transport Management Act 2003.

Revenue inflows

Revenue is recognised when specific criteria have been met for each of the NLTF activities and the revenue can be reliably measured.

Land transport revenue and tolling revenue have been classified and treated as non-exchange revenue and accounted for in accordance with PBE IPSAS 23. The nature of these revenue streams is that of taxes and duties. The payment of taxes and duties does not entitle the payer to an equivalent value of services or benefits, because no direct exchange relationship exists between paying taxes and duties and receiving services or benefits from the NLTF.

The interest earned on the nominal cash balance and the management of Crown land has been classified and treated as exchange revenue and accounted for in accordance with PBE IPSAS 9.

Outflows

The NLTF accounts for the flow of funds to:

- NZTA – for the funding of the NLTP, and administration of fuel excise duty and road user charges and administering the Clean Car Standard
- New Zealand Police – which provides the Road Policing Programme
- MOT – for forecasting and strategy
- KiwiRail – for the Rail Network Improvement Programme.

Under section 9(1) of the Land Transport Management Act 2003, the land transport revenue also funds search and rescue activities, and recreational boating safety and safety awareness.

See section B for details of activities funded by the NLTF.

Explanations of major variances against budget

Revenue inflows

Land transport revenue was \$3,985 million, close to the budget of \$4,060 million.

Outflows

NLTP was \$4,355 million, \$535 million (14 percent) above the budget of \$3,820 million. This was mainly due to additional expenditure provided by crown funding for the North Island Weather Events spend primarily in the state highway maintenance and local road maintenance output classes.

NLTP expenditure to be funded long term was (\$1,601) million, \$183 million (13 percent) above the budget of (\$1,418) million. This was mainly due to draw down of the short-term facilities to meet seasonal fluctuations.

3 | Land transport revenue and receivables

	Actual 2023/24 \$M	Actual 2022/23 \$M
Revenue		
Road user charges	1,888	1,444
Fuel excise duty	2,005	1,364
Motor vehicle registration and annual licensing fees	233	237
Temporary tax reduction Crown revenue - road user charges	0	713
Temporary tax reduction Crown revenue - fuel excise duty	0	697
Track user charges	18	15
Total revenue	4,144	4,470
Less refunds		
Road user charges	67	44
Fuel excise duty	72	72
Motor vehicle registration and annual licensing fees	1	1
Other	0	0
Total refunds	140	117
Less bad debt write-off	14	15
Movement in provision for doubtful debts	5	0
Total bad and doubtful debts	19	15
Total land transport revenue	3,985	4,338

As per the Land Transport Management Act 2003, a payment is made for maritime search and rescue activities from fuel excise duty before the duty becomes land transport revenue. This payment was \$37.6 million (2022/23: \$33.1 million). A payment is also made for regulatory services. This payment was \$31.4 million (2022/23: \$3.9 million).

The total net land transport revenue is as follows:

	Actual 2023/24 \$M	Actual 2022/23 \$M
Road user charges*	1,802	2,098
Fuel excise duty*	1,933	1,989
Motor vehicle registration and annual licensing fees	232	236
Track user charges	18	15
Total net land transport revenue	3,985	4,338

* including temporary tax reduction Crown revenue for 2022/23

The total net land transport revenue presents the net position of the Crown revenue after refunds and the deductions above.

Receivables (included in the statement of financial position)

	Actual 2023/24 \$M	Actual 2022/23 \$M
Debtors – fuel excise duty	363	232
Debtors – Crown temporary tax reduction	0	110
Debtors – motor vehicle register/road user charges	68	80
Debtors – Rail Network Investment Programme	15	17
Debtors – track user charges	4	4
Debtors – Clean Car Standard (importers)	65	56
Debtors – Clean Car Standard (Crown)	6	0
Debtors – emergency work	224	7
Debtors – public transport shortfall	0	140
Provision for doubtful debt	(38)	(33)
Total receivables	707	613

Receivables are recognised at face value less an allowance for doubtful debt calculated using the expected credit losses (ECLs) model.

Provision for doubtful debt

The provision for doubtful debt relates primarily to road user charges, the ECLs are \$38 million (2022/23: \$33 million). The NLTF applies the simplified approach and recognises lifetime ECLs for these debtors. Lifetime ECLs recognise all possible default events over the expected life of the receivable. ECLs are calculated in two groups, motor vehicle register debtors and road user charges debtors, to reflect the differences in collection and default rate history.

Estimation techniques and assumptions used in calculating the lifetime ECLs did not change during 2023/24.

The movement in ECLs for the year are shown below.

Lifetime ECL – debtors – road user charges

	Actual 2023/24 \$M	Actual 2022/23 \$M
Opening balance as at 1 July	33	33
Less bad debts write-off	(14)	(15)
Increase in doubtful debts	19	15
Closing balance as at 30 June	38	33

Receivables are written-off when they are deemed uncollectable. The total receivables written-off during the year amounted to \$14 million (2022/23: \$15 million). Of the receivables written-off none were still subject to enforcement activities.

Receivables

Debtor balances relating to fuel excise duty, the Rail Network Investment Programme and track user charges are short term and due from other government agencies (such as government departments and Crown entities). There is no indication that these debtors are impaired as at 30 June 2024 (30 June 2023: nil).

4 | Payables

	Actual 2023/24 \$M	Actual 2022/23 \$M
Current payable to NZTA – current balance	147	302
Current payable to KiwiRail	27	26
Current payable to NZTA – to be funded from future revenue	400	154
Current payable to NZTA – Crown funded (emergency works)	225	146
Non-current payable to NZTA – to be funded from future revenue	4,913	3,557
Total payables	5,712	4,185

Current payable to NZTA – current balance – is funded from current revenue, non-interest bearing and normally settled by the end of the month following the date of supply. Therefore, the carrying value approximates fair value.

Current payable to KiwiRail – is non-interest bearing and normally settled by the end of the month following the date of supply. Therefore, the carrying value approximates fair value.

Current payable to NZTA – to be funded from future revenue – is a mixture of interest and non-interest-bearing advances that will be settled within one year. Therefore, the carrying value approximates fair value.

Current payable to NZTA – Crown funded – to be funded from the Crown and normally settled by the end of the following month. Therefore, the carrying value approximates fair value.

Non-current payable to NZTA – to be funded from future revenue – is a mixture of interest and non-interest-bearing advances that will be settled between one year and 30 years. Non-interest bearing non-current payables are discounted to present value as at 30 June 2024.

5 | Provisions

	Actual 2023/24 \$M	Actual 2022/23 \$M
Provision for Clean Car Standard credits	65	54
Total provisions	65	54

Refer to note 1 for the background and accounting policy on the Clean Car Standard (CCS). The provision for CCS credits relates to credits held by car importers which may be used to offset future charges. At 30 June 2024, there were \$65 million of charges in debtors so the provision has been set to \$65 million on the basis that the credits may be used to fully offset these charges. At June 2024, there were \$257 million of credits held by importers. This means that there are \$192 million of additional credits which are not expected to be able to be used to offset charges and therefore not recorded as a provision. A contingent liability for those additional credits has been disclosed in recognition of the possibility that future changes in import behaviour or scheme settings could see those credits be utilised before they expire.

Refer to Note 10 Contingencies for further information.

6 | Planned outflows

The planned aggregate funding outflows, including both committed and probable outflows, for the NLTF are as follows:

	Actual 2023/24 \$M	Actual 2022/23 \$M
Not later than one year	2,146	5,025
Later than one year and not later than five years	2,987	3,024
Later than five years	5,524	5,857
Total planned outflows	10,657	13,906

7 | Financial instruments and financial risk management

Financial instruments

The carrying amounts of financial assets and liabilities in each of the categories are as follows:

	Actual 2023/24 \$M	Actual 2022/23 \$M
Financial assets measured at amortised cost		
Cash and cash equivalents	50	49
Receivables	707	613
Total financial assets measured at amortised cost	757	662
Financial liabilities measured at amortised cost		
Payables	5,712	4,185
Total financial liabilities measured at amortised cost	5,712	4,185

Financial risks

The NLTF's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The NLTF has policies for managing the risks associated with financial instruments and seeks to minimise exposure from financial instruments.

Market risk

The NLTF's exposure to the risk of changes in market rates relates primarily to interest rates on long-term debt held by NZTA. The NLTF is obligated to fund NZTA's long-term debt repayments, so is exposed to the underlying interest rate risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate swaps are held by NZTA to mitigate risks associated with interest rate fluctuations for the underlying debt instruments relating to the public-private partnerships, details of which are in the NZTA financial statements.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the NLTF, causing the NLTF to incur a loss. In the normal course of business, the NLTF is exposed to credit risk from debtors and other receivables. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position.

Credit quality of financial assets

The NLTF is a notional account only. The cash and cash equivalents reported in these statements are held by the Crown in the consolidated fund. The largest debtor is the Crown, which has a Standard and Poor's credit rating of AA+.

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that the NLTF will encounter difficulty raising liquid funds to meet commitments as they fall due.

Prudent liquidity risk management implies maintaining sufficient cash. The NLTF manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

Refer to note 6 for future outflows of NLTF. The Board considers the NLTF revenue forecast when planning the NLTP to maintain the liquidity of the NLTF is maintained.

Refer to note 8 for general funds and capital management of the NLTF.

Contractual maturity analysis of financial liabilities

The table below analyses financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts below are contractual cash flows which in some instances will differ from the carrying amount of the relevant liability in the statement of financial position.

	Less than 1 year \$M	1-2 years \$M	2-5 years \$M	Over 5 years \$M
2023/24 Contractual cash flows	1,028	538	1,818	5,703
2022/23 Contractual cash flows	724	451	1,817	3,900

The Government Policy Statement (GPS) proposes additional revenue sources including new loan facilities as well as changes to repayment dates for some of the loan facilities.

8 | General funds and capital management

	Actual 2023/24 \$M	Actual 2022/23 \$M
General funds – current	292	133
Total general funds – current	292	133
National land transport programme to be funded long-term		
Auckland Transport Package	(354)	(354)
Housing Infrastructure Fund	(111)	(98)
Public-private partnerships*	(1,957)	(1,992)
NLTF borrowing facility for short-term advances	(500)	(375)
COVID-19 NLTF borrowing facility	(325)	(325)
Tauranga Eastern Link	(107)	(107)
NLTP 2021–24 loan	(2,001)	(504)
Fair value changes in financial instruments	43	45
Total general funds – long term	(5,312)	(3,710)
Total general funds closing balance	(5,020)	(3,577)

* Included related interest rate swaps.

The NLTF has a negative general funds balance due to programmes that were accelerated with debt funding sourced from the Crown or through public-private partnerships. The funding received has been recognised as long-term payables that are due up to 20 years from balance date.

Although the NLTF has a negative general funds balance, the Board considers for the purposes of financial reporting the going concern assumption is valid for the following reasons:

- The NLTF's liquidity is actively managed.
- The NLTF has a positive cash balance of \$50 million as at 30 June 2024 (30 June 2023: \$49 million).
- The NLTF's forecasts demonstrate its ability to repay its obligations when they fall due for a period of at least one year from the date of these financial statements.
- The NLTF's main revenue source is land transport revenue, which is forecast with inputs from other government departments. Land transport revenue and crown sources for the funding and financing of the NLTP is forecast to be sufficient to meet all committed future outgoings.
- The NLTF has the option to slow expenditure on the NLTP.
- The NLTF has a short-term borrowing facility of \$250 million to cover revenue or expenditure shocks or to use the short-term borrowing facility of \$250 million to meet seasonal cash-flow cycles.
- The Crown has previously taken action to help deliver on the NLTP including additional funding, financing and proposed increases to fuel taxes and motor vehicle registration. NZTA has a letter of support from Minister of Finance and Minister of Transport to give the board confidence that the future cashflows will be sufficient to meet debt repayments.
- In 2024, the Crown confirmed financing up to \$3.1 billion and a \$3.1 billion capital grant to support the delivery of the 2024–27 NLTP due to the investment gap between the NLTP and forecast land transport revenue. An additional \$1.0 billion capital contingency has also been confirmed.

- A debt management framework is used to determine a sustainable and efficient level of future liabilities. The framework is based on the expected level of fund inflows and forward commitments and comprises measures and target operating ranges to guide decision making.

The cost of financing will be met from future flows into the NLTF. The Board actively manages the forward work programme of NZTA, while giving effect to the Government Policy Statement on land transport, to manage the liquidity of the NLTF. It remains the Board's view that under present economic settings including the GPS, the NLTF continues to be able to fund repayment of financing and to meet the NZTA forward work programme for at least a year from the signing of these financial statements.

Capital management

The NLTF's capital is its general funds. General funds are represented by net assets.

The NLTF is subject to the financial management and accountability provisions of the Public Finance Act 1989, which imposes restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities and the use of derivatives.

NZTA actively manages the National Land Transport Fund general funds through prudent management of revenues, expenses, liabilities and general financial management.

9 | Related party transactions

The NLTF is a wholly owned entity of the Crown.

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

10 | Contingencies

The NLTF has \$192 million of contingent liabilities (June 2023: \$84 million).

The \$192 million of contingent liabilities relates to the Clean Car Standard (CCS). Refer to note 1 for the background and accounting policy on CCS. At June 2024, there were \$257 million of credits held by importers. Of this total, \$65 million is recorded as a provision on the basis that the credits may be used to offset \$65 million of current charges (shown in debtors). The remaining \$192 million of credits are recorded as a contingent liability. Our view is that, under the current policy settings of the scheme, it is more probable that not that the \$192 million of credits will not be used to offset future charges. This is based on our view that the current import trends (with more imported cars receiving credits than incurring charges) will not sufficiently reverse to enable use of the current level of credits. The full amount is recorded as a contingent liability.

In addition, the NLTF may have exposure to those contingent liabilities of NZTA arising from the delivery of the NLTP.

11 | Events after the balance date

There are no material post balance date events requiring disclosure.

Statement of performance

Output class funding to NZTA

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Investment management	63	100	65
Public transport services	498	515	491
Public transport infrastructure	192	282	399
Walking and cycling improvements	1	44	74
Local road improvements	0	37	(5)
Local road maintenance	748	587	982
State highway improvements	900	851	856
State highway maintenance	1,524	901	1,057
Road to Zero	426	490	317
Coastal shipping	3	13	23
Funding to NZTA - current	4,355	3,820	4,259
Road policing programme	433	426	415
Rail network investment programme	610	534	455
Total output class funding	5,398	4,780	5,129
Output class funding (long-term)			
Local road improvements - Housing Infrastructure Fund	15	40	37
State highway improvements - public-private partnerships	6	(66)	21
State highway improvements - repayment for public-private partnerships	(45)	(29)	(57)
NLTF borrowing facility for shock/seasonal costs	125	45	376
NLTP 2021-24 loan	1,497	1,434	302
Accrued interest (general)	0	0	0
Fair value changes in financial instruments to surplus or deficit	3	(6)	1
Total output class funding (long-term)	1,601	1,418	680

The output class funding (current) above is net of borrowing used to finance activities NZTA carries out. The use of the NLTP 2021-24 loan is additional spend to the total output class funding (current) of \$1,497 million above.

The output class funding (long-term) reflects the expenditure on public-private partnerships, the Housing Infrastructure Fund and fair value changes of financial instruments, and expenditure that is financed by borrowing facilities.

Where borrowing facilities are used to fund expenditure, rather than a specific project, the debt is apportioned across activity classes. This effectively is a change between current expenditure and long-term expenditure. Drawdowns from the \$2 billion NLTP 2021-24 loan facility were initially apportioned based on the output class investment targets set by the Board with subsequent adjustments to account for actual spending to ensure output classes were not over-funded. Breakdown for 2023/24 is as follows.

	NLTF funding \$M	NLTP 2021- 24 Loan \$M	Short-term borrowing \$M	Total \$M
Investment management	63	0	0	63
Public transport services	498	13	1	512
Public transport infrastructure	192	321	27	540
Walking and cycling improvements	1	183	19	203
Local road improvements	0	160	23	183
Local road maintenance	748	482	10	1,240
State highway improvements	900	(15)	15	900
State highway maintenance	1,524	256	21	1,801
Road to Zero	426	97	9	532
Coastal shipping	3	0	0	3
Total	4,355	1,497	125	5,977

For explanations of major variances against budget see the Use of the NLTF graphs on page 223, the graphs include both the output class funding (current) and use of the NLTP 2021-24 loan.

Independent auditor's report

To the readers of National Land Transport Fund's Financial statements and performance information For the year ended 30 June 2024

The Auditor-General is the auditor of National Land Transport Fund (the "NLTF"). The Auditor-General has appointed me, Ed Loudon, using the staff and resources of KPMG, to carry out the audit of the financial statements and the performance information, of the NLTF on his behalf.

Opinion

We have audited:

- the financial statements of the NLTF on pages 237-250, that comprise the statement of financial position as at 30 June 2024, the statement of comprehensive revenue and expense, statement of changes in general funds balance and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the service delivery and investment performance measures included in the performance information of the NLTF on pages 223-234.

In our opinion:

- the financial statements of the NLTF:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2024; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity International Public Sector Accounting Standards; and
- the service delivery and investment performance measures included in the performance information for the year ended 30 June 2024:
 - presents fairly, in all material respects, for each class of reportable outputs:
 - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 30 September 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

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

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

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

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

The Board is responsible on behalf of the NLTF for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board is responsible for such internal control as they determine is necessary to enable them to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board is responsible on behalf of the NLTF for assessing the NLTF's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the NLTF, or there is no realistic alternative but to do so.

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

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

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

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

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the NLTF's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

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

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NLTF's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the reported performance information within the NLTF's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the NLTF's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the NLTF to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 206–236 (excluding system outcomes and results measures), pages 251–252 but does not include the financial statements and the performance information, and our auditor’s report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

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

Other than in our capacity as auditor, we have no relationship with, or interests, in the NLTF.



Ed Loudon

KPMG Wellington

On behalf of the Auditor-General

Wellington, New Zealand

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