# Select Committee Annual Review – High Level Briefing

This high level briefing pack contains key statistics, figures and information on topics that we expect to receive questions on from the Committee. Key information that will be useful for responses to the Committee have been provided in text boxes on each topic page. Background information that is useful to know has been provided below the text boxes. Any information that is sensitive is provided in red text.

## Agenda

| | Topic | Time |
|---|---|---|
| 1 | **Introductory remarks** | 5 mins |
| 2 | **Outcomes and strategic intentions**<br>• Transport and organisational outcomes – outcomes on track/not on track; understanding performance, including performance reporting and project reviews. | 20 mins |
| 3 | **Cross sector governance and relationships**<br>• Local government – models of working (e.g. land transport planning and funding, joint ventures, city deals) and what is working well/not working well. | 20 mins |
| 4 | **Key initiatives and work programmes**<br>• Emergency works – resourcing and delivery update; community relationships; management of new funding.<br>• State Highway maintenance – funding and performance (national and regional), asset management.<br>• Capital projects – performance and risk management across capital projects in planning and delivery.<br>• Climate Emergency Response Fund – management of new funding; project update.<br>• Regulatory activities – strategy and performance; rail regulation; fees and funding changes. | 1.5 hours |
| 5 | **Organisational matters**<br>• Transport funding and financing – NLTP activity class performance, funding models; financial planning and outlook.<br>• Procurement – improvement roadmap.<br>• Organisational matters – update on changes and culture. | 30 mins |
| 6 | **General questions, current events, and concluding observations** | 15 mins |
| Total | | 3 hrs |

## Contents


Agenda ..... 2
Key statistics for functions and services ..... 5
Performance Reporting ..... 15
Efficiency and Effectiveness Work Programme ..... 19
Key Opportunities and Challenges for NZTA ..... 26
Governance and Relationships ..... 29
Capital Works - projects by region ..... 30
Emergency Works ..... 33
North Island Weather Events (NIWE) ..... 35
Transport Rebuild East Coast (TREC) ..... 40
Potholes ..... 42
Summer maintenance renewals ..... 43
State Highway Asset Condition and Maintenance: ..... 45
Let's Get Wellington Moving (LGWM) ..... 47
Public Private Partnerships ..... 48
Waitematā Harbour Connections (WHC) ..... 49
New Zealand Upgrade Programme (NZUP) ..... 50
Waikanae River Bridge ..... 52
Tauranga ..... 53
Climate and Emergency Response Fund (CERF) ..... 55
Driver licence testing wait times ..... 58
Driver Licensing Improvement Programme (DLIP) ..... 60
RUC on EVs ..... 63
Rail Safety Regulation ..... 65
Regulatory Fees & Funding ..... 69
Regulatory Strategy and Performance (Tū ake, Tū māia) ..... 71
Speed Management ..... 74
NLTP 2024 Development ..... 76
GPS 2024 Funding Constraints ..... 78
Congestion Charging ..... 80
Procurement Roadmap ..... 81
Business Cases ..... 82
Organisational Growth, health and culture, contractor usage, comms headcounts ..... 83
Stakeholder and Customer Survey Results ..... 87
Road Safety ..... 90
Te Ao Māori – Bilingual Signage, Naming Conventions and Working with Māori ..... 93
Clean Car Discount ..... 95

Clean Car Standard ..... 95
National Ticketing Solution ..... 97
Temporary Traffic Management (TTM) ..... 99
Accelerating Digital ..... 101
Camera System (CS) Programme ..... 102
Auckland ..... 107
Koha Policy ..... 108
Bitumen ..... 109

## Key statistics for functions and services

STAFF NUMBERS:

- Total FTE numbers – **2928** (as at **30 January 2024**). Total FTE as at **June 2023** (submitted in response to Annual Review questions) is **2615**.
- Regulatory – **429**
- Transport Services – **814**
- System Leadership – 208
- People and Safety – 162
- Commercial and Corporate – **417**
- Customer and Services – **320**
- Engagement and Partnerships – 229
- Digital Transformation - **331**
- ELT – 10
- Chief of Staff Office – 8
- **Turnover rate as at June 2023 – 14.9%**
- **Gender paygap as at June 2023 – 18.7%**

REGULATORY:

- 12,550 vehicle inspectors, certifiers and inspecting organisations
- 5,570 compliance monitoring reviews of vehicle inspectors, certifiers and inspecting organisations
- Administration of RUC revenue including refunds for 1.2 million vehicles
- 77 rail licence holders
- 38,200 transport service licence holders
- 7,000 heavy vehicle permits processed annually
- 391,550 commercial heavy vehicle driver licence holders
- 5.2 million registered vehicles
- 6.8 million vehicles inspected annually
- 3.5 million licenced drivers
- 250,000 new licences issued annually 3

2021-24 NLTP INVESTMENT:

- $**7.2 billion road network operations and maintenance**
- **$6.6 billion local, regional and state highway road improvements**
- **$4.9 billion public transport infrastructure and transport services**
- **$3 billion road safety improvements**

INFRASTRUCTURE:

- **31.8 billion km light vehicle kilometres travelled in main urban areas**
- **83,000km local roads**
- **295 public traffic cameras on network**

STATE HIGHWAY NETWORK:

- **$82.8 billion value of asset**
- **4,500 bridges and large culverts**
- **11,800km managed and maintained**

- Number of weather events impacting the transport network grew from **271 in 2021/22 to 512 in 2022/23**

PUBLIC TRANSPORT:

- 129 million boardings

CUSTOMER AND SERVICES (CONTACT CENTRE)

- **820,083 calls answered**
- **211,773 emails answered**

PUBLIC INTERACTIONS WITH THE AGENCY

- Driver licence – 2,632,924
- Motor vehicle – 5,582,574
- Road user charges – 2,738,578
- Online driver licence – 268,264
- Online motor vehicle – 5,210,910
- Online road user charges – 1,117,983

ROAD TO ZERO/ROAD SAFETY:

- **Median barriers installed to date – 139 km retrofitted, plus an additional 84km installed on new roads to a total of 223 km (target of 1,000km)**
- **Number of intersections treated – 115**
- **Speed limits – reduced on 1900km of the network**

BENEFIT COST RATIOS (BCR)

- The BCR is the primary tool to measure the efficiency of programmes and activities.
- A BCR is the ratio that compares the benefits accruing to land transport users and the wider community from implementing a project or providing a service, with that project's or service's costs.
- The costs used to generate all BCRs in the table below would need to be reviewed hiven recent increases in costs and the effect of inflation
- A list of BCRs that have been provided to the Transport and Infrastructure Committee are provided in the table below:

| Project | BCR and date calculated | Notes |
|---|---|---|
| LGWM | **0.6 (Basin Reserve) -- 20/21**<br><br>**0.5 – 1.2 (Transformational Programme) - 2022**<br><br>**0.2 (Mt Victoria Tunnel) - 2020/21** | The Programme is currently on hold. It is noted that the benefits of delivering a combined programme of work is greater than the sum of the individual projects. |
| Mill Road | **2.2 - 2013** | This was calculated for the original scope of the project in 2013 for the four lane design<br><br>The 2020 BCR was in response to a reduced RLTP funding where AT looked ata Stage |

| | | |
|---|---|---|
| | **1.2 - 2020**<br><br>**1.9 with a sensitivity range of 1.4-2.2 - 2023** | One that delivered safety improvements along the corridor and did not have the complete extents of the designated Stage One.<br><br>The 2023 BCR was for NZUP tageted investment Programme of interventions to support access and safety between Manakau and Takanini, and did not include a 4 lane arterial |
| Whangārei to Port Marsden | **0.97 - 2021** | The most recent estimate for a 4-lane highway includes upgrading 25kms of SH1 to four lanes, upgrading intersections and providing walking and cycling paths. The costs used to generate this BCR would need to be reviewed |
| Warkworth to Wellsford Expressway project | **0.7 – 2019** | The business case to select a preferred optione and the route protection and designation for the corridor was completed in 2019. All appeals are now resolved and the consent order was received on 9 November 2023. |
| Tauriko West State Highway 29 | **1.3 (not staged)**<br><br>**1.2 (staged delivery)**<br><br>**1.5 (including wider economic benefits (based on a not-staged delivery model))**<br><br>**All calculated in 2023** | The DBC was compelted in September 2023 |
| East West Link | **1.4 - 2015** | The 2015 detailed business case that informed the consented package had a BCR of 1.4 which increases to 1.9 if wider economic benefits are included. The 2015 costs used to generate this BCR need to be reviewed given recent increases in costs and the effect of inflation.<br><br>Given the time since the initial assessment NZTA recommends that the East West link scope should be reviewed and confirmed prior to moving to the next steps for delivery. |
| Southern Links Hamilton | **2.0 - 2018** | The most recent BCR for the Hamilton Southern Links project was calculated in 2018 as being 2.0. In September 2023, |

| | | |
|---|---|---|
| | | NZTA, Hamilton City Council and project partners completed a review into the form and function of the proposed state highway transport components of the project. The form and function review noted the project needs to understand the intended future land use pattern to determine the correct form of the road, and that not all of the project is needed immediately, but there are some areas that require improvement in the short-term, particularly the eastern portion. No BCR was calculated as part of this work. |
| Petone to Grenada Link Road | **1.5 - 2017** | No BCR calculations have been undertaken since the project evaluation process was completed in 2017. It is noted that benefit calculation factors in the NZTA Monetised Benefits and Costs Manual have been updated significantly since 2017. These changes would be material to any calculation for a new BCR for the 2015 Petone to Grenada Link Road scheme. |

**Budget appropriations for new initiatives introduced to NZTA over the past three Budgets (total number = 45)**

| Budget | Appropriation (Initiative) | Description |
|---|---|---|
| New during FY 2022/23 | Ngauranga to Petone Shared Pathway Project | This appropriation is limited to providing funding to NZTA for the Ngauranga to Petone Shared Pathway Project, which will establish a walking and cycling link between Wellington and Lower Hutt. |
| New during FY 2022/23 | Eastern Busway Project | This appropriation is limited to providing funding to Auckland Transport for the Eastern Busway Project, which will connect Botany, Pakuranga, and neighbouring suburbs to the rail network in Panmure. |
| New during FY 2022/23 | Retaining and Recruiting Bus Drivers (MYA) | This appropriation is limited to improving the retention and recruitment of bus drivers through more attractive terms and conditions. |
| New during FY 2022/23 | Cyclone Gabrielle: National Land Transport Fund Operating Cost Pressure Funding | This appropriation is limited to providing operating funding to NZTA to meet additional costs related to Cyclone Gabrielle and January 2023 flooding events on the National Land Transport Programme. |

| Budget | Appropriation (Initiative) | Description |
|---|---|---|
| New during FY 2022/23 | North Island Weather Events – Road Response and Reinstatement – Local Road Response Costs MCA | This appropriation is limited to providing operating funding to meet local road response costs related to the North Island Weather Events |
| New during FY 2022/23 | North Island Weather Events – Road Response and Reinstatement – Local Road Recovery Costs MCA | This appropriation is limited to providing operating funding to meet local road reinstatement costs related to the North Island Weather Events |
| New during FY 2022/23 | North Island Weather Events – Road Response and Reinstatement - State Highway Recovery Costs - Capital MCA | This appropriation is limited to providing capital funding to meet state highway reinstatement costs related to the North Island Weather Events |
| New during FY 2022/23 | North Island Weather Events – Road Response and Reinstatement - State Highway Recovery Costs - Operating MCA | This appropriation is limited to providing operating funding to meet state highway operating costs related to the North Island Weather Events |
| New during FY 2022/23 | North Island Weather Events – Road Response and Reinstatement - Minor Resilience Works MCA | This appropriation is limited to providing capital funding to meet minor resilience work including additional bailey bridges related to the North Island Weather Events |
| New during FY 2022/23 | Improving Resilience of the Roading Network (MCA) - Improving Resilience of the Roading Network - State Highways | This category is limited to investment in infrastructure that improves the resilience of the state highway network. |
| New during FY 2022/23 | Improving Resilience of the Roading Network (MCA) - Improving Resilience of the Roading Network - Local Roads | This category is limited to expenses incurred and investment in infrastructure that improves the resilience of the local road network. |
| New during FY 2022/23 | Improving Resilience of the Roading Network (MCA) - Improving Resilience of the Roading Network - Operating Costs | This category is limited to operating expenses and administration costs incurred by NZTA to deliver projects that improve the resilience of the state highway and local road network. |
| New during FY 2022/23 | Land Transport Regulatory Services - Crown Support for Waka Kotahi New Zealand Transport Agency Rail Regulator Funding Shortfall | Crown Support for NZTA Rail Regulator Funding Shortfall. |

| Budget | Appropriation (Initiative) | Description |
|---|---|---|
| New during FY 2022/23 | National Land Transport Programme Additional Crown Funding (2021-2024) (MYA) - Crown Support for Public Transport Operating Shortfall | This appropriation is limited to providing operating funding to NZTA to meet public transport funding shortfalls relating to the National Land Transport Programme. |
| New during FY 2022/23 | National Land Transport Programme Additional Crown Funding (2021-2024) (MYA) - Waka Kotahi Emergency Works Cost Pressure | This appropriation is limited to providing operating funding to NZTA to meet emergency work funding shortfalls relating to the National Land Transport Programme. |
| New during FY 2022/23 | Community Connect Programme (MCA) – Total Mobility Services Concessions | This category is limited to providing Total Mobility services concessions through the Community Connect Programme. |
| New during FY 2022/23 | Community Connect Programme (MCA) – Total Mobility Scheme Local Share Funding Shortfall | This category is limited to providing Crown funding to Public Transport Authorities to cover local share funding shortfall to deliver the Total Mobility scheme. |
| New during FY 2022/23 | Waka Kotahi Regulatory Functions PLA | The estimated amount to be spent on NZTA's regulatory functions as authorised by section 9(1A) of the Land Transport Management Act 2003. |
| New during FY 2022/23 | Housing Infrastructure Fund Loans 2023-2028 MYA | This appropriation is limited to interest-free loans from the Housing Infrastructure Fund of a duration of ten years or under to NZTA to finance the transport infrastructure needed to unlock residential development. This replaces an earlier appropriation for the 2018-2023 period. |
| New during FY 2022/23 | Clean Car Upgrade – clean car upgrade grants MCA | This category is limited to the payment of grants under the Clean Car Upgrade scheme. |
| New during FY 2022/23 | Clean Car Upgrade – administration of the clean car upgrade MCA | This category is limited to NZTA meeting operating costs associated with implementing and operating the Clean Car Upgrade scheme. |
| New during FY 2022/23 | Social Leasing Scheme Trial | This appropriation is limited to funding NZTA to meet the costs associated with implementing and operating a vehicle social leasing scheme trial. |
| New during FY 2021/22 | Capital Investment Package – Operating costs MCA | This appropriation is limited to operating expenses incurred by NZTA in association with the capital investment package including cost pressures associated with COVID-19. |

| Budget | Appropriation (Initiative) | Description |
|---|---|---|
| New during FY 2021/22 | Capital Investment Package – Third party projects MCA | This appropriation is limited to capital investment package projects that will result in assets owned by third parties. |
| New during FY 2021/22 | Capital Investment Package – Funding for Crown Assets MYA | This appropriation is limited to investment in specified roading, walking, and cycling projects that support the announced objectives of the Capital Investment Package and that will result in assets owned by the Crown. This multi-year appropriation replaces the annual appropriation set up in 2019/20. |
| New during FY 2021/22 | Funding for temporary decrease in Fuel Excise Duty, Road User Charges, Public Transport fares and Railway Track User Charges (MYA) | This appropriation is limited to providing operating funding to NZTA to top up the National Land Transport Fund, to account for the shortfall in revenue as a result of temporary reductions in Fuel Excise Duty and Road User Charges, increased expenditure as a result of temporary Public Transport fare decreases, administration costs, and to reimburse KiwiRail for temporary reductions to Railway Track User Charges. |
| New during FY 2021/22 | National Land Transport Programme Loan 2021 - 2024 (MYA) | This appropriation is limited to a loan to NZTA to support the implementation and delivery of the National Land Transport Programme 2021 - 2024. |
| New during FY 2021/22 | Community Connect Programme (MCA) - Administration of the Community Connect Programme | This appropriation is limited to administration costs incurred in providing public transport concessions through the Community Connect programme. |
| New during FY 2021/22 | Community Connect Programme (MCA) – Public Transport Concessions | This appropriation is limited to providing public transport concessions through the Community Connect programme. |
| New during FY 2021/22 | Public Transport Bus Decarbonisation (MYA) | This appropriation is limited to expenses incurred in supporting the decarbonisation of the public transport bus fleet, and the administration of this by NZTA. |
| New during FY 2021/22 | Land Transport Regulatory Services – Driver license support – Better access to licenses for disadvantaged groups to improve employment and safety outcomes | A new initiative under the existing Land Transport Regulatory Services appropriation for funding better access to driver licenses for disadvantaged groups to improve employment and safety outcomes. |

| Budget | Appropriation (Initiative) | Description |
|---|---|---|
| New during FY 2021/22 | Clean Vehicle Discount Scheme - Administration (MYA) | This appropriation is limited to providing operating funding to NZTA to meet operating costs associated with the Clean Vehicle Discount. |
| New during FY 2021/22 | Clean Vehicle Discount Scheme – Rebates (MYA) | This appropriation is limited to the payment of rebates under the Clean Vehicle Discount scheme. |
| New during FY 2021/22 | Clean Car Discount – Administration (MYA) | This appropriation is limited to rebates under the Clean Car Discount scheme and the expenses of implementing and administering that scheme. |
| New during FY 2021/22 | Clean Vehicle Discount Scheme – Capital investment in Waka Kotahi NZ Transport Agency | This appropriation is limited to capital investment in NZTA for capital costs associated with setting up the Clean Vehicle Discount scheme and incurred on the scheme. |
| New during FY 2021/22 | Clean Vehicle Discount Administration costs PLA | The estimated amount to be spent on funding to NZTA to meet operating costs associated with the Clean Vehicle Discount as authorised by section 9(1F) of Land Transport Management Act 2003. |
| New during FY 2021/22 | Clean Vehicle Discount Rebates PLA | The estimated amount for the payment of rebates under the Clean Vehicle Discount scheme as authorised by section 9(1F) of Land Transport Management Act 2003. |
| New during FY 2021/22 | Mode-Shift - Planning, Infrastructure, Services, and Activities (MCA) - Mode-Shift – Operating costs | This appropriation is limited to operating expenses and administration costs incurred by NZTA to develop Vehicle Kilometres Travelled reduction programmes and deliver services and activities that reduces reliance on cars and supports the uptake of active and shared travel modes, such as walking, cycling, and public transport. |
| New during FY 2021/22 | Mode-Shift - Planning, Infrastructure, Services, and Activities (MCA) - Mode-Shift - Third-Party Projects and Activities | This appropriation is limited to expenses incurred by third parties on the development of Vehicle Kilometres Travelled reduction programmes and the delivery of infrastructure, services and activities that reduce reliance on cars and support the uptake of active and shared travel modes, such as walking, cycling, and public transport. |
| New during FY 2021/22 | Mode-Shift - Planning, Infrastructure, Services, and | This appropriation is limited to investment in infrastructure that reduces reliance on cars and supports the uptake of active and shared travel |

| Budget | Appropriation (Initiative) | Description |
|---|---|---|
| | Activities (MCA) - Mode-Shift – Funding for Crown Assets | modes, such as walking, cycling, and public transport. |
| New during FY2020/21 | Clean Car Standard - Operation | This appropriation is limited to funding NZTA for the operation and administration costs associated with the Clean Car Standard. |
| New during FY2020/21 | Clean Car Standard - Capital | This appropriation is limited to providing capital to NZTA for capital expenditure associated with implementing and supporting the Clean Car Standard. |
| New during FY2020/21 | SuperGold Card Enhanced Public Transport Concessions Scheme MCA | The single overarching purpose of this appropriation is to provide enhanced public transport concessions for SuperGold cardholders. This multi-category appropriation replaces the existing Annual appropriation for SuperGold. |
| New during FY2020/21 | Land Transport Regulatory Services | This appropriation is limited to performing associated crash analysis and research services, Crown-purchased land transport licensing services, and the provision of advice and services by NZTA to support Ministers to discharge their portfolio responsibilities relating to transport. This appropriation replaces 3 existing appropriations – Licensing activities, Ministerial Servicing by NZTA and Crash Analysis. |
| New during FY2020/21 | COVID-19 – National Land Transport Fund (NLTF) Funding for Cost Pressures and Revenue Shocks | This appropriation is limited to managing the cash-flow impacts on the NLTF as a result of COVID-19, and to meet COVID-19 related costs. |

**Top 10 Walking and Cycling Activity Class Approved Projects:**

| Project | Org name | 2021/22 NLTF | 2022/23 NLTF | 2023/24 NLTF | NLTF - 3 years | NLTF - 3yr Actual Spend to Date (31/1/24) | NLTF - 3yr Actual Spend to Date % | % of Total Activity Class Spend to date |
|---|---|---|---|---|---|---|---|---|
| Low cost / low risk improvements 2021-24 | All Agencies | 32,472,347 | 37,426,875 | 82,800,543 | 152,699,765 | 90,794,164 | 59.5% | 22.5% |
| Ngauranga to Petone Walking and Cycling Link | NZTA (Wellington) | 5,603,433 | 45,155,838 | 62,033,201 | 112,792,472 | 88,139,326 | 78.1% | 21.8% |
| Petone to Melling Walking Cycling Link | NZTA (Wellington) | 18,419,279 | 18,221,445 | 7,550,287 | 44,191,011 | 41,701,966 | 94.4% | 10.3% |
| Dunedin - Port Chalmers Safety Improvements (SH88) | NZTA (Otago) | 14,408,631 | 17,180,821 | 11,570,595 | 43,160,047 | 36,970,769 | 85.7% | 9.2% |
| Glen Innes to Tamaki Shared Path - Sections 1 and 2 NZTA | NZTA (Auckland) | 14,203,358 | 3,068,113 | 4,049,907 | 21,321,378 | 17,922,180 | 84.1% | 4.4% |
| Mangawhai Shared Path | Kaipara District Council | 3,001,493 | 4,221,940 | 5,948,715 | 13,172,148 | 7,742,493 | 58.8% | 1.9% |
| Auckland Cycle Network - Links to Public Transport | Auckland Transport | 6,598,217 | 0 | 0 | 6,598,217 | 6,598,217 | 100.0% | 1.6% |
| Auckland Cycle Network - City Centre Network | Auckland Transport | 1,146,398 | 3,209,870 | 2,352,918 | 6,709,186 | 6,310,448 | 94.1% | 1.6% |
| SH1 Hamilton to Cambridge Cycle Connection - Section 1 | NZTA (Waikato) | 5,719,054 | 197,973 | 228,496 | 6,145,523 | 5,935,335 | 96.6% | 1.5% |
| Wellington Cycle Network - Eastern Package | Wellington City Council | 1,935,394 | 2,169,388 | 9,746,163 | 13,850,945 | 5,118,579 | 37.0% | 1.3% |

## Performance Reporting

- It is important that our performance results are viewed within the context of our current operating environment. In 2022/23, responding to severe weather events required some work to be deferred or delayed as resources were diverted away from planned activities to response efforts. This increase in severe weather events has exacerbated existing pressures our funding system, which was already strained from the impacts of past under-investment in asset maintenance and inflationary pressures on costs.
- Our funding sustainability measure result for 2022/23 forecasted that over the 2024–27 National Land Transport Programme (NLTP), expenditure as a proportion of revenue would jump substantially to a level that would significantly affect the ability of NZTA and its partners to deliver the NLTP.
- NZTA continues to work with the Ministry of Transport and The Treasury on measures to address the substantial funding gap required to ensure a well-maintained, reliable and resilient network.
- Our Te Kapehu dashboard includes all our strategic measures. It is updated each quarter ahead of the ELT quarterly meeting to discuss and review the results in the dashboard. As it is hosted on the NZTA Power Bi service cloud, access is limited to internal users only, and the link to the dashboard cannot be shared with external users. However, the strategic measure results presented in the dashboard are also included in our quarterly and annual reports for the Minister of Transport, which get published on our website.

**System Outcomes Summary at 30 June 2023**

| System outcome<br>2022/23 NZTA annual report page reference provided | System outcome measures | Target<br>Target is at 30 June 2023 unless otherwise specified | Performance against target 30 June 2023 | Summary & emerging trends |
|---|---|---|---|---|
| **Safe**<br>(Pages 31 – 38) | Deaths and serious injuries (DSIs) (SAFE1) | <2,418 | 🔴 Not achieved | **DSIs:** Since 30 June 2023, total DSIs have reduced but remain above target, while DSIs related to unsafe speed and infrastructure have increased and are above target. We await further direction from the government of its priorities for road safety.<br>**Work-related road safety:** Since 30 June 2023, the rate of significant incidents has decreased but remains above target.<br>**Regulatory:** We achieved target for all 8 regulatory output class measures in 2022/23, with continued good performance in 2023/24.<br>**Speed and infrastructure changes:** Speed reduction targets were not met in 2022/23 and speed and infrastructure targets will not be met in 2023/24. These targets were set under the previous government. We await further government direction to inform how we set future targets. |
| | Significant incident frequency rate (SAFE2) | <9.0 per million hours worked | 🔴 Not achieved | |

| | | | | |
|---|---|---|---|---|
| | | | | **NZ Police-delivered activities:** Mobile camera deployment hours and passive breath testing were below target in 2022/23 and continue to be below target this year. |
| **Environmentally sustainable** (Pages 39 – 45) | Greenhouse gas emissions from the land transport system (ENV1) | <13,116 kilotonnes of CO2e | 🟢 Achieved | **Emissions reduction:** Land transport system emissions were lower than the 2019 baseline but are estimated to continue at high levels. Significant effort went into emissions reduction initiatives in 2022/23. We await further direction from the government of the future of the Emissions Reduction Plan.<br>**Low/no carbon vehicles:** The 2022/23 result was 1.9%.<br>**Adaptation:** Our adaptation plan Tiro Rangi was published in December 2022.<br>**Sustainability:** All 16 headline actions in our sustainability action plan Toitū te Taiao were completed; the plan is now being refreshed to respond to our changing strategic context. |
| | Proportion of the light vehicle fleet that are low or no carbon vehicles (ENV2) | >0.59% | 🟢 Achieved | |
| **Effectively and efficiently moving people and freight** (Pages 46 – 55) | Light vehicle kilometres travelled in main urban areas (MOVE1) | <32.2 billion kilometres by 2026 | 🟢 Achieved | **Public transport and active modes:** Public transport boardings improved substantially but were still below pre-COVID-19 levels at the end of 2022/23. User experience improved slightly for both public transport and active modes. In response to recent government direction, work on the light VKT reduction programmes has stopped, there will be no funding for new Transport Choices projects, and there will be changes to the Community Connect programme.<br>**Freight:** In 2022/23 there was no change in road/rail mode share, and rail freight travel time reliability and amount of freight carried by rail was below target. Our freight action plan will be refreshed to respond to GPS 2024. |
| | User experience of transport network by mode (MOVE2) | Public transport: >54%<br>Active modes: >62% | 🟢 Achieved | |
| | Freight mode share of road and rail (MOVE3) | Road: <87%<br>Rail: >13% | 🔴 Not achieved | |
| **Meeting current and future needs** (Page 56 – 65) | Funding sustainability – proportion of net revenue forecast to be spent on continuous programmes and public private partnerships (MEET1) | ≤75% | 🟢 Achieved | **Funding sustainability:** NZTA continues to work with MoT and TSY on measures to address the substantial funding gap required to ensure a well-maintained, reliable and resilient network.<br>**Asset condition:** While the 2022/23 result has improved from last year, breaking down the components of the measure shows state highway network condition is deteriorating. We have improved our SPE |

| | | | | |
|---|---|---|---|---|
| | Proportion of the state highway network that meets minimum asset condition requirements (MEET2) | ≥ 97% | Achieved | measure for 2024/25 to show the component parts and better reflect asset condition. |

**Significant capital projects at 30 June 2023**

- In 2022/23, the following issues affected project delivery:
    - **resource and supply chain pressures** affected delivery of Auckland Network Optimisation and Baypark to Bayfair Link Upgrade
    - **severe weather events** affected Baypark to Bayfair Link Upgrade, Auckland Network Optimisation project and Supporting Regions Programme
    - **delays to consenting, approvals and property acquisitions** affected SH29 Tauriko West Enabling Works, the South Auckland Package and several Supporting Regions Programme projects.
- These issues continue to affect delivery in 2023/24.
- Project reviews occur on some projects through The Treasury's Gateway reviews process.

**Delivery of year-end SPE milestones**

| | Total in SPE | Fully delivered | Sizeable progress, not fully delivered | Progress made, not delivered | Not achieved |
|---|---|---|---|---|---|
| **NLTP** | 13 | **6** (46%) | **5** (38%) | **1** (8%) | **1** (8%) |
| **NZUP** | 4 | **2** (50%) | - | **2** (50%) | - |
| **Supporting Regions Programme** | 22 | Thirteen projects have been completed, including four in 2022/23. | | | |

**Significant activities and performance measures at 30 June 2023**

- Approximately two thirds of significant activities and performance measures with a red status were those that we delivered in partnership with others.
- Some commitments were delayed or stopped due to government decisions including aspects of the Speed and Infrastructure Programme, safety camera management system, Community Connect and the National Light VKT Reduction Plan. Since the annual report was published, these activities and other CERF-funded projects have undergone further change in response to government direction.
- Resourcing and supply-chain pressures also affected some performance measure and significant activity results, including recruitment of regional expert advisors to support community driver training and mentoring, and sourcing safety camera software for the safety camera management system.

## Significant activities

| Total in SPE | Delivered in full | Not delivered in full | Unable to report |
|---|---|---|---|
| **15** | **10** (67%) | **5** (33%) | N/A |

## Performance measures

| | Total in SPE | Achieved | Not achieved | Unable to report |
|---|---|---|---|---|
| **Strategic** | 26 | **14** (54%) | **11** (42%) | **1** (4%) |
| **Output class and/or appropriation** | 91 | **63** (69%) | **25** (28%) | **3** (3%) |

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[redacted]



**Appropriations table for new initiatives over the past three Budgets**

| Budget | Appropriation (Initiative) | Description |
|---|---|---|
| New during FY 2022/23 | Ngauranga to Petone Shared Pathway Project | This appropriation is limited to providing funding to NZTA for the Ngauranga to Petone Shared Pathway Project, which will establish a walking and cycling link between Wellington and Lower Hutt. |
| New during FY 2022/23 | Eastern Busway Project | This appropriation is limited to providing funding to Auckland Transport for the Eastern Busway Project, which will connect Botany, Pakuranga, |

| Budget | Appropriation (Initiative) | Description |
|---|---|---|
| | | and neighbouring suburbs to the rail network in Panmure. |
| New during FY 2022/23 | Retaining and Recruiting Bus Drivers (MYA) | This appropriation is limited to improving the retention and recruitment of bus drivers through more attractive terms and conditions. |
| New during FY 2022/23 | Cyclone Gabrielle: National Land Transport Fund Operating Cost Pressure Funding | This appropriation is limited to providing operating funding to NZTA to meet additional costs related to Cyclone Gabrielle and January 2023 flooding events on the National Land Transport Programme. |
| New during FY 2022/23 | North Island Weather Events – Road Response and Reinstatement – Local Road Response Costs MCA | This appropriation is limited to providing operating funding to meet local road response costs related to the North Island Weather Events |
| New during FY 2022/23 | North Island Weather Events – Road Response and Reinstatement – Local Road Recovery Costs MCA | This appropriation is limited to providing operating funding to meet local road reinstatement costs related to the North Island Weather Events |
| New during FY 2022/23 | North Island Weather Events – Road Response and Reinstatement - State Highway Recovery Costs - Capital MCA | This appropriation is limited to providing capital funding to meet state highway reinstatement costs related to the North Island Weather Events |
| New during FY 2022/23 | North Island Weather Events – Road Response and Reinstatement - State Highway Recovery Costs - Operating MCA | This appropriation is limited to providing operating funding to meet state highway operating costs related to the North Island Weather Events |
| New during FY 2022/23 | North Island Weather Events – Road Response and Reinstatement - Minor Resilience Works MCA | This appropriation is limited to providing capital funding to meet minor resilience work including additional bailey bridges related to the North Island Weather Events |
| New during FY 2022/23 | Improving Resilience of the Roading Network (MCA) - Improving Resilience of the Roading Network - State Highways | This category is limited to investment in infrastructure that improves the resilience of the state highway network. |
| New during FY 2022/23 | Improving Resilience of the Roading Network (MCA) - Improving Resilience of the Roading Network - Local Roads | This category is limited to expenses incurred and investment in infrastructure that improves the resilience of the local road network. |

| Budget | Appropriation (Initiative) | Description |
|---|---|---|
| New during FY 2022/23 | Improving Resilience of the Roading Network (MCA) - Improving Resilience of the Roading Network - Operating Costs | This category is limited to operating expenses and administration costs incurred by NZTA to deliver projects that improve the resilience of the state highway and local road network. |
| New during FY 2022/23 | Land Transport Regulatory Services - Crown Support for Waka Kotahi New Zealand Transport Agency Rail Regulator Funding Shortfall | Crown Support for NZTA Rail Regulator Funding Shortfall. |
| New during FY 2022/23 | National Land Transport Programme Additional Crown Funding (2021-2024) (MYA) - Crown Support for Public Transport Operating Shortfall | This appropriation is limited to providing operating funding to NZTA to meet public transport funding shortfalls relating to the National Land Transport Programme. |
| New during FY 2022/23 | National Land Transport Programme Additional Crown Funding (2021-2024) (MYA) - Waka Kotahi Emergency Works Cost Pressure | This appropriation is limited to providing operating funding to NZTA to meet emergency work funding shortfalls relating to the National Land Transport Programme. |
| New during FY 2022/23 | Community Connect Programme (MCA) – Total Mobility Services Concessions | This category is limited to providing Total Mobility services concessions through the Community Connect Programme. |
| New during FY 2022/23 | Community Connect Programme (MCA) – Total Mobility Scheme Local Share Funding Shortfall | This category is limited to providing Crown funding to Public Transport Authorities to cover local share funding shortfall to deliver the Total Mobility scheme. |
| New during FY 2022/23 | Waka Kotahi Regulatory Functions PLA | The estimated amount to be spent on NZTA's regulatory functions as authorised by section 9(1A) of the Land Transport Management Act 2003. |
| New during FY 2022/23 | Housing Infrastructure Fund Loans 2023-2028 MYA | This appropriation is limited to interest-free loans from the Housing Infrastructure Fund of a duration of ten years or under to NZTA to finance the transport infrastructure needed to unlock residential development. This replaces an earlier appropriation for the 2018-2023 period. |
| New during FY 2022/23 | Clean Car Upgrade – clean car upgrade grants MCA | This category is limited to the payment of grants under the Clean Car Upgrade scheme. |

| Budget | Appropriation (Initiative) | Description |
|---|---|---|
| New during FY 2022/23 | Clean Car Upgrade – administration of the clean car upgrade MCA | This category is limited to NZTA meeting operating costs associated with implementing and operating the Clean Car Upgrade scheme. |
| New during FY 2022/23 | Social Leasing Scheme Trial | This appropriation is limited to funding NZTA to meet the costs associated with implementing and operating a vehicle social leasing scheme trial. |
| New during FY 2021/22 | Capital Investment Package – Operating costs MCA | This appropriation is limited to operating expenses incurred by NZTA in association with the capital investment package including cost pressures associated with COVID-19. |
| New during FY 2021/22 | Capital Investment Package – Third party projects MCA | This appropriation is limited to capital investment package projects that will result in assets owned by third parties. |
| New during FY 2021/22 | Capital Investment Package – Funding for Crown Assets MYA | This appropriation is limited to investment in specified roading, walking, and cycling projects that support the announced objectives of the Capital Investment Package and that will result in assets owned by the Crown. This multi-year appropriation replaces the annual appropriation set up in 2019/20. |
| New during FY 2021/22 | Funding for temporary decrease in Fuel Excise Duty, Road User Charges, Public Transport fares and Railway Track User Charges (MYA) | This appropriation is limited to providing operating funding to NZTA to top up the National Land Transport Fund, to account for the shortfall in revenue as a result of temporary reductions in Fuel Excise Duty and Road User Charges, increased expenditure as a result of temporary Public Transport fare decreases, administration costs, and to reimburse KiwiRail for temporary reductions to Railway Track User Charges. |
| New during FY 2021/22 | National Land Transport Programme Loan 2021 - 2024 (MYA) | This appropriation is limited to a loan to NZTA to support the implementation and delivery of the National Land Transport Programme 2021 - 2024. |
| New during FY 2021/22 | Community Connect Programme (MCA) - Administration of the Community Connect Programme | This appropriation is limited to administration costs incurred in providing public transport concessions through the Community Connect programme. |
| New during FY 2021/22 | Community Connect Programme (MCA) – Public Transport Concessions | This appropriation is limited to providing public transport concessions through the Community Connect programme. |

| Budget | Appropriation (Initiative) | Description |
|---|---|---|
| New during FY 2021/22 | Public Transport Bus Decarbonisation (MYA) | This appropriation is limited to expenses incurred in supporting the decarbonisation of the public transport bus fleet, and the administration of this by NZTA. |
| New during FY 2021/22 | Land Transport Regulatory Services – Driver license support – Better access to licenses for disadvantaged groups to improve employment and safety outcomes | A new initiative under the existing Land Transport Regulatory Services appropriation for funding better access to driver licenses for disadvantaged groups to improve employment and safety outcomes. |
| New during FY 2021/22 | Clean Vehicle Discount Scheme - Administration (MYA) | This appropriation is limited to providing operating funding to NZTA to meet operating costs associated with the Clean Vehicle Discount. |
| New during FY 2021/22 | Clean Vehicle Discount Scheme – Rebates (MYA) | This appropriation is limited to the payment of rebates under the Clean Vehicle Discount scheme. |
| New during FY 2021/22 | Clean Car Discount – Administration (MYA) | This appropriation is limited to rebates under the Clean Car Discount scheme and the expenses of implementing and administering that scheme. |
| New during FY 2021/22 | Clean Vehicle Discount Scheme – Capital investment in Waka Kotahi NZ Transport Agency | This appropriation is limited to capital investment in NZTA for capital costs associated with setting up the Clean Vehicle Discount scheme and incurred on the scheme. |
| New during FY 2021/22 | Clean Vehicle Discount Administration costs PLA | The estimated amount to be spent on funding to NZTA to meet operating costs associated with the Clean Vehicle Discount as authorised by section 9(1F) of Land Transport Management Act 2003. |
| New during FY 2021/22 | Clean Vehicle Discount Rebates PLA | The estimated amount for the payment of rebates under the Clean Vehicle Discount scheme as authorised by section 9(1F) of Land Transport Management Act 2003. |
| New during FY 2021/22 | Mode-Shift - Planning, Infrastructure, Services, and Activities (MCA) - Mode-Shift – Operating costs | This appropriation is limited to operating expenses and administration costs incurred by NZTA to develop Vehicle Kilometres Travelled reduction programmes and deliver services and activities that reduces reliance on cars and supports the uptake of active and shared travel modes, such as walking, cycling, and public transport. |

| Budget | Appropriation (Initiative) | Description |
|---|---|---|
| New during FY 2021/22 | Mode-Shift - Planning, Infrastructure, Services, and Activities (MCA) - Mode-Shift - Third-Party Projects and Activities | This appropriation is limited to expenses incurred by third parties on the development of Vehicle Kilometres Travelled reduction programmes and the delivery of infrastructure, services and activities that reduce reliance on cars and support the uptake of active and shared travel modes, such as walking, cycling, and public transport. |
| New during FY 2021/22 | Mode-Shift - Planning, Infrastructure, Services, and Activities (MCA) - Mode-Shift – Funding for Crown Assets | This appropriation is limited to investment in infrastructure that reduces reliance on cars and supports the uptake of active and shared travel modes, such as walking, cycling, and public transport. |
| New during FY2020/21 | Clean Car Standard - Operation | This appropriation is limited to funding NZTA for the operation and administration costs associated with the Clean Car Standard. |
| New during FY2020/21 | Clean Car Standard - Capital | This appropriation is limited to providing capital to NZTA for capital expenditure associated with implementing and supporting the Clean Car Standard. |
| New during FY2020/21 | SuperGold Card Enhanced Public Transport Concessions Scheme MCA | The single overarching purpose of this appropriation is to provide enhanced public transport concessions for SuperGold cardholders. This multi-category appropriation replaces the existing Annual appropriation for SuperGold. |
| New during FY2020/21 | Land Transport Regulatory Services | This appropriation is limited to performing associated crash analysis and research services, Crown-purchased land transport licensing services, and the provision of advice and services by NZTA to support Ministers to discharge their portfolio responsibilities relating to transport. This appropriation replaces 3 existing appropriations – Licensing activities, Ministerial Servicing by NZTA and Crash Analysis. |
| New during FY2020/21 | COVID-19 – National Land Transport Fund (NLTF) Funding for Cost Pressures and Revenue Shocks | This appropriation is limited to managing the cash-flow impacts on the NLTF as a result of COVID-19, and to meet COVID-19 related costs. |

# Key Opportunities and Challenges for NZTA

- Challenges:
  - **Sustainable funding**

- Opportunities:
  - **Infrastructure delivery excellence** – accelerating delivery through a confimed and stable pipeline of work, supported by projects being set up for success
  - **Accelerating Digital** – using digital tools to make the transport system more efficient and effective
  - **Regulatory effectiveness** – increase effectiveness of regulatory activity and ensure legislative settings can harness the digital opportunities

**The key challenges that NZTA considers to be facing for the land transport network are**:

***Sustainable funding***

- We are laying the foundations for an efficient, resilient, accessible and safe transport network for Aotearoa New Zealand. However, a sustainable funding solution is needed if we are to achieve these long-term system outcomes. Alongside inflationary pressure, our funding system is strained due to:
  - demands such as new roads, the age of the network and the volume of heavier and longer trucks outpacing the required investment in maintaining and renewing the network
  - increasing frequency and severity of weather events exacerbating the maintenance challenge while requiring greater investment to ensure better resilience and adaptation
  - expanding number of activity classes (across all land transport modes including coastal shipping) and investment classes needing to be covered by the NLTF
  - growing and changing urban use and congestion due to changing work patterns and consumer demands requiring a step change from past levels of investment, including investing in rail and mass transit
  - meeting emission reduction commitments and the decarbonisation of the transport fleet due to electric vehicles not currently being charged fuel excise duty (FED) or road user charges (RUC).

- For a number of years NZTA has raised concerns around sustainability of funding model for Transport and the need to reset this model with urgency due to the changing nature of transport system funding demands. Over the last year we have been working with MOT and Treasury on work around the future of funding review, which has included building models around revenue and funding requirements. This work is highlighting the scale and imminence of funding challenges for the transport sector and the NLTP.

- Lack of resilience in the funding model for transport is also referenced by the Auditor General as a significant risk in terms of delivering on the government policy statement and transport commitments, including those within the responsibility of NZTA.

**The key opportunities that NZTA considers to be facing for the land transport network include:**

***Infrastructure delivery excellence***

- Accelerating delivery through a confirmed and stable pipeline of work, supported by projects being set up for success.
- A pipeline of investment for infrastructure provides certainty, ensures efficient delivery and value for money and supports long term workforce investment by the private sector. The

Infrastructure Commission has done significant work on pipeline certainty that NZTA supports.

- Providing pipeline certainty helps address the challenges the industry faces around the capacity and capability in the system. It will also provide the certainty needed to bolster confidence in the supply chain, support the integration of local industry and iwi and provide communities with a level of certainty.
- NZTA is continually evaluating and developing the way we deliver infrastructure projects to get the best results for Aotearoa New Zealand and to understand the crucial factors for successful delivery of infrastructure projects.

***Accelerating digital***

- Using digital tools to make the transport system more efficient and effective.
- Accelerating digital is a key strategic priority for NZTA. We are in the middle of a significant programme of work on our digital enablement and platforms to modernise our systems, make it possible to price and manage the system more efficiently and effectively and to provide an improved customer and user experience.
- This includes:
    - **Moving from projects to platforms**. NZTA is progressing a number of strategically significant, digitally enabled programmes, that will provide critical platforms for the transport system, including the National Ticketing System (NTS), introduction of new safety camera technology and operations, replacement of the tolling system and an upgrade of the Advanced Traffic Management System (ATMS). These programmes, which align with good practise overseas, to position us well to price and manage the system differently, and to get efficiency in how we manage and maintain the transport system.
    - **In-vehicle technology solutions**. NZTA is exploring in-vehicle technology solutions and the related opportunities this presents. This is a critical component of the future transport ecosystem, as the technology can integrate with other technology platforms for a more connected land transport system. Over time, this type of technology should reduce the need for physical infrastructure investment (eg roadside cameras and sensors). The benefits of in-vehicle technology solutions are being realised in several countries, improving outcomes such as safety, congestion, emissions reduction, and revenue collection.
    - **Mobile driver licence.** The mobile driver licence (mDL) will be a digital form of a driver licence available on a smartphone, built to international standards so it can be verified locally and overseas. Progressing an mDL will enable New Zealand to keep up with international offerings and meet known public expectations, while driving use and engagement with our digital tools. An mDL will allow driver licence details to be updated in real-time, such as adding classes and endorsements and lifting conditions.
    - **The NZTA application**. The NZTA application (app) is a mobile app in development that will provide a single place for customers to interact with the Agency. It will feature driver licence details, vehicle data (warrant of fitness, registration, and road user charges), payments for tolling, vehicle registration, and speed infringements. Over time, it will include a mobile driver licence, integration with a national public transport ticketing system, and an ability to pay for other road uses (such as congestion charging).
    - **Digital Asset Management**. Digital asset management lets us derive the most value from our transport assets by making data-based decisions for design, maintenance, and improvements over the asset lifecycle. This supports Treasury guidance regarding asset management and its performance.

**Regulatory effectiveness**

- Increase effectiveness of regulatory activity and ensure legislative settings can harness the digital opportunities.

- There is a need to invest deliberately in reducing inefficiency, complexity and cost. Some of our current regulatory requirements are out of date, and not fit for purpose, creating cost and inefficiency for sectors; as well as impacting on the delivery of regulatory outcomes. Currently many regulatory processes are not nimble or effective and do not keep up with the changes needed that people and businesses are asking for.
- The effective delivery of regulation requires frontline regulators and policy/monitoring agencies to work in close partnership to deliver regulatory outcomes. This includes having a clear shared understanding of what regulatory regimes are seeking to achieve, how they work on the ground, and risks, issues and opportunities that need to be focused on.
- NZTA continues to work alongside the Ministry of Transport to find innovative ways to fast-track regulatory system modernisation to support digital system improvements. Legislative reform could enable a wider range of digital services and channels and provide for greater use of electronic documents. This would help enable enhanced digital services, where people can access their own information, digital driver licences, register modernisation and more efficient and effective land transport administration, including revenue collection.

## Governance and Relationships

- We work closely with local authorities and iwi on our projects, speed management and during the planning processes.
- Local government is a key planning and delivery partner for NZTA and we are committed to building and sustaining high trust relationships with our local government partners. We are working more actively with our local government co-investment partners to drive more integrated planning of local transport solutions.
- We have legislative responsibilities to work with Māori through the LTMA and RMA, and are committed to fostering strong and enduring relationships.

- Collaboration across government is critical to our success in achieving our goals and obligations, alongside delivering on expectations.
- Our core business has grown in scope. Land Transport has been identified as a key mechanism for achieving inclusive access, urban and regional development, and for reaching environmental targets. As a result, collaboration with other central and local departments is increasingly important and necessary. We have therefore implemented measures to lift collaboration with our government partners.
- NZTA understands the key challenges of local government especially the funding and financing of infrastructure. We are working more actively with our local government co-investment partners to drive more integrated planning of local transport solutions.
- *While these partnerships help drive efficiency, they do not sufficiently mitigate the shared challenges around funding: Many local government entities are nearing debt limits and are therefore reluctant to take on additional borrowing. The demands on the NLTF are currently far exceeding the available revenue and this is not forecast to ease in the next decade. The funding pressure is particularly problematic for large capital investment that is required to implement long term strategic packages and emergency works funding which requires local share often from places with a low rate payer base.*
- NZTA will be working closely with government partners to support the Government's focus on new or enhanced partnership models including city and regional deals and working with the new National Infrastructure Agency on matters such as funding and financing.
- We are continuing to work with MoT to determine details of support that may be needed for Auckland following the repeal of the Regional Fuel Tax.
- As part of our commitment to fostering ongoing relationships with Māori, we engage with hapū and iwi wherever possible on activities that are likely to affect them or their interests.
- We are seeking to work in partnership with Māori across the Transport System from setting operational strategy, to building and delivering targeted programme

**Partnership examples**

- NZTA is involved in the six established **Urban Growth Partnerships** between local government, central government and mana whenua which are a means of developing integrated spatial planning. An important aspect of the Urban Growth Partnerships is agreeing a long-term and integrated approach to land use and infrastructure through spatial planning.
- We also have existing **delivery models** that partner closely with local government: Alliance models such as **Marlborough Roads**, the **Northland Transport Alliance** and the **Supporting Growth Alliance** enable parties to work together in a structured co-operative environment. Alliances are often underpinned by shared resources and joint decision-making.
- Other partnerships include **Te Ringa Maimoa** (formerly the Road Efficiency Group) is a collaborative initiative between NZTA, LGNZ and Road Controlling Authorities which aims to address high variability in service and costs across the national road network. Te Ringa Maimoa also exists to support RCAs to understand and deliver on the Government Policy Statement on Land Transport and NZTA strategy.

## Capital Works - projects by region

| Region | Number of current capital projects | Value of current capital projects | Examples |
|---|---|---|---|
| **Northland** | 17 | $561m | Loop Road North to Smeatons Hill<br>SH10 Kaeo Bridge upgrade<br>SH1 Whangarei to Port Marsden Safety Improvements |
| **Auckland** | 43 | $7.005b | Supporting Growth Alliance<br>Auckland Network Optimisation<br>Waitematā Harbour Connections<br>O Mahurangi Penlink<br>SH1 Papakura to Drury |
| **Waikato** | 47 | $2.474b | SH1 Cambridge to Piarere Route Protection<br>SH1 Cambridge to Piarere Safety Improvements<br>NZUP SH1-29 Intersection Improvements |
| **Bay of Plenty** | 30 | $1.84b | Takitimu North Link Stage 1<br>Baypark to Bayfair Link Upgrade<br>SH29 Tauriko West Enabling Works |
| **Gisborne (East Coast)** | 11 | $41m | Cyclone Recovery Projects |

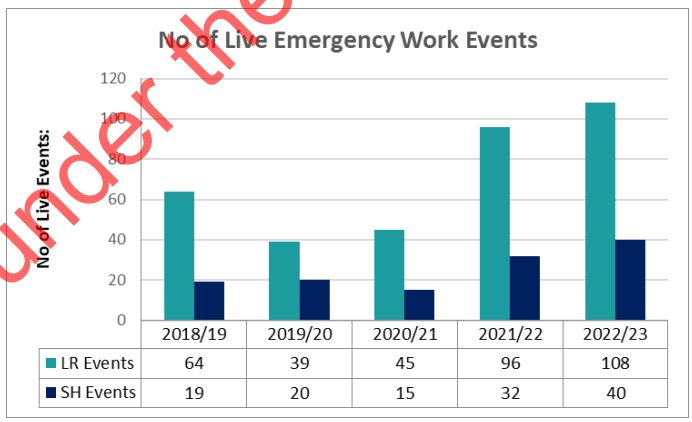
| | | | |
|---|---|---|---|
| **Hawke's Bay** | 21 | $80m | Cyclone Recovery Projects<br>SH51 Napier to Hastings<br>SH5 Matea Road to SH2 |
| **Manawatū/Whanganui** | 15 | $2.646b | Te Ahu a Turanga: Manawatū Tararua Highway<br>SH1 Bulls to Sanson – Pukenui Road<br>Ōtaki to north of Levin |
| **Taranaki** | 10 | $373m | Te Ara o Te Ata: Mt Messenger Bypass<br>SH3/3A Waitara to Bell Block<br>SH3/3A New Plymouth to Hāwera |
| **Wellington** | 44 | $3.474b | LGWM Transformational Project (MRT, Basin Reserve, Mt Victoria Tunnel)<br>Te Ara Tupua; Ngā Ūranga ki Pito-One<br>SH58 Safety Improvements Stage 2<br>SH2 Melling Efficiency and Safety Improvements |
| **Marlborough** | 12 | $80m | SH6 Blenheim to Woodburn Safety Improvements<br>SH1 Picton Port Access |
| **Canterbury** | 23 | $1.408b | SH1 Selwyn River to Ashburton Safety Improvements<br>Public Transport Futures Mass Rapid Transit (Christchurch)<br>Canterbury Package |

| | | | |
|---|---|---|---|
| **West Coast** | 8 | $39m | SH6 Haast to Hawea Resilience Business Case |
| **Otago** | 20 | $279m | Beaumont Bridge Replacement<br>Queenstown Package<br>Dunedin City and Hospital Business Case |
| **Southland** | 5 | $39m | SH49 Homer Tunnel<br>SH1 Elles Road Intersection Safety Improvements |

## Emergency Works

- The costs of emergency works have increased steadily over the last decade and the frequency is expected to grow due to ongoing impacts of climate change.
- The number of events requiring emergency works has increased from a combined average of 67 events per year in the 18-21 NLTP period to a predicted average of approximately 140 events per year in the 21-24 NLTP period (projected).
- In addition to the increasing scale and severity of events, the costs of undertaking restoration and repair have also escalated.
- Emergency repairs for damage caused by severe weather events is normally funded through the Emergency Works work category of the NLTP, part of the maintenance activity classes. Even before the North Island Weather Events demand for Emergency Works funding from the 2021-24 NLTP had exceeded allocations due the increased frequency and severity of extreme weather events.

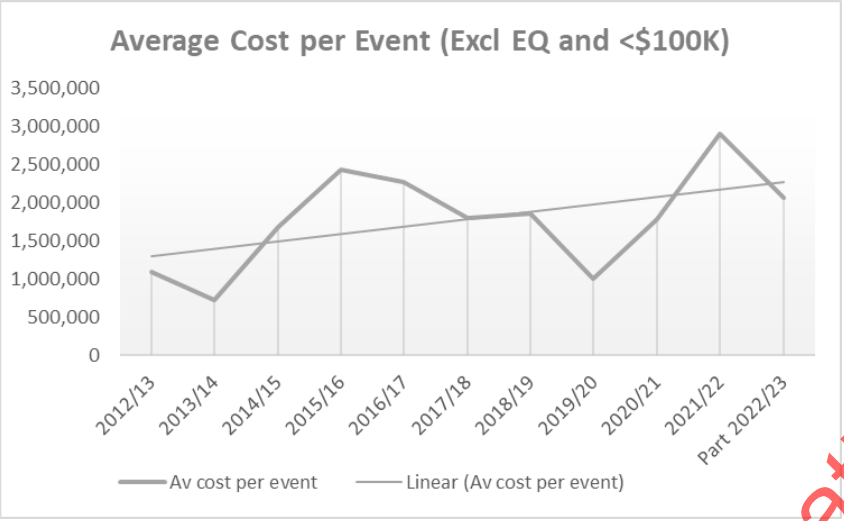
- The costs of emergency works have increased steadily over the last decade and the frequency is expected to grow due to ongoing impacts of climate change. Emergency works must be undertaken urgently after an event to restore access to communities, ensure safety for network users, prevent further damage and provide for economic and social opportunities.
- The increasing severity, frequency, geographic scale and cost of events is placing increased pressure on the Maintenance Activity Classes from which the Emergency Works funds are drawn.
- The number of events requiring emergency works has increased from a combined average of 67 events per year in the 18-21 NLTP period to a predicted average of approximately 140 events per year in the 21-24 NLTP period (see below, NB: 22-23 totals are projected). Note that the local road network is close to eight times the length of the state highway network, hence the greater exposure to impacted sites.




| | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|---|---|---|---|---|---|
| LR Events | 64 | 39 | 45 | 96 | 108 |
| SH Events | 19 | 20 | 15 | 32 | 40 |

- In addition to the increasing scale and severity of events, the costs of undertaking restoration and repair have also escalated. The cost escalation / inflation evidenced across the wider infrastructure sector, impacts the costs of materials and labour required to restore damaged assets. For example, prior to NIWE, the average event cost for local road events was increasing at a rate of over $95,000 per year (see table below, NB: Costs are not inflation adjusted). The average cost of an event in 2021/22 was $1.9M.
- Doing nothing will result in increasing number and severity of failures, with longer durations. This will mean higher total emergency works costs, impacted communities (restricted travel)

and economic impacts. It also means diversion of resources into recovery rather than other activities such as normal maintenance activities and efficiency/capacity/safety improvements.




- Emergency repairs for damage caused by severe weather events is normally funded through the Emergency Works work category of the NLTP, part of the maintenance activity classes. Even before NIWE, demand for Emergency Works funding from the 2021-24 NLTP had exceeded allocations due the increased frequency and severity of extreme weather events.

- The Government agreed, through Budget 2023, to allocate a one-off injection of $60.673m of Crown funding into the NLTF to support Emergency Works cost pressures (separate to NIWE-specific injections). It also agreed to fund a number of resilience works across the local road and state highway networks ($419 million) over seven years.

- Following NIWE, it was clear that the damage to the state highway and local road network was of a scale that was unable to be fully supported by Emergency Works funding through the NLTF.

## North Island Weather Events (NIWE)

- Crown funding of **more than $1.7 billion** has been provided to date to address NIWE-related state highway and local road response and recovery activity.
- To date, delivery work has been focused on re-opening corridors (response) and returning all affected roads to previous levels of service (recovery).
- s 9(2)(g)(i) [redacted]
- SH1 Brynderwyn Hills will be closed from 26 February 2024 for approximately nine weeks (with a six-day opening over Easter). This closure allows contractors to widen the road corridor and then repair underslips that threaten the long-term reliability of this route, and will ensure that the route is resilient for at least the next decade.
- There are **approximately 418 'recovery faults'** across the East Coast that need repairing, including under- and over- slips, drainage issues and river management. Of these, **over 70% are either in design, in construction or completed**.

*Delivery work to date in responding to damage and how it feeds into future resilience work*

- Due to the extensive damage caused by the weather events that affected the upper North Island, the recovery and rebuild is expected to span 10 years. Prioritising the response to NIWE has put additional strain on an already pressured funding situation.
- Crown funding of more than $1.7 billion has been provided to date to address NIWE-related state highway and local road response and recovery activity.
- To date, delivery work has been focused on re-opening corridors (response) and returning all affected roads to previous levels of service (recovery).
- s 9(2)(g)(i) [redacted]

**Northland**

- In Northland, State Highway 1 was closed for approximately 73 days in 2023 due to closures of the SH1 Brynderwyn Hills and SH1 Dome Valley.
- Both of these corridors have been restored to allow traffic to utilise them day to day.
- SH1 Brynderwyn Hills will be closed from 26 February 2024 for approximately nine weeks (with a six-day opening over Easter). This closure allows contractors to widen the road corridor and then repair underslips that threaten the long-term reliability of this route.
- This work will ensure the Brynderwyn Hills are resilient for at least the next decade, and the extra corridor width will allow quicker response times to any future events, as it will be easier to re-open the road to two lanes of traffic.
- This allows the time required to undertake detailed business case planning for the future travel options between Auckland and Whangārei.
- Work has also been undertaken on the detour routes – both SH12/SH14 and local road options – to improve the effectiveness of these routes during the upcoming closure, and any future closures of SH1.
- SH1 Mangamuka Gorge remains closed until late 2024, with the majority of the enabling works across the 15 slip sites complete, and most sites have commenced retaining wall works.

**Coromandel**

- The new SH25A Taparahi Bridge opened prior to Christmas, reconnecting SH25A between Kopu and Hikuai.
- While the road was closed, contractors completed a significant programme of additional works along SH25A, including bridge strengthening, resealing and drainage improvements.
- This work has improved the resilience of the route while also reducing upcoming maintenance requirements, providing better outcomes for residents and road users.
- SH25 around the Coromandel Peninsula has a significant programme of recovery works to fully restore the corridor to the previous level of service. This work is underway and is expected to continue until late 2024.

*State Highway 25A*

- During the storm events of early 2023 a significant section of SH25A collapsed. The site continued to be active for several days after, with further material slipping into the gully below.
- Work began immediately to determine the best option for reconnecting SH25A. A bridge was confirmed as the best option to fix SH25A, based on the ability to build back better in the shortest timeframe. The road was reopened three months ahead of schedule, reconnecting the Coromandel communities in time for Christmas. Typically, the design and construction process of a similar bridge would take 18 to 24 months.
- Some key aspects worked in favour of the project – the road was closed and there was no traffic to manage, land acquisition was not needed, and resource consents could be obtained retrospectively under the emergency provisions of the RMA. The bridge design was carried out in parallel with construction, was based on the completed design for another NZTA project which meant piling and procurement of materials could get underway ahead of the design being fully validated. Steel plate ordered for the Takitimu North Link Minden bridge was repurposed for SH25A, and key components such as deck panels and side barriers were prefabricated off-site.
- **Key successes from the Infrastructure NZ report presented to Minister Brown**:
    - High trust between client and industry which is highlighted by the common goal to open the road as quickly and efficiently as possible.
    - A procurement model that supported the required outcomes, using attribute only selection and a cost reimbursable model allowing parallel progression of design and construction.
    - Well managed communications to the community and stakeholders created a positive delivery culture for the design and construction staff, encouraging them to go the extra mile to deliver on the goal for the community.
    - The need to deliver as quickly as possible provided the driver to think creatively about design and construction delivery.
- Implications for the future to speed up delivery and benefits of infrastructure:
    - Strong and robust up front option selection, risk assessment and planning
    - The use of standardised design which can accelerate both design and provide in country supply of materials with long lead times
    - Factoring in decision making the opportunity cost of delaying infrastructure investment and long construction programmes, versus understanding the value of investing in and delivering infrastructure to enjoy the benefits it provides early

- Procurement and decision-making models that allow a balance between cost certainty and pace of delivery

**East Coast**

- There are approximately 418 ‘recovery faults’ across the East Coast that need repairing, including under- and over- slips, drainage issues and river management.
- Of these, over 70% are either in design, in construction or completed.
- Work is taking place across the affected region, with a focus on SH2 between Napier and Wairoa, and SH5 north of Napier towards Taupō.
- This work is focused on returning the East Coast state highway network back to previous levels of service, while rebuild focused business cases are developed.
- There is also a significant focus on the high volume of road renewals that need to be completed prior to the end of summer. This will help improve existing road condition across the region.

**How this work feeds into future resilience work**

- Working closely with the Ministry of Transport and Treasury, delivery work undertaken to date has focused on restoration of access in areas that will not be affected significantly by future rebuild/resilience funding.
- This minimises the need to return to the same locations to complete further work, ensuring funding is used efficiently, while also ensuring communities are connected and people are able to travel as effectively as possible.
- At the same time all response and recovery works build assets back to modern standards, which leads to improved outcomes for communities and road users.
- Examples of where this is beneficial include culverts, where capacity will often be increased, and bridge replacements, where the level of the bridge might be raised to protect it from future flooding.


# Northland state highway update following North Island extreme weather events

## Mangamuka Gorge

Progress on all slip sites is going well. Enabling works on all 15 sites is 90% complete. 13 of the 15 sites have commenced permanent retaining wall works with the road rescheduled to open to the public by the end of the fourth quarter of 2024. Final cost estimation is underway and expected to require approximately an additional $30M of funding to complete the network.

## Far North, State Highway 1 and State Highway 10

The far north recovery works on SH10 is largely completed with some minor works to be completed by end February 2024. The resilience scope has been confirmed, and the business

case approved by the Waka Kotahi board. Availability of funding remains an issue and as a result delivery is currently on hold.

## Brynderwyns

Closure dates of SH1 Brynderwyns has been confirmed and preparation and enabling works are well underway. SH1 Brynderwyns will close the road from 26 February 2024 until 27 March 2024, opening for six days over the Easter period. The road will then close again on 3 April 2024 to complete the remaining work that requires a full closure. In total, the closure is expected to be about nine weeks, with work done as quickly as possible. Detailed design for the up and down slopes interventions is well underway. Works remain within approved budget.

## Dome Valley and State Highway 16

### Recovery

- The current funded recovery design and construction is largely complete, however some additional drainage design and remediation required as part of subsequently identified issues.

### Resilience

- Omeru reserve and Lookout Hill are resilience interventions (totalling approximately $8M). State Highway 16 Omeru Reserve has geotechnical investigations continues until February 2024 with a preliminary design due in April 2024.
- State Highway 16 Lookout Hill scope confirmed with final design early 2024. Property acquisition agreements underway, due February 2024.
- Five additional slips have been identified for remediation in Dome Valley. Funding is being requested as part of the larger Resilience Programme for Warkworth to Te Hana.

NZ TRANSPORT AGENCY WAKA KOTAHI

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# Coromandel and Hauraki state highway update following North Island extreme weather events

## State Highway 2

No current restriction.

Two slip sites to be completed in quarter two of 2024.

## State Highway 27

No current restriction.

Design solution complete. Consenting required. Expect to deliver in quarter two of 2024.

## State Highway 25

Road open but lane restrictions in place and temporary speed limits in use.

Work forecast to be ongoing until October 2024. Scope of remaining work includes; repairs to scoured water table, repair of under and overslips.

Work will be paused over the busy holiday period to minimise the likelihood of further disruption.

## State Highway 25A

Road is now open.

**Taparahi Bridge**

Taparahi Bridge has been completed and is now open.

**Recovery works**

Minor works off the carriageway are being closed out.

**Rebuild Works**

Complete as this work was only approved until the bridge was completed. Any remaining works will be looked at in the future should funding be approved for the long term resilience programme.

NZ TRANSPORT AGENCY WAKA KOTAHI

Te Kāwanatanga o Aotearoa New Zealand Government


# East coast state highway update following North Island extreme weather events

## State Highway 2 from Napier to Gisborne

- 3 faults in handover
- 12 faults in construction
- 10 faults in construction planning
- 58 faults in design

## State Highway 2 from Gisborne to Opotiki

- 12 faults in handover
- 1 fault in construction
- 2 faults in construction planning
- 32 in design

## State Highway 5

- 2 faults in handover
- 3 faults in construction planning
- 6 faults in design

## State Highway 35

- 85 faults in handover
- 37 faults in construction
- 4 faults in construction planning
- 24 faults in design

## State Highway 38

- 2 faults in construction
- 2 faults in construction planning

## State Highway 50, State Highway 51 and State Highway 2 south

- 2 faults in handover
- 1 fault in construction planning
- 3 faults in construction

| Recovery/cyclone damage | Funding | Total cyclone faults | In design | In construction planning | In construction | In handover |
|---|---|---|---|---|---|---|
| SH2 south – Lake Tutira to Esk River | Funded | 65 | 47 | 5 | 9 | 1 |
| SH2 north – Gisborne/ Hawke's Bay boundary to Ōpōtiki | Funded | 29 | 11 | 5 | 3 | 2 |
| SH2 Tairawhiti – Gisborne/ Hawke's Bay boundary to Ōpōtiki | Funded | 71 | 32 | 2 | 1 | 12 |
| SH5 Hawke's Bay | Funded | 16 | 6 | 3 | 0 | 2 |
| SH35 Tairawhiti | Funded | 193 | 24 | 4 | 37 | 85 |
| SH38 Hawke's Bay | Funded | 38 | 0 | 2 | 2 | 0 |
| SH50/SH51 Hawke's Bay and SH2 south of Napier | Funded | 6 | 3 | 1 | 0 | 2 |
| **Total** | | **418** | **123** (29%) | **22** (5%) | **52** (12%) | **104** (25%) |

NZ TRANSPORT AGENCY WAKA KOTAHI

Te Kāwanatanga o Aotearoa New Zealand Government

# Transport Rebuild East Coast (TREC)

- Damage to the transport network across the East Coast of the North Island was widespread, covering state highways, local roads and the rail network. Lifeline routes were severed due to the loss of critical assets such as the Hikuwai Bridge No. 1, Waikare River Bridge, and the damming of the road in the Mangahauini Gorge. The scale of this damage was potentially the greatest ever seen in New Zealand.
- The immediate response to this event was managed by the relevant Network Outcomes Contracts (NOCs) across Tairāwhiti and Hawke's Bay, along with support from Bay of Plenty East. However, the NOC model is not suited to such a complex programme of work with a number of uncertainties, and an alliance delivery model was formed.
- NZTA has incorporated ongoing maintenance and operations requirements for the state highway network into TREC. This will leverage the benefits of having multiple organisations available within the model and will assist with the planning and effective delivery of significant volumes of work while managing road user journeys.

**Why Transport Rebuild East Coast (TREC)?**


- Damage to the transport network across the East Coast of the North Island was widespread, covering state highways, local roads and the rail network. Lifeline routes were severed due to the loss of critical assets such as the Hikuwai Bridge No. 1, Waikare River Bridge, and the damming of the road in the Mangahauini Gorge. The scale of this damage was potentially the greatest ever seen in New Zealand.
- The immediate response to this event was managed by the relevant Network Outcomes Contracts (NOCs) across Tairāwhiti and Hawke's Bay, along with support from Bay of Plenty East. However, the NOC model is not suited to such a complex programme of work with a number of uncertainties, and an alliance delivery model was formed.

- The alliance is made up of NZTA, KiwiRail, existing state highway maintenance contractors Downer and Higgins, along with Fulton Hogan. Working with large contracting organisations allows NZTA to access their people, systems and processes, which have the scale to suit the recovery and rebuild requirements.
- TREC will enable NZTA to deliver social and economic outcomes on the East Coast, with the 'East Coast first' procurement philosophy leading this. This philosophy ensures that locally owned and operated contractors will be prioritised over others, with out-of-region resources only used for specialist tasks that cannot be completed by local resource.

- NZTA has incorporated ongoing maintenance and operations requirements for the state highway network into TREC. This will leverage the benefits of having multiple organisations available within the model and will assist with the planning and effective delivery of significant volumes of work while managing road user journeys.


**Recent examples of work completed include:**

- Four sections of SH2 between Wairoa and Napier restored to two lanes in time for Christmas – White Pine Bush, Mautaua (north of Kotemaori), Te Ngarue (north of Tangoio) and Sandy Creek (near Putorino).
- Repair work at Elands and SH5 Esk Forest underslip sites to reinstate the state highway to two lanes was completed in November.
- Repair work at SH5 Captain's Culvert to reinstate SH5 to full road width was completed before Christmas.

- Repair work at two underslips and a damaged culvert near Frasertown on SH38 completed before Christmas. The culvert site has reopened to two lanes.
- SH2 Waikare Gorge old bridge demolition
- 99 recovery sites were completed in Tairāwhiti (SH35 and SH2) before Christmas (following the cyclone).

**What recovery works are underway?**

**Tairāwhiti:**

- SH35 Mangahauini recovery: 7 sites to be completed over the next 4 months.
- SH35 Mangatuna river underslip: repairs underway.
- SH35 Waipare Bluff drop out: temporary repair expected to start in late January/early February whilst design is finalised.
- SH2 Otoko Flats Underslip: underway; completion due in early February.
- Multiple sites on SH2 Otoko Hill

**Hawke's Bay (including Wairoa):**

- SH2 Devil's Elbow is still the priority with retaining wall construction underway following on from the concrete foundation work which was completed before Christmas.
- The Kaiwaka disposal site (off SH2) has opened, which can hold 160.000 cubes of cleanfill material such as silt, 'overburden' material that is generated by cutting and digging operations, debris etc.
- SH5 Captain's Culvert inlet site underway
- Works at the Tangoio Falls underslip and the Mautaua underslip on SH2.
- Works at the Waikaretaheke underslip on SH38 is underway. Repairs of the single remaining Waikaretaheke underslip and the Waiau River underslip will then follow (with staggered construction).

**Rebuild work - Update**

- In addition to the 'recovery' faults there are a number of 'rebuild sites'. This work will be progressed through business cases that develop and assess solutions/options to improve the resilience of East Coast state highways (while also identifying funding requirements).
- Resilience projects that will be completed as part of the rebuild of the state highway network are being prioritised to ensure targeted delivery can commence once funding is confirmed.
- Business case work advanced with pre-Christmas period workshops held with councils and iwi. This included discussions on prioritisation work on SH2 and SH5 corridors, as well as initial discussions on three large projects – SH2 Devil's Elbow, SH35 Mangahauini Gorge and surrounds rebuild, and Lucky Hill Bridge to SH5/SH2 and Eskdale Flood Management.

## Potholes

- Pothole repairs tend to be a temporary repair, as the majority of potholes appear over the wetter and cooler months between May and September. Any full road renewals completed during this time are likely to have a lower than expected lifetime
- To date 29,000 pothole jobs have been attended to in the 2023/24 year, compared to 38,000 jobs in the 2022/23 year.
- As soon as they are advised of potholes or other road damage, NZTA maintenance contractors are dispatched to inspect the issue and carry out any repairs. We realise how important it is to ensure potholes are repaired and filled as quickly and safely as possible, for the safety of all road users.

- Pothole repairs by financial year are provided in the table below. Please note the figures relate to pothole jobs attended to, and we do not record where multiple potholes are repaired on the same job.

| Financial year | Potholes repaired |
|---|---|
| 2020/21 | 36,000 |
| 2021/22 | 45,000 |
| 2022/23 | 38,000 |
| 2023/24 (to date) | 29,000 |

- Pothole repairs tend to be a temporary repair, as the majority of potholes appear over the wetter and cooler months between May and September. Any full road renewals completed during this time are likely to have a lower than expected lifetime. Taking into account whole-of-life costs it is more effective to temporarily fill a pothole during these months, and wait until the summer renewals programme to undertake a renewal activity.

- Some potholes will reappear multiple times over a single winter period. Once water has entered the road pavement (the layers lying under the asphalt or chipseal surface) it will sit in the pavement and face hydraulic pressure from vehicle movements on the road surface. This pressure forces stones to exit the road structure through the path of least resistance (i.e.: upwards), creating a pothole. When potholes are temporarily repaired a 'cold mix' asphalt is used, however this will not bind to the remaining road surface, and water will re-enter the road structure through the cracks between the existing road structure and the cold mix, and the hydraulic process will start again.

- NZTA maintenance contractors conduct regular inspections of their respective networks to ensure the state highway network is safe and accessible. During these inspections they will collect information on new and existing defects, programming these for repair as required.

- As soon as they are advised of potholes or other road damage, NZTA maintenance contractors are dispatched to inspect the issue and carry out any repairs. We realise how important it is to ensure potholes are repaired and filled as quickly and safely as possible, for the safety of all road users.

## Summer maintenance renewals

- The 2023/24 summer renewals programme of approximately **2300 lane kilometres** represents the most significant programme undertaken to date. This programme covers road rebuilding, asphalt resurfacing, chipsealing and skid-resistance related sealing based off data collected by the Sideway-force Coefficient Routine Investigation Machine (SCRIM) vehicle.
- This programme **equates to approximately 9.5% of the state highway network** receiving a renewal.
- As at the end of December 2023, **981 lane kilometres of renewals** had been delivered, out of a revised programme of **2336 lane kilometres**. This equates to **42%** of the total programme completed and is a similar position to the 2022/23 delivery as at the end of December (prior to the North Island Weather Events), and better than the two years prior.

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- This programme equates to approximately 9.5% of the state highway network receiving a renewal.
- The majority of our renewal activity takes place between October and March, these months being the most ideal due to warmer, drier and more consistent weather. In some areas we may start slightly earlier to make the most of any dry weather during spring, and some activities such as asphalt resurfacing can be undertaken into Autumn in some regions, where temperatures allow.
- As at the end of December 2023, 981 lane kilometres of renewals had been delivered, out of a revised programme of 2336 lane kilometres. This equates to 42% of the total programme completed and is a similar position to the 2022/23 delivery as at the end of December (prior to the North Island Weather Events), and better than the two years prior.

- **December YTD percentage comparison to the last 3 years:**

| Year | Delivery as at 31 December |
|---|---|
| **2020/21** | 641.41 lane km out of 1816 (35%) |
| **2021/22** | 670.88 lane km out of 2185 (30%) |
| **2022/23** | 866.81 lane km out of 2051 (42%) |
| **2023/24** | 981 lane km out of 2336 (42%) |

**Delivery breakdown by region as at 31 December 2023:**

| Region | Number of Lane Kilometres Delivered | Percentage of the programme delivered |
|---|---|---|
| **Auckland/Northland** | 72 | 26% |

| | | |
|---|---|---|
| **Waikato/Bay of Plenty** | 228 | 31% |
| **Central North Island** | 128 | 36% |
| **Wellington** | 57 | 54% |
| **NORTH ISLAND TOTAL** | **485** | |
| **Nelson/Marlborough** | 88 | 64% |
| **Canterbury/West Coast** | 196 | 56% |
| **Otago/Southland** | 212 | 58% |
| **SOUTH ISLAND TOTAL** | **496** | |

**Integrated Delivery Model**

- The IDM moves NZTA and the industry away from a transactional approach towards a more collaborative approach.
- A key component of this move is NZTA being a more involved client, providing clearly defined outcomes through the funding we have available and the strategic asset management plan we will develop.
- The IDM is an ecosystem approach, where an Integrator brings together the various parts of the supply chain to provide the required services.
- The IDM will give effect to the State Highway Asset Management Plan (SHAMP) and the State Highway Investment Proposal (SHIP)

## State Highway Asset Condition and Maintenance:

- Approximately 90 percent of the network continues to meet minimum asset condition requirements and is performing as expected. The other ten percent is near or below the level of what is considered acceptable.
- The State Highway Maintenance Activity Class has $3.1 billion committed for 2021-24, increased from the original allocation of $2.8 billion to fund required additional emergency works.
- Over the past ten years, annual renewal expenditure across the total asset stock has been approximately half the annual depreciation expense. In general, spending less on renewals compared to the rate of depreciation indicates a potential 'gap' in investment that increase the level of risk to our long-term ability to maintain the condition of the state highway network. Over the 2018-21 funding period, there was a $1.08 billion gap between how much we spent on depreciation compared to how much was invested in renewing the asset stock (excluding new builds).

- The state highway network is NZ's largest-value social asset, with a current replacement value of $90 billion.
- Approximately 90 percent of the network continues to meet minimum asset condition requirements and is performing as expected. The other ten percent is near or below the level of what is considered acceptable. This impacts on the level of service to users through increased exposure to uneven road surfaces, potholes, and journey disruptions. When lifeline routes are affected, significant detour routes can be required, and, in some cases, no alternate route is available.
- The NLTP State Highway Maintenance Activity Class is funded for the maintenance, renewal and operation of the existing state highway network, to deliver an appropriate level of service. It includes funding for urgent response to emergency event disruptions of the network and restoration of the network. The Activity Class has $3.1 billion committed for 2021-24, increased from the original allocation of $2.8 billion to fund required additional emergency works.

**Investment vs depreciation:**

- Over the past ten years, annual renewal expenditure across the total asset stock has been approximately half the annual depreciation expense. In general, spending less on renewals compared to the rate of depreciation indicates a potential 'gap' in investment that increase the level of risk to our long-term ability to maintain the condition of the state highway network. Over the 2018-21 funding period, there was a $1.08 billion gap between how much we spent on depreciation compared to how much was invested in renewing the asset stock (excluding new builds).
- Maintenance costs from one three-year period to the next typically require a 15 percent increase in the three-year total expenditure to sustain service levels. This addresses input price change that is typically three percent per annum and provides for additional maintenance activities required to maintain the increasing scale and complexity of network infrastructure as the network services are improved and extended, and to meet the increasing rate of decay from increasing freight.

**Factors affecting asset condition:**

- The state highway network carries 50 percent of New Zealand's general vehicle traffic and 72 percent of road freight. The state highway network comprises approximately 11,000 km of road (12 percent of all roads, which totals approximately 99,000 km).
- Total vehicle kilometres travelled (VKT) on state highways has increased in line with population growth by 16 percent from approximately 19.3 billion in 2009 to 23 billion in 2021. The heavy

vehicle VKT component of this figure grew by 28 percent over this period. The additional 3.7 billion kilometres travelled has had a significant impact on the network, as has the growth in heavy vehicles, resulting in degraded surfaces and pavements.

- Degraded road surfaces and increased rainfall makes it more likely for water to enter the pavements making them weaker and more vulnerable to damage from heavy vehicles and increasing the rate at which potholes form and greater decay occurs.

**Work underway to strengthen our approach to maintenance and renewal:**

- We are reviewing our current maintenance delivery model. It has been a decade since we introduced the Network Outcomes Contracts (NOCs). These were introduced at a time when there was pressure on our maintenance spend, with the objective of our contractors taking a stronger asset management lead in optimising the level of renewal works on an as-needed basis within available funding. While many NOCs have worked well others have not delivered as well as expected, especially where increased freight and weather damage, and constrained budgets limiting renewals work have required repairs at a quantity beyond the level provided for in the lump sum repair elements of the NOC contracts. The objective of the current review is to better-balance renewal and repair. To achieve this, the contract review is considering the commercial form of the contract, how maintenance works are specified, how quality is managed, and the related roles of the parties in planning work and managing risk.
- We are researching improved asset management practices, often at higher initial cost, to realise long-term gains. For example, we have trialled using epoxy modified road surfaces at twice the conventional treatment cost for four times the service life and using structural pavements instead of unbound gravel pavements for three to four times the cost but two to four times the service life, and 25-35 percent less traffic disruption from roadworks.
- We are collaborating with local government through Te Ringa Maimoa Transport Excellence Partnership, formerly known as the Road Efficiency Group. This collaboration works to lift asset management capability and efficiency across the sector. We support Road Controlling Authorities (RCAs) to understand the requirements of the Government Policy Statement (GPS) on land transport and to become 'smarter buyers' by creating tools and providing guidance to improve performance.
- We are planning to trial and then implement the use of larger pavement rehabilitation work sites with more comprehensive treatments targeting ten percent productivity gains. We are considering the potential for including drainage renewal works, local cost low risk improvements, and potentially resilience works to strengthen steep slopes, and safety works where the need for these exists and their priority warrants their implementation at the time of the rehabilitation works.

**Strengthening the strategic approach to asset management:**

- NZTA is currently developing the State Highway Plan which sets the overall direction for how we manage the asset. It covers all activities involved with operating, maintaining and improving the state highway network. The strategy guides all input into state highway improvement and management decisions from policy advice, and asset lifecycle planning through to operating, maintaining, and renewing the state highway.
- We are also reviewing our asset management plans to provide for greater agility as technology and conditions change, to move beyond a reactive approach bound by funding cycles.
- We are planning for a more climate-resilient land transport system. In partnership with councils, communities, iwi/Māori, and government agencies, we are refining our approach to reducing risk so that we are right sizing our resilience activities and investment in the future.
- Tiro Rangi, the NZTA Climate Adaptation Plan, has now been published. This will help shape our response to the changing climate and describes the role we will play in supporting adaptation objectives for the land transport system.

## Let's Get Wellington Moving (LGWM)

- On 17 December 2023 it was announced that an agreement to dissolve LGWM had been reached by Infrastructure & Housing Minister Chris Bishop, Transport Minister Simeon Brown, Mayor of Wellington City Council Tory Whanau, and Chair of Greater Wellington Regional Council Daran Ponter. As a result, the Programme is in the process of being closed-out which will be complete by 31 March 2024.
- As part of the close-out, priority projects that are being continued are being transferred to the appropriate organisation.
- A total of $160,327,977m has been spent on the programme since its inception, including $136.9m on consultants.


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- As part of the close-out, priority projects that are being continued are being transferred to the appropriate organisation. Thorndon Quay & Hutt Road, Golden Mile and Targeted Improvements are being transitioned to Wellington City Council and a second Mt Victoria Tunnel and Basin upgrade are being transitioned to NZTA.

- LGWM was approximately 50% through a Detailed Business Case (DBC) for the Transformational Programme (Basin Reserve, Mt Victoria Tunnel and Mass Rapid Transit). Development and analysis of sub-options had been completed but a decision on the preferred option had not been made.
- While MRT work has stopped, in line with Government priorities, NZTA is now standing up a project team to investigate the delivery of a second Mt Victoria tunnel together with an upgrade to the Basin Reserve.

- A total of $160,327,977m has been spent on the programme since its inception, including $136.9m on consultants.

## Public Private Partnerships

- s 9(2)(g)(i) [redacted]

- A PPP is a long-term contract between the public and private sectors covering the financing, construction and operation of public infrastructure and services. The motorway will remain a public asset – it is never owned by the PPP.

- PPPs allow large and complex projects to benefit from private sector innovation and funding which can increase certainty of delivery and drive better value-for-money. There are also savings to be had on all aspects of the project – design, build, maintenance and operational management.

- PPPs are typically used for large-scale infrastructure projects where risks can be effectively identified and transferred to the private sector.

- Transmission Gully was opened in March 2022 and has provided the Wellington region with good service and improved resilience since then. The future focus is on completing outstanding non-safety critical construction work and on closing out remaining resource consenting matters and conditions, alongside managing and resolving the formal dispute with the contractor which is seeking to avoid its project completion obligations.

- Puhoi to Warkworth was opened in June 2023 and has been well received and recognised as an outstanding piece of modern motorway infrastructure. The future focus is on completing and fully bedding in the operation and maintenance phase transition, and on completing residual post-opening physical work and wrapping up the works completion assurance testing process. Alongside that NZTA is working with the contractor in an agreed process to resolve time and cost claims.

- The Infrastructure Commission is still completing i's review of Transmission Gully, the results of which will help guide future funding and financing decisions that the Government may consider making.

## Waitematā Harbour Connections (WHC)

- NZTA has received direction from the Minister that he does not support continued work on active mode options, or the proposed rapid transit connection. Further information on the Government's expectations for the project are expected to be received in due course.
- Endorsement of the IBC and an approval to commence the next phase Detailed Business Case (DBC) for Stage 1 of the recommended option, will be sought from the NZTA Board and Cabinet this year, subject to Ministerial direction.
- As at 1 December 2023, a total of $33,185,593.23m has been spent on the IBC.

- A draft Indicative Business Case (IBC) that identifies a recommended way forward for the WHC project was completed in December 2023. The draft IBC assesses the future of existing infrastructure and new road, active mode and rapid transit crossings and long-term rapid transit provision on Auckland's North Shore.
- NZTA has received direction from the Minister that he does not support continued work on active mode options, or the proposed rapid transit connection. Further information on the Government's expectations for the project are expected to be received in due course.
- Endorsement of the IBC and an approval to commence the next phase Detailed Business Case (DBC) for Stage 1 of the recommended option, will be sought from the NZTA Board and Cabinet this year, subject to Ministerial direction. The approval sought will also include a funding request, confirmation of the governance model and procurement details for the DBC.
- The next steps, assuming there is a decision to proceed, would be to update the public and stakeholders on the IBC outcomes and upcoming phase, finalise DBC programme management setup and procure DBC consultant services.
- It is anticipated that work to upgrade the Northern Busway to accommodate increasing demand over the medium term, would be prioritised.
- As at 1 December 2023, a total of $33,185,593.23m has been spent on the IBC. This includes expenditure on procurement planning and alliance procurement costs, internal costs to support the alliance, planning for the DBC and communications and engagement costs. A breakdown of expenditure by year is provided below:

| Year | Project cost spent to date |
|---|---|
| 2021/2022 | $407,540.50 |
| 2022/2023 | $21,701,037.09 |
| 2023/2024 (until 1 December 2023) | $11,077,015.64 |
| **Total** | $33,185,593.23 |

## New Zealand Upgrade Programme (NZUP)

- In August 2023, NZTA received delegations from the Minister of Transport to make scope decisions for most NZUP projects where they cannot be fully delivered within approved funding, and to reallocate funding between projects to stay within approved programme funding. The Board does not have delegation to stop a project.
- s 9(2)(g)(i)
- s 9(2)(g)(i)
- s 9(2)(g)(i)
- Ōtaki to north of Levin: The project achieved a significant milestone in December 2023 with the announcement of preferred partners for each of the two alliances.


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- NZTA is required to consult the Ministry of Transport and Treasury before confirming significant scope or outcomes changes and escalate to Joint Ministers if deemed appropriate. Joint Ministers retain decision-making for Ōtaki to north of Levin, the South Auckland Package and Takitimu North Link Stage 1.
- s 9(2)(g)(i)
- s 9(2)(g)(i)
- s 9(2)(g)(i)

- s 9(2)(g)(i) [redacted]
- **Ōtaki to north of Levin**: The project achieved a significant milestone in December 2023 with the announcement of preferred partners for each of the two alliances. The two preferred consortia are made up of
    - Downer, McConnell Dowell, Beca and Tonkin+Taylor
    - Fulton Hogan, HEB, WSP and Aurecon.

  The project remains on track to enter formal interim alliance agreements by May 2024.
- **SH1/29**: This project has moved into construction with the physical works contract being awarded to Downer in late November. A site blessing was held in December, with a site induction taking place on 9 January.
- **Halswell (Canterbury Package):** the tender for physical works tender closed in December 2023. The tender evaluation team are currently assessing complying tenders with the project on track to award the contract in mid-March, with construction scheduled to begin in May.
- **Takitimu North Link Stage 1**: with summer construction season well underway, there has been significant progress on three local road bridges and earthwork along the new corridor, as well as earthworks and construction of the main haul road (now that archaeological authority appeals have been resolved). The updated project schedule and cost to complete will be finalised by March 2024. Additional funding needed to complete the project will be reported to the Board and Joint Ministers at this time.

## Waikanae River Bridge

- The Waikanae Bridge Shared path clip-on is the final part of the MacKay's to Peka Peka Expressway (M2PP) revocation work on the old SH1 corridor to make the road fit for purpose for Kāpiti Coast District Council (KCDC) as a local road.
- After delaying construction to avoid the Christmas period, installation work commenced on 16 January 2024.
- A single lane closure and southbound diversion has been put in place. Special exemption passes have been issued to the most affected residents and businesses who can cross the Bridge southbound.

- The revocation project undertook resealing work, sign installations and cycle refuge installations on the route from 21 June 2022 onwards, under a stop/go solution. A number of issues including excess queues, vehicles stopping on rail crossings and emergency service vehicles struggling to get through the queues were observed. It was determined that a repeat of these issues would occur if the Waikanae Bridge work was undertaken with stop/go solutions.
- Waikanae Bridge was designed and built in 1962. The bridge is relatively narrow with two traffic lanes and only 7.3m between kerbs, and it has a 1.5m footpath on the west side of the bridge with no safety barrier in place to separate vehicles and vulnerable road users. Additionally, there is insufficient space for pedestrians and cyclists to pass on the existing footpath and cyclists are often forced to use the live traffic lanes on the bridge.
- To add a wider footpath using a clip-on solution requires a lane closure for the installation period. Traffic management related risks to the travelling public, risks to the construction crews and risks to the infrastructure carried by the bridge (power and water utilities) are all significant and have been well considered.
- NZTA has worked with expert traffic and transport staff to consider traffic management options and have put in place a single lane closure and southbound diversion using the Kāpiti expressway. This option gives more certainty of travel times, access, and movement for most road users in the area, acknowledging the inconvenience for some road users. We have issued special exemption passes to the most affected residents and businesses, who can cross the bridge southbound.
- The contractor is incentivised to look at the programme and at the resources required to minimise the time taken. However, the nature and the sequence of work is such that adding more resources does not significantly lessen the time taken, as the room available is very constrained and certain tasks such as the curing of concrete foundations require stand-down time before they can be loaded. The bridge also carries critical services such as a watermain and electricity cabling. Accordingly, construction must be carefully carried out in order to protect these services. During the night-time clip-on installation sequence, the contractor can only deliver and install truss sections once per night due to KiwiRail overbridge operational requirements south of the bridge.
- In saying this, NZTA is working with the contractor to identify further opportunities to accelerate the programme. This might include additional shifts (as we already have 24/7 traffic management in place), while ensuring the contractor is able to manage health and safety risks around worker fatigue, night-time noise restrictions, any consenting requirements etc.

## Tauranga

**Maintenance matters**

- SH2 Waihī to Tauranga corridor
  - People travelling along SH2 between Waihī and Tauranga have been experiencing lengthy delays due to the road being at capacity and therefore highly sensitive to roadworks. Currently there are a collection of maintenance sites, safety improvement and Takitimu North Link project activity, and the number of vehicles using the road continues to increase.
  - Where possible, the works are carried out at night, although temporary speed limits are in place during the day to allow the chip to bed in.
  - This year's road renewals/resealing programme is significant, with 20 chipseal sites between Bethlehem and Athenree to keep the corridor in good condition.
  - Works were delayed from January because of weather conditions and are expected to continue into March as maintenance crews make the most of warm, dry weather before autumn sets in.

- Nomo Tomos who have pothole fomo
  - Friday 9 February a section of State Highway 29A between Barkes Corner and Oropi Road Roundabout closed for emergency repair following the discovery of a 4-metre deep and 4-metre wide tomo / cavity under the road.
  - The hole was caused by the failure of a Tauranga City Council stormwater drain.
  - The contractor worked day and night to replace 38 metres of stormwater pipe and reinstate the highway. The road re-opened Tuesday morning under temporary traffic management and 2 further night works were required to remediate adjacent the adjacent drainage, complete manhole connections to the new culvert and lay the final road surface.
  - Any works planned by both NZTA and Tauranga City Council but not yet started were postponed and people were advised to avoid unnecessary travel. Although the combined impact with other work in progress on major routes resulted in some additional disruption across the city this was mitigated as effectively as possible.

**Transport planning**

- Western Bay of Plenty has the highest house prices in New Zealand
- SmartGrowth partners consider significant greenfields growth is required to service the need, and are exploring growth in a number of areas:
  - Ōmōkoroa
  - Western Corridor (SH29) starting with Tauriko West, includes the proposed Specified Development Project led by Kāinga Ora.
  - Eastern Town being explored at the end of SH2 Tauranga Eastern Link (near Paengaroa)
  - Pāpāmoa East growth, including eventually expansion into Te Tumu
- SmartGrowth has not prioritised these growth areas and continues to explore all areas in parallel
- Significant investment is being sought into the Tauranga transport network
  - SH29 Tauriko Network Connections = s 9(2)(g)(i)
  - SH2 Takitimu North Link Stage 2 = s 9(2)(g)(i)
  - SH2 Hewletts Road and surrounding area = s 9(2)(g)(i)
  - Plus local road projects in Cameron Road, 15th Avenue / Turret Road and other areas

**Infrastructure Delivery updates**

- Baypark to Bayfair Link SH2 / SH29A
  - All major infrastructure elements completed and since late 2023 people are driving, walking and cycling on the permanent road layout.
  - Remaining works include the final road surfacing, installation of large directional signage, handrails and further cultural artworks.
  - The site will remain under temporary traffic management until the final surfacing is finished, with the majority of road closures required at night only.

    - Project completion is expected in late March 2024 (weather dependent)
- Takitimu North Link Stage One SH2
    - Earthworks season progressing well, moved more material between Sep-Dec 2023 than the entire last season, and is shaping up to be the most productive so far (third season).
    - Advice has been provided to the Government and Ministers as to how best to manage the project within the allocated $6.5M programme funding.
    - Work is also being undertaken to better understand the cost and schedule to the programme of works following the impacts of the recent archaeological appeal, and we provide a further update on this in April 2024.
    - There has been significant progress on 3 local road bridges, with 2 due for completion in coming months, at Wairoa Road (March) and Cambridge Road (April). These sites will be the first of 8 bridges completed for the project.
    - Piling is due to start on the SH29/Takitimu Drive Toll Road flyover, and construction of the 25m bridge at Smiths Farm underway. Work continues at Wairoa River Bridge, and Minden Gully interchange. At SH2 Loop Road vegetation clearance, service relocations and installing environmental controls is in progress.
    - Cambridge Road tie in: Works on track to complete with traffic switch on 8 April – ending the 3-month road closure.
    - Archaeological investigations are underway on land previously under appeal. Temporary haul road continues to be operational while this work completes (estimate end March).

- Tauriko Enabling Works SH29
    - The tender process and land acquisition is almost completed. Expect to announce contractor and move into construction in mid-March. Construction is expected to take 3 years and will be carried out in stages.
    - Development of the construction programme underway with works starting at the Redwood Lane end of the project.
    - Managing traffic delays through the sites is a critical part of developing the construction programme.
    - These upgrades will
        - improve safety at SH29/Cambridge Road and SH29/Redwood Lane intersections
        - enable development within Tauriko West
        - support continued development of Tauriko Business Estate
        - protect freight routes to the Port of Tauranga and
        - improve access to public transport, walking and cycling.

## Climate and Emergency Response Fund (CERF)

- Following the General Election on 14 October 2023, the Minister of Transport directed NZTA to:
  - cease VKT Reduction Planning work,
  - stop any further funding of Transport Choices projects beyond existing funding commitments made up to 30 October 2023.
  - reduce the scope of the Public Transport Community Connect (discounted fare) scheme as of 30 April 2024.
- NZTA is currently preparing to close out CERF funded activity that is no longer required by the Government.

- The previous government established CERF as an ongoing, multi-year funding mechanism to support New Zealand's transition to a low-emissions and climate-resilient economy in line with the Emissions Reduction Plan (ERP) and National Adaptation Plan (NAP).
- It comprised revenue from the New Zealand Emissions Trading Scheme, initially providing $1.2 billion for transport-related initiatives over four years.
- NZTA has been managing CERF-funded activities under three delivery-programmes:
  - VKT reduction planning
  - Transport Choices
  - Public Transport (with three key initiatives: Community Connect; Recruitment and Retention of Bus Drivers; and the Bus Decarbonisation Contestable Fund)
  - Note: initially, there was a fourth delivery programme - the Vehicle Transition Programme, which incorporated the Clean Car Upgrade and Social Leasing Scheme. This initiative was cancelled by the government on 13 March 2023 and closed out in May 2023.
- A summary of the key deliverables to date for each of the three delivery programmes is provided in the table below.

| Initiative | Outputs and current status | Initial Allocation | Life to Date Spend (as at 31 Dec 2023) |
|---|---|---|---|
| **VKT** | • Began work with Tier 1 authorities to develop urban VKT reduction programmes (Auckland has completed their draft programme and Tauranga are finalising work on theirs. All other work with other Tier 1 authorities has ceased).<br>• A draft national VKT reduction plan delivered to government in mid-2023.<br>• On 12 December, NZTA was directed to cease any further work on VKT activities. Programme is winding down.<br>• | $22.5m over two years | $4.9m |
| **Transport Choices** | • 31 work packages (composed of 62 projects) have been fully or partially funded for implementation and must be completed by 30 June 2025.<br>• $164.5m is committed or spent, and $140.5m is being returned to the Crown On 19 December, NZTA was directed to cease any further work or funding for Transport Choices initiatives.<br>. | $348m over two years | $61.5m |

| | | | |
|---|---|---|---|
| **Public Transport** | ▲ $61m committed to PTAs to support the uplift in driver wages through to 2025/26. Has contributed to reducing nationwide shortage from almost 900 drivers, to almost zero.<br>• Service cancellation rates have reduced from 15% to almost zero at present.<br>▲ $18.2m committed in funding agreements with Greater Wellington, Environment Canterbury and Taranaki Regional Council to support decarbonisation of their bus fleets.<br>• The Community Connect (targeted PT concession fare) scheme saw approximately 14.4m public transport boardings (out of 37m in total) during Quarter 1 of 2023/24. As part of the 20 December 2023 mini-budget, the Government confirmed free fares for 5-12 year-olds and half-price fares for 13–24 year-olds, that were part of the scheme, would cease from 30 April 2024. Half-price fares for Community Services Card holders and Total Mobility Service users remain. | $444m over 10 years | $44.7m |

**Walking and Cycling projects:**

NZTA undertakes a number of walking and cycling projects above the projects included in the Transport Choices Programme.

The top 10 projects from the Walking and Cycling fund are provided below:

| Project | Org name | 2021/22 NLTF | 2022/23 NLTF | 2023/24 NLTF | NLTF - 3 years | NLTF - 3yr Actual Spend to Date (31/1/24) | NLTF - 3yr Actual Spend to Date % | % of Total Activity Class Spend to date |
|---|---|---|---|---|---|---|---|---|
| Low cost / low risk improvements 2021-24 | All Agencies | 32,472,347 | 37,426,875 | 82,800,543 | 152,699,765 | 90,794,164 | 59.5% | 22.5% |
| Ngauranga to Petone Walking and Cycling Link | NZTA (Wellington) | 5,603,433 | 45,155,838 | 62,033,201 | 112,792,472 | 88,139,326 | 78.1% | 21.8% |
| Petone to Melling Walking Cycling Link | NZTA (Wellington) | 18,419,279 | 18,221,445 | 7,550,287 | 44,191,011 | 41,701,966 | 94.4% | 10.3% |
| Dunedin - Port Chalmers Safety Improvements (SH88) | NZTA (Otago) | 14,408,631 | 17,180,821 | 11,570,595 | 43,160,047 | 36,970,769 | 85.7% | 9.2% |
| Glen Innes to Tamaki Shared Path - Sections 1 and 2 NZTA | NZTA (Auckland) | 14,203,358 | 3,068,113 | 4,049,907 | 21,321,378 | 17,922,180 | 84.1% | 4.4% |
| Mangawhai Shared Path | Kaipara District Council | 3,001,493 | 4,221,940 | 5,948,715 | 13,172,148 | 7,742,493 | 58.8% | 1.9% |
| Auckland Cycle Network - Links to Public Transport | Auckland Transport | 6,598,217 | 0 | 0 | 6,598,217 | 6,598,217 | 100.0% | 1.6% |
| Auckland Cycle Network - City Centre Network | Auckland Transport | 1,146,398 | 3,209,870 | 2,352,918 | 6,709,186 | 6,310,448 | 94.1% | 1.6% |
| SH1 Hamilton to Cambridge Cycle Connection - Section 1 | NZTA (Waikato) | 5,719,054 | 197,973 | 228,496 | 6,145,523 | 5,935,335 | 96.6% | 1.5% |
| Wellington Cycle Network - Eastern Package | Wellington City Council | 1,935,394 | 2,169,388 | 9,746,163 | 13,850,945 | 5,118,579 | 37.0% | 1.3% |

# Driver licence testing wait times

- New driver licence fees started from 1 October 2023, and included removal of test resit fees. Since then, average wait times for a practical test increased to 60 days; however, the wait time now appears to be reducing.
- DLAs are confident they can reduce wait times (to the agreed timeframe of up to 30 days) using operational interventions by April 2024.
- To reduce resits, a 10-working day stand-down period has been introduced for licence applicants failing two computerised theory tests (CTT) within the same day.
- s 9(2)(g)(i) [redacted]

**Driver licensing and testing services are delivered by the AA and VTNZ on NZTA's behalf**

- New Zealand's driver licensing services and testing are delivered by driver licensing agents (DLAs) who are appointed and monitored by NZTA.
- Currently there are two DLAs: theory testing is provided by Automobile Association (AA) and Vehicle Testing New Zealand (VTNZ); and practical testing is provided by VTNZ only.

**Increased wait times are being driven by increased resits and increased overseas conversions**

- New driver licence fees started from 1 October 2023, and included removal of test resit fees.
- Since then, average wait times for a practical test increased to 60 days; however, the wait time now appears to be reducing.
- Initial analysis suggests that the main drivers of increased wait times are:
    - Increased test resit numbers (decreased pass rates, increased test no-shows, and people stalled in the licensing system re-applying), and
    - Increased overseas licence conversions (record net migration of 128,900).

**What we are doing about wait times**

- DLAs are confident they can reduce wait times (to the agreed timeframe of up to 30 days) using operational interventions by April 2024.
- We are prioritising operational interventions over legislative ones while we monitor wait time trends. One to two months further trend data is required to show the extent of the wait time issue and inform the appropriate lever to pull to address the issue.

**Some operational interventions have been implemented and other interventions are underway to address wait times**

- NZTA and DLAs have improved communications to improve customer awareness of increased wait times.
- To reduce resits, a 10-working day stand-down period has been introduced for licence applicants failing two computerised theory tests (CTT) within the same day.
- We have and are continuing to increase test capacity:
    - AA is increasing CTT capacity by adding more computer consoles, stand-up booths, and additional mobile units
    - AA has increased the number of sites able to undertake overseas licence conversions.
    - VTNZ is increasing the number of Diver Testing Officers, and new intake courses are organised for February, March, and June 2024.

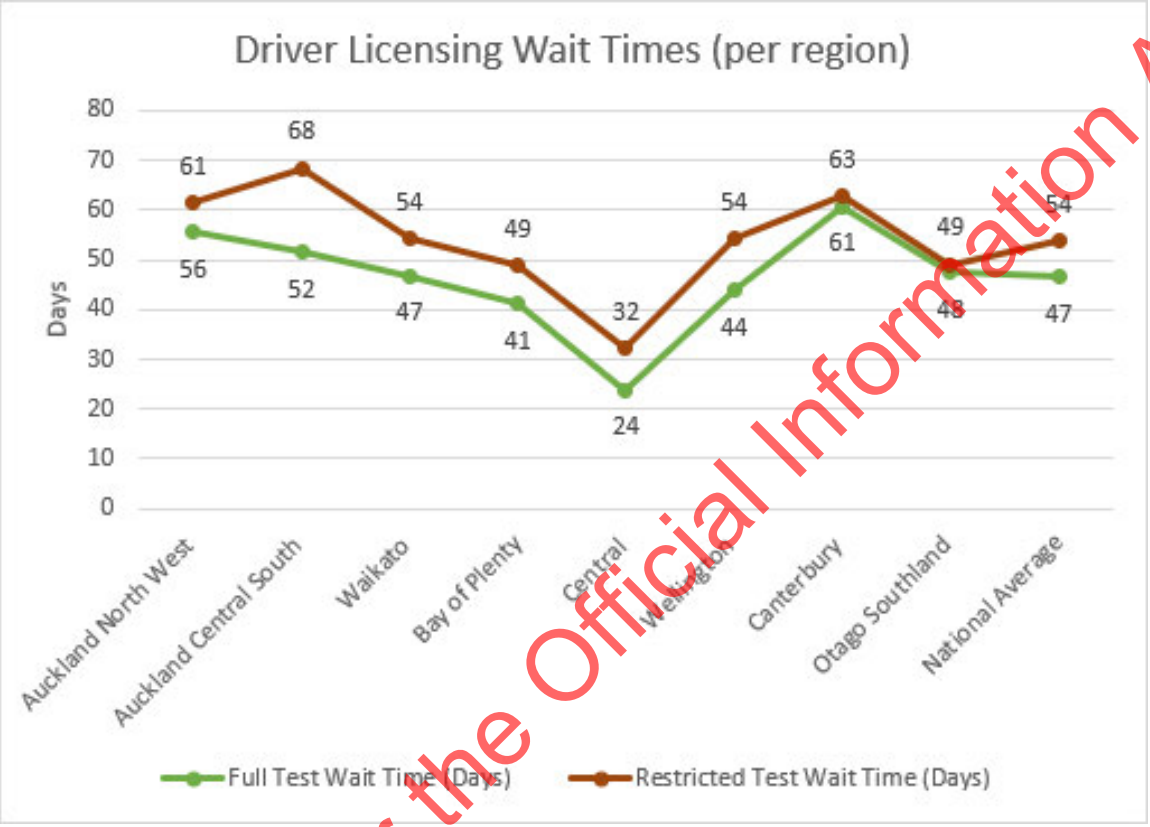
**Other operational interventions and options for legislative change are being considered**

- Operational interventions under investigation:
    - Reducing CTT time slots from current 30 minutes to 20 minutes to enable more theory test booking slots.

- NZTA is considering increasing the number of practical test sites.

- s 9(2)(g)(i) [redacted]

- As noted, NZTA needs to continue with further monitoring of wait time trends to determine whether additional operational interventions and/or legislative changes are needed to reduce wait times.



# Driver Licensing Improvement Programme (DLIP)

DLIP is a cross-agency programme developed to improve access to the driver licensing system.

The programme partnered with Far North REAP (Rural Education Activities Programme) and Tairāwhiti REAP in mid-2022 to trial new ways of making access to driver testing for restricted and full licences faster and easier.

- In Te Tai Tokerau/Northland, Far North REAP is working with local police officers qualified as driver testing officers to offer practical driver testing for REAP students. REAP and the police officers have worked closely together to understand local needs.
- The Tairāwhiti REAP team has been supporting students to sit driver licence tests, including picking up groups in rural communities like Hicks Bay for the long drive to the practical driving test in Gisborne.

Learnings from these community trials are being fed into the programme as we develop the future state of the driver licensing system.

**Establishment of the Driver Licensing Improvement Programme**

- In June 2022, Employment, Education and Training (EET) Ministers endorsed the Director of Land Transport to lead the development of DLIP, following the Ministry of Transport's review of the Graduated Driver Licensing System (GDLS) in 2021. Early on, the programme identified the need for ongoing commitment from multiple agencies to deliver systemic change to improve access for the part of New Zealand's population that experiences barriers to accessing the driver licensing system.
- The main agencies involved include Waka Kotahi, Ministry of Social Development, Ministry of Transport, NZ Police, Te Puni Kōkiri and ACC. There is a highly engaged and effective working group, including Ministry of Education, Ministry of Justice, MBIE, (Kānoa Sector Workforce Engagement Programme and Immigration New Zealand), Department of Corrections, the Ministry for Pacific People as well as the Driving Change Network.
- The programme confirmed challenges and required shifts through a rigorous engagement process with a range of stakeholders and focus groups.
- A set of regional improvements could be implemented relatively quickly (see below) and in the longer-term *Targeted System Change* was confirmed as the preferred way forward. Through making changes to systems, processes, technology, and customer experience it aims to:
    - Increase participation and equity in driver licensing for those experiencing barriers,
    - Improve access to the driver licensing system,
    - Improve road safety outcomes and wellbeing.

**Improved Regional Support**

- In 2022 the programme started on improvements that could be implemented relatively quickly. These included the establishment of additional driver test routes particularly in smaller and more remote centres, a new type of driver testing officer (Community Driver Testing Officer (CDTO)) to support community driver training and mentoring programmes[1] and greater regional support. This regional support consists of seven new Regional Advisor roles that were introduced to collaborate with communities, clarify local issues and proactively implement targeted solutions for those disadvantaged by barriers to gain a driver's licence. In addition, there are three Safety Driver Education Advisors who work alongside community providers to develop driver education and training content.
- Partnerships with the Far North REAP (Rural Education Activities Programme) and Tairāwhiti REAP were established in mid-2022 to trial new ways of making access to driver testing for restricted and full licences faster and easier. Far North REAP is working with local

police officers qualified as driver testing officers to offer practical driver testing for REAP students. Feedback from those tested by Police officers has been incredibly positive. Police have also signalled continued support for the programme. The Tairāwhiti REAP team has been helping students to sit driver licence tests, including picking up groups in rural communities like Hicks Bay for the long drive to the practical driving test in Gisborne as well as mobile theory testing and mobile counter services.

- A new trial with Eastbay REAP commenced in 2023 as a partnership with AA. AA have trained REAP staff to take mobile theory testing services directly to the communities they work with. This increases the availability of theory testing in this region and provides services at many local venues such as marae, schools, workplaces, churches, and any other places where there is demand. AA provide ongoing technical support and equipment.
- Learnings from community trials are being fed into the programme as the team develops the future state of the driver licensing system. Anecdotal evidence shows that the economic and social outcomes of these trials is significant, with both testing officers and students reporting significant benefits in terms of employment opportunities, feelings of accomplishment, and social improvements due to the legal right to drive a vehicle. These are evident in Te Tairāwhiti driver licensing trial video and Te Tai Tokerau driver licensing trial video.
- In its first year of implementation (the first CDTO testing was in June 2022), the DLIP community-based trials helped over 2000 people to obtain a licence where they otherwise would have been unlikely to do so and to February 2023 over 3,200 have now obtained a licence through sitting a test with a community driver testing officer.

**What our support on the ground looks like**

- The overall CDTO pass rate is around 90 percent vs a national average of 62 percent. CDTOs are employed by community providers who ensure that students are fully prepared and ready to successfully sit their practical driving test, which is alongside pastoral support that is provided for students, such as driving them to lessons and tests, and help with completing licensing forms. Being tested by a community driver testing officer, who are based in the community in which they test, also reduces anxiety for students. These factors are reflected in the high pass rate compared to public testing.
- The cost to train community driver testing officers, alongside the payment for testing, is funded from Budget 2022 funding. There are currently 16 CDTOs based in the North Island, testing across 16 locations.
- Funding sources for community providers varies and includes MSD, Community Road Safety Fund for funding driver training (NZTA), other government agencies (such as for refugee driver training and some philanthropic sources)[2].
- The wrap around support relates to one or a combination of the following examples[3].
    - training and/or preparation for the test (this could be with a focus on a specific type of licence (mostly learner licence), focussed on youth or provision of support if it is required for a job)
    - sitting driving tests and help with pre-test requirements
        - providing a warranted, clean car with petrol, licence, glasses (if required).
        - pick up and transport to testing sites
        - providing childcare

The trials have aimed at addressing the following issues:

- Driver testing capacity
- Current service delivery method is inadequate for rural areas
- Inability to “block book” tests
- The up to two-and-a-half-hour drive to the only two testing stations (Kerikeri and Kaitaia)
- Delays in securing a test appointment
- Limited operating hours.

- Practical testing in uneconomic areas has been increased where DLIP have supported the establishment of new test routes in Kaikohe, Dargaville, Wairoa, Waipukurau and Ōpōtiki. The new test routes are used both by community driver testing officers as well as public testing with a VTNZ driver testing officer.

- For mobile theory testing, lessons are being taken from the current Eastbay REAP trial, which was stood up in September 2023 in the Eastern Bay of Plenty and discussions are underway about a potential trial in Te Tai Tokerau, partnering with MSD.

- Budget 2022 has also funded seven new roles including Regional Advisors who are collaborating with communities to facilitate and co-design greater options of access and support to users requiring driver licensing products and services, including strengthening and developing community driver training and mentoring programmes. Regional Advisors are working with communities to clarify local issues and proactively implementing targeted solutions for those disadvantaged by barriers to gain a drivers licence. Three new roles that have also been established and funded by Budget 2022 are the Safer Driver Education Advisors whose role is to work with mentors and community providers, working with them to understand road safety education resources, with a focus on a train the trainer approach to using the Drive products (website, app and community toolkit).

**Benefits and costs**

- If we address the problems identified through the DLIP engagement and research process, the following high-level benefits are expected:
    - Equity: increased participation in driver licensing for those experiencing barriers – by providing targeted support for vulnerable members of the community to get their licences, increasing work opportunities for people by getting a full driver licence, and better supporting people with disabilities, women including single mothers, migrants and ethnic communities, rural and regional communities to get their licence;
    - Improved access to the driver licensing system – by providing more testing locations and extended opening hours, reduced wait times for a test, and improved booking system access and functionality;
    - Improved road safety outcomes - by having more skilled and capable licensed drivers on New Zealand roads, reducing road deaths and serious injuries (DSIs), particularly for drivers under 25 years;
    - Improved wellbeing – living standards, social inclusion, and economic participation by increasing access to jobs, whānau and community, restoring mana and preventing entry into the justice system.
- In Budget 2022, the Government committed to spending $86.5 million over four years to help improve access to driver licensing for people with the most barriers to success. The NZTA funding from Budget 2022 bid ($16.95 million over four years, with $4.05m per annum in the out years) has focused on increasing both practical and theory testing services across the country and establishing new roles to support communities delivering driver licensing products and services.
- Cross-agency support has been at the core of the development of the key products of a Programme Business Case and a Detailed Business Case. Taking a system view of driver licensing across agencies allows the identification of trade-offs within the system and better outcomes through early investment. s 9(2)(g)(i) [redacted]

# RUC on EVs

- Electric vehicles (EVs) including plug-in hybrid vehicles (PHEVs) will be subject to road user charges (RUC) from 1 April 2024.
- EV owners will have until 31 May 2024 to buy their RUC licence without risk of penalty. This transition period is to allow time for people to get registered in the RUC system.
- From 1 June 2024, any EV not displaying a current RUC licence may be penalised.
- The RUC rate for light EVs will be $76 per 1000km and for PHEVs it will be $53 per 1000km (recognising that they also pay tax in the price of their petrol) plus an admin fee.
- EVs have been exempt from paying RUC since 2009. The exemption was put in place until EVs reached around 2% of New Zealand's light vehicle fleet. The end of the exemption means that EVs will contribute to the costs of the transport system in the same way as other vehicles.

**What's happening**

- Electric vehicles (EVs) including plug-in hybrid vehicles (PHEVs) will be subject to road user charges (RUC) from 1 April 2024.
- Specifically, this means vehicles that:
    - are powered fully or partly from externally supplied electricity, and
    - weigh less than 3.5 tonnes but more than 1 tonne.
- This means owners of these vehicles need to buy a RUC licence and display it on their windscreen.
- EV owners will have until 31 May 2024 to buy their RUC licence without risk of penalty. This transition period is to allow time for people to get registered in the RUC system.
- From 1 June 2024, any EV not displaying a current RUC licence may be penalised.
- NZTA has sent initial letters/emails directly to EV owners to let them know about the change and will send a second direct communication about what they need to do, closer to 1 April 2024. We will also promote awareness of the change via media including social media.
- In preparation, NZTA is completing system changes, partner readiness (for those parties who administer RUC on NZTA's behalf), and industry engagement activities, all of which are on track.
- Note that the partial RUC rate for PHEVs and the transition period are subject to legislative change.
- Everyone who uses NZ roads needs to pay for their upkeep, and the introduction of RUC for EVs ensures that this happens.

**Why EVs need to pay RUC**

- Most people who use New Zealand roads contribute to their upkeep in some way.
- Most pay through levies paid at the petrol pump (known as fuel excise duty (FED)) while others such as diesel vehicles pay distance-based road user charges (RUC).
- FED and RUC go towards the National Land Transport Fund (NLTF) which pays for maintaining and improving New Zealand's roads.
- EVs have been exempt from paying RUC since 2009. The exemption was put in place until EVs reached around 2% of New Zealand's light vehicle fleet.
- This point has now been reached and there are around 100,000 light EVs on our roads, so the government has made the decision to end the exemption.
- The end of the exemption means that EVs will contribute to the costs of the transport system in the same way as other vehicles.
- It's expected that charging RUC for EVs will generate between $100-$140m a year.

**How much they need to pay and how to buy a licence**

- RUC licences are purchased based on distance units of 1000km.
- The RUC rate for light EVs will be $76 per 1000km and for PHEVs it will be $53 per 1000km (recognising that they also pay tax in the price of their petrol) plus an admin fee.

- For an average distance travelled of 11,000 kms per year a light EV owner will pay $836 in RUC.
- From 1 April 2024, EV owners can purchase their RUC licence online on the NZTA website, or in person through an NZTA agent.
- When someone buys RUC, they pay ahead of time for the distance they're going to travel, in units of 1000km.
- The first time an EV owner buys their RUC licence they need to give their current odometer reading.
- While no initial evidence is required, if they give an inaccurate odometer reading, it will be picked up at the vehicle's next WOF and the owner may be invoiced for any difference.

# Rail Safety Regulation

- The scale of continued change and investment in rail has considerably increased the risk profile of rail with more risk of interface issues on the rail networks and competing demands between freight and passenger rail services.
- While there has been some increased investment in the NZTA rail regulatory function to support this, this has not been commensurate to the scale of additional rail investment.
- Without a commensurate investment in the NZTA rail regulatory function, our ability to regulate system integration and address safety risks has been decreasing, increasing safety risks for rail participants, staff, passengers, and the public.
- The Agency is undertaking a review of its rail regulatory function to assess exactly what additional funding it needs to carry out its necessary rail regulatory oversight duties fully and effectively.

- The Railways Act 2005 is the primary regulatory authority for rail safety in New Zealand and NZTA is the primary regulator. The Railways Act 2005 is principles-based legislation, more like the Health Safety & Work Act (HSWA) than the Land Transport Act, and like other critical risk industries like oil, gas or mining, requires the regulated parties to show maturity and take a high level of responsibility.
- Rail participants are responsible for identifying, managing and mitigating the risks for which they are accountable ***So Far As Is Reasonably Practicable***. As the Rail Safety Regulator, we provide assurance to stakeholders that rail participants are meeting their responsibilities and will intervene where necessary. This is often described as 'co-regulation'.

**Rail Participants**

- Participant types are defined as: Infrastructure Owner; Maintenance Provider; Network Controller; Rail Vehicle Owner; Railway Premises Owner; Railway Premises Manager; Access Provider; Rail Operator. Of those, only Access Providers and Railway Operators are required to hold a licence and are subject to regulation under the Railways Act.
- Licence applications require the participant to produce an appropriate safety case to us that describes how they will identify, assess and manage their risk so far as is reasonably practicable. Participants may apply for a variation to the safety case if they wish to alter or include activities not previously assessed.
- There are approximately 300 participants in the rail system, of which 77 are licenced, and many of those 77 hold two licenses (Access Provider and Railway Operator).
- The licensed participants range from very large and influential; KiwiRail, Transdev, Auckland One Rail, Fonterra, to smaller tourist and heritage organisations; Glenbrook Vintage Railway, Steam Inc.
- The non-licensed participants also range from bodies such as Auckland Transport and Greater Wellington Regional Council through to large maintenance providers and individual contractors. For the most part, activities of non-licenced participants are covered by the licence holder with or to whom they are contracted, however for the regulator there is an unquantified risk associated with non-licenced participants.
- Licence holders are required provide evidence that they are managing their risk through the regular assessment cycle (prevention), and when something goes wrong (response).

**Preventative regulation**

- System monitoring is undertaken through an Ordinary Safety Assessment (OSA). This is the regular 'health check' of a licensed participants and is conducted using the Rail Risk Regulatory Framework (R3F)1. This is our best tool to prevent harm by identifying issues within a participant's safety management system before anything happens and targeting our resources to the highest risk areas proactively. A participant with a well performing safety management system is more likely to achieve safe separation (how it is operating), safety of commodity (what it is carrying) and the safety of people on or about the track.
- This is the engagement and education opportunity.
- R3F will enable us to benchmark the safety performance of the NZ rail industry – against itself, and against other jurisdictions. It will also allow us to identify trends and areas that we should be focusing on. Initial benchmarking of the participants is expected to be

complete within the first twelve months, with self-comparative data available over time once we complete subsequent assessments.

**Responsive regulation**

- When something goes wrong we act. There are mandatory occurrences that licence holders report to us daily, or immediately if they are serious. These are triaged as requiring immediate action, requiring investigation by us or by the operator, or collating for further analysis.
- If there is an immediate safety risk reported to us, we may place a prohibition on a licence to halt certain actions or operations straight away while we investigate. In some cases, we work with the industry to understand and promote best practice as well as taking action. (Such as a joint study into the causes of SPAD currently underway with Transdev, Auckland One Rail and KiwiRail)
- There are several ways that we may respond using any (or a combination of) the following tools:
    - **Prohibitions** proportionate to the risk may be issued where prompt action is necessary to prevent harm. The recovery actions required to lift a prohibition can be managed dynamically in discussion with the rail licence holder, however, any residual remedial actions required will usually be tracked and monitored via a formally agreed Safety Improvement Plan – such as the Otira Tunnel prohibition in July 2022. In some cases, permanent inclusions may be added to a safety case – such as the Te Huia prohibition in July 2023.
    - **Investigations** may be initiated as an immediate response to a serious incident – such as Te Huia, National Park partial finger amputation, and the derailment of a maintenance vehicle on the Auckland Metro Network where rail had been removed.
    - **Special Safety Assessments** are deep dive investigations into areas where evidence suggests there is a safety risk, but we need to do more work to establish the true nature of it before we take further action – such occurred with; Otira tunnel; a review of signalling across the Auckland network; a review into shunting following the Picton derailment and a crash between a shunt and a truck in Whangarei; and a review of train control following a near miss between a train and track workers in a tunnel in Wellington.

**Data**

- The OSA data, the occurrence information, and the investigation findings all feed into a regular performance reporting and quarterly tactical assessment cycle that tells us what we should focus on over the coming months through deep dives and focus areas.
- Outcomes from OSAs, SSAs and investigations can include remedial actions, permanent licence conditions, safety improvement plans, prosecution and revocation of licences.

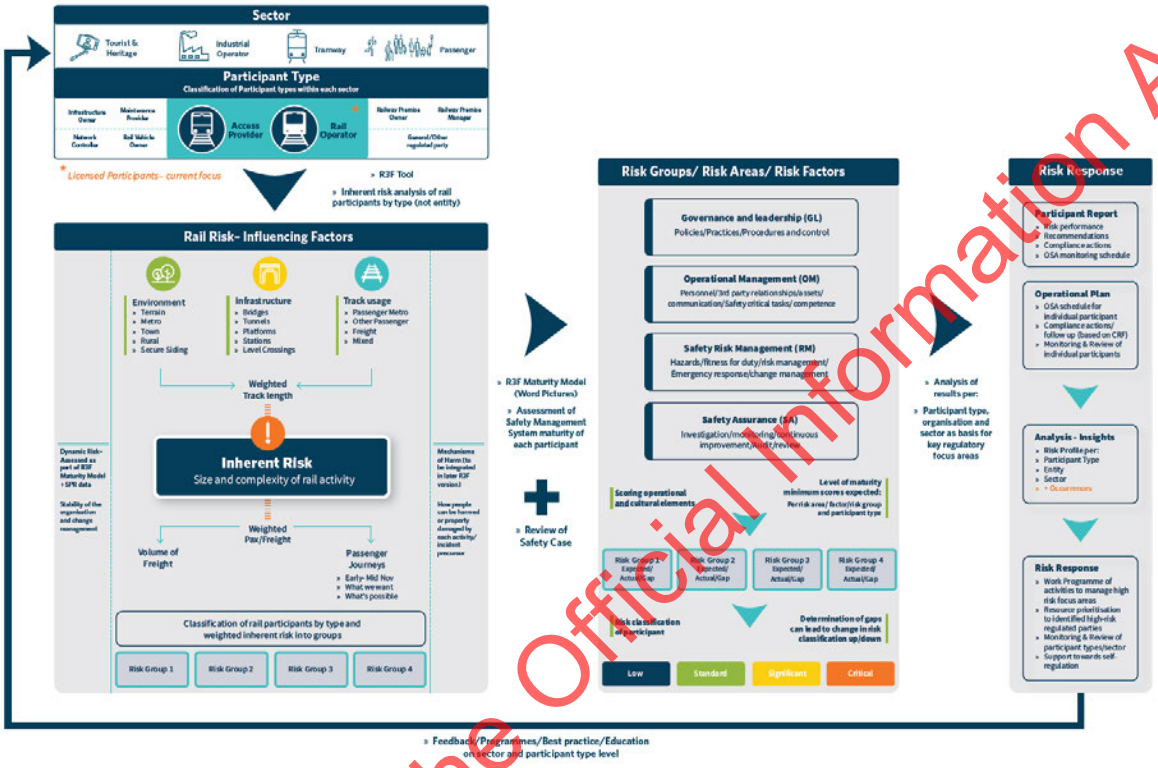
**Leading indicators**

- We are particularly interested in, and report on, the leading indicators of catastrophic risk, they are all notifiable and are:
    - **Signals Passed at Danger** (SPAD): a SPAD occurs when a train passes a signal showing anything other than ‘proceed’.
    - **Derailments**: a derailment is when a rail vehicle of any type leaves the track for any reason. Please note, if there are passengers on board, this is a collision.
    - **Safe working irregularities**: a safe working irregularity is when there is a deviation from an agreed safe work protocol such operating outside of defined blocking (isolated safe section of track controlled by signals or stop boards) or failing to comply with signalling.
    - **Train partings**: a train parting is when two separate parts of a train, such as two carriages, or a carriage and a locomotive, unintentionally separate during operation. An example of this is the Te Huia decoupling of July 2021.

**Challenges/Opportunities in Rail Regulation**

- **KiwiRail is managing legacy challenges** (cultural, funding, maintenance etc.), and we, as the Regulator are addressing the associated compliance and safety issues.

- **Existing Safety Cases are very high level** and avoid making commitments against which we can hold licence holders to account.
- **R3F focuses directly on the safety management system of each participant,** rather than what is or is not committed to in the Safety Case – despite legacy decisions around Safety Cases, **this is an opportunity for us**.
- In the past, the **impact of relationships and activity across broader Waka Kotahi with KiwiRail** has been challenging. There is a need for clear communication of scope and responsibility of the different roles, and decisions that are made – this includes regulatory decisions.
- There is a real desire to collaborate to improve rail system safety through proper governance and industry body involvement.




**Resourcing**

- NZTA as the rail regulator has an expanding role in this high-hazard transport sector, which faces the risk of high consequence (multiple fatality) low probability events.
- The scale of continued change and investment in rail has considerably increased the risk profile of rail with more risk of interface issues on the rail networks and competing demands between freight and passenger rail services.
- The changing risk profile has resulted in increasing demand from the rail sector for stronger regulatory oversight. While there has been some increased investment in the NZTA rail regulatory function to support this, this has not been commensurate to the scale of additional rail investment.
- Without a commensurate investment in the NZTA rail regulatory function, our ability to regulate system integration and address safety risks has been decreasing, increasing safety risks for rail participants, staff, passengers, and the public.
- The Agency is undertaking a review of its rail regulatory function to assess exactly what additional funding it needs to carry out its necessary rail regulatory oversight duties fully and effectively. This will support a case for securing sustainable funding for the rail regulatory function (for example for a rail funding and fees review, consultation and Cabinet engagement).

**Te Huia prohibition and response**

- On 17 June and 10 July 2023, Te Huia service passed a red signal and a mandatory “stop board”, the first incident resulted in the train conflicting with an Auckland One Rail (AOR) service that had priority.
- Following the second incident, the Director of Land Transport prohibited Te Huia from operating within the Auckland Metro until driver competence and currency could be established and a suitable emergency braking system was operational (it had been discovered that Te Huia’s emergency braking system was installed, but not turned on).
- Whilst the second incident was less critical in nature, it identified a pattern of behaviour with driver training, competence and route currency which undermined the safety of the service, hence triggering the prohibition.
- The prohibition was lifted on 26 July 2023 once KiwiRail met and evidenced the requirements (identifying and implementing 16 new safety controls), and services resumed in the Auckland Metro on 7 August 2023.
- Since that time, Te Huia has been operating successfully. On 26 January 2024, NZTA requested evidence showing the continued training and competence/currency checking of drivers to maintain oversight of the new controls that were introduced, and we await a full response.

Next steps for Te Huia service

- Te Huia service is operating as a 5-year trial which began in mid-2021. The regulatory approval to operate was predicated on it running for a finite period. If the service is to be continued beyond the trial period, new approval will need to be sought, with approval likely reliant on a significant programme of work being completed by the provider to ensure the enduring safety of the service (e.g. potentially procurement of new rail assets).

**Auckland Metro Rail Network Signalling System Special Safety Assessment**

- The NZTA rail regulatory function has been undertaking a Special Safety Assessment of the Auckland Metro Rail Network Signalling System.
- The safety assessment was initiated after investigations into two Auckland rail incidents (a derailment in Tamaki and a signal passed at danger in Penrose) identified potential fails with the signalling system.
- The principal aim of the assessment is to establish whether the system delivers its fundamental purpose of contributing to a safe and efficient functioning railway network.
- The assessment has been progressing well and KiwiRail continue to be supportive. An assessment report is in the drafting stage.

# Regulatory Fees & Funding

- The funding review affected 176 fees, levies and charges that directly affect most New Zealanders and New Zealand businesses.
- The baseline funding of NZTA was increased to $273m per annum. NZTA's pre-regulatory failure baseline was $165m in 2018.
- The major benefit of the changes is a properly resourced regulator which has greater capability to identify safety issues and enforce standards.
- It will be much harder for rogue operators to avoid being caught and face consequences with direct benefits for public safety; and we will be better able to ensure that users of the land transport system are paying their share for doing so.

**What changed when the new fees and funding arrangements came into force on 1 October 2023**

- The funding review affected 176 fees, levies and charges that directly affect most New Zealanders and New Zealand businesses.
- Of these charges, 15 did not change, 39 increased, 42 decreased and the balance involved items that are not directly comparable to previous charging. Each fee and charge now better reflects the actual costs of providing the services.
- Key highlights included:
    - With the exception of restricted class 1 and licenses 6, all license stages for all classes benefited from reductions in upfront costs
    - Resit fees removed for the graduated driver licensing system
    - Recovering the cost of regulating Dangerous Goods
    - Establishing the power to recover costs not provided for in specific fees and charges (e.g. accessing information in the MVR and DLR).
- The funding review increased the baseline funding of NZTA to $273 million per annum (on average from 2023/24 to 2025/26). NZTA's pre-regulatory failure baseline was $165 million in 2018.

**What are the benefits of the increased fees & funding**

- The major benefit of the changes is a properly resourced regulator which has greater capability to identify safety issues and enforce standards. It will be much harder for rogue operators to avoid being caught and facing consequences, with direct benefits for public safety; and we will be better able to ensure that users of the land transport system are paying their share for the benefit of doing so (e.g. through RUC collection, weight compliance etc.)
- The increase in funding also addresses the compound effects of costs of inflation and population growth since Waka Kotahi was established in 2008.
- Further highlights include:
    - The elimination of driver licence resit fees is providing cost of living relief for families with learner drivers, and more generally increasing access to the licensing system (because around half of learners in the graduated driver licence system do not pass the first time, resit costs were identified as a major barrier to people successfully moving through the system). The positive impact of this is significant, given that driver licences are a pathway to employment, and that driving without a licence is a major pathway into the justice and corrections system.
    - The removal of cross subsidisation by fee payers: historically, driver licence fees were set too high, resulting in driver licence fees cross subsidising other groups of services that were not fully cost recovered.
    - Increased regulatory activity in RUC over a fixed period to reduce elevated levels of non-compliance and revenue losses;
    - Repayment of the $95 million loans provided by Cabinet (repayment within ten years);

- Establishment of an NZTA regulatory cost recovery function to ensure that future costs for regulatory services are funded through the appropriate mechanisms;
- $7 million per annum for additional regulatory improvement projects to improve the effectiveness and efficiency of our regulatory activities;
- $3 million per annum for industry support to increase capacity and capability for specialist certifiers, including for heavy vehicle certifiers who are critical in keeping the trucking industry safely moving.

# Regulatory Strategy and Performance (Tū ake, Tū māia)

- Our regulatory strategy, Tū ake, Tū māia, sets out how Waka Kotahi and its partners will regulate the land transport system to keep it safe. It reflects how we have matured as a regulator since Tū ake, Tū māia was first published in 2020, and will ensure we continue to improve. The strategy was refreshed in 2023 to better align us to the changes in the internal and external environment,
- The Tū ake, Tū māia Action Plan identifies the highest priorities and initiatives that deliver on the strategy's intent. This first phase of the plan spans from 2023 to 2026 and will be reviewed every three years. It outlines both what we intend to do and how we will go about this.
- The Action Plan outlined 18 critical areas of delivery, some of which are initiatives and others are focused on ensuring that we direct our resources to the most impactful areas to prevent harm, and continue to drive efficient and effective regulation:

**Background**

Our regulatory strategy, Tū ake, Tū māia, sets out how Waka Kotahi and its partners will regulate the land transport system to keep it safe. It reflects how we have matured as a regulator since Tū ake, Tū māia was first published in 2020, and will ensure we continue to improve. The strategy was refreshed in 2023 to better align us to the changes in the internal and external environment, including broadening our focus to better enable the legislative obligations of the Director of Land Transport, creating stronger align and support for other land transport strategies and increasing our focus on harm reduction and prevention, with the highest focus on safety.

Tū ake, Tū māia 2023 describes:

- our role: as the lead regulator of the land transport system
- key challenges: that influence the choices we make as a regulator now and into the future
- how we work: with an approach grounded in te ao Māori and underpinned by regulatory good practice
- our relationships: which are critical for lifting the regulatory performance of the land transport system.

To ensure we continue to improve as a regulator, Tū ake, Tū māia 2023 also sets out:

- our focus areas and key risks: where we will focus our regulatory resources in the land transport system to achieve better outcomes
- five key capability shifts: where we will focus our efforts to improve our regulatory capability and performance in the land transport system
- how we will measure our performance.

**The Tū ake, Tū māia Action Plan**

The Tū ake, Tū māia Action Plan identifies the highest priorities and initiatives that deliver on the strategy's intent. This first phase of the plan spans from 2023 to 2026 and will be reviewed every three years. It outlines both what we intend to do and how we will go about this.

The Action Plan outlined 18 critical areas of delivery, some of which are initiatives and others are focused on ensuring that we direct our resources to the most impactful areas to prevent harm, and continue to drive efficient and effective regulation:

| Action Plan commitment | Status |
|---|---|
| Te ao Māori Engagement Framework | Not yet on plan to start |
| Te ao Māori Capability Programme | ● |
| Te ao Māori Performance and Insights | Not yet on plan to start |
| Delivery Excellence | ● |
| Continuous Improvement | ● |

| | |
|---|---|
| Quality Assurance | Not yet on plan to start |
| Regulatory Financial Stewardship | 🟡 |
| Regulatory Framework | 🟡 |
| Performance and Insights Maturity | 🟡 |
| Directors Work Plan *(Functional Enhancements)* | 🟢 |
| Directors Monitoring Plan | 🟢 |
| Decision-Making Frameworks | 🟢 |
| Drivers Licensing Improvement Programme | 🟢 |
| Vehicle Safety Improvement Programme | 🟢 |
| Commercial Vehicle Safety Programme | 🟢 |
| Safety Camera System Programme | 🟡 |
| Road User Charges Programme | 🟢 |
| Safer Rail Programme | Completed |

**Regulatory Performance**

Regulatory performance is the combination of three factors:

- our delivery of the strategy and its key initiatives
- our regulatory maturity
- the impact of our activity on the land transport system.

We monitor and report on these to the Regulatory Sub-Committee of the Waka Kotahi Board, as well as through organisational performance reporting.

Delivery of the strategy and it's key initiatives

We are less than a year into delivery against the refreshed strategy and action plan. In that time we have made good progress on delivery, notably in:

- The progress of delivery of our Regulatory Strategic Change Portfolio (Drivers Licence Improvement Programme, Vehicle Safety Improvement Programme (WOF online), Commercial Vehicle Safety Programme, Safety Camera System Programme and the Road User Charges (EV RUC) Programme)
- The successful delivery of the new risk framework and approach to Rail Regulation
- The go-live of Funding and Fees and establishment of our Regulatory Financial Stewardship function
- Scoping and planning of the work plan and monitoring plan for the Director of Land Transport
- Meeting of our Statement of Performance Expectations relating to our regulatory functions

Our regulatory maturity

In the last 4-5 years our regulatory maturity has increased, particularly in the areas of:

- Governance (Regulatory Committee of Board and Regulatory Executive Sub-Committee now in place, with regular reporting)
- Regulatory compliance and enforcement (Compliance Response Framework implemented focusing on 'right tools right time' based on targeted risk assessment)
- Risk targeting (focused efforts on actioning Review Recommendations, regulatory risk function established to support the assessment and prioritisation of highest risks in the system)
- Intelligence capability (established Regulatory Intelligence function)

The impact of our activity on the land transport system

An intervention logic model based regulatory performance framework is under development which will allow us to track the direct impact of our activity on the land transport system

**Director of Land Transport Role:**

- In October 2018, the NZTA Board announced that the agency had not been performing its regulatory function effectively. In response, the Minister of Transport instructed the Ministry of Transport to review the capability and performance of the entity's regulatory function.
- The review found that while there was no single cause for the regulatory failure, there was a series of underlying factors that had evolved over time, including:
    - an overshadowing of regulatory functions,
    - weak regulatory leadership and expertise,
    - a lack of a clear regulatory strategy and approach,
    - limited regulatory capability, resourcing and funding challenges,
    - the absence of a regulatory culture,
    - structural constraints,
    - lack of accountability, and
    - inadequate audit and risk management.
- In response, Cabinet, on the advice of the Minister of Transport, made several directions, notably including the development of a regulatory strategy to strengthen the regulator's approach and delivery, and the reinstatement of the statutory Director of Land Transport – who would be responsible for exercising all the entity's regulatory functions and powers.

# The Director's statutory responsibilities

The Director's responsibilities are laid out in 104B of the Land Transport Management Act

**Key responsibilities include:**

- Providing leadership on any regulatory matters
- Exercising control over entry and exit from the land transport system (LTS)
- Ensuring compliance to the land transport acts
- Monitoring adherence of the LTS to regulatory requirements in other legislation
- Monitoring the performance of those who carry out regulatory functions in the LTS
- Ensuring regular reviews of the LTS (including the funding system)
- Issuing warnings, reports, guidance, commentary
- Statutorily independent functions related to:
    - Land transport documents
    - Exemptions
    - Enforcement responsibilities

**104B Functions, powers, and duties of Director**

(1) The Director has—
- (a) the functions, powers, and duties conferred or imposed directly on the Director under this Act or any other Act; and
- (b) the functions and powers delegated to the Director by the Agency under this Act or any other Act.

(2) Without limiting subsection (1), the Director's functions and powers include—
- (a) providing leadership within the Agency in relation to any regulatory matters:
- (b) exercising control over entry into and exit from the land transport system through land transport documents:
- (c) monitoring, investigating, managing, and enforcing compliance in relation to matters under the land transport Acts:
- (d) monitoring adherence of the land transport system to regulatory requirements in other legislation relating to—
    - (i) safety and security, including personal security; or
    - (ii) access and mobility; or
    - (iii) public health; or
    - (iv) environmental sustainability:
- (e) monitoring and evaluating the performance of any person who carries out functions within the land transport system in a regulatory capacity:
- (f) ensuring regular reviews of the land transport regulatory system (including the funding system) to contribute to the achievement of the Agency's objective:
- (g) issuing warnings, reports, or guidance, or commenting about,—
    - (i) any matter relating to the regulation of land transport; or
    - (ii) 1 or more holders of a land transport document; or
    - (iii) 1 or more persons who engage in conduct in relation to land transport.

*Statutorily independent functions*

(3) The Director's statutorily independent functions are to—
- (a) issue, endorse, alter, replace, renew, suspend, revoke, or impose conditions on any land transport document for which the Director is responsible; and
- (b) grant exemptions for which the Director is responsible; and
- (c) carry out any enforcement responsibilities conferred on the Director under this Act or any other Act.

(4) When performing a statutorily independent function,—
- (a) the Director must act independently; and
- (b) the Minister, the Agency, or the Secretary may not give directions to the Director in relation to performing that function.

# Speed Management

- On 12 December 2023, the Minister announced changes to the Land Transport Rule: Setting of Speed Limits 2022, to make the development of speed management plans by RTCs and RCAs mandatory, change the authoruty to set deadlines to the Minister rather than NZTA, and revoke any previous deadlines and targets.
- **Prior to the changes, 28% of RCAs had submitted interim speed management plans and a further 12% of RCAs had submitted full plans.**
- The Minister does not intend to set a new deadline for submissions at this stage, and has encouraged RTCs and RCAs to wait for the new Rule before finalising their speed management plans

**Land Transport Rule: Setting of Speed Limits 2022 (the Rule)**

- The current Rule sets requirements for Road Control Authorities (RCAs) to submit their approach to speed management as a three-year plan for certification by the Director of Land Transport (the Director).
- Under the 2022 rule, the Director had set deadlines for the publishing and certification of speed management plans as follows; 5 October 2023 for publishing and 29 March 2024 for certification.
- Submission rates for speed plans have been:
    - 28% (19 of 68) of RCAs have submitted interim speed management plans (an interim speed management plan is an option provided for RCAs under the Rule's transitional provisions but are not mandatory).
    - 12% (8 of 68) of RCAs have submitted full speed management plans.
- In addition to setting speed limits via interim and full speed management plans, RCAs may set speed limits through Alternative Method Proposals submitted under Clause 2.6 of the Rule. Clause 2.6 provides for the Director to give approval for RCAs to set a speed limit when a speed management plan is not applicable.

**Land Transport Rule: Setting of Speed Limits Amendment 2023 (Amendment Rule)**

- On 12 December 2023, the Minister of Transport announced the following amendments to the Rule through the Amendment Rule, which came into effect on Friday 15 December 2023:
    - The development of speed management plans by Regional Transport Committees and Road Controlling Authorities is now discretionary rather than mandatory
    - The Minister, rather than the NZTA, now has the authority to set a deadline for any of the steps involved in developing, varying or replacing speed management plans
    - The revoking of any previous deadlines for SMPs set out under the Rule (including those deadlines set out above)
    - The revoking of any previous deadlines and targets set out in the Rule for Road Controlling Authorities to change speed limits outside schools.
- The Minister and the Director separately communicated these changes in writing to Road Controlling Authorities and Regional Transport Committees in December 2023.
- The Minister does not intend to set a new deadline at this stage and has encouraged Road Controlling Authorities and Regional Transport Committees to wait for the new Rule before finalising their speed management plans.

**Development of the new speed Rule (2024)**

- Officials are considering the following for a new Rule:
    - More clearly requiring RCAs to consider economic factors and travel times

- Ensuring road user and community views are considered alongside safety when speed limits are set or changed
- Requiring variable speed limits on roads approaching schools during pick-up and drop-off times, rather than permanent reductions.

- Further information on the scope and process for the new speed Rule is expected to be available shortly.

**Examples of impacts of speed reductions**

| Location | SH 6 Blenheim to Nelson | SH51 Marine Parade to Waipatu (Napier) | SH 5, 30 Rotorua | SH3 Napier road |
|---|---|---|---|---|
| Date speed limits changed | 18 December 2020 | 29 October 2021 | Monday 3 October 2022 | 23 June 2022 and 16 December 2022 |
| Number of DSIs reported in the 5 years prior to the speed limit change (to December 2023) | 57 (average of 11.4 DSi per annum) | 22 (average of 4.4 DSi per annum) | 7 (average of 1.4 DSi per annum) | 8 (average of 1.6 DSi per annum) |
| Number of DSIs since the speed limit changes (to December 2023) | 6 (an average of 2.0 DSi per annum) | 0 | 1 | 0 |

Case study: SH5, Hawke's Bay, speed limits changed 18 February 2022

A review of speed limit changes on SH5 between Rangitāiki and Esk Valley was undertaken and found: **Approximately 34 crashes were avoided** in the year following introduction of the speed limit change, in addition to reductions in the severity of crashes which did occur, resulting in estimated **total safety benefits valued at around $93m for the year. Travel time increases of between 0.5 to 2.8 seconds per km travelled were calculated, equivalent to increased journey times of between 36 seconds and 3.6 minutes across a single journey on the 76km section of highway, resulting in a total travel time cost increase valued at $1.3 million for the year.**

## NLTP 2024 Development

- The National Land Transport Programme (NLTP) is a three-year programme that sets out how NZTA, working with its partners, plans to invest the National Land Transport Fund (NLTF) to create an effective, efficient, and safe land transport system. Activities in the NLTP must reflect the priorities in the most recent Government Policy Statement on land transport (GPS).
- In this case, the draft GPS is scheduled for release in the coming weeks.
- The NLTP is informed by Regional Land Transport Plans (RLTPs) developed by Regional Transport Committees (RTCs) and Auckland Transport. RLTPs set out each region's transport priorities and list the activities councils are bidding to receive NLTP funding. RLTPs need to be submitted on 30 April 2024. This gives NZTA time to review and recommend the programme for investment by the statutory deadline for adoption of the NLTP which is 1 September 2024.
- Given the timing issues and constraints, NZTA has delayed adoption of the NLTP until August 2024 (statutory deadline is 1 September 2024).


- The National Land Transport Programme (NLTP) is a three-year programme that sets out how NZTA, working with its partners, plans to invest the National Land Transport Fund (NLTF) to create an effective, efficient, and safe land transport system. Activities in the NLTP must reflect the priorities in the most recent Government Policy Statement on land transport (GPS). The GPS sets out the Government's strategic direction for the land transport system and guides how we invest the NLTF.
- The GPS is usually released in December of the year immediately preceding adoption of the NLTP. This allows time for those seeking transport investment (local and regional councils and NZTA) to prepare programmes that reflect the priorities in the GPS. Where an election results in a change of government, there can be a delay in the release of the GPS as the new government sets new priorities for investment. In this case, the draft GPS is scheduled for release in the coming weeks.
- The NLTP is informed by Regional Land Transport Plans (RLTPs) developed by Regional Transport Committees (RTCs) and Auckland Transport. RLTPs set out each region's transport priorities and list the activities councils are bidding to receive NLTP funding. RLTPs need to be submitted on 30 April 2024. This gives NZTA time to review and recommend the programme for investment by the statutory deadline for adoption of the NLTP which is 1 September 2024.
- RTCs and Auckland Transport are required to consult with their communities on their transport priorities and programmes. To meet the April deadline for submission of their RLTPs to NZTA, 14 of the 16 RTCs have, or are, consulting over the December-February period. This is before the draft GPS is available. They will then review their priorities and programmes once the draft GPS is released to ensure alignment before they submit their RLTPs to NZTA.
- The NLTP is also informed by the State Highway Investment Proposal (SHIP), which includes proposed state highway activities. This will be released after publication of the draft GPS. Work is already underway to ensure it captures the activities specified in the Transport for the Future programme and the SHIP will also give effect to any other direction provided in the GPS.
- Once all programmes are received, NZTA will review the programmes to identify the activities that best align with the priorities expressed in the GPS and include these in the NLTP.
- Given the timing issues and constraints, NZTA has delayed adoption of the NLTP until August 2024 (statutory deadline is 1 September 2024).


**Project prioritisation in determining NLTPS:**

- NZTA has developed an Investment Prioritisation Methodology (IPM) to assist the Board in prioritising activities for inclusion and funding of activities with each three-year NLTP. For

each NLTP the IPM is updated to ensure the Board, in making its decisions, gives effect to the priorities of government as set out in the Government Policy Statement on Land Transport (GPS), as required under sec 19(B) of the Land Transport Management Act 2003. The IPM enables the ranking of all activities seeking funding from the National Land Transport Fund based on three factors:

- GPS alignment: how a proposed activity aligns with a GPS strategic priority, and its potential contribution to achieving the GPS strategic priority.
- Scheduling: how critical or interdependent the proposed activity is in relation to activities in a programme, package or network
- Efficiency: indication of expected return on investment – generally through cost benefit analysis or cost effectiveness analysis.

**NLTF Activity class expenditure 2022/23:**

| Activity Class | NLTF Expenditure 2022/23 | |
|---|---|---|
| | $m | % |
| State highway improvements | 937.0 | 16% |
| Local road improvements | 120.0 | 2% |
| Walking and cycling improvements | 175.0 | 3% |
| State highway maintenance | 1,161.0 | 20% |
| Local road maintenance | 1,046.0 | 18% |
| Public transport services | 497.0 | 9% |
| Public transport infrastructure | 566.0 | 10% |
| Road to Zero | 781.0 | 13% |
| Coastal shipping | 23.0 | <1% |
| Investment management | 65.0 | 1% |
| Rail network investment programme | 434.0 | 7% |
| **NLTP approved expenditure** | **5,805.0** | **100%** |

**Delivery of year-end SPE milestones**

| | Total in SPE | Fully delivered | Sizeable progress, not fully delivered | Progress made, not delivered | Not achieved |
|---|---|---|---|---|---|
| **NLTP** | 13 | **6** (46%) | **5** (38%) | **1** (8%) | **1** (8%) |
| **NZUP** | 4 | **2** (50%) | - | **2** (50%) | - |
| **Supporting Regions Programme** | 22 | Thirteen projects have been completed, including four in 2022/23. | | | |

## GPS 2024 Funding Constraints

- s 9(2)(g)(i) [redacted]
- s 9(2)(g)(i) [redacted]

- For GPS 2024 (i.e. the 3-year period to 2027) we expect $14.6 billion in core revenue including the Rail Network Investment Programme (RNIP) but excluding other Crown grants and debt inflows – refer to the table below. Debt servicing obligations for GPS 2024 are $1.8 billion.
- s 9(2)(g)(i) [redacted]
- We understand additional debt funding may be being considered to fund this gap. Our Board has been clear that any additional debt would need to have increased revenue attached to it and/or a Crown guarantee.

s 9(2)(g)(i) [redacted]

- For a number of years NZTA has raised concerns around sustainability of funding model for Transport and the need to reset this model with urgency due to the changing nature of transport system funding demands and changes in the vehicle fleet. Over the last year we have been working with MOT and Treasury on work around the future of funding review, which has included building models around revenue and funding requirements. This work is highlighting the scale and imminence of funding challenges for the transport sector and the NLTP.
- Lack of resilience in the funding model for transport is also referenced by the Auditor General as a significant risk in terms of delivering on the government policy statement and transport commitments, including those within the responsibility of NZTA.

## Congestion Charging

- s 9(2)(g)(i) [redacted]
- There is a lot to consider about introducing road pricing, including the varying impacts that it could have on different members of our community who use the transport network in different ways.
- Pricing is just one part of the solution, along with continued investment in transport networks and services which includes roads, public transport and options for people to safely walk and cycle. We also need to look at things like parking and the use of our road space and making sure that we are making the most of what we have so everyone can get to where they are going easily.

- Our biggest cities, and increasingly our smaller cities and towns, are being slowed down by congestion, which is costing us all time and money.
- s 9(2)(g)(i) [redacted]
- Local pricing means billing motorists to use roads at peak travel times – and faced with a "fee for service" drivers may choose alternative travel modes, or different times of day and locations or even defer a trip. It is a way to reduce congestion on roads, particularly at peak times, and reduce transport emissions as well.
- Pricing is just one part of the solution, along with continued investment in transport networks and services which includes roads, public transport and options for people to safely walk and cycle. We also need to look at things like parking and the use of our road space and making sure that we are making the most of what we have so everyone can get to where they are going easily.
- s 9(2)(g)(i) [redacted]
- There is a lot to consider about introducing road pricing, including the varying impacts that it could have on different members of our community who use the transport network in different ways. We can learn from overseas examples like London and Singapore about how to design schemes that both reduce congestion and treat people fairly.
- All schemes generate revenue, which needs to be considered. Overseas, the money has been reinvested back into local communities, providing them with more options for travel, for example, better public transport.

## Procurement Roadmap

- The NZTA Infrastructure Procurement Strategy (IPS) articulates our strategic focus for how we will continue to move our infrastructure procurement forward, by responding to the challenges and opportunities that we see in infrastructure procurement.
- Our strategy is being implemented and our focus for 2024 will strengthen our foundations and enable improved efficiency and delivery.

- The IPS responds to the challenges and opportunities that we see in infrastructure procurement and delivery, including:
    - Lifting the productivity and efficiency of our supply chain
    - Ensuring our markets are competitive, healthy and able to continue to meet our needs
    - Achieving sustained lifts in our suppliers' performance
    - Addressing capacity constraints and cost pressures in the supply chain
    - Continually improving the efficiency of our procurement activities
- The IPS advances from our business as usual excellence in our operational procurement activities.
- Longer term funding and pipeline certainty is an enabler of our strategic outcomes.
- We are focused on 3 immediate areas of strategy implementation:

1. **Building NZTA client intelligence, as a foundation to all other improvements:**
    - Including market and supply chain intelligence, cost intelligence, and supplier performance intelligence. Multiple initiatives are underway now
2. **Protecting and fostering healthy and competitive supply chains:**
    - Ensuring strong competition at all project scales
    - Maximising NZTA buying power and influence
    - Removing barriers for smaller and regional businesses so they can develop and grow
3. **Continuing to evolve the way we procure infrastructure:**
    - More efficient procurement processes, reducing time and cost for tenderers and NZTA
    - Strong focus on supplier performance, rewarding continuous improvement
    - Greater process and design standardisation, reducing cost and increasing efficiency
    - Improved surety of forward work to underpin supply chain productivity investment

## Business Cases

- NZTA implemented the Business Case Approach (BCA) around 2013. The BCA is based on The Treasury's Better Business Cases™ (BBC), which is the required framework for all significant investment proposals for most of NZ's state sector.
- The BCA was adopted to embed outcome led planning and drive greater efficiency and effectiveness in transport planning and project delivery, replacing a wide range of complex strategies, plans and studies with a single process.
- The key difference between BBC and the BCA is that our approach is principle based and provides guidance more consistent with the legislative and systemic factors associated with transport. The principles based approach allows business cases to be scalable and fit for purpose where the level of effort is based on the size and complexity of the problem.
- The BCA supports efficiency by providing standardised inputs such as using a transport benefits framework (based on the Living Standards Framework) and monetised benefit manual (for economic analysis). This reduces time and effort and allows a consistent approach to the identification of benefits on a case-by-case basis. It also supports effectiveness by helping to focus efforts on achieving the priority outcomes set out in the GPS.
- After wide sector engagement in 2022 several changes were made to the approach to improve inefficiencies in the process. This included better aligning the BCA with the BBC Five Case Model Framework.
- NZTA business cases are typically at the upper end of cost and timing spectrum which reflects the integrated and complex requirements underpinning high quality linear infrastructure planning. These include the legal requirements as well as working closely with stakeholders and the public, managing multiple outcomes, and the significant impact of factors outside our direct control (land use, growth, travel behaviour).
- Efficiencies can and will continue to be sought in business case practices and supporting mechanisms such as procurement and decision-making processes. Known effectiveness deficiencies continue to be identified through continuous improvements and actions are taken to improve process and practice. This includes exploring opportunities for bulk funding for a wider range of activities, standardisation and reducing complexity. A piece of work is now underway to review the application of the business case approach within NZTA. This review will aim to create business cases that are right sized and fit for purpose, providing a clear and concise investment story that makes it easy for decision makers to engage with. Business cases will be targeted, and include only what is required. This work aims to create a significant improvement in the time and cost to develop business cases, as well as a more accurate cost estimation. The behaviours and right sizing must be a joined up effort between NZTA and the professional services suppliers.

# Organisational Growth, health and culture, contractor usage, comms headcounts

- The permanent voluntary turnover rate as at June 2023 is 14.9% (down from a high of 18.7% in April 2022, and from 18.4% at June 2022) and has continued to drop to 11.1% at the end of December 2023. The current headcount as at 30 January 2024 is 2,928.
- The overall gender pay gap has reduced from 19.4% at 30 June 2022 to 18.7% at 30 June 2023 (down from a high of 25.6% in 2019).
- NZTA is currently shutting down a number of work programmes in response to the new Government's direction and this will directly impact around 110 employees and contractors.
- NZTA employed 43.1 permanent and fixed-term FTE staff in roles focusing on social media, public relations, and/or communications at a total annual base salary cost of $4.7m. The communications and public information role is part of the function of NZTA as a regulator. In addition, the engagement function is a statutory role as part of the consenting process for infrastructure projects.
- The total expenditure on contractors and consultants has increased from $74.2m for the period 1 July 2021 to 30 June 2022, to $112.0m for the period 1 July 2022 to 30 June 2023.

**Staff Numbers, Turnover and Recruitment**

- The permanent voluntary turnover rate as at June 2023 is 14.9% (down from a high of 18.7% in April 2022, and from 18.4% at June 2022) and has continued to drop to 11.1% at the end of December 2023. While we continue to have some roles that are hard to fill, overall, we have no concerns around our staff turnover.

- The overall gender pay gap has reduced from 19.4% at 30 June 2022 to 18.7% at 30 June 2023 (down from a high of 25.6% in 2019).

- The permanent and fixed term employee workforce has increased by 12.9% from 30 June 2022, and the current headcount is 2,928 as at 30 January 2024. This growth was in response to an ambitious work programme directed by the previous government. NZTA is currently shutting down a number of work programmes in response to the new Government's direction and this will directly impact around 110 employees and contractors.

- Whilst there are a number of roles vacant (176 as at 25 January 2024), the organisation has paused all external recruitment whilst the Government GPS direction and efficiency and effectiveness programmes are confirmed.

- The number of permanent and fixed term employees increased due to:

  - A doubling of the size and expenditure of our delivery programme over the preceding three years, including Urban Growth programme and mega projects in Auckland and Wellington

  - An expanding mandate and roles across planning, investment, and a range of modes, as well as system outcomes in climate and safety under the previous Government, increasing complexity, outcomes and expectations on tight time frames.

  - The regulatory reset and build of capabilities in our regulatory area to align with our fees and funding review and reset following the regulatory failure.

- improving our capability in enterprise support services – significant investment and resourcing is required to upgrade ageing corporate and transport IT systems

- s 9(2)(g)(i)

**Culture**

- Our strategic direction, Te Kāpehu sets out our direction to respond to our operating environment, and ensure that we continue to meet our four kāhui whetū of culture and leadership, delivery excellence, future focus and accelerating digital.
- Culture and Leadership:
    - We have a performance culture delivered with care built on great leadership and teams, shared values and effective partnerships. This is our first priority because it is the biggest enabler for all our strategic priorities.
    - This strategic priority is about creating a work environment that provides space for people to bring their very best self to work, to be encouraged, enabled to grow and together deliver our business strategy, goals and plans.
- Deliver Excellence:
    - We are focused on delivering our core business, do that exceptionally well and strive to continually improve. We are trying to deliver more with fewer resources in a highly competitive labour and construction market.
    - This priority is about being clear on what we are funded to deliver and ensuring we are the best we can be at service delivery.
- Future Focus:
    - Our research, innovative thinking, strategy, policy and long-term planning sets a course to a safe, sustainable, and efficient land transport system.
    - This strategic priority is about a dedicated focus on research and insights, innovative thinking, strategy, policy, intelligence, future planning and system leadership to navigate and help transform the land transport system. It also ensure we engage with Māori to deliver on our Te Tiriti o Waitangi commitments and provide positive outcomes for Māori.
- Accelerating Digital:

    - We will use digital and data capabilities to enable our future transport vision, transform our operations and provide better experiences for our people, partners and users.

    - Working with all our land transport system providers, this priority signals our commitment to more investment in digital and technology platforms, but always with the end user, or customer, and sector in mind.

- As part of this work, we undertake regular employee engagement surveys to find out what is working well in the organisation and what needs improvement. This helps build the culture needed to fulfil the Te Kāpehu strategy. The results of the survey are reviewed regularly by ELT, and development plans are put in place for teams with low engagement scores to ensure that we can lift engagement.

- We have seen significant improvements in engagement in the regular Tapatahi survey and continue to ensure that feedback and themes from these surveys are discussed by ELT. We are starting to drill into what the results mean to determine what is occurring within the organisation, and how feedback can be actioned to continue to ensure that NZTA has a strong workplace culture.

**Communications and Engagement**

- NZTA is committed to ensuring the communications headcount is the right size for the organisation. At 30 June 2023, NZTA employed 43.1 permanent and fixed-term FTE staff in roles focusing on social media, public relations, and/or communications at a total annual base salary cost of $4.7m. NZTA also engaged 7 contractors/consultants in these roles over the year, however this has now reduced to 3.

- The communications and public information role is part of the function of NZTA as a regulator. In addition the engagement function is a statutory role as part of the consenting process for infrastructure projects.

- We are also supporting a huge range of large projects with major impacts upon local communities (e.g. Otaki to North Levin, Waitematā Harbour Connections, the East Coast recovery rebuilds and the National Ticketing Solution) which require good public information and community engagement support.

- We continue to review our resource allocation to projects to ensure we are as efficient as we can be within the requirements of the consenting process.

**Contractors and Consultants**

- The total expenditure on contractors and consultants has increased from $74.2m for the period 1 July 2021 to 30 June 2022, to $112.0m for the period 1 July 2022 to 30 June 2023.

- This increase in spend over the previous year is in part due to:

    - the development and move into delivery of significant new programmes and functions for NZTA (National Ticketing System and the Safety Cameras) requiring surge specialist skills reflecting the significant scale and complexity of these programmes.

    - the impact of the tight employment market, impacted on our ability to source and retain specialist skills

- inflationary pressure which increased both salaries and contractor rates.

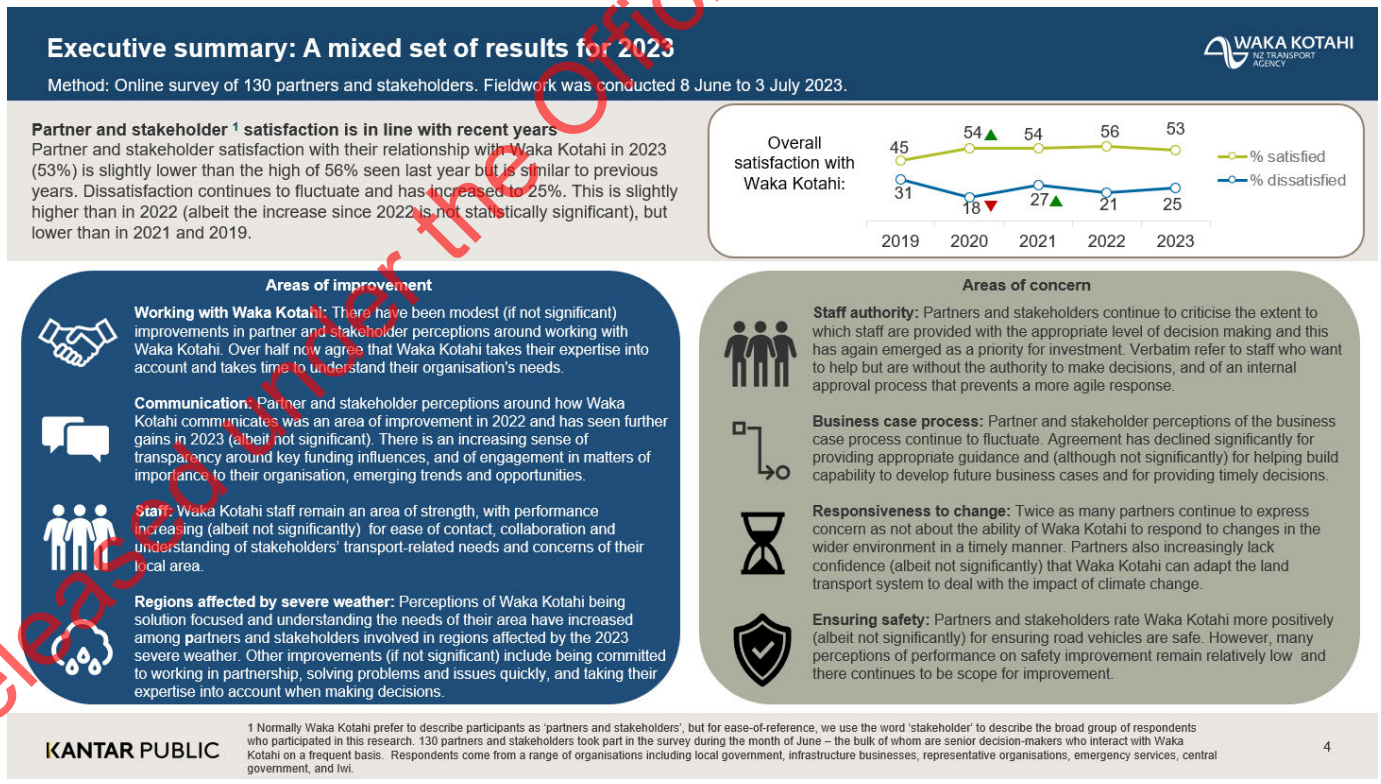
- We anticipate the 2023/24 and 2024/25 financial years will see changes to the employment environment for some roles, due the wider public sector's efficiency and effectiveness programmes. We will look to move away from contractors to fixed term employees where we can, as a cost saving measure.

# Stakeholder and Customer Survey Results

- Every year we undertake an annual survey of key partners and stakeholders to:
    - Understand what our partners and stakeholders think about how we engage with them
    - Identify areas where our partners and stakeholders think we need to improve
    - Assess how we are perceived on measures included in our Statement of Performance Expectations
- We are committed to continuing to grow and improve so our partners have increased trust and confidence inu s and our ability to deliver, and are working to address the feedback

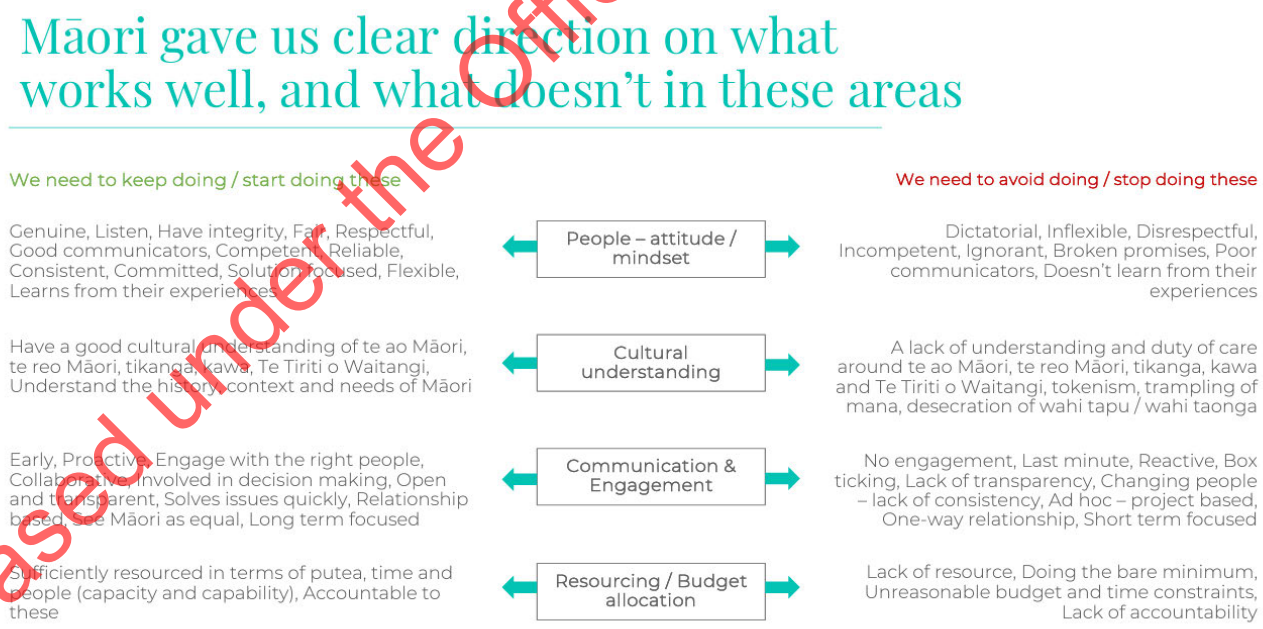
**Partners and Stakeholders Survey:**

- Overall satisfaction is in line with recent years at 53% (margin of error +/- 8.6%). This is slightly below our Statement of Perfomance measure target of 54%, however the 2023 response rate was comparatively low at 16%.
- Partners and stakeholders who answered the survey continue to believe our staff are knowledgeable, professional, and show an interest in the work of others.
- They are now more likely to describe NZTA as a collaborative, customer focused, inclusive, relevant and outward facing organisation compared to 2019.
- We have also heard that we could better prioritise the needs of partner and stakeholder organisations in our work and improve our internal systems and processes.



**Māori Partnerships Survey:**

- Overall, Māori generally feel their relationships are moving in a positive direction. The average performance score of key strategic relationship drivers of Māori partnerships (SPE measure) was 49%, meeting the requirement for an increase over the 2022 result of 45%.
- Other key results were:
  - 64% of Māori hold positive perceptions of NZTA in general
  - 57% see us moving in a positive direction as an organisation
  - 71% reported their relationships with us had improved over time
  - 60% were feeling optimistic about the future of their relationship with us
- Areas for further improvement include:
  - Driving improvements across our 7 key relationship drivers, such as seeing Māori as an equal partner, delivering effective outcomes for Māori, providing sufficient time, funding and resource, taking Māori expertise into account and understand and meet the needs of Māori
  - Taking a partnership approach to our relationship with Māori
  - Increase the levels of cultural competence and understanding
  - Driving consistency across the relationship factors and all relationship with Māori



**State Highway User Survey:**

- NZTA monitors State Highway customer satisfaction by asking 9000 customers per year to determine how customers' experiences of the State Highway network are tracking.
- The 2022/23 survey results found that the severe weather events impacted travel and satisfaction on the State Highway routes, with 2 out of five New Zealanders having their travel affected or disrupted in some way. Three in ten New Zealanders expect their future travel to be disrupted because of severe weather events.
- Improvements to surface condition, travel time, value for money and other driver behaviour would help to lift satisfaction with the overall experience.
- Surface water has become more problematic for those encountering it. Recall of warning signs has been steadily decreasing and more customers through there was enough warning signage on the network.
- Satisfaction with road surface condition was generally lower in the North Island than the South, and was lowest in Northland, Gisborne and Taranaki. Potholes remain the most common issue for those dissatisfied with the surface condition and were an issue for 16% of all SH users.
- Most customers continue to feel at least somewhat safe from the risk of accidents.

## Road Safety

- NZTA's recent work on road safety prioritised the contribution we could make to the previous government's target to reduce DSIs by 40% by 2030. DSIs have reduced by just over 7% since 2018, but this rate of progress is insufficient to meet the 40% target.
- To date, 140kms of median barriers have been installed, 115 intersections treated, and speed limits reduced on 1900kms of the network.
- Following amendments to Rule in December 2023, NZTA (as RCA) has paused work on its speed management planning in anticipation of a new Speed Rule.
- Police was allocated $1,243.5m for the 2021-2024 Road Safety Partnership programme and delivered road policing activities largely focused on the areas of highest risk and harm (enforcement around restraints, impairment, distraction, and speed).

- The Ministry of Transport has prepared a road safety Briefing to the Incoming Minister seeking direction from the Minister on his road safety priorities. Once received, NZTA (and our road safety partner agencies) will understand in more detail the government's priorities for road safety and how we will need to respond.
- NZTA's recent work on road safety prioritised the contribution we could make to the previous government's target to reduce DSIs by 40% by 2030. DSIs have reduced by just over 7% since 2018, but this rate of progress is insufficient to meet the 40% target. The key activities NZTA has contributed to are summarised below.

**Speed and Infrastructure Programme (SIP)**

The SIP targets interventions where they will make the greatest contribution to reducing DSIs. The 2030 target was the top 10,000kms of the network. To date, 139kms of median barriers have been installed, with an additional 84kms were installed on new roads and expressways making the total length 223kms, 115 intersections treated, and speed limits reduced on 1900kms of the network.

**Setting of Speed Limits Rule 2022**

Under the current Rule, RCAs (including NZTA as RCA for State Highways) had to develop speed management plans every three years combining speed limit changes, infrastructure improvements and any deployment of safety cameras.

The current Rule also requires RCAs to address speed limits around schools. Many RCAs are on track to reduce speed limits around all their schools by the end of 2027.

Following amendments to Rule in December 2023, NZTA (as RCA) has paused work on its speed management planning in anticipation of a new Speed Rule.

As with previous Speed Rules, NZTA (as Regulator) will work with the Ministry of Transport to support the development of the new Speed Rule over the course of this coming year.

**Road Safety Partnership Programme (RSPP)**

The Road Safety Partnership is the formal operating model and agreement to fund road policing via the NLTF. It was established by the Police, NZTA, and MoT to improve co-operation and deliver on road safety outcomes. The programme describes road policing activities that contribute to road safety and the funding provided, as well as setting performance measures for key activities. Police delivery is a key contributor to reducing deaths and serious injuries on our roads.

Police was allocated $1,243.5m for the 2021-2024 programme and delivered road policing activities largely focused on the areas of highest risk and harm (enforcement around restraints,

impairment, distraction, and speed). Delivery in 2022/23 was noticeably higher than in recent years, with average delivery against targets rising to 82%. While delivery isn't yet at the level required to achieve current targets, activity levels are at the highest they've been for some time. For example breath testing levels rose to 2.7M in 2022/23 compared to 1.6M in 2021/2022 (against a target of 3M), restraint offences issued rose to 49.5K from 36.6K (60K target), and mobile speed camera hours rose to 61K from 58K (80K target). These increases have continued into the current financial year.

Alongside providing enforcement and roadside education, Police also undertakes a range of wider engagement and education activities such as:

- School road safety education including school crossing training
- enabling Districts to understand specific risks posed by individuals and look for opportunities to engage with them from a prevention first approach, through the creation of intelligence profiles on the ongoing high-risk driving behaviours of specific individuals. High-risk drivers include unlicensed and disqualified drivers, high-end breath alcohol offending, extreme speeding offenders, repeat offenders, fleeing drivers, and drivers involved in illegal street racing.

**Other work**

- NZTA leads several other work programmes that improve road safety outcomes. These include working with the vehicle industry to provide information to consumers on vehicle safety features, collaborating with WorkSafe and the freight sector to improve work-related road safety, increasing access to driver licencing and training, and providing training to improve capacity and capability.

**Case study – Safety Interventions on Transmission Gully and Peka Peka to Ōtaki**

- TG and PP2Ō are two projects that show the importance of safety interventions through infrastructure, and support the idea that a range of safety interventions are needed alongside speed management where appropriate.
- In the year since the PP2Ō was fully opened, just seven crashes had been reported on the expressway. Three of these were minor injury crashes, and four were non-injury crashes.
- In the five years prior to the corridor opening, 165 crashes were reported on the old route, including one fatal crash and 14 serious injury crashes.
- A total of 18 crashes occurred on TG in the year since it was opened, with six minor crashes and 12 non-injury crashes. In the year before TG opened, 151 crashes were recorded on the old route, including one fatal crash and seven serious injury crashes.
- The installation of central and side median barriers, alongside rumble strips has been vital to the significant reduction in crashes. Head-on crashes are the leading cause of death on the state highway network and account for approximately half of all deaths recorded. Research shows that median barriers virtually eliminate head on crashes and reduce run-off-road crashes by 40-50%.

| Road deaths over the Christmas / New Year holiday period | | | | | |
|---|---|---|---|---|---|
| **Holiday period** | **2020/21** | **2021/22** | **2022/23** | **2023/24** | **Total** |
| **Fatalities** | 11 | 16 | 19 | 21 | **67** |

| Factors contributing to fatal crashes over the Christmas / New Year holiday period | | | | | |
|---|---|---|---|---|---|
| **Road safety factor groups** | **2020/21** | **2021/22** | **2022/23** | **2023/24** | **Total** |

| | | | | | |
|---|---|---|---|---|---|
| Alcohol and/or Drugs | 3 | 13 | 10 | 11 | **37** |
| Inappropriate Speed | 4 | 5 | 8 | 7 | **24** |
| Poor handling | 3 | 5 | 7 | 8 | **23** |
| Position on Road | 3 | 6 | 4 | 5 | **18** |
| Miscellaneous factors | 4 | 5 | 4 | 1 | **14** |
| Poor observation | 2 | 4 | 4 | 1 | **11** |
| Poor judgement | 2 | 1 | 5 | 1 | **9** |
| Incorrect lanes or position | 0 | 1 | 1 | 4 | **6** |
| Road factors | 1 | 2 | 2 | 1 | **6** |
| Vehicle factors | 0 | 1 | 2 | 2 | **5** |
| Fatigue | 2 | 1 | 1 | 0 | **4** |
| Pedestrian factors | 0 | 2 | 1 | 0 | **3** |
| Failed to give way or stop | 0 | 0 | 0 | 2 | **2** |
| Overtaking | 1 | 0 | 1 | 0 | **2** |
| Weather | 0 | 0 | 1 | 0 | **1** |
| Disabled, old age or illness | 0 | 0 | 0 | 0 | **0** |
| **TOTAL factors** | **25** | **46** | **51** | **43** | **165** |

# Te Ao Māori – Bilingual Signage, Naming Conventions and Working with Māori

**Bilingual Signage:**

- NZTA undertook public consultation on a proposed package of 94 additional bilingual signs for 6 weeks from 22 May to 30 June 2023.
- The consultation indicated that costs for new signs will be minimised by implementing bilingual signs over time as signs need to be replaced or introduced onto the transport network.
- The programme is currently on hold until there is further direction from the Minister of Transport. No decisions have been made by the Minister on the programme to date.
- A total of $1,1651791 has been spent on the programme to date.

**Naming Conventions:**

- ***NZTA has received a verbal request from the Minister to use English first in its name. We have taken some initial steps to give effect to this request while we await the all-of-government guidance to fully understand the extent of the requirements. Costs of responding to this have been minimal.***
- The legal name of the organisation under the Land Transport Management Act has always remained 'New Zealand Transport Agency'.

**Bilingual Signage**

- He Tohu Huarahi Māori Bilingual Traffic Signs programme is led by NZTA and Te Mātāwai, the independent statutory entity working to revitalise te reo Māori on behalf of iwi and Māori, and forms part of the commitment to Maihi Karauna, the Crown strategy for Māori language revitalisation.
- The Land Transport Rule: Traffic Control Devices (Kura/School Signs) Amendment 2022 came into force on 5 April 2022. As a result, Kura School signs are now required to be used by councils on local roads and NZTA on state highways when existing signs need to be replaced or new signs are introduced. Around 14,000 English only 'School' signs on the transport network (local roads and state highways), will eventually be replaced by the new 'Kura School' signs.
- NZTA undertook public consultation on a proposed package of 94 additional bilingual signs for 6 weeks from 22 May to 30 June 2023.
- The consultation indicated that costs for new signs will be minimised by implementing bilingual signs over time as signs need to be replaced or introduced onto the transport network.
- A breakdown of the expenditure on He Tohu Huarahi Māori Bilingual Traffic Signs programme from November 2020 to 31 January 2024 is provided in the table below. We do not anticipate any further expenses being incurred for the programme until direction from the Minister of Transport is received. In addition, Te Pae Whakamāori (the sign translation panel) have opted to koha their services to this work. An example of this is between an estimated $50,000 - $100,000 worth of work undertaken by Te Pae Whakamāori that has been given to the programme (i.e. not been charged).
- The programme is currently on hold until there is further direction from the Minister of Transport. No decisions have been made by the Minister on the programme to date.

Expenditure on He Tohu Huarahi Māori Bilingual Traffic Signs programme

| Category of expenditure | Amount |
|---|---|
| Safety design and rule and policy advice | $832,630.85 |
| Safety related research | $153,000.00 |
| Cultural and engagement specialist advisors | $109,370.00 |
| Translation services | $60,602.50 |
| Events-based costs relating to Kura School signs | $10,187.96 |
| **Total** | **$1,165,791.31** |

**Working with Māori**

- We have extensive relationships with iwi and communities across the country and undertake significant iwi engagement, representing our commitment to strengthening those relationships.
- We will continue to use and embrace te reo Māori within NZTA, alongside continuing to support Te Ara Kotahi, our Māori strategy, while following Government policy.

**Naming conventions**

- The name Waka Kotahi was gifted to the organisation at the time of formation and included with a trademark registered on 1 August 2008, the day on which the organisation was established from the merger of the former Transit NZ and Land Transport NZ. The legal name of the organisation under the Land Transport Management Act has always remained 'New Zealand Transport Agency'.
- With the recent change of Government we are now taking appropriate steps to give effect to the policy of the new Government that public service organisations should have their primary name in English. NZTA has received a verbal request from the Minister to use English first in its name. We have taken some initial steps to give effect to this request while we await the all-of-government guidance to fully understand the extent of the requirements.
- We are taking a staged approach to this and have already updated some templates. An updated logo has been designed in house to minimise costs. We do not anticipate rebranding our offices and vehicles at this stage. The updated logo will be used for anything new, or when existing signage/branding needs updating or replacing.

## Clean Car Discount

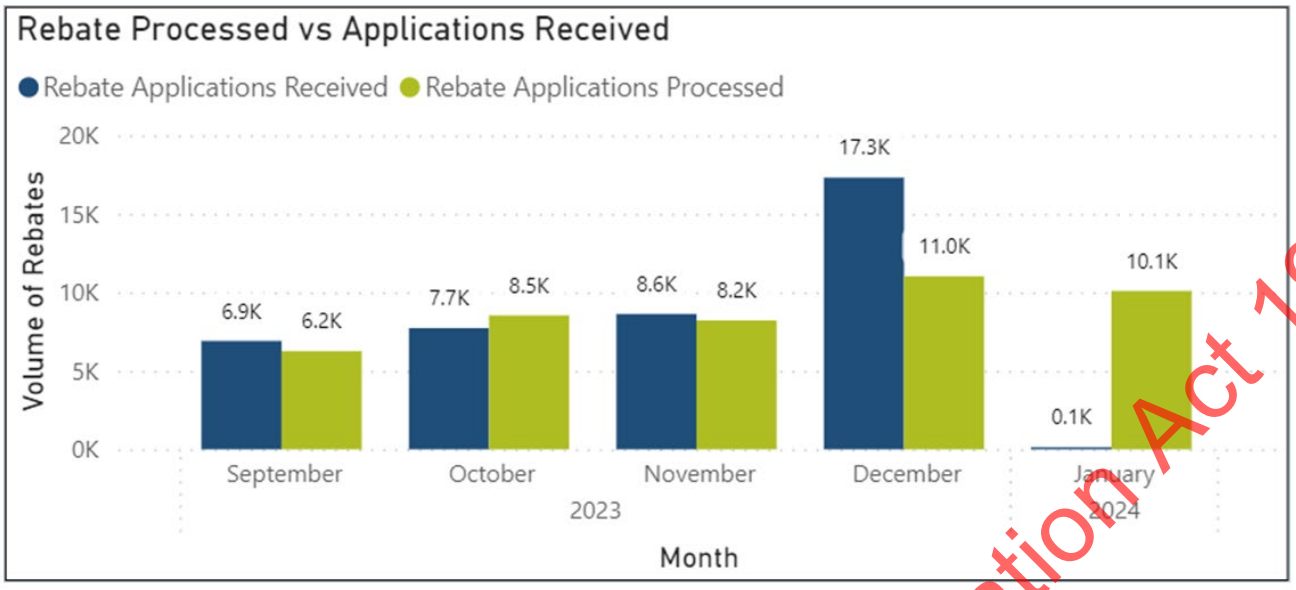
- As a result of the CCD scheme's repeal as per the policy of the new Government, the CCD was successfully closed to the public on 1 January 2024.
- Over the life of the scheme (1 July 2021 to 31 December 2023) 192,082 vehicles were paid rebates totalling $616m dollars.
- Over the same period 128,278 vehicles generated a fee totalling $297m.

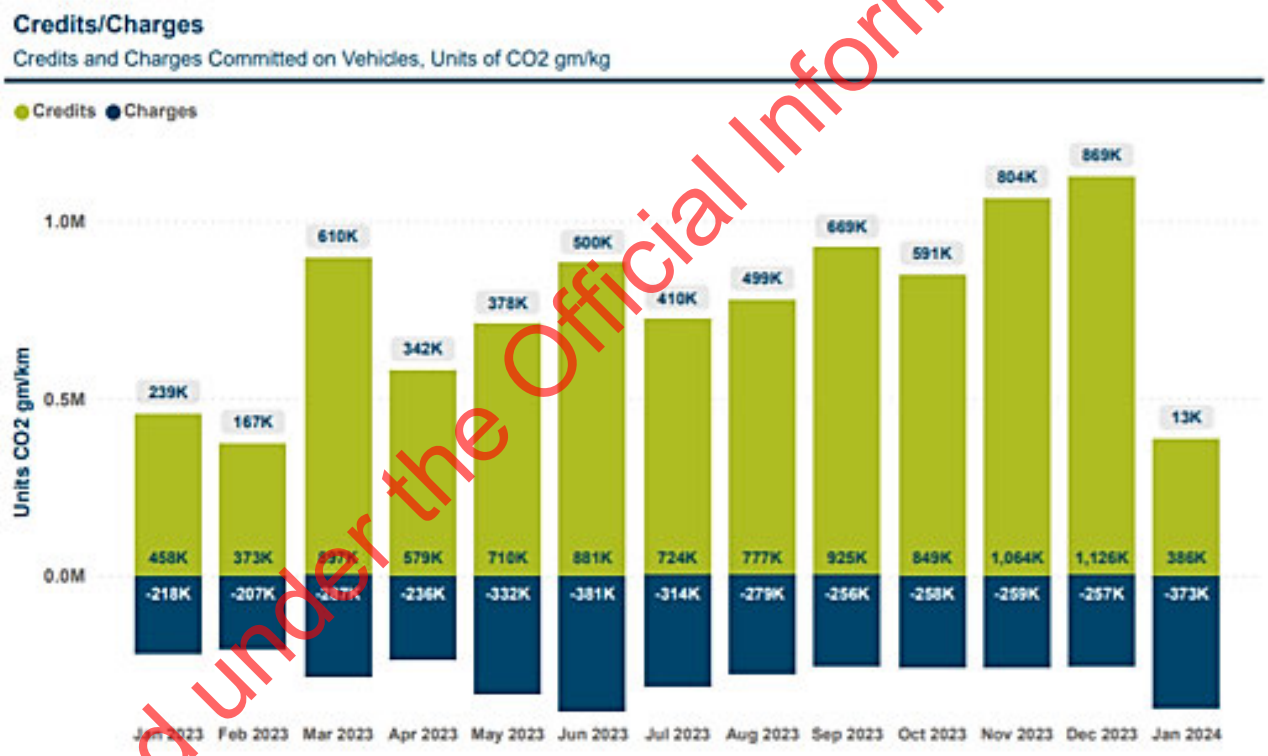
- The Clean Car Discount (CCD) was designed to incentivise the uptake of low emission vehicles by paying rebates to buyers of low emission vehicles and charging fees to purchasers of higher emitting vehicles.
- As a result of the CCD scheme's repeal as per the policy of the new Government, the CCD was successfully closed to the public on 1 January 2024.
- NZTA has completed the assessment of all rebate applications and has paid the last of these. The remaining elements of the scheme administration are now in the process of being wound down.
- Over the life of the scheme (1 July 2021 to 31 December 2023) 192,082 vehicles were paid rebates totalling $616m dollars.
- Over the same period 128,278 vehicles generated a fee totalling $297m.

## Clean Car Standard

- Since inception (1 January 2023 to 28 January 2024) 155,253 vehicles have generated a credit, 1,260 have been neutral, and 112,779 vehicles have generated a charge.
- Low emission vehicle registrations were up 64% on 2022 and the average CO2 emissions (denoted by CO2g/km) of light vehicle imports has dropped from 164g/km in 2022 to 136g/km in 2023.

- The Clean Car Standard (CCS) seeks to increase the quantity and supply of low and zero emission vehicles entering New Zealand. Importers generate credits or incur charges based on the weight and CO2 emissions data of the vehicles they import.
- These obligations are managed within the CCS system which has been built and is now fully operational.
- As of 28 January 2024, 4,741 individual Importer accounts have been opened in the CCS system with 2,820 accounts having had vehicles imported to date.
- Since inception (1 January 2023 to 28 January 2024) 155,253 vehicles have generated a credit, 1,260 have been neutral, and 112,779 vehicles have generated a charge.
- Low emission vehicle registrations were up 64% on 2022 and the average CO2 emissions (denoted by CO2g/km) of light vehicle imports has dropped from 164g/km in 2022 to 136g/km in 2023.



# National Ticketing Solution

- The National Ticketing Solution is a convenient, reliable and cost-effective solution aimed at providing more ways for customers to pay for public transport.
- We are on track to delivering a solution for Environment Canterbury in late 2024. The programme is focussed on delivery for phase 1 in 2024 which includes standing-up the new shared services organisation and the implementation of the NTS in Canterbury.
- The total cost of the programme is $1.338 billion over a 14-year period. This includes the initial procurement and implementation costs, as well as ongoing operational costs for a period of 10 years.

**Work done to date:**

- The National Ticketing Solution is a convenient, reliable and cost-effective solution aimed at providing more ways for customers to pay for public transport. Customers will be able to choose what payment method works best for them. They will be able to pay for public transport using contactless debit or credit cards, as well as digital payment methods like Apple Pay or Google Pay, while still offering the option of using a pre-paid transit card. The NTS will increase people's ability to travel safely, easily and independently, leading to more people using buses, rail and ferries more often.
- A participation agreement between NZTA and 13 Public Transport Authorities (PTAs) was negotiated over two years and executed in October 2022. This agreement sets out the governance, funding, and operational arrangements to implement and manage the NTS programme over the next 14 years.
- An international procurement process was undertaken between 2019 and 2022 to select our delivery partners. Contracts with these partners were executed between October 2022 and July 2023:
    - Cubic Transportation System, based in San Diego, USA, as the ticketing solution provider
    - Mastercard, as the transit card provider
    - ASB Bank, as the merchant acquirer
    - Activata NZ Ltd, as the retail network manager.
- Research over the last three years has identified a range of customer insights that support improvements to ticketing. These include a low perceived effort in using bank issued cards, an expectation of always receiving best value fares, and a system that is easy to understand and use supported with good education. With advances made in adoption of contactless payments, especially post-COVID, there is a strong consumer interest in utilisation of the same technology for ticketing payments, which this programme supports.
- Activity in 2023 has been focussed on the detailed design and build of the solution. This phase has included technical configuration, change impact assessments, as well as work to understand the needs of various customer groups and communities (for example, people with disabilities, students, lower socio-economic groups, infrequent public transport users, Māori / iwi). Specific strategies will be deployed as needed to ensure a successful transition for all customer groups and stakeholders.
- NTS is on track to deliver initial trials into Environment Canterbury in late 2024. The programme is focussed on delivery for phase 1 in 2024 which includes standing-up the new shared services organisation and the implementation of the NTS in Canterbury. A future-phase workstream has been established to work concurrently on planning subsequent regional launches.
- The total cost of the programme is $1.338 billion over a 14-year period. This includes the initial procurement and implementation costs, as well as ongoing operational costs for a period of 10 years. The total budget includes:

- $474 million for the ticketing solution (Cubic) for solution implementation and ongoing operational support.
- $204 million for Financial Service Providers (e.g., banking services, prepaid card provision, retailer network management).
- $359 million for additional costs to the 13 PTAs (e.g., staff and transition expenses).
- $196 million to run the shared services organisation to manage and support the NTS.
- $106 million for contingency across all components for cost increases or additional unexpected programme costs arising over the whole term.

**2024 and Future Focus**

- Our partners are working on configuring the solution which will be ready for testing in mid-2024.
- We're currently working with Environment Canterbury on detailed planning for their implementation in 2024. An important consideration for setting go-live dates for Canterbury and subsequent regions, is ensuring both technical readiness and customer readiness to enable a smooth, successful customer transition. s 9(2)(g)(i) [redacted]
- We're also working with the other PTAs on their planning and design for their subsequent implementations.
- We're working with Auckland Transport (AT) to enable early adoption of 'open loop' credit and debit card payments on their public transport services. This will provide early benefits for customers and will reduce any adverse customer experience risk of fully transitioning AT to NTS in 2026. The 'open loop' initiative was announced publicly in June 2023, to be rolled out within 12 months.
- s 9(2)(f)(iv) and s9(2)(g)(i) [redacted]

## Temporary Traffic Management (TTM)

- NZTA procures Temporary Traffic Management (TTM) not as an individual item, but as part of a work activity. (i.e. a piece of work will be tendered and TTM is one of the costs alongside materials, labour, plant etc.)
- The rates for the piece of work tendered are tensioned at the time of tender. This is not just from a competitive bidding perspective, but also internally from NZTA estimators and engineers pricing the work to ensure the bids for the work are competitive and value for money.
- TTM costs for cyclic activity are generally a higher percentage of total costs then for renewal activity. This is due to the relatively low cost of materials with cyclic works e.g. filling a pothole is a much simpler, cheaper activity than a renewal. Therefore, the % of TTM is higher for cyclic activities than for renewals and capital works.

- NZTA procures Temporary Traffic Management (TTM) not as an individual item, but as part of a work activity. (i.e. a piece of work will be tendered and TTM is one of the costs alongside materials, labour, plant etc.) **We are therefore unable to separate the costs for raised pedestrian crossings, speed tables etc from the overall cost of a project.** The rates for the piece of work tendered are tensioned at the time of tender. This is not just from a competitive bidding perspective, but also internally from NZTA estimators and engineers pricing the work to ensure the bids for the work are competitive and value for money.
- Since its introduction and subsequent revisions/updates over the years, the Code of Practice for Temporary Traffic Management (CoPTTM) is very prescriptive on how TTM needs to be carried out and tells our suppliers exactly what TTM is required. Contractors then determine what amount of TTM is needed based on CoPTTM and the activity type and manage this against all other inputs (materials, labour and plant) to give us their rate for the total activity.
- There is significant variation in the percentage of TTM costs between different activity types:

<u>Capital Works Indicative range:</u>

| | Capital Works | |
|---|---|---|
| | Brownfield | Greenfield |
| Level 1 | 4-12% | 3-8% |
| Level 2 / 3 | 8-12% | 5-10% |

- *Note: Level 1 a low to medium-volume road with guideline annual average daily traffic (AADT) counts of less than 10,000 vehicles per day (vpd) on rural roads and less than 15,000vpd on urban roads.*
- *Level 2 a high-volume road designated with guideline annual average daily traffic (AADT) counts of 10,000vpd or more on rural roads and 15,000vpd or more on urban roads.*
- *Level 3 a high-volume, high-speed, multi-lane road or motorway and with an annual average daily traffic (AADT) greater than 10,000 vehicles per day (vpd).*
- With respect to Capital works, the fundamental difference in cost between greenfield and brown field works is the proximity to, and interaction with the existing road network. Typically, a brown field project is adjacent to an existing network and may require temporary diversions or realignment of existing carriageways, (e.g. bridge upgrade, road widening or realignment improvements, safety improvement – wire rope, etc.), compared to a greenfield project that may only have 2 to 3 points of interaction with existing networks (e.g. motorway extension, roundabout connection of a subdivision to existing network, etc.).
- Please note that the value of the TTM can be substantial in dollar value when compared to maintenance i.e. the cost value of the physical works on Capital Projects is substantially higher than maintenance works.

Maintenance Indicative range:

| | NOC Activity | | |
|---|---|---|---|
| | Cyclic | | |
| | On foot | Machine | |
| | | General | Road-marking |
| Level 1 | 12-18% | 17-21% | 28-34% |
| Level 2 / 3 | 28-32% | 30-34% | 40% |

- *Examples of cyclic activities are inspections, filling potholes, repairing/cleaning signs, litter collection, road sweeping, road marking*
- The range reflects that the scope of resources employed to undertake TTM for a cyclic activity, may be less or more on one contract compared to another, depending on specific network conditions in that region.
- TTM costs for cyclic activity are generally a higher percentage of total costs then for renewal activity. This is due to the relatively low cost of materials with cyclic works e.g. filling a pothole is a much simpler, cheaper activity than a renewal. Therefore, the % of TTM is higher for cyclic activities than for renewals and capital works.

Renewals Indicative range:

| | NOC Activity | | | | |
|---|---|---|---|---|---|
| | Routine | Renewal | | | |
| | | Reseal | Reseals including 48hr Post Seal Traffic Management | TAC | Rehab |
| Level 1 | 23-28% | 6% | 22% | 13% | 7-16% |
| Level 2 / 3 | 30-35% | 8% | 28% | 15% | 10-18% |

- *Routine works were grouped in general as pavement construction works such as dig outs, stabilising, second coat seals, crack sealing.*
- *Renewal categories are split between Reseals, TAC (Thin Asphalt Concrete), Rehab (*Pavement rehabilitation)
- Rehabs have a variable range as the TTM required is highly dependent on treatment type. A Structural Asphaltic Concrete (SAC) has a shorter construction duration than a Foam Bitumen Stabilised (FBS) site which has a shorter duration than a granular bound or unbound pavement site. In addition, the granular and FBS sites require holding TTM measures outside construction work hours.

# Accelerating Digital

- We are two years into a significant programme of work to modernise our systems, improve our security position, digitise our interactions and make it possible to price and manage the system more effectively.
- In line with the Government's strategy for a Digital Public Service, there is significant opportunity to digitise many of our services and interactions with the New Zealand public including Digital Licences, the NZTA app, and in-vehicle technology solutions.

**The future digital transport ecosystem**

- Accelerating digital is a key strategic priority for NZTA.
- We are two years into a significant programme of work to modernise our systems, improve our security position, digitise our interactions and make it possible to price and manage the system more effectively.
- We are building digital capability that will provide an enduring digital ecosystem for land transport that will be flexible to Government requirements, provide scalability and value for money – all while meeting the needs of land transport users.

**Digital enabled programmes**

We continue to make progress on a number of strategically significant, digitally enabled programmes, that will provide critical platforms for the transport sector, including:

- **National Ticketing Solution (NTS)** - we have successfully partnered with Cubic Transport Ltd, and moved into detailed design and build of a solution to provide more ways for customers to pay for public transport. The first pilot will begin in 2024 in Canterbury, with all other regions transitioned by 2026.
- **Safety Camera Technology and Operations -** we are working closely with Police on the transfer of the management of speed cameras and have started initial expansion across the network with 24 additional safety camera sites constructed or in progress, and a further 27 sites expected by the end of the financial year. A static 'spot speed' camera went in to test mode in Kawakawa in August 2023 and a pair of point-to-point cameras went into test mode in Auckland in January 2024.
- **Tolling Back Office System –** we are developing a new fit for purpose solution for processing toll trips and collecting payments, while improving functionality for our back office teams. The project is now delivering in phases, which will enable NZTA to realise value sooner and reduce our risk. The new system will go-live in 2025 and will integrate with the NZTA App and offer future functionality for congestion charging.

**Future focussed priorities**

In line with the Government's strategy for a Digital Public Service, there is significant opportunity to digitise many of our services and interactions with the New Zealand public, including:

- **NZTA application** – from March 2024 customers will be able to use this app to interact with NZTA. Initial releases will feature driver licence details and vehicle data, with additional releases over 2024 including RUC and rego payments and in-app messaging.
- **Digital Driver Licence** – this will be a digital form of licence built to international standards so that it can be verified locally and overseas. Legislative change is required to support a Digital Driver Licence. Overtime, it will be integrated with the NZTA app.
- **In-vehicle technology solutions** – this technology can integrate with other technology platforms for a more connected land transport system. Over time, this should reduce the need for physical infrastructure investment.

# Camera System (CS) Programme

**Overview**

- The CS is focused on the transfer of the management of speed cameras from Police and initial expansion across the network.
- New Zealand under-uses cameras for enforcement and our systems are out-of-date. The current Police system does not have capacity to cope with increasing internal and external volume and is not capable of processing new technology.
- In 2022, the NZTA Board approved $159.2 million for the CS Programme under the 2021-24 National Land Transport Programme (NLTP).
- We are seeing significant speed reductions at the eight new camera sites that NZTA installed on Auckland Transport (AT) local roads.
- By 30 June 2025, NZTA will have approximately 200 cameras on the network:
    - 150 NZ Police and city council cameras and operations, and the mobile safety camera service
    - 51 additional camera sites approved for NLTP 2021-24
- NZTA's role as the land transport regulator allows it to leverage camera technologies (CCTV, tolling, congestion charging, use of public transport lanes) to make the land transport system more efficient and effective, support economic growth and safer.

The CS is focused on the transfer of the management of speed cameras from Police and initial expansion across the network. This includes developing new legislation, implementing new technology (including a modernised, automated infringement processing system), wide-ranging organisational change across NZTA, the transfer of functions between organisations and the nationwide rollout of infrastructure on both state highways and local roads. These foundations provide the ability for future expansion and integration with other road safety compliance activities.

**Benefits**

- Compared internationally, New Zealand under-uses cameras for enforcement and our systems are out-of-date. The current Police system does not have capacity to cope with increasing internal and external volume and is not capable of processing new technology.
- **NZTA's role as the land transport regulator allows it to leverage camera technologies (CCTV, tolling, congestion charging, use of public transport lanes) to make the land transport system more efficient and effective, support economic growth and safer.**
- The camera system will contribute to the digitisation of transport services which will improve compliance, safety and congestion, and data automation.
- Cameras are part of an integrated approach to road safety including road design, maintenance, vehicle improvements and speed management.

**Investment**

- In 2022, the NZTA Board approved $159.2 million for the SCS Programme under the 2021-24 National Land Transport Programme (NLTP).
- The investment scenarios present significant benefit-cost ratios (BCRs) of between 2 to 3.
- This year's Programme budget is $60m and is on track.

**Current stage**

- The Programme is in foundational build stage, which is creating the underlying technology, systems, processes and people, and preparing to commence transfer of Police cameras.
- We are working closely with Police on the transfer of Police camera responsibilities and how both organisations will operate cameras simultaneously over the transfer period. Police personnel will not be transferred to NZTA, however early notification of opportunities will be provided to impacted staff.
- We are seeing significant speed reductions at the eight new camera sites that NZTA installed on Auckland Transport (AT) local roads.
- Two cameras have been installed on Matakana Road (another AT local road) and will operate in test mode as a P2P corridor.

**Key dates**

| | |
|---|---|
| **First camera (Kawakawa) switched to enforcement mode** | Targeting Apr 2024 |
| **Second camera (Matakana) switched to enforcement mode** | Targeting July 2024 |
| **Police fixed site transfer** | Jul 2024 - Jun 2025 |
| **Police mobile camera transition** | Jan – July 2025 |

By 30 June 2025, NZTA will have approximately 200 cameras on the network:

- 150 NZ Police and city council cameras and operations, and the mobile camera service
- 51 additional camera sites approved for NLTP 2021-24

**Types of cameras and signage**

- **Static, red-light, and average-speed** which will be well sign-posted and located primarily on open roads in carefully considered and selected high-risk areas. (Average speed cameras can reduce crashes by up to 56%, compared to 20% for static.)
- **Mobile cameras** will not be sign-posted, providing an 'anytime, anywhere' deterrence.

**Next steps for cameras**

- Through to 30 June 2024, 27 sites have been identified across static, average speed and red-light cameras for discussion with regions. Beyond 30 June 2024, expansion will be based on the Government's road safety strategy.

**Other opportunities**

- Enforce the use of seat belts and mobile phones should legislation be enabled.
- Use of cameras for broader road safety compliance monitoring and enforcement activities, such as WOF, COF, RUC (requiring some legislative change)

**Public perceptions of NZTA and camera enforcement**

- Customer testing of infringement notices highlighted that many road users do not think of NZTA as an enforcement agency, and so public perceptions of NZTA will change as it starts issuing over one million infringements per year. Careful public education and clear messaging will be in place to address this.

**Timings and confidence**

- The operation of cameras requires the implementation on complex systems and processes that meet rigorous security and privacy requirements.
- NZTA is moving as quickly as possible but also wants to take the time required to ensure that robust systems and processes are in place.
- NZTA is confident that assurance, audit, security and privacy requirements will be met.
- NZTA is on track to commence infringing off the first halo camera located in Kawakawa before mid this year and commence the transfer of NZ Police cameras from mid this year.

**Automation and AI**

- What is important is we deliver a camera system which is efficient and effective.
- Our legislation allows for NZTA to use automated enforcement.
- Over time we are likely to move to high levels of automation in order to drive increased efficiencies.
- Any adoption of new ways will ensure we need necessary privacy and security. requirements, and that we maintain a high level of integrity in the system – ie accurate determination of whether a speeding or red light offence has taken place.
- Automation tips into AI when a level of intelligence is used in the processing – we will be very focused on Automation opportunities – and any opportunities to deliver efficiencies will ensure that the integrity and security of the system is protected, and we are transparent with New Zealanders around our processes.

**Privacy Impact Assessment**

- NZTA is confident that assurance, audit, security and privacy requirements will be met. NZTA is moving as quickly as possible but also wants to take the time required to ensure that robust systems and processes are in place.
- Privacy Act – we only retain data and information for lawful purposes. For those who are compliant we will only keep their information for the purposes of the administration period to deem them compliant, in which case this information will then be deleted.
- We publish our PIAs as our commitment to being completely transparent with the public.
- We provided visibility of where camera numbers could get to and included high level planning assumptions on what that could look like in our PIA.
- We are working to get in place a camera operation and the foundations to efficiently and effectively support 200 cameras with the ability to scale in the future, subject to the Gov's investment priorities and funding
- NZTA modelling suggests that approximately 800 cameras gives the highest benefit / cost ratio (BCR), where benefits are measured as reductions in deaths and serious injuries (DSI). Based on the model 800 cameras would see some 130 fewer deaths each year.
-

**Infringement revenue**

- Benefits for the cost of the camera system are measured in lives saved and serious injuries avoided, NOT in the number of infringements issued.
- For fixed and average speed cameras we are targeting high risk locations where there is evidence of speeding and crashes.
- All fixed and average speed cameras will be clearly sign-posted because those are the locations that particularly dangerous and we want New Zealanders to slow down so they get to where they need to safely.
- There will continue to be a level of general deterrence – mobile cameras, and continuing police patrols reminding people to not speed.

**Role of cameras and advantage of bringing to NZTA**

- Cameras are one of several tools and approaches that together create an integrated and systemic approach to road safety, including infrastructure and speed management.
- Bringing cameras into NZTA allows for greater integration and alignment with road safety interventions and compliance activities.
- The camera system will also contribute to the broader digitisation of transport services and solutions; where cameras and sensors will improve compliance, data automation, safety and congestion.
- The objective of cameras is to support road safety and also to contribute to positive economic outcomes for New Zealand. This is through the reduced cost of road trauma and burden on our health and third-party insurance systems, and also through improved road network reliability as a result of fewer network delays associated with crashes.
- Cameras are a cost-effective enforcement tool to support speed management and reduce deaths and serious injuries (DSIs). They also free-up road policing personnel to focus on in-person enforcement (RIDS: Restraints, Impairment, Distraction, Speed)
- Average speed cameras are one of four commonly used camera types, along with static, red-light and mobile technologies. When compared to static cameras, average cameras have proven to be significantly more effective and efficient in saving lives, as they enable speed management treatment (via enforcement) along a roading corridor rather than at a single point.
- Treating a corridor lowers the mean speed over a longer road length, resulting in few DSIs, fewer crashes and more predictable driving. This leads to safer and more reliable journey times for both commercial and private road users.
- Average Speed Cameras are seen to be fairer as they allow for drivers to correct their speed over the length of the corridor to avoid an infringement

- While the benefits are compelling there is considerable investment required to support these kinds of cameras numbers. This investment absolutely needs to be lined up against other investments which deliver outcomes for NZs.
- International best practice is that camera enforcement is a mix of site-specific and general deterrence. Site-specific deterrence targets high risk roads and cameras are highly visible to encourage compliant. General deterrence aims at getting divers to slow down generally, through covert “anytime, anywhere” enforcement by mobile safety cameras (and road policing).
- Under Road to Zero a targeted reduction of 40% DSIs by 2030 as compared with 2018 levels was set
- Cameras was expected to contribute to 10% of the 40% reduction, so a 4% reduction in DSIs by 2030
- This was based on modelling which indicated just over 800 cameras could deliver 130 fewer lives per year
- This was deemed to deliver the best benefit cost ration (BCR) with benefits measured in DSI reductions

**Funding**

- NZTA is current managing (preparing for) the transfer of cameras from NZ Police. Alongside this we have funding in this NLTP period through to 30 June 2024 for the roll out of 50 new camera sites
- This funding is for the site selection and construction activities which are currently at varying stages across the 50 sites (including a number of sites not yet confirmed)
- Further funding will be required in NLTP2024-27 to complete the NZ Police camera transition and to operate the 200 camera network (offset by reduced funding to NZ Police under the RSPP as and when transfer activities occur)
- Additional funding for any further camera expansion will also be required

Note, we still need funding in the next NLTP to complete the police transfer and run the operation.

s 9(2)(g)(i)

| Jurisdiction | Cameras per 100,000 population | Road fatalities per 100,000 population |
|---|---|---|
| Sweden | >11 | 2.5 |
| Netherlands | 9.4 | 3.6 |
| France | 7.5 | 5.2 |
| Victoria (Australia) | 6.6 | 3.3 |
| New South Wales (Australia) | 4.7 | 4.6 |
| United Kingdom | 4.2 | 2.8 |
| New Zealand | 2.3 | 7.9 |

## Auckland

- There has been significant progess across the transport network in Auckland over recent years. Funding availability and the capacity of the construction sector to deliver require major investments to be sequenced in multiple decades. Investment needs to also be complemented by levers such as congestion charging and land use planning.
- The Auckland Integrated Transport Plan (AITP) is under development to past Auckalnd Transport Alignment Programme (ATAP) processes. This was initiated by Mayor Brown, with a scope for work agreed with Government in early 2023.
- 'A low carbon , faster, more resilient transport system for the people and goods of Auckland' was agreed as the overall goal for the plan.
- Work to date on the plan includes:
    - Developing a longer term stragetic approach based on this goal
    - Developing a detailed three-year prioritised programme of investments based on a constrained funding environment for both Government and Auckland Council
    - Setting out an approach to the 10-year programme with choices to be made on investments across a 'base' programme, discretionary programmes and projects and the major city shaping projects

**Auckland Regional Fuel Tax:**

- The Minister has also announced the removal of the Auckland Regional Fuel Tax (RFT). This was outlined as a commitment in the 100-day plan.
- Legislation will be required to implement the removal of the fuel tax. NZTA is continuing to work with the Ministry of Transport to determine details of this, including our role on continuing to administer and audit rebate claims after the scheme has been closed out.

## Koha Policy

- Koha is given in addition to an invoice for service such as hire fees and catering costs, assocuated with hui on marae.
- It may also be appropriate to provide a koha for one-off cultural services, including skills and expertise, karakia and blessing ceremonies.
- All circumstances where koha may be given are done in accordance with the NZTA Koha and payments for advice and cultural services policy.
- Advice must be sought from the Regional Pou Ārahi or Senior Manager Māori prior to giving koha, and the koha must be signed off by the relevant manager prior to it being given.
- NZTA also follows a sensitive expenditure policy to ensure we spend public money appropriately and responsibly.
- All spending undertaken by NZTA must be consistent with the accountability and responsibility standards the public expects of public servants using taxpayer money.

## Bitumen

- NZTA actively monitors the quality of bitumen imported in New Zealand, through compliance with our technical specifications and via relationships with reputable refineries that are recognised for using crude oil feedstock.
- NZTA sets the standard in its technical specifications, including physical characteristics, and it is the responsibility of the importing organisations to meet the specified requirements.
- In 2023, NZTA completed a strategic review of the bitumen supply chain, following cessation of the domestic onshore manufacturing at Marsden Point.
- The review focused on seeking feedback from the industry on local and international market conditions, risks, and opportunities associated with four key outcomes – future security of supply, quality of supply, competitive market and pricing, and fair access.
- Quality of imported product was not identified as a high risk in the review. NZTA has been operating a robust bitumen quality monitoring framework for many years that all importers must comply with to supply bitumen for use on the New Zealand state highway network and our Council partners also require this for their local roading networks. Applications from suppliers (refineries) are made to NZTA and may be granted after the agency is satisfied the published specification has been reached. All bitumen imported must comply with the NZTA M01 specification requirements on landing in the country, and again demonstrate compliance once it reaches the importer shore terminals and tanks.
- NZTA is not aware of any quality issues with imported products. The switch to the 100 percent import model in 2021 has been smooth.
- Reported issues around pavement failure are context specific, such as water seepage.