

Pūrongo ā-tau a te Tahua Ikiiki Whenua ā-Motu National Land Transport Fund annual report

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

For the year ended **30 June 2021**



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Tirohanga whānui o te tau 2020/21

Overview of
2020/21



He tirohanga whānui nā te heamana me te pou whakahaere

Koinei te tau whakamutunga o te Kaupapa Ikiiki Whenua ā-Motu 2018–21 (NLTP). He wāhanga nui tō te NLTP ki ngā kaupapa matua rautaki a te kāwanatanga me ngā putanga wā roa e ai ki te Tauākī Kaupapa Rautaki a te Kāwanatanga mō te ikiiki whenua (GPS) 2018. I oti ngā whakapaitanga hira ki te pou tarāwaho tikanga whakatau mō te haumitanga mō te pūnaha ikiiki whenua kia whaihua ake ngā moni ka whakapaua mā te haumitanga a te Tahua Ikiiki Whenua ā-Motu (NLTF).

E haumi ana a Waka Kotahi ki te NLTF i roto i te NLTP mā te Karauna, ā, e whakaratoa ngātahitia ana te NLTP e Waka Kotahi, ngā kaunihera me ētahi atu whakahaere kua whakaaetia. Ahakoa he nui ngā whakapātari i pā ki a Waka Kotahi me ana pātui whakarato nā te mate urutā KOWHEORI-19 i te ao, i tutuki i te NLTP 2018–21 tētahi wāhanga nui mō te whakatutuki i ngā whāinga a te kāwanatanga mō te pūnaha ikiiki whenua.

Kua tīmata te whakatinanatanga o te Rori ki te Kore, te rautaki haumaruru rori ā-motu a te kāwanatanga, ā, kua hangaia tana pou tarāwaho putanga. I ū te Tere Rori ki te Kore me te Kaupapa Hanganga, he kaupapa mahi ngātahi mō te whakaiti i ngā matenga me ngā wharanga kino, ki tōna whāinga mō te whakaiti i te maha o ngā matenga me ngā wharanga kino i matapaetia.

**Kua tata te hoki o ngā eke
ki runga ikiiki tūmatanui
i ngā wāhi tāone ināiane
ki ngā taumata i mua o te
KOWHEORI-19.**

I hangaia ngā mahere mō ngā momo haerenga hou mō ngā momo neke kaupapa mō Tāmaki Makaurau, Ōtautahi, Te Whanganui-a-Tara, Kirikiriroa, Tāhuna me Tauranga. I haumi a Waka Kotahi ki te 83km o ngā whakaurunga hīkoi me te eke pahikara i te 2020/21, me te 13.5km mā te Kaupapa Eke Pahikara Tapatāone.

I mahi haere tonu te ikiiki tūmatanui i roto i ngā rāhui o te KOWHEORI-19, ā, i tuku tautoko pūtea atu anō a Waka Kotahi mō ngā ratonga ikiiki tūmatanui hei whakangāwari i ngā pānga o te KOWHEORI-19 ki ngā kaunihera.

Ahakoa he pai te anga whakamua i te maha o ngā haumitanga rawa nui, i raru ngā pānga o te KOWHEORI-19 (tae atu ki te mekameka ratonga aowhānui) te anga whakamua o ngā kaupapa mahi maha. He nui tonu ngā angitu, tae atu ki te whakaotitanga o te whakarauoranga o Kaikōura i te 2021. He mea nui te kaha o ngā pātuitanga i waenga i a Waka Kotahi, te pātui Tiriti o Waitangi Te Rūnanga o Kaikōura, me Te Kaunihera o Kaikōura i roto i tēnei. I anga whakamua hoki Te Ahu a Tūranga, te kaupapa huarahi matua o Manawatū-Tararua, i whakatakoto i ngā taumata hou mō te hauora, haumaruru me te oranga o ngā kaimahi, ngā pātuitanga iwi me ngā putanga ā-iwi.

I te 2021, i whakamanahia e te Poari o Waka Kotahi te NLTP 2021–24. Ka haumi ki tētahi rārangi mahi matawhānui mā tēnei NLTP hei whakarato i te GPS 2021 me te whakatutuki i ngā whakaritenga o te Land Transport Management Act 2003 i menemanatia, ā, kia nui hoki te neke o ngā momo haerenga hou, te rēra me te huringa āhuarangi. Ka whakamōrahitia e te NLTP 2021–24 ngā angitu o ngā tau o mua, tae atu ki te whakarewatanga o te Rori ki te Kore me ngā haumitanga kua oti i a mātau mō ngā momo haerenga hou me te ikiiki kōmitimiti me te whakamahere mokowā, ā, ka āwhina kia pai ake ō tātau tāonenui hei wāhi noho me te whakaiti i ngā tukunga waro.

He nui atu anō ngā mahi a Waka Kotahi, ana pātui paetata me Te Manatū Waka ki te whakarite ka pēhea te whakamahi a ngā pūtea ikiiki whenua i roto i ngā whāinga āhuahira huringa hou a te kāwanatanga, me te ū kia taurite te haumitanga puta noa i ngā kaupapa matua katoa o te GPS 2021. I te mea ka whai pānga te neke ki tētahi pūnaha ikiiki waro iti ki te pūtea e wātea ana ki te NLTF (hei tauira, tāke penehīni) me uru tēnei ki roto i ngā whiriwhiringa ka pēhea te utu i ngā haumitanga ki te whakangāwari i te huringa

āhuarangi me te urutaunga i roto i te wā paetata ki pae tawhiti. He mea hira nā ngā pānga haere tonu o te KOWHEORI-19 mō te NLTF. I te mea i āhua ōrite ngā moni whiwhi i te NLTP 2018–21 ki tērā i matapaetia i mua o te KOWHEORI-19 nā ngā tautoko a te Karauna, kei reira tonu ngā mōrea ki te pūnaha ikiiki whenua me te ōhanga whānui, i kitea tēnei i te noho rāhui taumata 4 KOWHEORI-19 ā-motu tuarua i te Ākuhata 2021.

He mea waiwai ngā pātuitanga whaitake, tōkeke me te kāwanatanga me ngā pātui whakarātonga ngātahi.

Ka mahi tonu a Waka Kotahi ki te taha o Te Manatū Waka me ōna pātui paetata ki te urupare ki ēnei whakapātari me te tautuhi i ngā rongoā whai pūtea ukauka. Mā tēnei, me taurite te paiherenga o Waka Kotahi ki ngā whāinga huringa āhuarangi a te kāwanatanga me te haumitanga tōtika hei whakarato i ngā kaupapa matua GPS 2021. He mea waiwai ngā pātuitanga whaitake, tōkeke me te kāwanatanga, ngā pātui whakarātonga ngātahi, ā, me ētahi atu tari kia taea ai tēnei tauritenga.

E pūmau ana a Waka Kotahi ki te whakatutuki i ōna herenga hei hoa pātui i raro i Te Tiriti o Waitangi me te tautoko i ngā wawata a te Māori.

E pūmau ana a Waka Kotahi ki te whakatutuki i ōna herenga hei hoa pātui i raro i Te Tiriti o Waitangi me te tautoko i ngā wawata Māori mā te haumi ki te pūnaha ikiiki whenua. I wā o te NLTP 2018–21, i whakapau kaha a Waka Kotahi ki te whakakaha i ōna pātuitanga me te Māori puta noa i ngā hanga mahere, haumitanga me te whakarato i te pūnaha ikiiki whenua. E arahina ana a Waka Kotahi e Te Ara Kotahi, ka whakarato i te ahunga rautaki a te whakahaere mō te mahi tahi me te urupare ki te Maori.

Ahakoia he nui ngā whakapātari kei mua i te aroaro, e pūmau tonu ana a Waka Kotahi ki te whakatutuki i tāna mahi ki te haumi ki tētahi pūnaha ikiiki whenua tōtika, kakama me te haumaruru mō te painga o te iwi whānui. Ka mahi tahi a Waka Kotahi me te Māori, ngā iwi me te kāwanatanga me ōna pātui whakarātonga ngātahi ki te whakarato i ngā kaupapa matua o te GPS 2021, te haumi kia pai ake te haumaruru, te tuku i ngā kōwhiringa hāereere pai ake, te whakarite i te huringa āhuarangi me te whakapai ake i ngā hononga utanga. Ka taea e tātau, te hāpai ngātahi i te matakiteanga a te kāwanatanga mō tētahi pūnaha ikiiki e pai ake ai te oranga me te noho pai a ngā tāngata katoa o Aotearoa.



Brian Roche

Sir Brian Roche
Heamana



Nicole Rosie

Nicole Rosie
Pou Whakahaere

Chair and chief executive overview

This year was the last year of the 2018–21 National Land Transport Programme (NLTP). This NLTP made a significant contribution to the government’s strategic priorities and long-term transport outcomes as set out in the Government Policy Statement on land transport (GPS) 2018. Important improvements were also made to the investment decision-making framework for the land transport system to achieve better value for money through investment of the National Land Transport Fund (NLTF).

The 2018–21 NLTP invested in \$3.6 billion in safety-related benefits, \$5.6 billion in access-related benefits and \$1.9 billion in environment-related benefits.

Waka Kotahi invests the NLTF in the NLTP on behalf of the Crown, with the NLTP co-delivered by Waka Kotahi, local councils and other approved organisations. Although Waka Kotahi and its co-delivery partners faced significant challenges because of the global COVID-19 pandemic, the 2018–21 NLTP succeeded in making an important contribution to achieving the government’s objectives for the land transport system.

Implementation of Road to Zero, the government’s national road safety strategy, has begun and its outcomes framework developed. The Road to Zero Speed and Infrastructure Programme, a collaborative initiative to reduce deaths and serious injuries, met its target for reducing the predicted number of deaths and serious injuries.

Mode shift plans were developed for Auckland, Christchurch, Wellington, Hamilton, Queenstown and Tauranga. Waka Kotahi invested in 83 km of walking and cycling facilities over 2020/21, including 13.5 km through the Urban Cycleways Programme.

Public transport continued to operate through the COVID-19 lockdowns, with Waka Kotahi continuing to provide additional funding support for public transport services to offset the impacts of COVID-19 on local councils.

Public transport boardings in main urban areas are now close to pre-COVID-19 levels.

While good progress was made on several significant capital investments, the impacts of COVID-19 (including on global supply chains) impeded progress across multiple projects. Major successes were still achieved, including physical completion of the Kaikōura restoration in 2021. The strong partnerships formed between Waka Kotahi, Te Tiriti o Waitangi partner Te Rūnanga o Kaikōura, and Kaikōura District Council were critical to this. Good progress was also made on Te Ahu a Turanga, the Manawatū–Tararua highway project, which set new benchmarks for worker health, safety and wellbeing, iwi partnerships and social outcomes.

In August 2021, the Waka Kotahi Board adopted the 2021–24 NLTP. An expansive programme of work will be invested in through this NLTP to deliver on GPS 2021, which builds on the government’s balanced transport policy to contribute to a wider range of outcomes. This includes investing in developing a safe and reliable rail network, improving multi-modal options to move people and freight, improving urban form and reducing greenhouse gas emissions. The 2021–24 NLTP will build on the successes of previous years, including the launch of Road to Zero and the investments made by Waka Kotahi in mode shift and integrated transport and spatial planning, which will help make our cities better places to live and reduce carbon emissions.

Waka Kotahi, its local partners and the Ministry of Transport have more work ahead to determine how land transport funding will be used to invest in the government's new climate change objectives, while achieving balanced investment across all GPS 2021 priorities. As moving to a low carbon transport system will affect the funding available to the NLTF (for example, fuel excise duty) this needs to include consideration of how investment in climate change mitigation and adaptation will be funded in the medium to long-term. This is particularly important considering the ongoing impacts of COVID-19 on the NLTF. Although Crown support meant revenue over the 2018-21 NLTP was about the same as the pre-COVID-19 forecast, the risks to the land transport system and wider economy are ongoing, as demonstrated by the second national COVID-19 alert level 4 lockdown in August 2021.

Effective, equitable partnerships with central government and co-delivery partners are essential.

Waka Kotahi will continue to work with the Ministry of Transport and its local partners to respond to these challenges and identify sustainable funding solutions. In doing so, Waka Kotahi needs to balance its commitment to the government's climate change objectives with sensible investment to deliver on GPS 2021 priorities. Effective, equitable partnerships with central government, co-delivery partners and other agencies will be essential to achieving this balance.

Waka Kotahi is committed to honouring its obligations as a partner under Te Tiriti o Waitangi and supporting Māori aspirations.

Waka Kotahi is committed to honouring its obligations as a partner under Te Tiriti o Waitangi and supporting Māori aspirations through investment in the land transport system. During the 2018-21 NLTP, Waka Kotahi worked to strengthen its partnerships with Māori across planning, investment and delivery in the land transport system. Waka Kotahi is guided by Te Ara Kotahi, which provides the organisation's strategic direction for working with and responding to Māori.

While the challenges ahead are substantial, Waka Kotahi remains committed to fulfilling its role of investing in an effective, efficient and safe land transport system in the public interest. Waka Kotahi will work with Māori, iwi, central government and its co-delivery partners to deliver on the priorities of GPS 2021, investing in improving safety, providing better travel options, tackling climate change and improving freight connections. Together, we will contribute to the government's vision of a transport system that improves wellbeing and liveability for all New Zealanders.



Brian Roche

Sir Brian Roche
Chair



Nicole Rosie

Nicole Rosie
Chief Executive

Mō te pūnaha haumitanga ikiiki whenua

About the land
transport investment
system



About the land transport investment system

About this report

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

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

This is the third and final annual report against the GPS for 2018/19 to 2027/28 (GPS 2018).

Statement of performance

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

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National Land Transport Fund

The National Land Transport Fund (NLTF) is a dedicated fund for maintaining and developing local and national transport services. The NLTF is made up of funding from:

- **fuel excise duty** – excise collected at source (fuel shipments and refineries) and recharged in petrol, liquid petroleum gas and compressed natural gas prices
- **road user charges** – charges paid by users of vehicles over 3.5 tonnes manufacturer's gross laden weight and by users of vehicles using diesel or another fuel not taxed at source
- **motor vehicle registry fees** – registration and licence fees paid by public road users to access the road network
- **state highway property rental and sale** – rentals and other charges on state highway property and from the sale of land surplus to transport requirements
- **surplus and short-term debt movement** – use of surplus from a previous NLTF and movement in short-term debt.

The NLTF is a partnership between Waka Kotahi and approved organisations.¹ Waka Kotahi assesses and prioritises which activities proposed by approved organisations will be invested in on behalf of the Crown (see page 12 for the Waka Kotahi investment approach).

¹ Approved organisations are regional councils, territorial authorities and approved public organisations (such as the Department of Conservation) with authority to invest local funding on behalf of ratepayers.

Government Policy Statement on land transport

The GPS sets out the government's strategic direction for the land transport system for the next 10 years.

The GPS guides how the NLTF is invested and how activities are assessed and prioritised for regional land transport plans. It also sets out how the government intends to use land transport funding to realise its long-term transport outcomes.²

Each GPS identifies a set of activity classes that the NLTF is to be invested in to deliver on the GPS along with a funding range for each activity class. Waka Kotahi works with the Ministry of Transport to identify how to measure investment performance for each activity class (activity class measures).

Performance against activity class measures and expenditure is reported in the NLTF annual report each year and quarterly to the Ministry of Transport through the Waka Kotahi performance report. Waka Kotahi also provides detailed annual reporting on the GPS to the Ministry of Transport.

Government Policy Statement on land transport 2018/19–2027/28

The GPS is refreshed every three years, with the GPS 2018 in effect from 2018/19 to 2020/21. GPS 2018 had four strategic objectives: safety, access, environment and value for money. It also described three guiding themes for how Waka Kotahi and its partners should deliver these priorities. These themes were to:

- apply a mode-neutral approach to transport system investment
- use technology and innovation to improve performance
- integrate land use, transport planning and delivery activities.

See page 214 for the GPS 2018 activity classes and *Use of the National Land Transport Fund* (from page 234) for GPS 2018 activity class measure results and expenditure.

Government Policy Statement on land transport 2021/22–2030/31

From 1 July 2021, GPS 2018 was superseded by GPS 2021. The four strategic priorities of GPS 2021 are safety, better travel options, improving freight connections and climate change.

National Land Transport Programme

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

The NLTP is a snapshot of:

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

The NLTF is the primary revenue source for the NLTP and is supplemented by revenue from other sources (see Table 1 for additional revenue streams used to fund the 2018–21 NLTP).

² For more information, see Ministry of Transport, no date, Transport outcomes framework (webpage), www.transport.govt.nz/area-of-interest/strategy-and-direction/transport-outcomes-framework

Table 1: Sources of NLTF funding for the 2018–21 NLTP

Funding source	Description
Local share of NLTP activities	Rates and charges local residents pay for local authority provision of transport infrastructure and services
SuperGold card	Subsidies taxpayers pay through the Ministry of Transport to fund SuperGold card for off-peak public transport travel
Kaikōura Earthquake Recovery Fund	Crown appropriation to fund the reinstatement of SH1 following the Kaikōura-Hurunui earthquake
Housing Infrastructure Fund loan	Crown loan to fund acceleration of roading projects to support high-growth urban development in Auckland, Hamilton, Tauranga and Queenstown
Auckland Accelerated Programme loan	Crown loan to fund acceleration of key Auckland roading projects targeted to reduce congestion
Accelerated State Highway Regional Programme	Crown appropriation to fund earlier delivery of regional state highway projects
Urban Cycleway Programme	Crown appropriation to accelerate delivery of urban cycleways by leveraging NLTF and local funding
Crash Analysis System	Crown appropriation to reflect collection and use of the Crash Analysis System for wider transport sector

Waka Kotahi investment approach

Waka Kotahi has the primary objective under the Land Transport Management Act 2003 to undertake its functions in a way that contributes to an effective, efficient and safe land transport system in the public interest.

Waka Kotahi allocates funding across transport modes to give effect to the GPS and build an affordable, integrated, safe, responsive and sustainable land transport system.

Waka Kotahi works closely with co-investment partners and stakeholders (local communities and national policy makers) to determine the transport solutions that will work best for New Zealand. The following sections describe the Waka Kotahi investment approach.

Investment principles

When considering the best mix of activities to receive investment funding, Waka Kotahi applies the following 10 planning and investment principles to guide its investment decisions.³

- A partnership approach, founded on trust, clarity and accountability, aligns regional and local

investments with Waka Kotahi national priorities to optimise their shared investment and deliver whole-of-network benefits.

- A business case approach supports planning and investing for outcomes, achieves value for money, and supports stakeholder collaboration early in the investment process.
- An integrated approach to land use and transport planning optimises existing and new investments in the transport network, supports access to social and economic opportunities, and fosters liveable cities and thriving regions.
- A whole-of-network approach, targeting areas of greatest need, achieves an optimised, integrated transport network that is fit for purpose and provides best value for money.
- A value-for-money approach delivers the right outcomes, at the right time and at the right cost.
- A risk-based approach ensures risks are considered and managed through the planning to delivery process, including financing, for all transport activities funded from the NLTF.
- The Safe System approach to planning, improving, maintaining, renewing and operating components

³ A new set of investment principles was developed in 2019/20 as part of the review of the investment decision-making framework. These will apply to future NLTP periods.

of the land transport system supports the achievement of a land transport system that is free of death and serious injury.

- A socially and environmentally responsible approach results in land transport investments that improve overall community wellbeing and avoid or mitigate the adverse environmental effects of transport.
- Users of the land transport system who provide revenue into the NLTF will benefit from its investments; other beneficiaries, should pay for the benefits they receive (as a general principle).
- The scrutiny principle is applied when making decisions in respect of land transport and planning and funding and ensures Waka Kotahi gives the same level of scrutiny to its own proposed activities and combinations of activities as it gives to activities proposed by approved organisations.⁴

Assessing investment proposals

The Waka Kotahi Investment Assessment Framework 2018–21 was used to prioritise investment in land transport activities and programmes for the 2018–21 NLTP. Following this prioritisation, Waka Kotahi applied a business case approach to assess investment proposals in accordance with investment policies and requirements.

Primary and secondary benefits were identified for each proposed investment activity and programme in the NLTP. Table 2 identifies the types of safety, access and environment-related benefits identified.

Table 2: *Planned benefits of investments made through the 2018–21 NLTP*

GPS objective	Benefits identified in Transport Investment Online
Safety	Safety, physical health
Access	Access, throughput, reliability, travel time, resilience, comfort and customer experience, financial cost, pricing
Environment	Pollution, noise, greenhouse gases, resource consumption, biodiversity, community cohesion, amenity value

This report describes the amount invested in planned benefits through the 2018–21 NLTP expenditure.

Review of investment decision-making and benefits frameworks

Outcome of the review of the investment decision-making framework

Over 2018/19 and 2019/20, Waka Kotahi and the Ministry of Transport reviewed the Waka Kotahi investment decision-making framework for land transport investments. The review was prompted by changes in the GPS to support a system-based, outcomes-focused and mode-neutral approach to assessing transport interventions. The review resulted in:

- a revised set of investment principles
- new tools for business case development, optioning and assessment
- a new monetised benefits and costs manual and a non-monetised benefits manual
- a new benefits framework
- development of supporting materials to lift the sector’s capability when applying the new investment decision-making framework.

See page 232 for more information on the review.

New benefits framework

The new Waka Kotahi benefits framework aligns with the Ministry of Transport’s Transport Outcomes Framework. A benefits management approach has also been developed to guide how benefit measures are applied, monitored and reported, so all parties understand how and whether benefits are realised from land transport investment.

The 2021–24 NLTP uses the new Waka Kotahi benefits framework to inform investment decisions and measure investment benefits. Table 3 summarises the benefits identified by the new benefits framework and how they relate to the Transport Outcomes Framework.

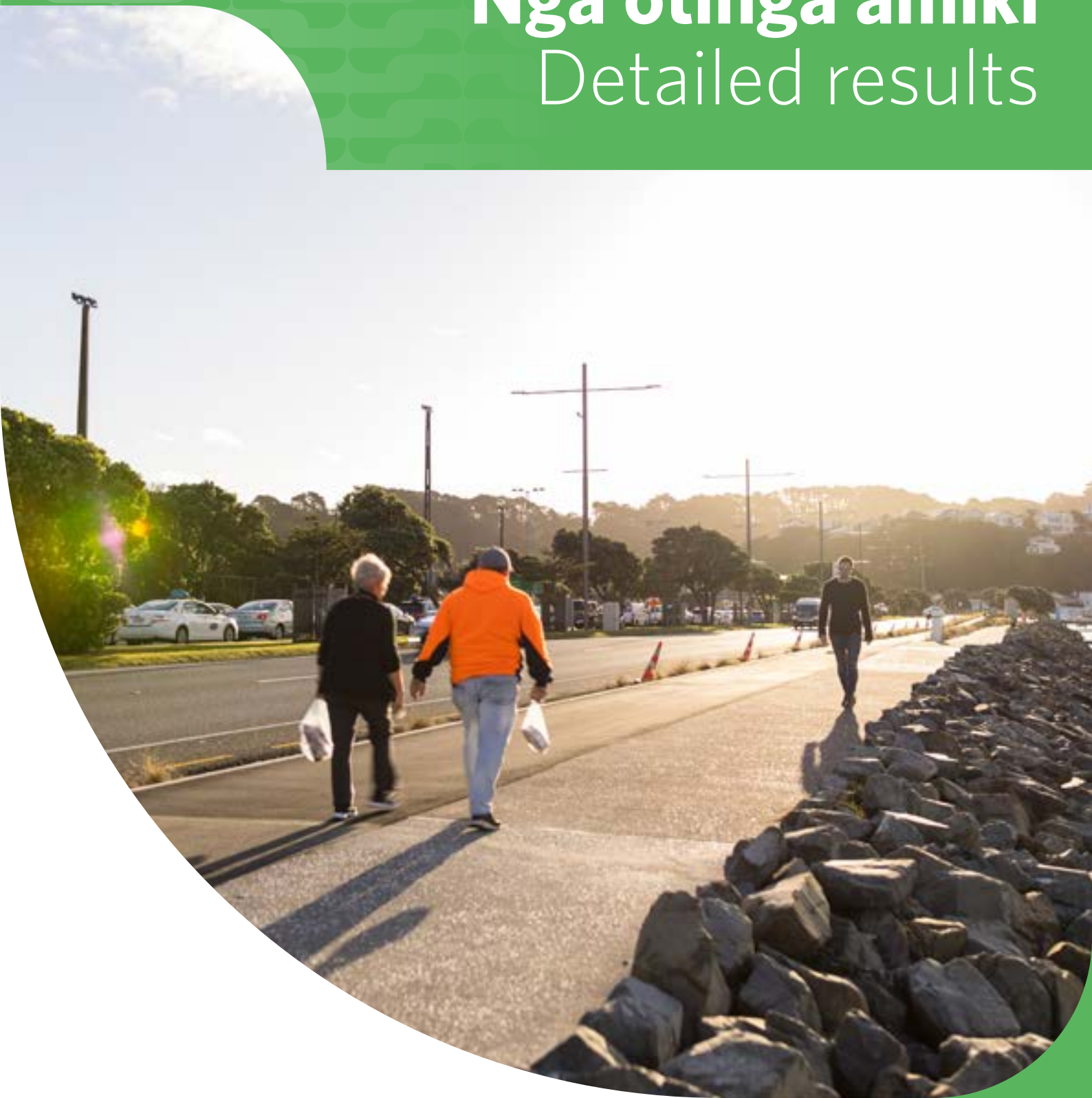
⁴ The scrutiny principle is set out in the Land Transport Management Act 2003 (section 96) and relates to Waka Kotahi decisions on land transport planning and funding under subpart 1 of part 2 of the Act. A report on the implementation of systems and procedures to give effect to the scrutiny principle is included in the Waka Kotahi annual report 2020/21.

Table 3: New benefits framework mapped to the Transport Outcomes Framework

Transport outcome	Related benefits in new benefits framework
Healthy and safe people	<ul style="list-style-type: none"> ▪ Impact on social cost and incidents of crashes ▪ Impact on a safe system ▪ Impact on perceptions of safety and security ▪ Impact of mode on physical and mental health ▪ Impact of air emissions on health ▪ Impact of noise and vibration on health
Inclusive access	<ul style="list-style-type: none"> ▪ Impact on mode choice ▪ Impact on access to opportunities ▪ Impact on user experience ▪ Impact on community cohesion
Resilience and security	<ul style="list-style-type: none"> ▪ Impact on system vulnerabilities ▪ Impact on heritage and cultural values ▪ Impact on landscape ▪ Impact on townscape ▪ Impact on te ao Māori
Environmental sustainability	<ul style="list-style-type: none"> ▪ Impact on greenhouse gas emissions ▪ Impact on water ▪ Impact on land and biodiversity ▪ Impact on resource efficiency
Economic prosperity	<ul style="list-style-type: none"> ▪ Impact on system reliability ▪ Impact on network productivity and utilisation ▪ Wider economic benefit (productivity) ▪ Wider economic benefit (employment impact) ▪ Wider economic benefit (imperfect competition) ▪ Wider economic benefit (regional economic development)

Ngā otinga āmiki

Detailed results



Detailed results

Delivering on the Government Policy Statement on land transport 2018

Safety

Vision Zero is a world-leading ethical transport approach that says it is unacceptable for anyone to be killed or seriously injured while travelling or working on the land transport system. With some of the worst road safety outcomes in the OECD, New Zealand has a long way to go before Vision Zero is achieved. On average, one person is killed every day on New Zealand roads and another seven are seriously injured, with devastating social and economic consequences.

The Government Policy Statement on land transport (GPS) 2018 safety objective targets a land transport system that is a safe system, free of death and serious injury. The 2018–21 National Land Transport Programme (NLTP) aimed to contribute towards achieving this objective by investing in the long- and short-term GPS results shown in Table 4.

For this last year of the 2018–21 NLTP, the government's approach to reducing deaths and serious injuries has been guided by Road to Zero, the government's national road safety strategy. Road to Zero is a 10-year strategy to guide improvement in road safety in New Zealand from 2020. It has an overarching vision of a New Zealand where no one is killed or seriously injured in road crashes (Vision Zero), with a target of a 40 percent reduction in deaths and serious injuries by 2030 (from 2018 levels).

Safety continues to be a strategic priority in GPS 2021, with a focus on developing a land transport system that is free of death and serious injury and a dedicated Road to Zero activity class.

Table 4: GPS 2018 target results – safety

Long-term result	Significant reductions in deaths and serious injuries
Short-term results	<ul style="list-style-type: none">Renewed strategic focus to have the greatest impact on reducing death and serious injury (including developing a new road safety strategy and action plan)State highways and local roads are safer for everyoneCycling and walking are saferEffective enforcement activity to promote safe behaviour by road usersSafer road use through appropriate education and promotion activities and regulatory changes

The following sections summarise:

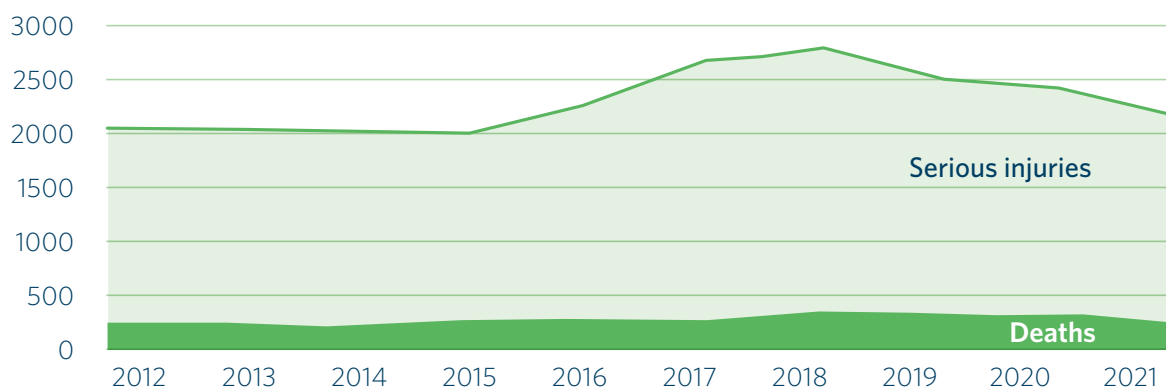
- progress toward long-term GPS results
- investment in GPS results through the 2018–21 NLTP.

Progress toward GPS results

Significant reduction in deaths and serious injuries

In the year to 31 March 2021, there were 2491 deaths and serious injuries from land transport, a decrease of 312 deaths and serious injuries compared to the previous 12 months (Figure 1). Since 31 March however, deaths and serious injuries have begun to rise; as at 30 June 2021, there were 160 more deaths and serious injuries than in the previous 12 months.

Figure 1: Deaths and serious injuries, 2012–2021 (12-month rolling total)



While the COVID-19 lockdowns initially led to fewer road deaths and serious injuries, they also affected delivery of several Road to Zero activities, including the Tackling Unsafe Speeds Programme, Road to Zero Speed and Infrastructure Programme and Road Safety Partnership Programme delivered with New Zealand Police.

The Tackling Unsafe Speeds Programme is being reset after a health check. The new Road Safety Partnership Programme for 2021–24 has been developed with stronger programme assurance mechanisms in place to support improved performance. See pages 28 - 29 for detailed information on these and the Road to Zero Speed and Infrastructure Programme.

Investment in GPS results through the 2018–21 NLTP

The 2018–21 NLTP invested approximately \$3.6 billion in safety-related benefits. See the following page for some of the highlights of the NLTP's investment in safety-related benefits over the last three years.

GPS 2018 result

Investment highlights

<p>Renewed strategic focus to have the greatest impact on reducing death and serious injuries</p>	<p>The launch of Road to Zero in December 2019 reset the government's focus on road safety, targeting five focus areas that have the most impact on reducing deaths and serious injuries: infrastructure improvements and speed management, system management, vehicle safety, road user choices and work-related road safety.</p> <p>In December 2019 the government also released its initial Road to Zero action plan, for 2020–22. Waka Kotahi worked with its road safety partners (the Ministry of Transport, Police, ACC, WorkSafe, and regional and local government) to identify how this action plan would be implemented and what activities to invest in across the five Road to Zero focus areas.</p> <p>In March 2021 Waka Kotahi completed its Road to Zero implementation plan for 2020–22. Implementation of several activities are already underway, including the Road to Zero Speed and Infrastructure Programme. Once published, the 2021–24 NLTP will provide a snapshot of what Road to Zero investment will look like in 2022 and beyond.</p>
<p>State highways and local roads are safer for everyone</p>	<p>Over \$1 billion of safety improvements were made through the Road to Zero Speed and Infrastructure Programme, with the programme exceeding its deaths and serious injury savings target for the 2018–21 NLTP period (168 deaths and serious injuries saved against a target of 160). Safety improvements invested in included implementation of safe and appropriate speeds across 585 km of the state highway network.</p> <p>As described earlier in this report, delivery of the programme's activities was affected by COVID-19, resulting in fewer improvements made than planned over the 2018–21 NLTP period.</p>
<p>Cycling and walking are safer</p>	<p>Perceptions of cycling safety generally improved between 2018 and 2020, with little change to perceptions of walking safety.⁵</p> <p>Investing in dedicated walking and cycling facilities is an important part of making walking and cycling safer. Over 2018–21, \$319 million from the NLTF was invested in walking and cycling.</p> <p>See the Access section (from page 224) for information on walking and cycling investment.</p>
<p>Effective enforcement activity to promote safe behaviour by road users</p>	<p>Over 2018–21, more than \$1 billion from the NLTF was invested in the road policing activity class to fund delivery of the Road Safety Partnership Programme 2019–21. The programme was developed collaboratively by New Zealand Police, Waka Kotahi and the Ministry of Transport and aimed to contribute to achieving the Road to Zero deaths and serious injuries reduction target.</p> <p>The Road Safety Partnership Programme 2019–21 ended in July 2021. For detailed programme results see page 29.</p>

⁵ Results in this section are from the Waka Kotahi Understanding Attitudes and Perceptions of Cycling and Walking survey. Numbers are based on a sample of 2,256 adults aged 18 years and over, living in Auckland, Wellington, Christchurch, Hamilton, Tauranga and Dunedin. Data reported was collected from late May through to the end of June. In 2020, data collection started when the country was COVID-19 alert level 2, transitioning to alert level 1 by the end of May and remaining at Level 1 throughout the rest of the data collection. People's experiences of active modes during lockdown may have influenced their answers to some of these questions.

Safer road use through appropriate education and promotion activities and regulatory changes

Over 2018–21, \$140 million from the NLTF was invested in road safety promotion and demand management. New campaigns launched over 2020/21 included:

- the speed campaign *Apprentice*, launched in November 2020
- the drink driving prevention campaign *Doors*, launched in December 2020
- an active transport campaign targeted at main metro areas, with a focus on being considerate and sharing the road with other users
- a new winter motorcycle campaign was rolled out to build on the current *Respect every ride* initiative.

New drink-driving prevention advertising campaign - Doors

Every year, 400 people continue to be killed or seriously injured in a road crash where the driver was over the legal alcohol limit. While the message to not drink and drive is widely acknowledged, many drivers have become complacent.

Launched on Sunday 6 December 2020, *Doors* is the new drink-driving advertising campaign that targets males aged 25 to 45 who continue to drive after more than a few drinks.

Doors encourages people to recognise the inconvenience of not having their car in the morning is far better than the potential consequences of driving after drinking. The campaign shows the different ways the choice to drive after drinking could play out and reminds people better options are available, wherever they are and wherever they live.

The campaign has been rolled out through television, cinemas, billboards, Facebook, YouTube, video on demand (such as TVNZ), and posters and coasters in provincial pubs.



Access

The access objective of GPS 2018 was about creating a land transport system that:

- provides increased access to economic and social opportunities
- enables transport choice and access
- is resilient.

The 2018–21 NLTP aimed to contribute towards achieving this objective by investing in the long and short-term GPS results shown in Table 5.

The better travel options strategic priority of GPS 2021 continued to focus on providing people with better transport options to access social and economic opportunities, along with a more explicit focus on climate change and improving freight connections.

Table 5: GPS 2018 target results – access

Long-term results	<ul style="list-style-type: none">• Increased mode shift from private vehicle trips to walking, cycling and public transport• More transport choice (including for people with less or limited access to transport)• Metropolitan and high-growth urban areas are better connected and accessible• Improved network resilience for the most critical connections• Better access to markets and business areas and supports tourism• Sustainable economic development of regional New Zealand is supported by safer and better transport connections
Short-term results	For short-term results, see GPS 2018. ⁶

The following sections summarise:

- progress toward long-term GPS results
- investment in GPS results through the 2018–21 NLTP.

Progress toward GPS results

Increased mode shift from private vehicle trips to walking, cycling and public transport

Results from the Household Travel Survey indicate that there has been little change in mode share over the last three years; in 2021, most trips nationwide continued to be by car or van (83.4%), with pedestrian trips the next most common (11.4%).

The proportion of people using public transport and active modes increased marginally, from 15.1% in 2018 to 15.8% in 2021. For more information see the 2020/21 Waka Kotahi annual report.

⁶ See www.transport.govt.nz/assets/Uploads/Report/Government-Policy-Statement-on-land-transport-2018.pdf.

Karangahape Road receives people-friendly upgrade

In June 2021, Minister for Transport Hon Michael Wood and Auckland Mayor Phil Goff joined mana whenua to celebrate the completion of the Karangahape Road Enhancements project. The project was part of the Urban Cycleways Programme, a \$333 million investment to accelerate the delivery of cycling networks in main urban centres.⁷

At the celebration, Mayor Goff said, “It’s fantastic to celebrate the completion of the Karangahape Road upgrade. This is a \$30 million project that has delivered wider footpaths, more street trees, new street furniture, improved lighting and a protected cycleway for K Road”.

The project included widening footpaths to support a better outdoor dining experience for local cafés, two rainbow crossings, native planting, separated cycleways on both sides of the street, bike parking, and improved bus shelters and bus lanes.

“The upgrades to Karangahape Road make an iconic street even better. They mean people can safely walk and cycle in the city, which will help people leave the car at home – reducing congestion and emissions”, Minister Wood said.

The Urban Cycleways Programme ran from late 2014 to 30 June 2021, with 41 of its 54 projects completed and another 11 in construction.⁸ Nine of the 11 projects are forecasting completion by 30 June 2022 and two are forecasting completion by 30 June 2023. See the *Regional highlights* section (from page 247) for the work completed in each region and under way.

Waka Kotahi is completing a final report on the programme, focusing on lessons learned and how they can be used to improve delivery of walking and cycling facilities.



7 Urban Cycleways Programme funding was \$333 million, including \$100 million from the Urban Cycleways Fund. As at 30 June 2021, \$98.6 million of the fund had been spent.

8 Two of the 54 projects were descoped; the Wellington City Council central business district route package and the Christchurch City Council Northern Line Cycleway. Due to significant issues identified through community engagement, the Wellington City Council central business district route package was included in Let’s Get Wellington Moving and its Urban Cycleways Fund allocation was transferred to the other Wellington Urban Cycleways Programme projects. The Christchurch City Council Northern Line Cycleway was put on hold due to significant issues with access to the rail corridor and delays in negotiations between Christchurch City Council and KiwiRail. The Urban Cycleways Fund allocation for this project was redirected to the Rapanui-Shagrock Cycleway.

Investment in GPS results through the 2018–21 NLTP

The 2018–21 NLTP invested \$5.6 billion in access-related benefits. See below for some of the highlights of the NLTP's investment in environment-related benefits over the last three years.

GPS 2018 result	Investment highlights
<p>Improved network resilience for the most critical connections</p>	<p>Physical completion of the Kaikōura restoration was achieved in 2021. This was supported by strong partnerships between Waka Kotahi, Te Rūnanga o Kaikōura, and Kaikōura District Council as well as by the Restoration Liaison Group, Cultural Advisory Group and local community.</p> <p>Good progress is also being made on the \$620 million Te Ahu a Turanga, Manawatū–Taranui highway, which is being built in response to a major slip in April 2017 that left SH3 through Manawatū Gorge impassable. The project has set new benchmarks for approaching health and safety, wellbeing, iwi partnership and social outcomes.</p> <p>In 2020, the National Resilience Programme Business Case was developed, which rates nationally important risks from natural hazards in the land transport system and recommends a programme of system responses to those risks. It is being used to help achieve balanced investment across resilience and other important benefits through the 2021–24 NLTP.</p>
<p>Better access to markets and business areas and supports tourism</p>	<p>Waka Kotahi completed its freight action plan, which will be reviewed after the 2021–24 NLTP comes into effect and again after the Ministry of Transport's national supply chain strategy is released. As borders reopen, tourism will continue to be an important part of the New Zealand economy. GPS 2021 includes a focus on supporting the government's tourism strategy by providing resilient, safe transport infrastructure that offers choice and eases the end-to-end journey.</p>
<p>Increased mode shift from private vehicle trips to walking, cycling and public transport</p>	<p>In 2020/21, Waka Kotahi invested in 85.3 km of walking and cycling facilities. This included 13.5 km of facilities delivered through the Urban Cycleways Programme, which is now nearing completion. More facilities would have been delivered if not for COVID-19 disruptions to construction works and other programme activities.</p>
<p>Metropolitan and high-growth urban areas are better connected and accessible</p>	<p>Mode-shift plans have been developed for Auckland, Christchurch, Hamilton, Queenstown, Tauranga and Wellington. Waka Kotahi continues to work with Kāinga Ora, councils and its other partners to support integrated transport and spatial planning that reduces the need to travel and improves transport connections.</p>
<p>More transport choice (including for people with less or limited access to transport)</p>	<p>As a collaborative effort between Waka Kotahi, Auckland Transport, the Greater Wellington Regional Council, Environment Canterbury and the Regional Consortium, the national ticketing solution (Project NEXT) will harness digital technologies to create a single ticketing system for public transport, improving accessibility, choice and access to transport information.</p>
<p>Sustainable economic development of regional New Zealand is supported by safer and better transport connections</p>	<p>While good progress has been made across NLTP significant capital project investments in regional connections, the year-end milestones for most projects were not achieved. Many projects were delayed as a result of interdependencies with other programmes or projects critical to the expected benefits of the projects being fully realised. Table 6 on page 228 summarises progress on these projects.</p>

Project NEXT - world-class ticketing is around the corner

Project NEXT will implement a single ticketing system for public transport (bus, train and ferry) across New Zealand. People will be able to use their contactless bank card or a digital equivalent (such as Google Pay) to pay for trips. A national transit card will also be available for those who need one.

Smart technology will calculate the best fare based on where customers tag on and off, aggregating the total cost of a person's journeys, applying the best available fare and charging it to their card at the end of each day. People will also be able to access better information about their trips digitally.

Better data about public transport use will help public transport authorities make the most of their network design, scheduling and fares. It'll also provide them with more flexibility to act on insights and make cost-effective changes to public transport networks and services.



Table 6: Progress against 2020/21 milestones for investments in regional connections

Project	2020/21 result	Commentary
New Ōpaoa River Bridge (formerly Opawa Bridge Replacement)	Achieved	Practical completion was achieved in October 2020.
Loop Road North to Smeatons Hill safety improvements	Good progress made, but not achieved	The project was delayed because its scope was extended to allow for the dual lane design to be revised. The bridge location and alignment south of the roundabout do not match the preferred alignment for the future SH1 Whangārei to Port Marsden Highway project, which meant design works for that section could not begin. Project delays were also exacerbated by COVID-19 alert level changes that disrupted construction works.
SH3 Awakino Tunnel Bypass	Good progress made, but not achieved	The road and new bridges were opened to traffic in May 2021. Waka Kotahi expects remaining works to be completed mid-2021.
Mt Messenger and Awakino Gorge Corridor	Good progress made, but not achieved	All milestones for Rapanui passing lane were achieved. Tongaporutu intersection milestones were substantially achieved with the commencement of enabling works for construction.
Mt Messenger Bypass	Progress made, but not achieved	Milestones were not achieved because of delays in getting resource consent and designation. This, along with prolonged property acquisition, delayed commencement of construction. High Court appeals are ongoing while other works are progressed where possible.
Napier Port Access Package: Hawke's Bay Expressway Safety Treatments	Good progress made, but not achieved	Additional works were completed except for the pou, which is expected to be completed in 2021/22. Local iwi requested the opening and blessing be held in June 2022 on the celebration of Matariki.
Napier Port Access Package: Prebensen Hyderabad Intersection upgrade	Progress made, but not achieved	Waka Kotahi is tendering for physical works with awarding expected shortly after scheduled tender close on 31 July 2021. Construction works are due to be completed by the end of December 2021.
Nelson Future Access (formerly the Nelson Southern Link)	Progress made, but not achieved	While the detailed business case has been developed, the programme was reset to allow Nelson City Council to endorse the business case, which will enable community engagement. The detailed business case is expected to be completed in December 2021.

Environment

Climate change will be one of the most significant drivers influencing the land transport system during the next decade. Changing weather patterns with more extreme weather and rainfall intensity combined with sea-level rise will affect the transport network's infrastructure. Severe weather will increasingly affect the environment, communities and infrastructure, including roads, rail, community facilities, and water supply and management.

Significantly reducing greenhouse gas emissions will be critical to tackling climate change. The environment objective of GPS 2018 targeted a land transport system that reduces greenhouse gas emissions and adverse effects on the local environment and public health. The 2018–21 NLTP aimed to contribute towards achieving this objective by investing in the long- and short-term GPS results shown in Table 7.

In 2019, the government committed to a target of net zero greenhouse gas emissions by 2050 (excluding biological methane). The transport system has a critical role to play in achieving this target; in Aotearoa, transport accounts for about 20 percent of greenhouse gas emissions, more than 90 percent of which arise from road transport. The light vehicle fleet accounts for 73 percent of road transport emissions and is the fastest growing source of such emissions. These emissions are concentrated in major urban areas.

GPS 2021's climate change priority focuses on developing a low carbon land transport system that supports emissions reduction, while improving safety and access. The government's recently released climate change objectives have provided more specific direction on tackling climate for the transport sector and wider government agencies.

Table 7: GPS 2018 target results – environment

Long-term results	<ul style="list-style-type: none"> Reduce greenhouse gas emissions from transport Reduce transport's negative effects on the local environment and public health
Short-term results	For short-term results, see GPS 2018. ⁹

The following sections summarise:

- investment in environment-related benefits through the 2018–21 NLTP
- progress made toward achieving the programme's long-term environment results.

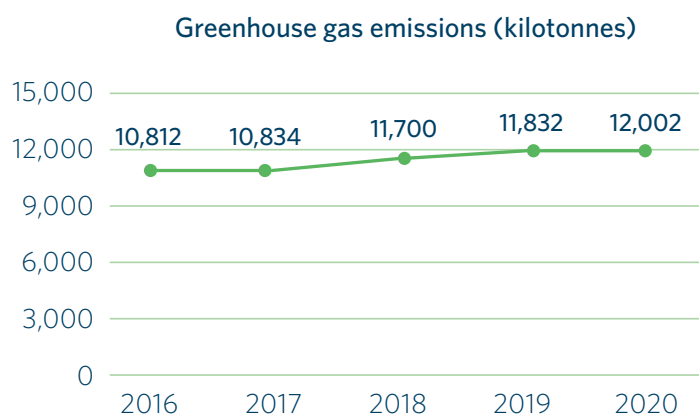
Progress toward GPS results

Reduce greenhouse gas emissions from land transport

Greenhouse gas emissions from the land transport system have risen steadily over several decades, reflecting a similar increase in travel by the light vehicle fleet during this period. It is probable emissions would have been higher in the last two years, if COVID-19 lockdowns had not occurred.

Emissions are predicted to continue to increase over the next few years but will start to reduce as the vehicle fleet becomes cleaner and government actions to reduce emissions start to take effect. How quickly emissions reduce depends on the policies selected by the government in response to advice from He Pou a Rangi Climate Change Commission, supported by actions Waka Kotahi undertakes.

Figure 2: Greenhouse gas emissions from the land transport system, 2016–2020



⁹ See www.transport.govt.nz/assets/Uploads/Report/Government-Policy-Statement-on-land-transport-2018.pdf

Investment in GPS results through the 2018-21 NLTP

The 2018-21 NLTP invested \$1.96 billion in environment-related benefits. See below for some of the highlights of the NLTP's investment in environment-related benefits over the last three years.

GPS 2018 result	Investment highlights
<p>Reduce greenhouse gas emissions from transport</p>	<p>Waka Kotahi has an important role to play in working with its partners to ensure land transport planning and investment supports the government's climate change objectives. This includes ensuring that these objectives are prioritised in the strategies and plans Waka Kotahi uses to shape land transport investment. In the last three years, this has involved:</p> <ul style="list-style-type: none"> ▪ embedding a strong focus on environmental sustainability in Te kāpehu and the new Waka Kotahi performance framework ▪ developing and implementing Toitū te taiao, the Waka Kotahi sustainability action plan and releasing the first Waka Kotahi sustainability monitoring report ▪ developing its national mode shift plan Keeping Cities Moving and working with local councils to develop mode shift plans in Auckland, Christchurch, Hamilton, Queenstown, Tauranga and Wellington ▪ defining a strategic approach to urban form and transport planning for sustainable development that reduces emissions, while improving safety and access ▪ developing part one of its climate change adaptation plan
<p>Reduce transport's negative effects on the local environment and public health</p>	<p>Waka Kotahi also has a responsibility to ensure that public health and environmental impacts are appropriately valued in investment decision making, and that construction of transport infrastructure protects and enhances natural and built environments. Over the last three years, Waka Kotahi has:</p> <ul style="list-style-type: none"> ▪ worked with the Ministry of Transport to refresh the land transport investment decision-making framework, giving due weight to social, economic, environmental and other outcomes that cannot be readily monetised ▪ included benefits that capture the impacts of land transport investment on greenhouse gas emissions, water, and land and biodiversity in its new benefits framework ▪ adopted the Infrastructure Sustainability Council of Australia rating scheme ▪ launched a new approach to assess climate change mitigation and climate change adaptation within capital projects (Interim Specification: Approach to climate change assessments, relevant for COVID-19 Recovery (Fast Track Consenting) Act 2020 and New Zealand Upgrade Programme projects and activities).

Kaitiakitanga in action - saving species in Transmission Gully

Waka Kotahi is guided by the value of kaitiakitanga (guardianship) and aims to do its part to preserve New Zealand's natural taonga (treasures).

Throughout construction of the new Transmission Gully motorway, substantial work was done to conserve local plants and animals.

Two million native plants have been planted around the new motorway. This will create one of the most significant lowland native bush areas in the Wellington region, reducing erosion and sediment entering nearby streams and Porirua Harbour.

One of the biggest fish relocation operations in New Zealand happened in 2016 when Waka Kotahi worked with Ngāti Toa to relocate over 4500 ika (fish), including giant and banded kokopu, bluegill and redfin bullies, eels and freshwater crayfish, from a 2.3 km stretch of Te Puka Stream into the upper reaches of Wainui Stream. This enabled Te Puka Stream to be diverted to support the motorway's construction.

Other species have also been relocated during construction. On the slopes of Te Puka and Horokiri Streams, boulder fields were dismantled by hand to locate more than 50 native lizards. These copper skinks, brown skinks and common geckos were housed in specially constructed 'apartment cages' at Ngā Manu Nature Reserve, near Waikanae. They were returned to the area when a new boulder field was built in 2017.

Dr Taku Parai, Te Rūnanga o Toa Rangatira Board Chair, says the rūnanga was instrumental in working with the Transmission Gully project to manage iwi interests in cultural and environmental mitigation.

"We have been involved from the outset of the project and have, where possible, worked hard to influence decisions around cultural and environmental mitigation. All-in-all, it has been a successful working relationship with the project, and we are pleased to have another opportunity to assert our presence as mana whenua."

Value for money

GPS 2018 targeted a land transport system that would contribute to an effective, efficient and safe land transport system in the public interest. The 2018–21 NLTP aimed to contribute towards achieving this objective by investing in the long- and short-term results shown in Table 8.

Table 8: GPS 2018 target results – value for money

Long-term results	Better informed investment decision-making Improved returns
Short-term results	For short-term results, see GPS 2018. ¹⁰

The following section summarises progress toward achieving the programme’s long-term value-for-money results. As the value-for-money objective is embedded across NLTP investments, quantifying the dollar investment in value for money would not provide a full and meaningful picture of how this objective is being realised.

Progress toward GPS results

Better informed decision-making

In December 2020, the investment prioritisation method for the 2021–24 NLTP was finalised. It replaced the investment assessment framework used for the 2018–21 NLTP. The investment prioritisation method will be used to give effect to GPS 2021 in the 2021–24 NLTP.

The investment prioritisation method was developed as a result of the joint Waka Kotahi and Ministry of Transport review of the investment decision-making framework that guides investment in New Zealand’s land transport system. The review was prompted by changes in the GPS to support a system-based, outcomes-focused approach and take a mode-neutral approach to assessing transport interventions.

Changes include giving due weight to social, economic, environmental and other outcomes that cannot be readily monetised. Waka Kotahi also wanted the framework to be easy to use and understand and to support the delivery of a better transport system. Waka Kotahi also reviewed the criteria it uses to decide how transport projects will be funded by the NLTF. The changes were applied to business case development and assessment and the benefits framework from 31 August 2020.

New benefits framework

To improve the way Waka Kotahi measures the benefits delivered from NLTP investments, a new benefits framework identifies a consistent and enduring set of benefits that aligns with the Ministry of Transport’s Transport Outcomes Framework.

Waka Kotahi also developed a tool to capture baseline data for a selection of the measures, so it is possible for it to compare the scale of problems before it invests with the scale of problems after the investment has been delivered.

See page 217 for more information on the new benefits framework.

¹⁰ See <https://www.transport.govt.nz/assets/Uploads/Report/Government-Policy-Statement-on-land-transport-2018.pdf>.

Improved returns

GPS 2018 included a specific focus on improving the performance of the existing network through maintenance. It signalled the need to improve the One Network Road Classification, which classified New Zealand's roads into six classes and acted as a foundation tool for road activity management and benchmarking investment in asset management.

Through the Road Efficiency Group, the One Network Road Classification has evolved into the One Network Framework. It is fit for purpose in more complex urban environments, where there are competing demands on limited road and street space and a variety of modes to be accommodated.

GPS 2018 also focused on how innovation and technology could be used to increase the net benefits from land transport investment. The Innovating Streets for People programme is an example of Waka Kotahi and its partners using innovation to achieve value for money across the land transport system. Once implemented, the Project NEXT will also help achieve value for money and improve accessibility of the network.

Innovating Streets for People

Innovating Streets for People, launched in June 2020, makes it quicker and easier for councils to trial changes aimed at improving safety and travel choice, and encouraging more people to travel in ways that are better for their health and the environment. During the 2018-21 NLTP, 33 councils ran 70 community projects to trial low-cost, temporary changes such as better street crossings, protected bike paths, traffic-free zones, reduced speed zones and new street layouts.

Early community involvement is an essential part of the Innovating Streets approach, helping community members get a sense of what their streets could be like and have their say.

Measuring the impact of projects is also essential. Councils use feedback and data to make insight-based decisions about which changes best create safer, more liveable spaces for local people and need to be made permanent.

How Innovating Streets for People is helping to make streets safer

At Waterloo Station in Lower Hutt, Wellington, a new road layout resulted in an overall reduction in speed, up to a 30 percent reduction in near misses for everyone who uses this road, and a 75 percent reduction in near misses for people walking in the area.

Children are one of the major winners, with Innovating Streets projects creating more safe spaces for young people. For example, a pop-up cycleway in Cambridge resulted in a 56 percent increase in bike trips to the primary school.

As part of these projects Waka Kotahi collects feedback from the community. Some parents told us safer cycleways made them feel confident about letting their children cycle to school. Some older people said they felt more connected to their community because slower or reduced traffic means they can confidently walk to local shops and cafes.

What happens next

Between June 2020 and June 2021, \$29 million was invested in Innovating Streets projects. Building on insights gained, the programme will continue to invest in new community projects over the next three years.

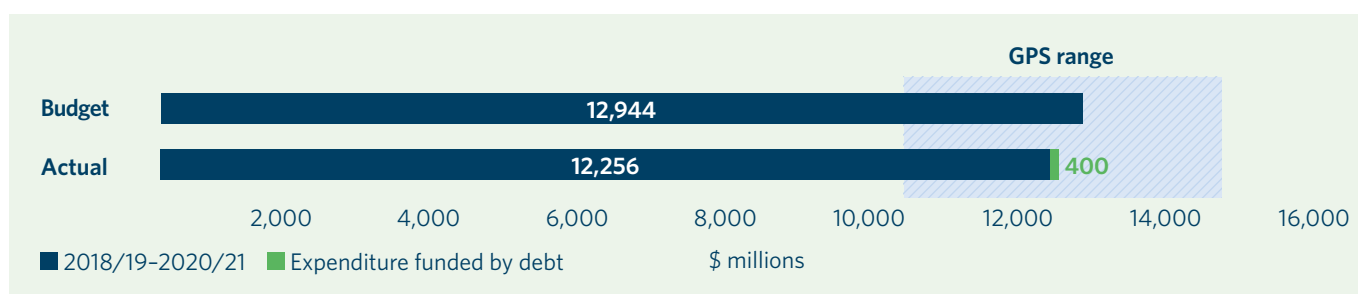
Use of the National Land Transport Fund

Revenue for the NLTF during the 2018-21 NLTP was \$476 million lower than forecast in the published programme mainly due to COVID-19. The funding gap was mitigated through Crown funding for the impacts of COVID-19 on revenue totalling \$18 million and COVID-19 related borrowing of \$325 million.

At the end of the 2018-21 NLTP, overall NLTF spend across all activity classes was two percent below budget excluding the impact of financing. This was largely due to lower costs than forecast in the last month of the NLTP 2018-21 and lower spend on rapid transit, in particular the Auckland Light Rail Project.

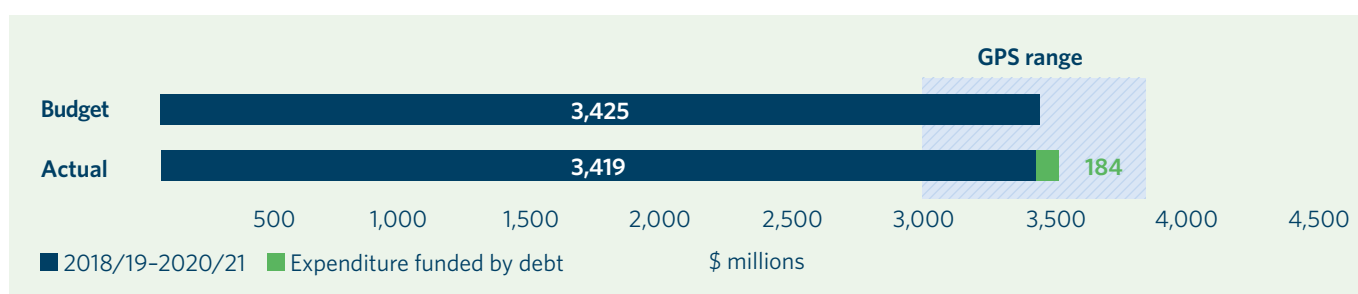
The actual investments from the NLTF for the planned level of funds allocated in the 2018-21 NLTP are illustrated in the tables in the next sections. These tables do not account for NLTP funds contributed by local authorities or other sources, including Crown grants.

Overall use of the National Land Transport Fund¹¹



State highway improvements

Expenditure



State highway improvements expenditure was \$178 million (5 percent) above budget at the end of the 2018-21 NLTP on a pre-financing view. Underspends relating to the Auckland Transport Package loan repayment deferral were offset by public-private partnership pre-COVID settlements in 2019/20 of \$274 million.

¹¹ In the statement of comprehensive revenue and expense, the expenditure financed through the borrowing facilities is not shown as an outflow from the current NLTF balance. Instead, it is shown as NLTP expenditure to be funded long-term, generated from future revenue. This represents the obligation of the NLTF to repay the debt when it becomes due. Repayment of the debt will be shown as an outflow from the current NLTF balance in the period the repayment is made.

Performance measures

Ref.	Performance measure	Result	2020/21 target	2020/21 actual	2019/20 actual	2018/19 actual
SHI1	Proportion of state highway improvement activities delivered to agreed standards and timeframes ^{A B}	Not achieved	≥90%	68%	71%	88%
<p>A few large projects experienced delays due to the resetting of schedules affected by COVID-19, poorer than average weather through spring and summer and difficulties in acquiring grade 40/50 binder material to complete road sealings (see appendix 3 of the 2020/21 Waka Kotahi annual report for more detail). The result was also driven by the \$149 million an underspend this year, largely as a result of COVID-19 response payments being accrued in 2019/20 and these payments being reimbursed by Treasury in 2020/21. The 2020/21 budget was set before the first COVID-19 lockdown in March 2020.</p>						
SHI2	Length of the state highway network modified to align with safe and appropriate speed ^A	Achieved	≥250km	465.2km ^C	50.5km ^C	68.5km
<p>Speed modifications on 465.2 km of state highways were made this year to improve safety of the network. This brings total length of the network modified under the Safe Network Programme since 2018/19 to 584.2 km. A more continuous speed programme has provided the opportunity to balance resources, identify and streamline speed reviews and modify more lengths of road to align with safe and appropriate speeds. This year, speed changes were applied along some large corridors including SH6 Blenheim to Nelson (109 km), SH35 Te Puia Springs to Gisborne townships (99 km) and SH5 Waiotapu (71 km).</p>						

The explanatory notes for these performance measures are in the Waka Kotahi annual report 2020/21, appendix 4.

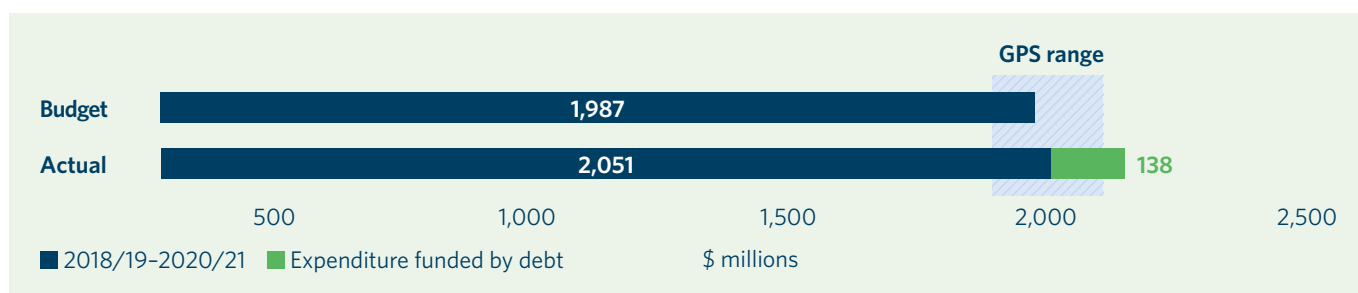
^A This is also a performance measure for an appropriation in Vote Transport. See the Waka Kotahi annual report 2020/21, appendix 5, for all appropriation measures.

^B The scope of this measure changed this year to include only projects funded by the NLTF. Crown-funded Accelerated Regional Roding projects previously included in this measure are reported under Proportion of Waka Kotahi NZ Transport Agency regional state highway activities delivered to agreed standards and timeframes. This change does not materially affect the result of this measure. Other Crown-funded state highway improvement projects such as those under the NZ Upgrade Programme are reported separately from this measure. See the Waka Kotahi annual report 2020/21 for more information.

^C This result was reported as 119 km in the previous annual report, which reflected the cumulative length of the state highway network that was modified in 2018/19 and 2019/20. This year we assessed results against the target for the financial year only, so have adjusted the figure to show lengths modified for 2019/20 only.

State highway maintenance

Expenditure



State highway maintenance expenditure was \$202 million (10 percent) above budget at the end of the 2018-21 NLTP on a pre-financing view. This was mainly due to additional costs from higher emergency works and increased contract prices including, the impact of network growth. State highway maintenance required additional funding due to the condition of the network, essentially the network was deteriorating with the level of service declining. The increase in spend required to address this issue commenced in this NLTP with a further increase in spend planned for the 2021-24 NLTP. This additional spend meant that on a pre-financing basis state highway maintenance necessarily exceeded the upper GPS range.

Performance measures

Ref.	Performance measure	Result	2020/21 target	2020/21 actual	2019/20 actual	2018/19 actual
SHM1	Proportion of state highway maintenance activities delivered to agreed standards and timeframes ^{A B}	Achieved	≥90%	96%	Not applicable	Not applicable
SHM2	Safe stopping: proportion of network above skid threshold ^A	Not achieved	≥98%	97%	95%	97%

The result reflects the deteriorating condition of the state highway network, a consequence of funding for renewal programmes being lower than what is required to sustain network condition. In the past few years, pavement and surfacing renewal activities have not been delivered to planned levels, with only 90-92% of the renewals programme delivered annually.

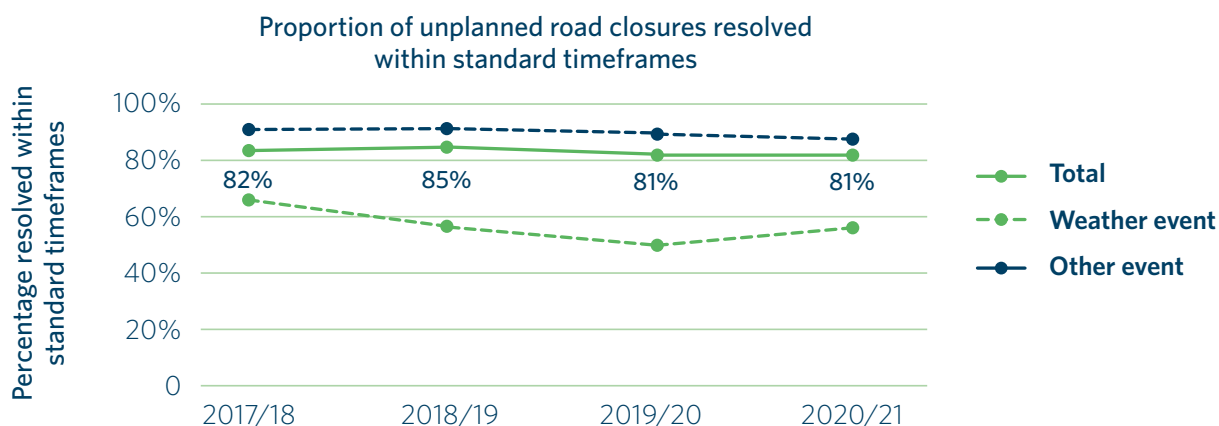
Early this year, an evaluation of network condition programmes identified the renewals programme as a focus for improvement and has since resulted in an improvement in programme delivery to 95%. Waka Kotahi and its partners will continue improving delivery of funded programmes, but funding constraints on state highway maintenance throughout the 2021-24 NLTP period limits its capability to sustain agreed levels of service that will ensure network condition standards are met.

Ref.	Performance measure	Result	2020/21 target	2020/21 actual	2019/20 actual	2018/19 actual
SHM3	Availability of state highway network: proportion of unplanned road closures resolved within standard timeframes	Not achieved	≥81.8% ^c	80.6%	81.8% ^c	Not applicable

Target was not achieved due to weather-related closures on long stretches of the state highway during the winter season (such as snow and ice along the Desert Road in the North Island and the alpine passes in the South Island), as well as extreme weather events during the year.

Although road closures caused by weather events comprised only 18% of the 840 incidents this year, only 57% of those closures were resolved within standard timeframes. On the other hand, 86% of road closures caused by other incidents (such as crashes, fire and obstructions) were resolved on time.

In 2019/20 performance against the measure target improved during the national COVID-19 lockdown, possibly because of limited traffic and travel. The result did not improve during the Auckland lockdown in quarter one of 2020/21.



SHM4	State highway maintenance cost per lane kilometre delivered ^A	Achieved	\$24,000-28,000	\$26,292	\$25,352	\$22,997
SHM5	Proportion of restoration and rebuild projects of State Highway 1 between Picton and Christchurch delivered to agreed standards and timeframes ^A	Achieved	100%	100%	97%	81%

The explanatory notes for these performance measures are in the Waka Kotahi annual report 2020/21, appendix 4.

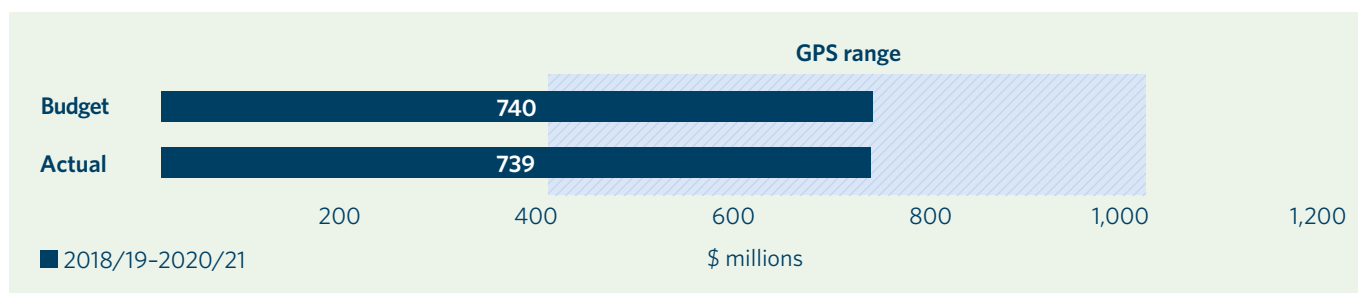
^A This is also a performance measure for an appropriation in Vote Transport. See the Waka Kotahi annual report 2020/21, appendix 5, for all appropriation measures.

^B The methodology of this measure changed this year to replace the assessment used for some activities. The result is not comparable with previous years' results.

^C Due to the change in methodology to align urban and rural road definitions with those used by Statistics NZ, a target could not be provided early in the financial year. The 2019/20 data has been recalculated using the new road definitions and used to set the target for 2020/21. This target has been used to assess progress since 2020/21 quarter one.

Local road improvements

Expenditure



Local road improvements expenditure was on budget at the end of the 2018–21 NLTP.

Performance measures

Ref.	Performance measure	Result	2020/21 target	2020/21 actual	2019/20 actual	2018/19 actual
LRI1	Length of the local road network modified to align with safe and appropriate speed ^A	Unable to report	Baseline to be set	Unable to report	Unable to report	Unable to report

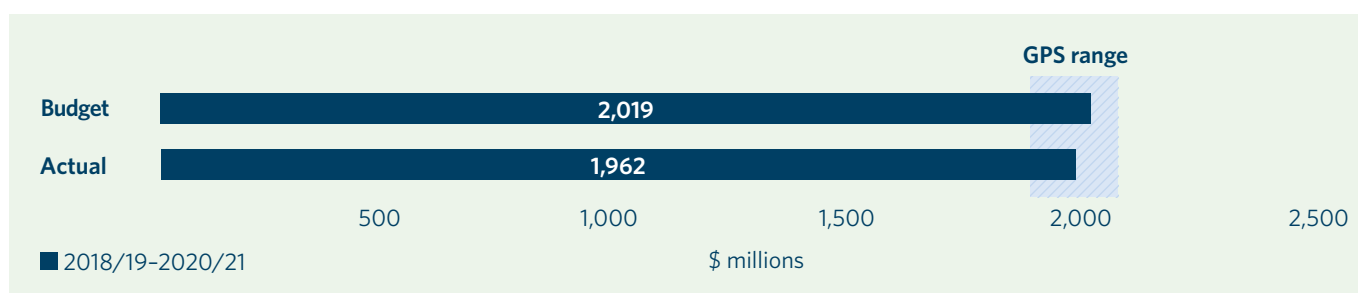
This measure cannot be reported on because data will be sourced from the National Speed Limit Register (NSLR), which is planned to go live in December 2021. Development of the NSLR has been put on hold pending the completion of the National Speed Management Guide and the signing of the new Setting of Speed Limits Rule.

The explanatory notes for these performance measures are in the Waka Kotahi annual report 2020/21, appendix 4.

^A This is also a performance measure for an appropriation in Vote Transport. See the Waka Kotahi annual report 2020/21, appendix 5, for all appropriation measures.

Local road maintenance

Expenditure



Local road maintenance expenditure was \$57 million (3 percent) below budget over the 2018–21 NLTP due to lower than forecast emergency works claims.

Performance measures

Ref.	Performance measure	Result	2020/21 target	2020/21 actual	2019/20 actual	2018/19 actual
LRM1	Smooth ride: proportion of travel on smooth roads ^A	Achieved	≥86%	87%	87%	87%

Ref.	Performance measure	Result	2020/21 target	2020/21 actual	2019/20 actual	2018/19 actual
LRM2	Local road maintenance cost per lane kilometre delivered ^A	Not achieved	≤\$3,000	\$4,004	\$3,628	\$3,455

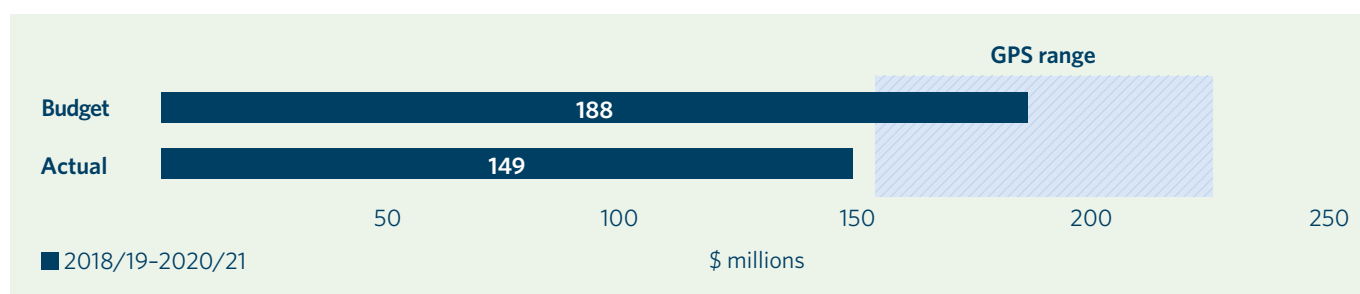
The cost of local road maintenance continued to increase because recently awarded contracts by local authorities to service and delivery providers were more expensive than previous contracts. Waka Kotahi revised its approach to assessing this measure from 2021/22 to reflect steady cost increases during the 2018–21 NLTP and local road maintenance forecast allocations for the 2021–24 NLTP.

The explanatory notes for these performance measures are in the Waka Kotahi annual report 2020/21, appendix 4.

^A This is also a performance measure for an appropriation in Vote Transport. See the Waka Kotahi annual report 2020/21, appendix 5, for all appropriation measures.

Road safety promotion and demand management

Expenditure



Expenditure was \$39 million (21 percent) below budget at the end of the 2018–21 NLTP. This was due to the impacts of the COVID-19 lockdown resulting in a subsequent reduction in promotional activity during this time and the pausing of work and subsequent production delays to align work with the Road to Zero direction. This meant that spend did not meet the bottom of the GPS range.

Performance measures

Ref.	Performance measure	Result	2020/21 target	2020/21 actual	2019/20 actual	2018/19 actual
RSP1	Proportion of road safety advertising campaigns that meet or exceed their agreed success criteria ^A	Achieved	≥80%	85%	90%	89%

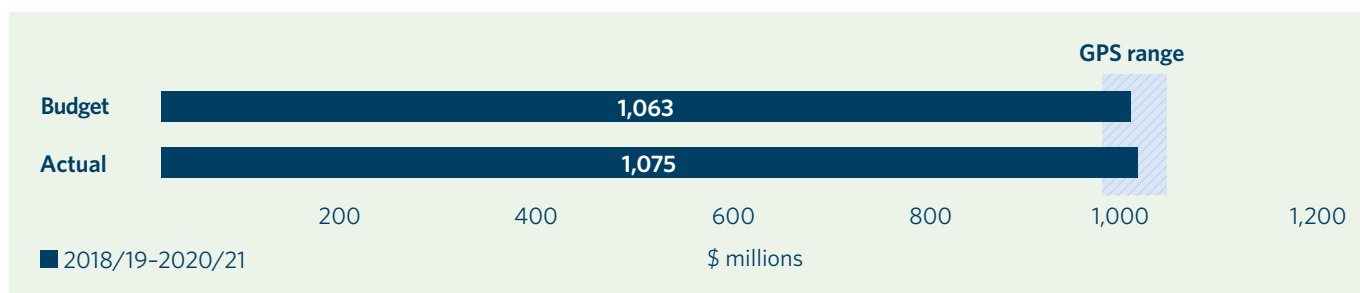
The explanatory notes for these performance measures are in the Waka Kotahi annual report 2020/21, appendix 4.

^A This is also a performance measure for an appropriation in Vote Transport. See the Waka Kotahi annual report 2020/21, appendix 5, for all appropriation measures.

Road policing

The Road Safety Partnership Programme is developed collaboratively by New Zealand Police, Waka Kotahi and the Ministry of Transport. The programme aims to contribute to achieving the Road to Zero target to reduce road deaths and serious injuries by 40% by 2030 and recognises the critical contribution of road policing activities to achieving this goal. Waka Kotahi develops the programme with New Zealand Police and recommends the programme to the Minister of Transport for approval. Waka Kotahi also monitors the programme's activity and delivers some programme activities, although most activities are delivered by New Zealand Police.

Expenditure



Road policing expenditure was materially on budget for the 2018-21 NLTP.

Performance measures

The Road Safety Partnership Programme 2019-21 ended in July 2021 and did not achieve several of its targets. COVID-19 affected some parts of the programme, particularly the number of breath screening tests undertaken. The Ministry of Transport plans to review the programme to support improved performance against its targets.

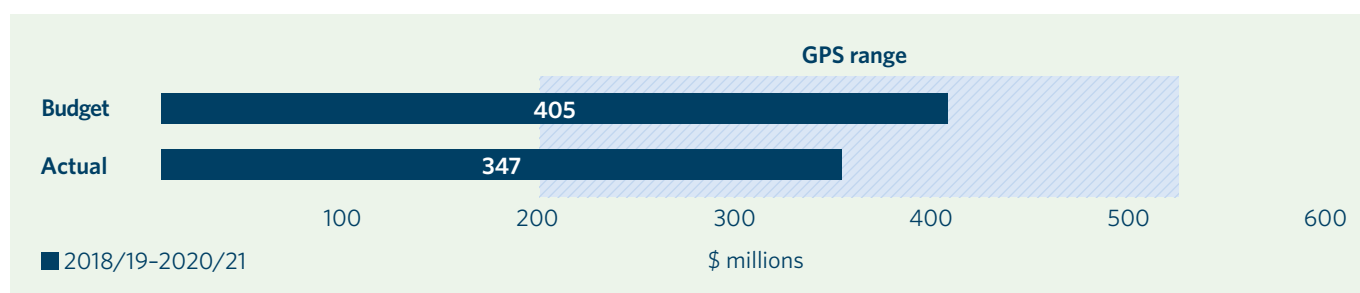
The new Road Safety Partnership Programme 2021-24 was endorsed by the Waka Kotahi Board in April 2021. Waka Kotahi is working to improve its programme monitoring and assurance, including through annual reviews of the new programme by the board. It will also work with New Zealand Police to respond to the findings of the Ministry of Transport's review.

Ref.	Performance measure	Result	2020/21 target	2020/21 actual	2019/20 actual	2018/19 actual
RP1	Speed: Mobile camera deployment activity	Not achieved	100,000 hours	61,199 hours	62,074 hours	Not applicable
<p>New Zealand Police were not resourced appropriately to enable achievement of the target. Camera breakdowns also had a marked impact on the ability to deploy for the required hours. Reduced traffic volumes as a result of COVID-19 lockdowns in Auckland this year are also likely to have affected the result.</p> <p>The Mobile Camera Replacement Programme is underway to replace existing cameras nearing end-of-life. The safety camera transfer to Waka Kotahi will enable an increase to the potential deployment hours through resourcing and other operational changes.</p>						
RP2	Speed: Percentage of 1-10 km/h excess speed officer-issued Infringement Offence Notices	Not achieved	30%	8.6%	7%	Not applicable
<p>The result was well below target, although there was a slight improvement between 2019/20 and 2020/21. Waka Kotahi continues to work with New Zealand Police on operational deployment tactics through the district model.</p>						
RP3	Speed: Percentage of officer issued speed offence notices which are rural	Not achieved	75%	52%	53%	Not applicable
<p>Waka Kotahi is working with New Zealand Police to increase resources and outputs. This measure is speed focused and is not reflective of total deployment in rural areas.</p>						

Ref.	Performance measure	Result	2020/21 target	2020/21 actual	2019/20 actual	2018/19 actual
RP4	Speed: Number of Offender Management Plans in place for high-risk drivers	Not achieved	1,700	108	448	Not applicable
<p>Waka Kotahi is working with New Zealand Police to better capture activity to prevent high-risk behaviour, as this measure relates only to the repeat registration reports sent out to districts and excludes other types of high-risk behaviour, such as large scale gatherings of illegal street racers.</p>						
RP5	Restraints: Number of restraint offences	Not achieved	60,000	37,643	44,041	Not applicable
<p>We continue to work with New Zealand Police on operational deployment tactics through the district model.</p>						
RP6	Impairment: Number of passive breath tests and breath screening tests conducted	Not achieved	3,000,000	1,500,268	1,615,359	Not applicable
<p>The level of testing was affected by COVID-19 alert level changes and the first national COVID-19 lockdown, with an estimated 175,000 fewer tests performed over the national lockdown period. As agreed with the Ministry of Health (and in line with other nations), all breath testing was suspended during the first COVID-19 national lockdown and did not recommence until revised cleaning protocols were agreed with the Ministry of Health.</p>						
RP7	Targeted operations: Number of RIDS (restraints, impairment, distraction and speed) operations	Achieved	Ongoing	Ongoing	Ongoing	Not applicable
RP8	Number of sworn staff dedicated to road policing	Achieved	1,070	1,073	Not applicable	Not applicable

Regional improvements

Expenditure



Regional improvements expenditure was \$58 million (14 percent) below budget at the end of the 2018–21 NLTP mainly driven by delays in project negotiations, property acquisition challenges, complexity in certain designs and delays caused by COVID-19.

Performance measures

Ref.	Performance measure	Result	2020/21 target	2020/21 actual	2019/20 actual	2018/19 actual
RI1	Proportion of regional improvement activities delivered to agreed standards and timeframes ^A	Not achieved	≥90%	77%	88%	98%

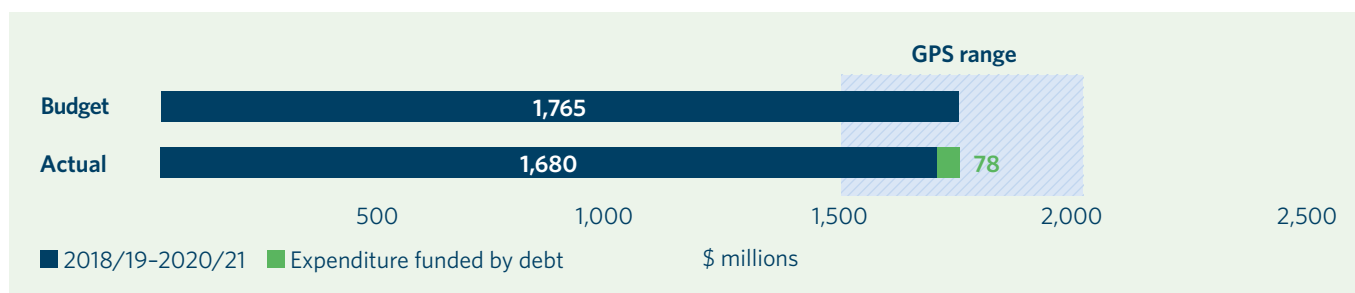
Target was not achieved due to four significant capital projects not achieving key milestones: Loop Road North to Smeatons Hill safety improvements, Mt Messenger and Awakino Gorge Corridor, Hawke's Bay Expressway Safety Treatments and Prebensen Hyderabad Intersection upgrade. Details can be found in appendix 3 of the 2020/21 Waka Kotahi annual report. Strong progress was made across all other regional improvement projects.

The explanatory notes for these performance measures are in the Waka Kotahi annual report 2020/21, appendix 4.

^A This is also a performance measure for an appropriation in Vote Transport. See the Waka Kotahi annual report 2020/21, appendix 5, for all appropriation measures.

Public transport

Expenditure



Public transport expenditure was materially on budget at the end of the 2018-21 NLTP. Crown funding was received outside of these figures to offset the reductions in farebox revenue caused by COVID-19.

Performance measures

Ref.	Performance measure	Result	2020/21 target	2020/21 actual	2019/20 actual	2018/19 actual
PT1	Number of boardings on urban public transport services (bus, train and ferry) ^A	Achieved	≥119 million ^B	120 million	139 million	168 million

The target was achieved despite a challenging year. While COVID-19 travel restrictions continued to affect patronage, public transport boardings started to recover in major urban centres. The pandemic influenced travel behaviour, with more people working from home, resulting in less frequent use of public transport. As a result of closed international borders, there is also less patronage from overseas students and temporary workers, who would typically rely on public transport.

Ref.	Performance measure	Result	2020/21 target	2020/21 actual	2019/20 actual	2018/19 actual
PT2	Proportion of people with access to frequent public transport services at peak times in Auckland, Wellington and Christchurch ^A	Achieved	Increasing	24.3%	23.8% ^C	25.7% ^C
PT3	Mode share of people travelling by bus and car on key Auckland corridors ^D	Not achieved	Bus: Increasing Car: Decreasing	Bus: 23% Car: 57%	Bus: 26% Car: 49%	Not applicable

Access to frequent public transport services at peak times in the metropolitan centres improved. Compared with last year, about 100,000 more people had access to the service this year.

Travel into the Auckland central city dropped across all modes as a result of COVID-19 disruptions, but car travel recovered at a faster rate than public transport. The result is an increase in car mode share relative to other modes. This reversed previous trends of declining car mode share. Analysis of public transport data suggests the results are influenced by an increase in work-from-home behaviours, whereby many public transport customers are travelling into the central city less frequently than before COVID-19.

The explanatory notes for these performance measures are in the Waka Kotahi annual report 2020/21, appendix 4.

^A This is also a performance measure for an appropriation in Vote Transport. See the Waka Kotahi annual report 2020/21, appendix 5, for all appropriation measures.

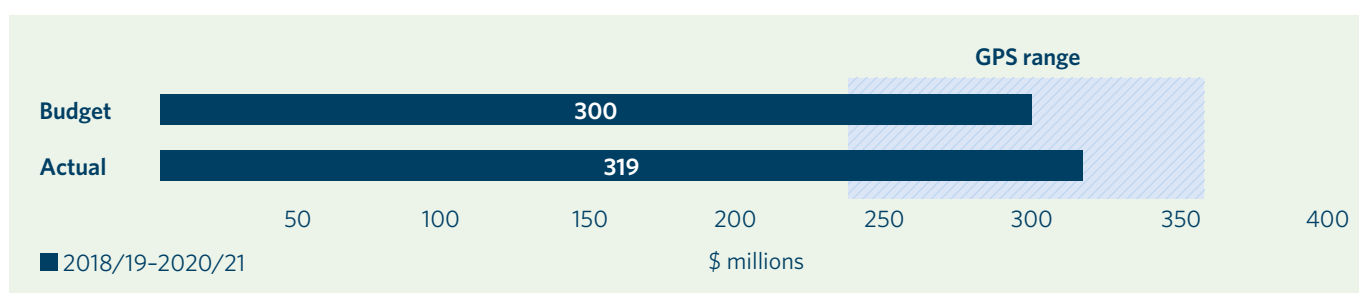
^B A target could not be set early in the financial year due to uncertainty about the effect of COVID-19 on public transport boardings. The target was determined based on the year-end estimate of the measure. This has been used to assess progress since 2020/21 quarter two.

^C This was rounded off in the previous annual report.

^D This is a proxy measure and the result is comparable with the previous year's result. Waka Kotahi is unable to report on *Mode share of people travelling by bus and car on key Auckland corridors* because robust data is unavailable.

Walking and cycling improvements

Expenditure



Walking and cycling expenditure was \$19 million (6 percent) above budget for the 2018–21 NLTP. The overspend was mainly due to the innovating streets projects that were not in the budget, the decision to include an underpass in the Bayview to Baypark project, and projects progressing faster than planned.

Performance measures

Ref.	Performance measure	Result	2020/21 target	2020/21 actual	2019/20 actual	2018/19 actual
WC1	Network kilometres of walking and cycling facilities delivered ^A	Achieved	Increasing	85.3km	63.2km	104.8km
<p>A total of 85.3 km of walking and cycling facilities were added to the network this year, including existing paths and cycleways where improvements were made. This included 13.5 km of facilities delivered through the Urban Cycleways Programme, which is nearing completion. Suspension in construction works and other work programme delays because of the national COVID-19 lockdown in 2020 also affected delivery of some milestones. More facilities would have been delivered this year if not for the COVID-19 disruptions.</p>						
WC2	Cycling count in urban areas	Achieved	Increasing	7,078 ^B	6,776 ^C	6,238
<p>The cycle count increased 5% from last year to this year. This result was due to the significant increase in cycle count in Wellington (15%) and moderate increase in Auckland (7%) but was offset by the decrease in in Christchurch (9%).</p>						

The explanatory notes for these performance measures are in the Waka Kotahi annual report 2020/21, appendix 4.

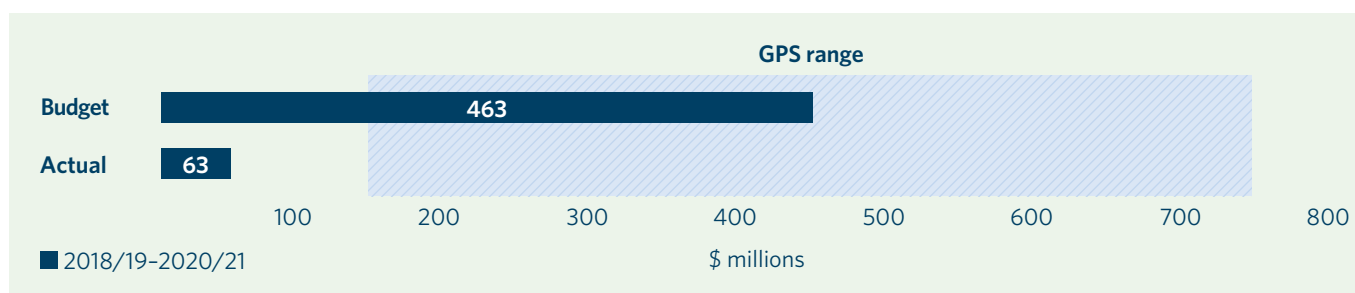
^A This is also a performance measure for an appropriation in Vote Transport. See the Waka Kotahi annual report 2020/21, appendix 5, for all appropriation measures.

^B The cordon count is undertaken at a point in time so is subject to variability from year to year. This result reflects the number of cyclists counted in the annual cycling cordon count in each urban centre. The Auckland count was done in the week starting 12 April 2021, and the Wellington and Christchurch counts were done in the week starting 8 March 2021. Due to changes in some cordon count locations in Auckland this year, data was adjusted to make it comparable with last year's data.

^C This was incorrectly reported as 6,728 last year due to an error in reporting by Wellington City Council.

Rapid transit

Expenditure



Rapid transit expenditure was \$400 million (86 percent) below budget. Budgeted spend was based on anticipated progress on the original plan for the City Centre to Māngere Light Rail project. Progress and expenditure on the Auckland Light Rail project have continued to be affected by the Crown evaluation process to assess alternate approaches to project design and delivery. As a result, the rapid transit activity class did not meet the bottom end of the GPS range.

Performance measures

Ref.	Performance measure	Result	2020/21 target	2020/21 actual	2019/20 actual	2018/19 actual
RPT1	Proportion of rapid transit activities delivered to agreed standards and timeframes ^A	Not achieved	≥90%	39%	Not applicable	Not applicable

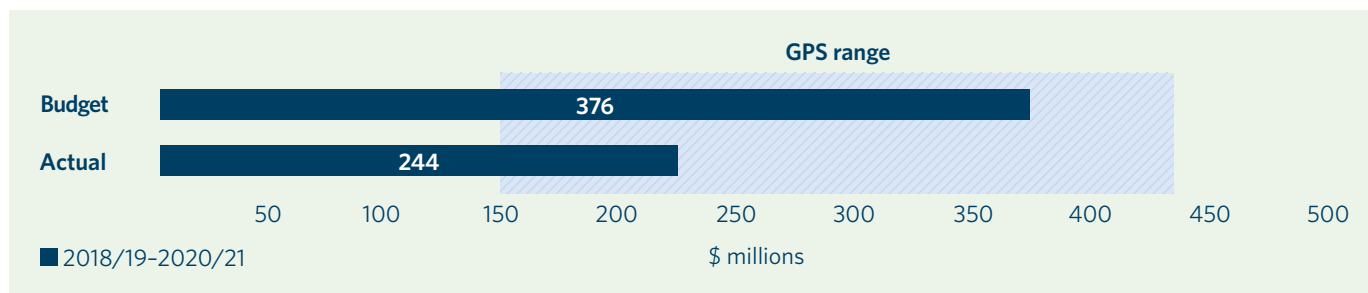
Target was not achieved due to the delays in the business cases of four major rapid transit projects. City Centre to Mangere and North West Rapid Transit Improvements were delayed to ensure alignment with wider network improvements in Auckland. The business cases for Auckland's Supporting Growth Alliance (Northwest rapid transit network from Westgate to Kumeu and the busway extension from Albany to Silverdale) and Let's Get Wellington Moving Mass Rapid Transit were delayed due to the impact of COVID-19 on funding and resourcing (details can be found in appendix 3 of the 2020/21 Waka Kotahi annual report).

The explanatory notes for these performance measures are in the Waka Kotahi annual report 2020/21, appendix 4.

^A This is also a performance measure for an appropriation in Vote Transport. See the Waka Kotahi annual report 2020/21, appendix 5, for all appropriation measures.

Transitional rail

Expenditure



Transitional rail expenditure was \$132 million (35 percent) below budget for the 2018–21 National Land Transport Programme. The New Zealand Upgrade Programme is funding some projects that were originally programmed in this activity class, the costs of which were offset by additional costs arising from contact fatigue in Auckland.

Performance measures

Ref.	Performance measure	Result	2020/21 target	2020/21 actual	2019/20 actual	2018/19 actual
TR1	Proportion of transitional rail projects delivered to plan ^A	Not achieved	≥90%	83%	Not applicable	Not applicable

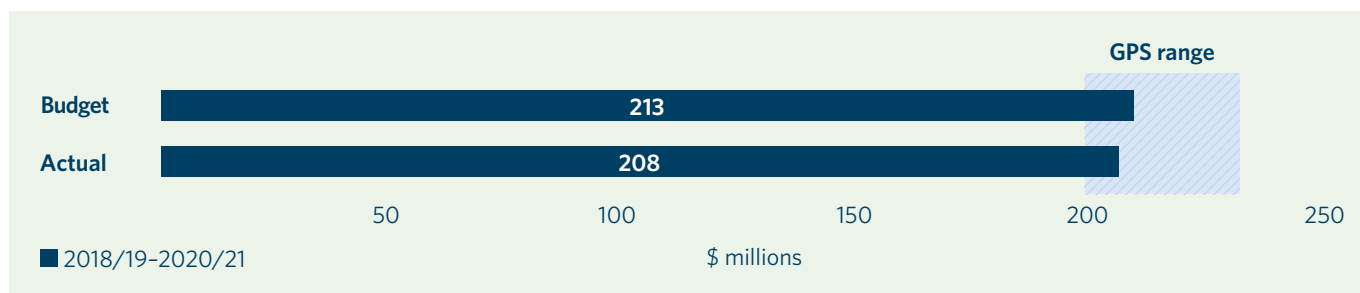
Two of 12 transitional rail projects are delayed. Completion of the business case for removing an Auckland pedestrian level-crossing is now expected in November 2021. The Palmerston North – Wellington Rail Passenger (Capital Connection) project is also delayed due to the work on rolling stock replacement taking longer than expected.

The explanatory notes for these performance measures are in the Waka Kotahi annual report 2020/21, appendix 4.

^A This is also a performance measure for an appropriation in Vote Transport. See the Waka Kotahi annual report 2020/21, appendix 5, for all appropriation measures.

Investment management

Expenditure



Investment management expenditure was materially on budget for the 2018-21 NLTP.

Performance measures

Ref.	Performance measure	Result	2020/21 target	2020/21 actual	2019/20 actual	2018/19 actual
IM1	Proportion of total cost of managing the investment funding allocation system to National Land Transport Programme expenditure ^A	Achieved	≤1.1%	1.00% ^B	1.02% ^C	1.03%
IM2	Proportion of reviewed Waka Kotahi investment decisions that meet required process standards	Not achieved	100%	79%	Not applicable	Not applicable
Four of the 19 investment decisions reviewed this year did not meet required process standards. For all four decisions, there was insufficient information in Transport Investment Online to confirm whether the required standards were met.						
IM3	Proportion of sector research activities delivered to agreed standards and timeframes	Achieved	≥95%	100%	100%	96%
Thirty-four of 35 research projects were completed to contracted standards. The remaining project met 89% of contracted time and cost standards. COVID-19 restrictions affected at least one project, including limiting the ability to conduct face-to-face interviews. This was managed by timelines being revised and a contract variation being agreed. Waka Kotahi also commissioned a project to assess the impact of COVID-19 on transport demand.						
IM4	Proportion of investment audit activities delivered to plan	Not achieved	100%	86%	79%	100%
Waka Kotahi completed 44 of the 51 procedural and technical audits programmed for 2020/21. Seven audits were deferred to 2021/22 to prioritise six audits that were not completed in 2019/20 due to COVID-19 restrictions.						
IM5	Average number of days to action new funding approvals	Achieved	≤20 working days	12.3 working days	20 working days	24.9 days

The explanatory notes for these performance measures are in the Waka Kotahi annual report 2020/21, appendix 4.

^A This is also a performance measure for an appropriation in Vote Transport. See the Waka Kotahi annual report 2020/21, appendix 5, for all appropriation measures.

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

^C This reflects the cumulative cost of years 1 and 2 of the 2018-21 NLTP (2018/19 and 2019/20). This was incorrectly reported as 1.03% in the 2019/20 annual report.

Regional highlights



Northland

Where 2018–21 investment was focused

Northland’s land transport system has been made safer and the resilience of the network strengthened during the 2018–21 National Land Transport Programme (NLTP).

Investment highlights

- **SH1 Tarewa Road** intersection improvements were completed, improving traffic flow and safety with new traffic lights and double lanes for north and southbound traffic.
- The **SH10 Waipapa corridor safety improvements** were completed, including building a single-lane roundabout at the intersection of SH10 and Waipapa Road to make it safer for traffic turning across the state highway, reducing peak time congestion and vehicle queuing on SH10.
- **Safety improvements**, including median and roadside barriers, wider centrelines, better signs and road markings and safer speeds, on **SH1 from Whangārei to Wellsford** are in the early stages.
- **Safety improvements** are underway on **SH1 in the Dome Valley**, including median and shoulder flexible safety barriers, widened shoulders, right-turn bays and improved signage.

- One-lane bridges at **Taipā and Matakohe** were replaced with **two-lane bridges**, providing better community and network connections; while work is about to start on Kaeo Bridge, improving resiliency and efficiency with **a new two-lane bridge and roundabout on SH10**.
- A decaying **seawall at Ōpononi** was repaired and extended to reduce erosion and protect the section of SH12 running along the edge of Hokianga Harbour.

National Land Transport Fund investment

Activity class	2018–21 actual \$000
Northland total	453,045
State highway improvements	86,688
State highway maintenance	123,748
Local road improvements	7,049
Local road maintenance	125,091
Road safety promotion and demand management	3,802
Regional improvements	92,654
Public transport	4,733
Walking and cycling improvements	7,966
Rapid transit and transitional rail	-
Investment management	1,314



Auckland

Where 2018–21 investment was focused

Investment in Auckland’s land transport system over the 2018–21 NLTP period focused on delivering the Auckland Transport Alignment Project to support population growth and provide new communities with better access to more sustainable travel choice.

Investment highlights

- The \$700 million **Northern Corridor project**, expected to be completed in 2022, will provide better links and improve transport options on the North Shore for cars, buses, pedestrians, cyclists and freight.
- The \$250 million **Southern Corridor Improvements project** was completed to provide more reliable and safer trips for all road users and includes more lanes, new walking and cycling paths, better safety barriers, new noise walls and an upgrade to the Takanini interchange.
- Progress was made on the **Auckland Manukau Eastern Transport Initiative** to deliver new dedicated busways and cycleways to improve access and safety in the area, and unlock housing development opportunities.

- The **Road to Zero Speed and Infrastructure Programme** implemented new speed limits on SH22 between the Drury interchange and Paerata. New and safer speed limits on more than 600 roads across Auckland, including the central city, also came into effect as part of Auckland Transport’s Safe Speeds programme.
- Four cycling facility packages are being supported by the **Urban Cycleways Programme** (Glen Innes to Tamaki Drive, Links to Public Transport, Western Connections to City Centre and the City Centre Network Package).

National Land Transport Fund investment

Activity class	2018–21 actual \$000
Auckland total	3,527,364
State highway improvements	1,005,989
State highway maintenance	438,045
Local road improvements	310,797
Local road maintenance	406,217
Road safety promotion and demand management	15,157
Regional improvements	-
Public transport	1,130,841
Walking and cycling improvements	87,628
Rapid transit and transitional rail	127,784
Investment management	4,906



Waikato

Where 2018–21 investment was focused

With Waikato’s significant contribution to New Zealand’s social and economic wellbeing, investment in the region during the 2018–21 NLTP was focused on supporting the economy by delivering projects that boost safety and promote reliable inter-regional journeys for people and freight.

Investment highlights

- **Te Huia**, the new Hamilton to Auckland passenger rail service was launched.
- Good progress was made on the \$607 million Hamilton section, of the 102 km **Waikato Expressway** – the final section of the region’s biggest ever roading project which will open in mid-2022.
- More than **\$2 million was spent improving safety at six high-risk areas** in central and eastern Waikato as part of the Safety Boost Programme. These areas were: SH5 Waiohotu Road to Oturoa Road; SH5 Webster Road to Waiohotu Road; SH25 Waitakaruru to Kōpū; SH27 SH26 Tātuanui to Waharoa; SH2 Mackaytown to Waikino; and SH29 Matamata-Piako boundary to SH28.
- Completed **safety improvements** along SH1 Cambridge to Piarere to reduce the number and impact of serious crashes along this stretch of highway. Roadside barriers and rumble strips were also installed on SH1B: Taupiri to Gordonton; SH3: SH37 to Te Kuiti; SH27: SH26 to SH24; and SH5: Wairakei to Mihi to SH38.

- A number of existing **cycle and shared paths** around the Waikato region were upgraded, such as the Waikato River Trail, to make cycling safer and easier.

National Land Transport Fund investment

Activity class	2018–21 actual \$000
Waikato total	\$1,435,671
State highway improvements	672,774
State highway maintenance	334,008
Local road improvements	70,354
Local road maintenance	213,907
Road safety promotion and demand management	5,372
Regional improvements	39,595
Public transport	50,375
Walking and cycling improvements	12,981
Rapid transit and transitional rail	34,839
Investment management	1,466



Bay of Plenty

Where 2018–21 investment was focused

Investment through the 2018–21 NLTP in the Bay of Plenty focused on creating a safer, more resilient transport system to provide better access to essential services and to plan for growth.

Investment highlights

- The **Maungatapu underpass** was built and improvements made to the SH29A Maungatapu and Hairini roundabouts to further improve safety and travel times.
- The **SH36 pedestrian and cycle overbridge between The Lakes and Tauranga Crossing** opened, creating a safe connection across the state highway. This work followed the installation of the Whakapaiwaka overbridge over SH29/Takitimu Drive, connecting Bethlehem and Gate Pā.
- Work began on the \$17 million **Rotorua Eastern Corridor Stage One project** to improve the stretch of SH30/Te Ngae Road from Sala Street to Iles Road. To be completed late 2021, this route will be safer for cyclists, pedestrians and drivers, connecting people to better opportunities providing more predictable journey times.
- A **pou whenua** recognising a traditional pā site uncovered during road safety improvement works was unveiled in July 2020 on **SH29A at Matapihi, Tauranga**. Waka Kotahi worked with Heritage New Zealand and local hapū to have the pou unveiled after the Tukiata Pā site was discovered in March

2017, when contractors were preparing the site for the installation of a median safety barrier on SH29A near Matapihi.

- **SH2 Woodlands Ōpōtiki Shared Path** was completed to improve safety and provide a path for pedestrians and cyclists under the Waioeka Bridge in Ōpōtiki.
- **New speed limits** were introduced on three key corridors: rural Rotorua on SH33/SH30 Okere Falls to Rotokawa Road, SH5 Waiotapu, and SH2 between Katikati and Te Puna.

National Land Transport Fund investment

Activity class	2018–21 actual \$000
Bay of Plenty total	638,304
State highway improvements	229,332
State highway maintenance	158,664
Local road improvements	32,511
Local road maintenance	103,583
Road safety promotion and demand management	3,364
Regional improvements	35,019
Public transport	25,341
Walking and cycling improvements	46,075
Rapid transit and transitional rail	304
Investment management	4,111



Tairāwhiti

Where 2018–21 investment was focused

Record investment in the Tairāwhiti transport system during the 2018–21 NLTP period saw significant improvements to the network, along with increased levels of service and a boost to the region’s economic productivity.

Investment highlights

- The former one-lane **Motu Bridge on SH2** was replaced with a new two-lane bridge (now named Te Whitinga o Tamataipūnoa) at a cost of \$6.5 million, funded through the Regional Economic Development Fund.
- Six million dollars was spent **improving safety on SH2/SH35** with safety barriers, rumble stripes and improved signage, while a further \$1.2 million was spent on road safety campaigns to address driver fatigue, sober driving, wearing seatbelts and back to school safe driving.
- The **Muriel Jones shared path on SH35 Wainui** was extended by 1.6 kms from Sponge Bay to Kaiti and \$2.5 million was spent widening the historic SH35 Gladstone Road Bridge to add a shared path for cyclists and pedestrians.
- The **SH35 Makokomuka safety realignment** project will improve safety on SH35, about 20 kms south of Tokomaru Bay, by realigning the road to remove two narrow bridges and road curves. Much of the work in 2020/21 was in the pre-implementation stage, working through final design and consenting.

- Following approval of the **SH35/2 Passing Opportunities business case**, construction began on more than 10 sites between Gisborne and Ōpōtiki, and Gisborne and Hawke’s Bay. Work will then continue on 15 other sites following these, and additional mobile phone layby sites will be installed, which is a direct result of community feedback.

National Land Transport Fund investment

Activity class	2018–21 actual \$000
Tairāwhiti total	181,945
State highway improvements	17,388
State highway maintenance	67,632
Local road improvements	1,016
Local road maintenance	82,749
Road safety promotion and demand management	680
Regional improvements	9,663
Public transport	1,380
Walking and cycling improvements	1,057
Rapid transit and transitional rail	-
Investment management	380



Hawke's Bay

Where 2018–21 investment was focused

Investment in the Hawke's Bay's transport system during the 2018–21 NLTP focused on improving safety and providing more reliable and resilient access for remote communities, farming, forestry, and tourism to support economic growth and prosperity.

Investment highlights

- The **Hawke's Bay Expressway** underwent significant safety improvements including road widening, side and median barriers, and new passing opportunities. Traffic calming measures were also introduced in the Pakipaki township.
- The **Links Road roundabout** was built, including long deceleration and acceleration lanes for slow vehicles.
- **Watchman Road roundabout** opened, creating a safe intersection at what had been one of New Zealand's most dangerous intersections, and including a new access road to the airport.
- **Safety improvements** were completed on SH2 from Wairoa to Bay View, including 7.7 kms of new roadside barrier, 78 kms of rumble strips and new line markings.
- Work has progressed on **SH51 Clive safety improvements** to remove a passing lane and add two right-hand-turn bays, one into Waitangi Regional Park and the other into Hōhepa (a community of vulnerable people). It also includes converting the passing lane into a cycle lane.

- The **widening of Tahaenui bridge**, the last single lane bridge between Gisborne and Wairoa, has been completed; and the realignment of Raupunga, which will increase the resilience of the corridor, opens later in 2021.

National Land Transport Fund investment

Activity class	2018–21 actual \$000
Hawke's Bay total	268,267
State highway improvements	17,758
State highway maintenance	56,531
Local road improvements	8,561
Local road maintenance	104,777
Road safety promotion and demand management	1,069
Regional improvements	69,115
Public transport	5,460
Walking and cycling improvements	4,123
Rapid transit and transitional rail	-
Investment management	873



Taranaki

Where 2018–21 investment was focused

With Taranaki relying heavily on its road and rail connections to the rest of the North Island for its social and economic wellbeing, the priority for our investment during the 2018–21 NLTP was to improve the safety and reliability of the region’s roading network.

Investment highlights

- The \$37.5 million **Awakino Tunnel Bypass** was opened, part of the SH3 safety and resilience improvements from Awakino Gorge to Mt Messenger. The 2.3 km project included two new bridges, a passing lane and realigned a section of highway north of the tunnel.
- **Initial safety improvements on SH3 between Waitara and Bell Block** were completed, including the removal of a passing lane and the installation of wide centrelines. A new 80 km/h speed limit was also implemented.
- **Safety and resilience works were completed on SH3**, including the Ladies Mile passing lane.
- A **new half roundabout and signalised crossing** were built on **SH45 Moturoa** in New Plymouth.

- A **two-lane bridge** was rebuilt over a damaged culvert on **SH43 at Pohokura**, reinstating the road to two lanes - part of planned works for the Forgotten World Highway (SH43) funded through the regional package of the NZ Upgrade Programme.

National Land Transport Fund investment

Activity class	2018–21 actual \$000
Taranaki Bay total	168,382
State highway improvements	16,656
State highway maintenance	71,528
Local road improvements	10,191
Local road maintenance	54,754
Road safety promotion and demand management	1,371
Regional improvements	6,257
Public transport	6,144
Walking and cycling improvements	956
Rapid transit and transitional rail	-
Investment management	523



Manawatū-Whanganui

Where 2018–21 investment was focused

Investment in Manawatū-Whanganui during the 2018–21 NLTP focused on improving safety, resilience and access with the region being an important hub for moving people and freight across Aotearoa.

Investment highlights

- The \$620 million **Te Ahu a Turanga: Manawatū Tararua Highway project** (Manawatū Gorge replacement), which will stretch 11.5 km from Ashhurst to Woodville, will be hugely transformative. There is strong community, council and iwi support for the project, which won a national planning award earlier in the year. Waka Kotahi achieved all milestones for Te Ahu a Turanga with the project ahead of its earthworks programme at year end.
- The \$19 million **He Ara Kotahi cycling and walking pathway** opened in Palmerston North, connecting Palmerston North City, Massey University and Linton.
- Completion of the **SH1 Whirokino Trestle and Manawatū River Bridge project** between Levin and Foxton has improved safety, resilience and reliability of this key freight route.
- Completion of the **Te Tuawai (The Spine) cycleway** has provided a safe route across the Whanganui City Bridge.

- **Safety improvements have been completed across the region**, including on SH57, from SH1 to Shannon; on SH4 Taumarunui to National Park; SH2 Ngawapurua to Manawatū-Whanganui boundary; SH4 Tōhunga Junction to Whanganui; SH3 Whangaehu to Bulls; and SH1 Bulls to Foxton. The work involved the installation of side barriers, road marking, shoulder widening and rumble strips at high-risk locations.
- The **detailed business case for the Palmerston North Integrated Transport Improvements** was completed, setting out the roading initiatives required to support the region’s growing freight hub and distribution potential.

National Land Transport Fund investment

Activity class	2018–21 actual \$000
Manawatū-Whanganui Bay total	593,446
State highway improvements	203,220
State highway maintenance	119,473
Local road improvements	8,736
Local road maintenance	158,144
Road safety promotion and demand management	2,475
Regional improvements	81,632
Public transport	9,878
Walking and cycling improvements	8,582
Rapid transit and transitional rail	-
Investment management	1,306



Wellington

Where 2018–21 investment was focused

Significant investment in Wellington’s land transport system during the 2018–21 NLTP focused on the SH1 Northern Corridor to improve safety, reliability and resilience of this key route, while also progressing travel choice options in the region with new walking and cycling paths and improved public transport services.

Investment highlights

- The \$7 million **northern and central sections of Lower Hutt’s Beltway cycleway**, from Waterloo Station to the Hutt River, at Taita were completed.
- The \$14.8 million **Te Hikoi Arawera** separated pathway between Lower Hutt and Wainuiomata was completed, in partnership with Hutt City Council.
- Work was completed on the \$6.8 million **Hutt Road cycling improvements**, including Kaiwharawhara Bridge. The Cobham Drive section of the Tahitai pathway was completed; and work is now underway on the \$10 million Oriental Parade to Evans Bay section of the Tahitai bike path. These projects are being delivered in partnership with Wellington City Council.
- The consent was granted and funding approved for construction of the **Ngā Ūranga to Pito-one** section of **Te Ara Tupua**.
- Good progress was made on the \$1.25 billion **Transmission Gully** motorway which is expected

to open to traffic late 2021, and the \$405 million **Peka Peka to Ōtaki** section of the Kāpiti Expressway which is expected to open to traffic in late 2022.

- **Safer speed limits** are being introduced to central Wellington and the community is being consulted on safer speeds on Cobham Drive, improvements to the Golden Mile, and improvements to Thorndon Quay and Hutt Road – all part of Let’s Get Wellington Moving.
- **Significant programme of maintenance work on SH2 through the Wairarapa**, including on the Remutaka Hill was completed to improve safety.

National Land Transport Fund investment

Activity class	2018–21 actual \$000
Wellington total	1,502,798
State highway improvements	654,376
State highway maintenance	156,479
Local road improvements	48,953
Local road maintenance	156,339
Road safety promotion and demand management	7,097
Regional improvements	-
Public transport	285,128
Walking and cycling improvements	69,697
Rapid transit and transitional rail	109,601
Investment management	5,804



Top of the South

Where 2018–21 investment was focused

Making roads safer for everyone was a big focus in the Top of the South during the 2018–21 NLTP, along with providing greater transport choice in Nelson and Richmond through improvements to the cycling and public transport network.

Investment highlights

- Engagement was completed for the **Nelson Future Access** project detailed business case.
- A **speed review** was completed for **SH6 from Blenheim to Nelson** and safer speed limits introduced to help prevent people from being killed or seriously injured.
- The **replacement Saltwater Creek bridge** was opened, in conjunction with Nelson City Council.
- Work was completed on the **Tahunanui shared pathway**.
- Construction was completed of the **shared pathway for walking and cycling between Tākaka and Paines Ford** to improve safety along SH60.
- **Emergency repair works continued on SH60 Tākaka Hill**, following damage by Cyclone Gita. Construction is well advanced across all five sites and on schedule for the highway to re-open to two lanes by the end of 2021.

- Construction of a **new bridge on SH1 over the Ōpaoa River** was completed, providing safer access for cyclists and pedestrians.
- Construction was completed of a **new roundabout at the intersection of SH6 and SH 62** to improve safety.

National Land Transport Fund investment

Activity class	2018–21 actual \$000
Top of the South total (Nelson, Tasman and Marlborough) total	353,442
State highway improvements	64,496
State highway maintenance	113,748
Local road improvements	20,721
Local road maintenance	97,563
Road safety promotion and demand management	2,599
Regional improvements	39,344
Public transport	4,594
Walking and cycling improvements	9,605
Rapid transit and transitional rail	-
Investment management	772



Canterbury

Where 2018–21 investment was focused

Investment during the 2018–21 NLTP in Canterbury focused on making the roading network safer, while ensuring improved access to the region’s significant freight and tourism hubs.

Investment highlights

- The remaining two **Christchurch Motorways projects** were completed: Northern Corridor, with a separate shared walking and cycling path and the South Island’s first high occupancy vehicle lane; and the final stage of the Southern Motorway.
- The earthquake-damaged alternative hazardous goods route was re-opened over **Evans Pass**, from Sumner to Lyttelton.
- The \$28.7 million **fire deluge system in Lyttelton Tunnel** was completed, which has a 1.4 million litre reservoir – the same volume of water as a 25 metre swimming pool.
- The **realignment of Mingha Bluff**, through Arthur’s Pass National Park was completed, significantly improving safety and strengthening this key freight route to the West Coast.
- **Speed reviews** were completed across the region, including at Burkes Pass, Glenavy, West Melton, Winchester, Yaldhurst, SH1 Templeton to Dawsons, Waikuku to Lineside Road in North Canterbury, as well as to the north and south of Kaikōura.

- **Safety barriers** were installed in places like Queen Elizabeth II Drive, Christchurch, and on SH7 between Waipara to Waikari.
- **New shared paths** were opened across the region, including the Leeston to Doyleston Cycleway in Selwyn; a path linking Woodend to Gladstone Park and Pegasus in Waimakariri; and significant sections of Christchurch’s Major Cycleways.

National Land Transport Fund investment

Activity class	2018–21 actual \$000
Canterbury total	1,337,319
State highway improvements	636,421
State highway maintenance	212,129
Local road improvements	105,781
Local road maintenance	252,964
Road safety promotion and demand management	5,135
Regional improvements	7,874
Public transport	92,464
Walking and cycling improvements	21,691
Rapid transit and transitional rail	1,312
Investment management	1,548



West Coast

Where 2018–21 investment was focused

Building resilience into the transport network was the priority for investment on the West Coast during the 2018–21 NLTP.

Investment highlights

- Construction was completed of the **new two-lane Ahaura Bridge**, replacing an old single-lane partial wooden bridge to strengthen freight connections.
- The **Bailey bridge across the Waiho River** that was damaged by a major flooding event was reinstated.
- **Safety improvements** at the **Manakaiaua Bridge on SH6** were completed. This included work on the approaches and new guardrails.
- Construction was completed of the **Croesus Trail**, 10 kms of which forms part of the 55 km Great Walk Paparoa Track.
- **Significant repairs** were completed following ex-Cyclone Fehi at Dolomite Point, 17 Mile Bluff, Bruce Bay and Gates of Haast.
- Roading, parking and path **safety improvements** were completed at **Punakaiki**, delivered in partnership with the Department of Conservation and Buller District Council.

- Work was completed on **SH6, SH7 and SH73** to prevent slips and rock falls.
- Eight new slow-vehicle passing bays were built on **SH73 and SH7**.

National Land Transport Fund investment

Activity class	2018–21 actual \$000
West Coast total	215,781
State highway improvements	35,074
State highway maintenance	135,647
Local road improvements	869
Local road maintenance	33,374
Road safety promotion and demand management	312
Regional improvements	9,973
Public transport	340
Walking and cycling improvements	-
Rapid transit and transitional rail	-
Investment management	192



Otago and Southland

Where 2018–21 investment was focused

Significant progress was made during the 2018–21 NLTP to improve safety, improve public transport and new walking and cycling travel options, and build greater resilience into Otago and Southland’s land transport system.

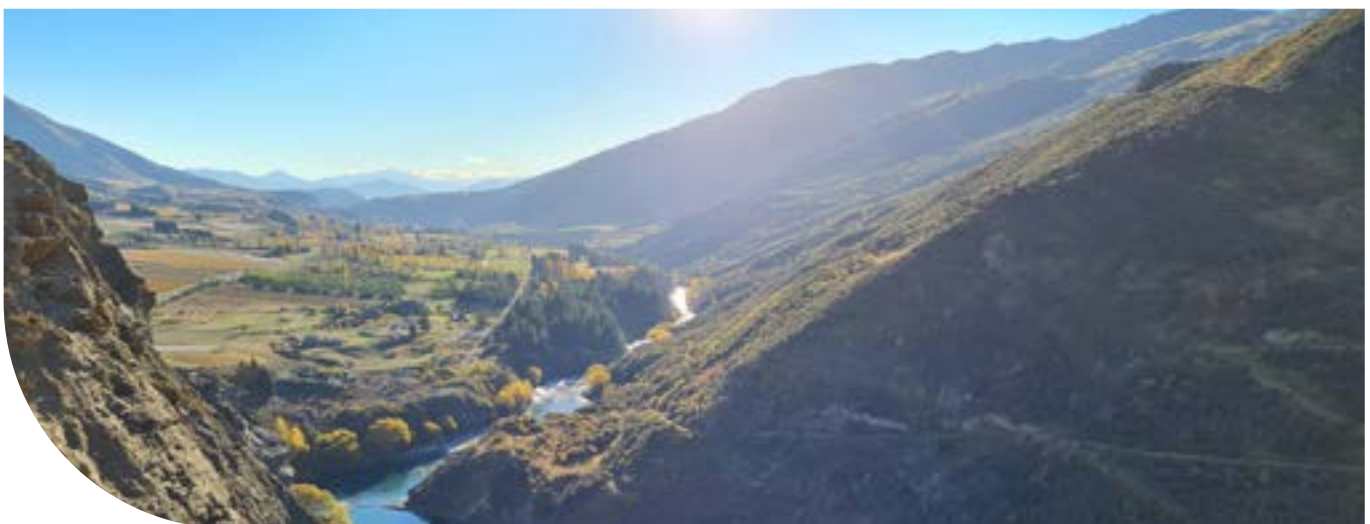
Investment highlights

- Work began on the \$31 million **final section of the shared path** that will create a safe, off-road walking and cycling link between **Port Chalmers and Dunedin**.
- **Safety was improved** along 935 kms of high-risk rural highway throughout Otago and Southland with a \$14 million programme to install barriers and improved signage.
- Construction began on a **new roundabout** to improve safety and reduce the severity of crashes at the busy **SH1/Elles Road intersection**, in south Invercargill. This is scheduled to open in the first half of 2022.
- **Speed reviews** were completed along state highways: SH88 Port Chalmers township, SH1 Waihola township, SH6 Luggate township, SH1 Balclutha, SH90 Tapanui, and SH6/SH94 Lumsden township.
- A **new Alpine Operations Centre on SH94** was opened to house tunnel operations staff, and the Milford Road avalanche and rockfall protection programmes team.

- Work is nearing completion by the Queenstown Lakes District Council to seal the remainder of **Ballantyne Road**, increasing safety on an important route in Wanaka.
- Design of the **Wakatipu Active Travel Network** is nearing completion, and \$14 million was approved for delivering cycle connections to Frankton and from Jack’s Point to Frankton.
- **A new, smarter Bee Card** bus card system was rolled out in Dunedin and Queenstown to make it even easier for people to use public transport. Approved funding for this project is about \$7 million.

National Land Transport Fund investment

Activity class	2018–21 actual \$000
Otago and Southland total	637,690
State highway improvements	56,044
State highway maintenance	220,446
Local road improvements	82,659
Local road maintenance	184,571
Road safety promotion and demand management	2,408
Regional improvements	25,295
Public transport	37,265
Walking and cycling improvements	26,514
Rapid transit and transitional rail	-
Investment management	2,488



Ngā tauākī pūtea me ngā pūrongo ōtita

Financial statements and audit reports



Statement of responsibility

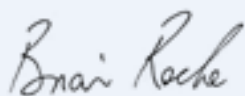
Under the Land Transport Management Act 2003, the Waka Kotahi NZ Transport Agency Board is responsible for the preparation of the National Land Transport Fund financial statements and statement of performance, and for the judgements made in them.

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

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

In the Board's opinion, these financial statements and statement of performance fairly reflect the financial position and operations of the National Land Transport Fund for the year ended 30 June 2021.

Signed on behalf of the Board:



Sir Brian Roche

Chair
30 September 2021



Cassandra Crowley

Chair of the Risk and
Assurance Committee
30 September 2021

Countersigned by:



Nicole Rosie

Chief Executive
30 September 2021



Howard Cattermole

Chief Financial Officer
30 September 2021

Financial statements

Statement of comprehensive revenue and expense for the year ended 30 June 2021

	Note	Actual 2020/21 \$M	Budget 2020/21 \$M	Actual 2019/20 \$M
Revenue inflows*				
Land transport revenue	3	4,274.7	3,877.8	3,790.2
Management of Crown land		53.7	38.0	22.3
Tolling revenue		12.6	11.3	11.1
Interest revenue		1.0	5.3	3.7
Total revenue inflows	2	4,342.0	3,932.4	3,827.3
Outflows				
National Land Transport Programme (NLTP)		3,804.2	3,528.7	3,695.8
Road Policing Programme		375.6	394.8	362.0
Fuel excise duty/road user charges administration		4.8	5.0	4.8
Forecasting and strategy		2.5	3.9	3.6
Total outflows	2	4,187.1	3,932.4	4,066.2
Surplus/(deficit) from current National Land Transport Fund (NLTF) balance		154.9	0.0	(238.9)
Fair value gain on long-term payables		30.4	2.9	1.1
NLTP expenditure to be funded long-term		243.8	(866.4)	(1,197.1)
Finance charges		(9.8)	(8.3)	(8.1)
Surplus/(deficit) to be funded from future NLTF revenue	2	264.4	(871.8)	(1,204.1)
Surplus/(deficit)		419.3	(871.8)	(1,443.0)

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

Statement of financial position

as at 30 June 2021

	Note	Actual 2020/21 \$M	Budget 2020/21 \$M	Actual 2019/20 \$M
Assets				
Cash and cash equivalents	6	287.4	0.0	155.9
Receivables	3/6	240.2	454.7	223.1
Prepayments		22.6	0.0	22.6
Total assets		550.2	454.7	401.6
Liabilities				
Payables	4/6	3,456.6	4,709.7	3,727.3
Total liabilities		3,456.6	4,709.7	3,727.3
Net assets		(2,906.4)	(4,255.0)	(3,325.7)
General funds		(2,906.4)	(4,255.0)	(3,325.7)
General funds closing balance*	7	(2,906.4)	(4,255.0)	(3,325.7)

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

Statement of changes in general funds balance

for the year ended 30 June 2021

	Actual 2020/21 \$M	Budget 2020/21 \$M	Actual 2019/20 \$M
General funds opening balance			
General funds - current	101.6	0.0	340.5
General funds - long-term	(3,427.3)	(3,383.2)	(2,223.2)
Total general funds opening balance	(3,325.7)	(3,383.2)	(1,882.7)
Changes in general funds balance			
Surplus/(deficit) from current NLTF balance	154.9	0.0	(238.9)
Surplus/(deficit) to be funded from future NLTF revenue	264.4	(871.8)	(1,204.1)
Total changes in general funds balance	419.3	(871.8)	(1,443.0)
General funds closing balance			
General funds - current	256.5	0.0	101.6
General funds - long-term	(3,162.9)	(4,255.0)	(3,427.3)
Total general funds closing balance*	(2,906.4)	(4,255.0)	(3,325.7)

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

Statement of cash flows

for the year ended 30 June 2021

	Actual 2020/21 \$M	Budget 2020/21 \$M	Actual 2019/20 \$M
Cash flows from operating activities			
Receipts from land transport revenue	4,324.9	3,860.1	3,861.4
Payments to suppliers	(4,193.4)	(3,860.1)	(4,124.5)
Net cash from operating activities	131.5	0.0	(263.1)
Net increase/(decrease) in amounts held by the Crown	131.5	0.0	(263.1)
Amounts held by the Crown at the beginning of the year	155.9	0.0	419.0
Amounts held by the Crown at the end of the year*	287.4	0.0	155.9

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

Reconciliation of net surplus/(deficit) to net cash from operating activities

	Actual 2020/21 \$M	Budget 2020/21 \$M	Actual 2019/20 \$M
Net surplus/(deficit) after tax	419.3	(871.8)	(1,443.0)
Add/(less) movements in working capital items:			
(Increase)/decrease in receivables	(17.1)	(209.00)	11.5
Increase/(decrease) in payables	(270.7)	1,080.8	1,168.4
Net movements in working capital items	(287.8)	871.8	1,179.9
Net cash from operating activities	131.5	(0.0)	(263.1)

Notes to the financial statements

1 Entity information

Reporting entity

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

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

The National Land Transport Fund is used to manage the funding of the:

- National Land Transport Programme for:
 - activities delivered by approved organisations
 - state highway, rapid transit and walking and cycling activities
 - other Waka Kotahi activities, such as transport planning and sector research
- New Zealand Police Road Policing Programme
- Ministry of Transport - for forecasting and strategy.

The National Land Transport Fund cash funds are held as part of the total Crown funds. The Ministry of Transport is responsible for authorising any payments from the National Land Transport Fund and administration of appropriations.

The National Land Transport Fund, being a notional entity, does not hold any physical assets.

The National Land Transport Fund does not have any employees.

The financial statements for the National Land Transport Fund are for the year ended 30 June 2021 and were approved by the Board on 30 September 2021.

Basis of preparation

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

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

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period. Further details on the use of the going concern assumption are provided in note 7 and note 11.

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

The financial statements are presented in New Zealand dollars and all values are in millions (\$M) and rounded to the nearest hundred thousand dollars.

Budget figures

The budget figures are derived from the *Statement of performance expectations 2020/21* as approved by the Board on 16 June 2020. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are materially consistent with those adopted by the Board in preparing these financial statements. The budget figures are not audited.

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

Taxes

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

The National Land Transport Fund is a notional entity, so is exempt from the payment of income tax.

Accounting standards issued and not yet effective

The National Land Transport Fund financial statements have adopted all accounting standards, amendments and interpretations to existing standards that have been published and are mandatory from 1 July 2020.

2

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

	Actual 2020/21 \$M	Actual 2019/20 \$M	Actual 2018/19 \$M
Revenue inflows			
Land transport revenue	4,274.7	3,790.2	3,854.4
Management of Crown land	53.7	22.3	53.9
Tolling revenue	12.6	11.1	11.3
Interest revenue	1.0	3.7	9.9
Total revenue inflows	4,342.0	3,827.3	3,929.5
Outflows			
National Land Transport Programme (NLTP)	3,804.2	3,695.8	3,680.9
Road Policing Programme	375.6	362.0	337.5
Fuel excise duty/road user charges administration	4.8	4.8	4.9
Forecasting and strategy	2.5	3.6	1.0
Total outflows	4,187.1	4,066.2	4,024.3
Surplus/(deficit) from current National Land Transport Fund (NLTF) balance	154.9	(238.9)	(94.8)
Fair value gain on long-term payables	30.4	1.1	2.8
NLTP expenditure to be funded long-term	243.8	(1,197.1)	(670.9)
Finance charges	(9.8)	(8.1)	(7.7)
Surplus/(deficit) to be funded from future NLTF revenue	264.4	(1,204.1)	(675.8)
Surplus/(deficit)	419.3	(1,443.0)	(770.6)

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

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

Revenue inflows

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

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

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

Outflows

The National Land Transport Fund accounts for the flow of funds to:

- Waka Kotahi – for the funding of the National Land Transport Programme, and administration of fuel excise duty and road user charges
- New Zealand Police – which provides the Road Policing Programme
- the Ministry of Transport – for forecasting and strategy.

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

See section C for details of activities funded by the National Land Transport Fund.

Explanation of major variances against budget

Revenue inflows

Land transport revenue was \$4,274.7 million, \$396.9 million (10 percent) above budget of \$3,877.8 million. The budget was developed before April 2020 and reflected the outlook of COVID-19 alert levels and expected impact on economic recovery at the time when New Zealand was put into alert level 4 lockdown after the outbreak of COVID-19. Revenue has recovered close to pre-COVID lockdown levels.

Outflows

National Land Transport Programme was \$3,804.2 million, \$275.5 million (8 percent) above budget of \$3,528.7 million. This was mainly due to higher than planned spend on a number of output classes including state highway maintenance, walking and cycling, transitional rail and local road maintenance.

National Land Transport Programme expenditure to be funded long-term was (\$243.8) million, \$1,110.2 million below budget of \$866.4 million. This reflects the expenditure on public-private partnerships, Housing Infrastructure Fund, fair value changes of financial instruments, and expenditure that is financed by borrowing facilities. The variance mainly relates to planned use \$643.0 million of notional borrowing that did not eventuate as revenue recovered to pre-COVID levels in 2020/21. The budget developed before April 2020 assumed additional financing (referred to as notional borrowing in the *Statement of performance expectations 2020/21*) for the funding gap between budgeted expenditure and revenue when it was set in April 2020. The other contributing factors for the variance are the repayment of a \$175 million short term borrowing facility, and movements in the public-private partnerships of (\$99.3) million including movements in the fair value of financial instruments (interest rate swaps) due to recent increases in the interest rates.

3 Land transport revenue and receivables

	Actual 2020/21 \$M	Actual 2019/20 \$M
Revenue		
Fuel excise duty	2,191.3	1,936.0
Road user charges	2,006.5	1,773.2
Motor vehicle registration and annual licensing fees	232.4	226.5
Total revenue	4,430.2	3,935.7
Less refunds		
Fuel excise duty	71.3	73.7
Road user charges	62.8	57.1
Motor vehicle registration and annual licensing fees	1.0	0.9
Total refunds	135.1	131.7
Less bad debt write-off	3.0	7.3
Movement in provision for doubtful debts	17.4	6.5
Total bad and doubtful debts	20.4	13.8
Total land transport revenue	4,274.7	3,790.2

As per the Land Transport Management Act 2003, a payment is made for maritime search and rescue activities from fuel excise duty prior to the duty becoming land transport revenue. This payment was \$24.8 million (2019/20: \$14.4 million).

Receivables (included in the statement of financial position)

	Actual 2020/21 \$M	Actual 2019/20 \$M
Debtors - fuel excise duty	227.1	192.7
Debtors - motor vehicle register/road user charges	60.0	59.9
Provision for doubtful debt	(46.9)	(29.5)
Total receivables	240.2	223.1

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

Debtors - motor vehicle register/road user charges

The provision for doubtful debt relates to road user charges, the ECLs are \$46.9 million (2019/20: \$29.5 million). The National Land Transport Fund applies the simplified approach and recognises lifetime ECLs for these debtors. Lifetime ECLs recognise all possible default events over the expected life of the receivable. The ECLs were calculated in two groups, motor vehicle register, debtors and road user charges debtors, to reflect the differences in collection and default rate history. There was no indication that Debtors - motor vehicle register were impaired at 30 June 2021.

There have been no changes to the estimation techniques or assumptions used in calculating the lifetime ECLs during 2020/21.

The movement in ECLs for the year are shown in the table below.

	Lifetime ECL - debtors - road user charges 2020/21 \$M	Lifetime ECL - debtors - road user charges 2019/20 \$M
Opening balance as at 1 July	29.5	23.0
Movement in doubtful debts provision	17.4	6.5
Closing balance as at 30 June	46.9	29.5

Receivables are written-off when they are deemed uncollectable. The total receivables written-off during the year amounted to \$3.0 million (2019/20: \$7.3 million). Of the receivables written-off none were still subject to enforcement activities.

Debtors - fuel excise duty

There was no indication that Debtors - fuel excise duty were impaired as at 30 June 2021.

4 Payables

	Actual 2020/21 \$M	Actual 2019/20 \$M
Current payable to Waka Kotahi - current balance	293.6	299.9
Current payable to Waka Kotahi - to be funded from future revenue	134.5	241.0
Non-current payable to Waka Kotahi - to be funded from future revenue	3,028.5	3,186.4
Total payables	3,456.6	3,727.3

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

Current payable to Waka Kotahi - to be funded from future revenue is a mixture of interest and non-interest-bearing advances that will be settled within 1 year. Therefore, the carrying value approximates fair value.

Non-current payable to Waka Kotahi - to be funded from future revenue is a mixture of interest and non-interest-bearing advances that will be settled between 1 year and 30 years.

Non-interest bearing non-current payables are discounted to present value as at 30 June 2021.

5 Planned outflows

The planned aggregate funding outflows, including both committed and probable outflows, from the National Land Transport Fund (as follows), reflect the contribution to the National Land Transport Programme 2021-24 including payments to NZ Police and Kiwirail and the \$2 billion debt facility assumed within the National Land Transport Programme. The National Land Transport Programme 2021-24 has been largely developed leading up to balance date and was adopted on 31 August 2021.

	Actual 2020/21 \$M	Actual 2019/20 \$M
Not later than one year	4,940.2	3,938.0
Later than one year and not later than five years	8,170.2	3,138.1
Later than five years	3,381.9	6,467.6
Total planned outflows	16,492.3	13,543.7

6 Financial instruments and financial risk management

Financial instruments

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

	Actual 2020/21 \$M	Actual 2019/20 \$M
Financial assets measured at amortised cost		
Cash and cash equivalents	287.4	155.9
Receivables	240.2	223.1
Total financial assets measured at amortised cost	527.6	379.0
Financial liabilities measured at amortised cost		
Payables	3,456.6	3,727.3
Total financial liabilities measured at amortised cost	3,456.6	3,727.3

Financial risks

The National Land Transport Fund's activities expose it to a variety of financial instrument risks including market risk, credit risk and liquidity risk. The National Land Transport Fund has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments.

Market risk

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

Interest rate swaps are held by Waka Kotahi to mitigate risks associated with interest rate fluctuations for the underlying debt instruments relating to the public-private partnerships, details of which are in the financial statements of Waka Kotahi annual report for 2020/21.

Credit risk

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

Credit quality of financial assets

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

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that the National Land Transport Fund will encounter difficulty raising liquid funds to meet commitments as they fall due.

Prudent liquidity risk management implies maintaining sufficient cash. The National Land Transport Fund manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

Refer to note 5 for future outflows of National Land Transport Fund. The Board considers the National Land Transport Fund revenue forecast when planning the National Land Transport Programme to ensure the liquidity of the National Land Transport Fund is maintained.

Contractual maturity analysis of financial liabilities

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

	2020/21			
	Less than 1 year \$M	1-2 years \$M	2-5 years \$M	Over 5 years \$M
Payables	481.0	204.8	556.0	2,561.5

	2019/20 (restated*)			
	Less than 1 year \$M	1-2 years \$M	2-5 years \$M	Over 5 years \$M
Payables	602.9	256.9	626.4	2,380.4

* Restatement relates to a change in methodology for the public-private partnerships liability maturity calculation.

	Actual 2020/21 \$M	Actual 2019/20 \$M
General funds - current	256.5	101.6
Total general funds - current	256.5	101.6
National Land Transport Programme to be funded long-term		
Auckland Transport Package	(354.0)	(355.0)
Housing Infrastructure Fund	(30.3)	(14.1)
Public-private partnerships*	(2,335.1)	(2,407.3)
NLTF borrowing facility for short-term advances	(75.0)	(250.0)
COVID-19 NLTF borrowing facility	(325.0)	(325.0)
Tauranga Eastern Link	(107.0)	(107.0)
Fair value changes in financial instruments	63.5	31.1
Total general funds - long term	(3,162.9)	(3,427.3)
Total general funds closing balance	(2,906.4)	(3,325.7)

*Included related interest rate swaps.

The National Land Transport Fund has a negative general funds balance due to programmes that were accelerated and debt funding sourced from the Crown or via public-private partnerships. The funding received has been recognised as long-term payables that are not due for up to 30 years from balance date.

Although the National Land Transport Fund has a negative general funds balance, the Board considers the going concern assumption valid for the following reasons.

- The Fund's liquidity is actively managed.
- The Fund has a positive cash balance of \$287.4 million as at 30 June 2021 (2019/20: \$155.9 million).
- The Fund's forecasts demonstrate its ability to repay its obligations when they fall due.
- The Fund's main revenue source is land transport revenue, which is forecast with inputs from other government departments and has been accurately forecast in recent years (aside from the impact of COVID-19) and is forecast to be sufficient to meet all future outgoings and commitments.
- The Fund has the option to slow expenditure on the National Land Transport Programme or not approve projects within the programme.
- The Fund has the option to utilise the short-term shock borrowing facility of \$250 million to cover any revenue or expenditure shocks, or utilise the short-term seasonal borrowing facility of \$250 million to meet seasonal cash-flow cycles. Waka Kotahi has drawn down \$75 million of short term shock borrowing facility in 2019/20. The repayment of the shock facility has been included in the Fund's forecasts.
- The government approved an additional \$425 million COVID-19 borrowing facility for Waka Kotahi during 2019/20, \$125 million of this was drawn at 30 June 2020, with \$200 million having been drawn down in July 2020. Final repayments of the facility fall in financial year 2027/28. The facility is no longer available to be drawn down.
- In July 2020, the government approved additional funding of up to \$600 million and signalled its intention to allow Waka Kotahi to raise additional financing of up to \$300 million to manage ongoing COVID-19 impacts, to continue financial support for public transport and to allow the delivery of the remainder of the 2018-21 National Land Transport Programme. Out of the \$600 million funding available, Waka Kotahi utilised \$318.6 million. No drawdowns were made from the additional financing.

- The government approved the deferment of \$277 million of Auckland Transport Package debt. Which included \$65 million that was due on 30 June 2021. The residual \$212 million was deferred from the 2021-24 period to the 2024-27 period.
- The government has provided financial support to meet the additional costs associated with the COVID-19 claims from the two Waka Kotahi public-private partnership contracts.
- In August 2021, the government signalled its intention to provide financing up to \$2 billion for extra investments in the 2021-24 National Land Transport Programme.
- Joint ministers have provided a letter of comfort to the Board and have directed officials from the Treasury and Ministry of Transport to review and provide recommendations on existing Fund revenue settings and the case for new revenue tools.
- A debt management framework is in place to determine a sustainable and efficient level of future liabilities and is based on the expected level of fund inflows and forward commitments and comprises measures and target operating ranges to guide decision-making.

In the event of future extended lockdown periods, further financing or funding and/or reduction in expenditure may be required in order to prudently manage the National Land Transport Fund. The Board believes the above facilities, government interventions and management programmes provide sufficient headroom that any such additional support can be procured in advance of being required.

The cost of financing will be met from future inflows into the National Land Transport Fund. The Board actively manages the forward work programme of Waka Kotahi, within Government Policy Statement on land transport parameters, to manage the liquidity of the National Land Transport Fund and it remains the Board's view that under present economic settings the National Land Transport Fund continues to be able to fund repayment of financing and continue to meet the Waka Kotahi forward work programme. The Board recognises that as carbon-reducing activities increase, the method of funding transport will need to adapt and change. The Treasury and Ministry of Transport are to carry out a revenue review in 2021/22.

Capital management

The National Land Transport Fund's capital is its general funds. General funds are represented by net assets.

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

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

Waka Kotahi has policies in place to ensure the viability of the long-term position of the National Land Transport Fund as well as ensuring the National Land Transport Fund effectively achieves the requirements set out in the Land Transport Management Act 2003.

8 Related party transactions

The National Land Transport Fund is a wholly owned entity of the Crown

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

9 Contingencies

The National Land Transport Fund has no contingent liabilities or assets (2019/20: \$nil).

The National Land Transport Fund may have exposure to those contingent liabilities of Waka Kotahi arising from the delivery of the National Land Transport Programme.

10 Commitments to regions reporting

The Land Transport Management Amendment Act 2008 requires disclosure of expenditure incurred from the 2008/09 financial year to date, in fulfilling the Crown's commitment to certain specified activities as per the Act. Total expenditure for the two remaining activities to 30 June 2021 is \$591.1 million (2019/20: \$513.4 million) (commitment of \$760.0 million).

11 Events after the balance date

COVID-19 lockdown

On 17 August 2021, the Ministry of Health announced that a new COVID-19 case had been found in the community in Auckland. As a result, the New Zealand government imposed an alert level 4 lockdown initially for seven days in Auckland and Coromandel and three days for the rest of the country. Lockdowns (at alert levels 4 or 3) have been progressively extended. Based on previous lockdowns in 2020, it is expected that the lockdowns will have a material fiscal impact on the National Land Transport Fund position due to reduced revenue and increased costs from COVID-19 related claims from approved organisations, roading contractors and public-private partnership operators as well as a reduced farebox contributions to public transport services.

Waka Kotahi has determined that the restrictions imposed from 17 August 2021 are a non-adjusting post-balance date event. Therefore, no adjustments have been made to the financial statements. Waka Kotahi is currently assessing the fiscal impact and working with the Ministry of Transport on the likely impact of the lockdowns. Waka Kotahi has informed the Ministry of Transport that it may require financial support for the National Land Transport Fund to offset the financial impacts of COVID-19 on Waka Kotahi and local authorities (e.g. reduced public transport farebox and lower land transport revenue into the National Land Transport Fund).

Transmission Gully Public-Private Partnership

On 18 September 2021, it was announced that the proposed road opening day for Transmission Gully of 27 September 2021 will be delayed. Waka Kotahi is currently discussing with Wellington Gateway Partnership, and the Builder on the new roading opening day. Waka Kotahi has determined that this delay is a non-adjusting post balance date event, and therefore no adjustments have been made in the financial statements. Refer to note 5 for details on the previous COVID-19 related settlements.

Crown financing for National Land Transport Programme 2021-24

In August 2021, the Crown signalled its intention to provide financing up to \$2 billion to manage funding constraints over the National Land Transport Programme 2021-24. The additional financing would allow increased investments in several activity classes such as public transport service, walking and cycling, state highway maintenance, and local road maintenance. Waka Kotahi has determined that this is a non-adjusting post-balance date event, and therefore no adjustments have been made in the financial statements.

Statement of performance (unaudited)

Output class funding to Waka Kotahi

	Actual 2020/21 \$M	Budget 2020/21 \$M	Actual 2019/20 \$M
Investment management	67.2	81.8	80.7
Public transport	563.5	626.4	607.1
Walking and cycling	191.5	122.8	70.5
Road safety promotion and demand management	56.3	57.8	48.1
Local road improvements	267.5	308.6	245.5
Local road maintenance	700.1	668.9	584.5
Regional improvements	111.6	123.7	96.7
State highway improvements	890.8	1,091.5	1,296.8
State highway maintenance	774.4	304.3	569.0
Rapid transit	20.9	42.8	32.3
Transitional rail	160.4	100.0	64.6
Funding to Waka Kotahi - current	3,804.2	3,528.7	3,695.8
Road policing	375.6	394.8	362.0
Total output class funding	4,179.7	3,923.5	4,057.8
Auckland Transport Package	(1.0)	(66.0)	(15.0)
Housing Infrastructure Fund	16.2	20.0	11.1
Public-private partnerships	(99.3)	293.7	629.2
Reinstatement of earthquake-damaged roads in Christchurch	0.0	0.0	0.0
Repayment for Transmission Gully	0.0	(3.5)	0.0
Borrowing (notional borrowing)	0.0	643.3	0.0
NLTF borrowing facility for shock/seasonal costs	(175.0)	0.0	250.0
COVID-19 National Land Transport Fund borrowing facility	0.0	0.0	325.0
Fair value changes in financial instruments to surplus or deficit	15.3	(21.1)	(3.2)
Total output class funding (long-term)	(243.8)	866.4	1,197.1

The output class funding (current) above is net of borrowing used to finance activities carried out by Waka Kotahi.

The output class funding (long-term) reflects the expenditure on public-private partnerships, Housing Infrastructure Fund, fair value changes of financial instruments, and expenditure that is financed by borrowing facilities. The most significant movement in 2020/21 relates to COVID-19 budgeted expenditure financed by borrowing facilities that did not eventuate of \$643.0 million, repayment of the \$175.0 million short-term borrowing facility and movements in the fair value of financial instruments (interest rate swaps) associated with the public-private partnerships of (\$99.3) million. The \$643.0 million was covered by additional Crown funding and debt deferment together with higher than expected revenue.

Where borrowing facilities are used to fund expenditure, rather than a specific project, the debt needs to be apportioned across activity classes. This reduces current expenditure in the period the borrowing is drawn down, and increases expenditure in the period the borrowing is repaid. In financial year 2019/20, \$575.0 million of borrowing was drawn down and was apportioned to activity classes. During financial year 2020/21, \$175.0 million was repaid. The apportionment of the remaining \$400.0 million across activity classes and the impact on the 2018-21 National Land Transport Programme is as follows.

Output class	\$75.0 million borrowing facility \$M	\$325.0 million borrowing facility \$M	Total \$M	2018-21 National Land Transport Programme pre-financing	2018-21 National Land Transport Programme post-financing
State highway improvements	26.0	158.3	184.3	3,603.1	3,418.8
State highway maintenance	49.0	88.9	137.9	2,188.8	2,050.9
Public transport	0.0	77.8	77.8	1,758.2	1,680.4
Total apportionment	75.0	325.0	400.0		

Explanations of major variances against budget

Public transport was \$62.9 million (10 percent) below budget. The underspend was primarily due to the reimbursement from the Crown in 2020/21 for \$89.9 million of COVID-19 costs that were accrued in the National Land Transport Fund accounts in 2019/20.

Walking and cycling was \$68.6 million (56 percent) above budget. This was mainly due to the Innovating Streets projects that were not in the 2020/21 budget, the additional works for Bayfair to Baypark not initially in scope and certain projects progressing faster than planned.

State highway improvements were \$200.7 million (18 percent) below budget. This was due to underspends across a number of projects, deferral of a \$65.0 million Auckland Transport Package loan repayment and reimbursement from the Crown in 2020/21 for \$81.0 million of COVID-19 costs that were accrued in National Land Transport Fund accounts in 2019/20. Refer to note 2 of the Waka Kotahi annual report 2020/21 financial statements for the total COVID-19 costs that were funded by the Crown.

State highway maintenance was \$470.1 million (154 percent) above budget. The budget assumed \$411.7 million of the expenditure to be funded by debt (referred as 'notional borrowing' in the *Statement of performance expectations 2020/21*) due to reduced revenue as result of the COVID-19 outbreak. As revenue recovered to pre-COVID-19 levels, debt was not required in 2020/21 and expenditure was via land transport revenue.

Transitional rail was \$64.6 million (60 percent) above budget. Expenditure increased this year following prior year delays in projects. In addition, there have been contract variations on some of the significant programmes of rail work.

Public-private partnerships were \$393 million (134 percent) below budget as a result of the fair value movements of related financial instruments.

Borrowing (notional borrowing) was \$643.3 million, (100 percent) below budget. The budget assumed additional financing (referred to as 'notional borrowing' in the *Statement of performance expectations 2020/21*) for the funding gap between budgeted expenditure and revenue when it was set in April 2020. As revenue recovered to pre-COVID-19 levels in 2020/21 and with crown funding and debt deferment occurring, the planned use of \$643.0 million of borrowing did not eventuate.

National Land Transport Fund borrowing facility for shocks/seasonal costs was \$175.0 million (100 percent) below budget. This was due to repayment of the short-term seasonal borrowing facility and the facility not being redrawn before 30 June 2021, as expected.

Independent auditor's report

To the readers of National Land Transport Fund's financial statements and performance information for the year ended 30 June 2021

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

Opinion

We have audited:

- the financial statements of the NLTF on pages 263 to 275, that comprise the statement of financial position as at 30 June 2021, the statement of comprehensive revenue and expense, statement of changes in general funds balance and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the service delivery and investment performance measures included in the performance information of the NLTF on pages 220 to 246.

In our opinion:

- the financial statements of the NLTF on pages 263 to 275:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2021; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity International Public Sector Accounting Standards; and
- the service delivery and investment performance measures included in the performance information of the NLTF on pages 220 to 246:
 - presents fairly, in all material respects, the NLTF's performance for the year ended 30 June 2021, including:
 - for each class of reportable outputs:

- its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
- its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 30 September 2021. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 208 to 218, 220 to 246 (excluding service delivery and investment performance measures), 248 to 262, and 276 to 278 but does not include the financial statements and the performance information, and our auditor's report thereon.

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

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

Independence

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

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



Ed Loudon

KPMG Wellington

On behalf of the Auditor-General
Wellington, New Zealand

