

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



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Tirohanga whānui o te tau 2021/22

Overview
of 2021/22



He tirohanga whānui nā te heamana me te pou whakahaere

Chair and chief executive overview

Ko te whāinga nui a te Kaupapa Tūnuku Whenua ā-Motu 2021-24 kia haumarua ake, kia toitū ake te taiao, ā, kia tuwhera ake te pūnaha tūnuku mō Aotearoa. He mahi hira kua oti i a mātau ko ō mātau pātui haumitanga o ngā kaunihera ki te whakatutuki i taua manako nui, me te tino nui haere o ngā mahinga kua whakaritea i te nuinga o ngā wāhi.

E whirinaki ana te whakatutukitanga whānui o te Kaupapa Tūnuku Whenua ā-Motu 2021-24 (NLTP) ki te toitū me te mōhio ki ngā ara moni whiwhi Tahua Tūnuku Whenua ā-Motu (NLTF). He tino uaua tēnei, ā, te āhua nei ka pērā tonu mō tēnei wā tonu.

Nā te whakaputanga o te Te Tauākī Kaupapa Here a te Kāwanatanga mō ngā waka whenua 2021, te Tauākī Kaupapahere a te Kāwanatanga (GPS) mō te tūnuku whenua 2021 i whakawhānui i te whānuitanga me ngā tūmanako o ngā mea ka whakatutukihia e mātau me ō mātau hoa mā te NLTP.

Pērā anō i ētahi atu whakahaere, kua pā mai ki a Waka Kotahi me ōna hoa pātui ngā raru ōhanga mai i te KOWHEORI-19, ā, he nui te whakararu ki te ara ratonga me te whakapikinga utu. I whai pānga ēnei raru ki ngā utu me te whakararanga o ā mātau kaupapa pūrawa maha me te tautiaki rawa. Kei te tino hē kē atu ēnei āhuatanga nā te itiiti me te tino whakataetae o te rāngai mahi.

Kua tuku taurewa te kāwanatanga i te \$2 piriona ki a Waka Kotahi hei whakatutuki i te whānuitanga me ngā tūmanako o te NLTP 2021-24, me te tuku i ngā pūtea a te Karauna hei whakangāwari i ngā pānga o ngā noho rāhui o te KOWHEORI-19, tae atu ki te pānga o te mate urutā ki ngā huringa o ngā whanonga hāereere me te whakamahinga o ngā ratonga tūnuku tūmatanui. Nā tēnei i taea ai e Waka Kotahi te whakapiki haere tonu te haumitanga ki te tūnuku tūmatanui, ahakoa te heke o te tautokonga me ngā moni whiwhi mai i te tūnuku tūmatanui. Kua whakakāia anōtia e te kāwanatanga te NLTF hei whakatautika i ngā pānga o ngā poronga tāke kora.

Ko ngā tautoko ā-pūtea mai i te kāwanatanga i roto i tēnei NLTP ka taea e Waka Kotahi me ōna hoa te whakarato kia nui ake i roto i te wā o te Kaupapa Tūnuku Whenua ā-Motu.

Kei te tino tautoko mātau i te Arotake Moni Whiwhi a Tūnuku Whenua i whakahautia e te kāwanatanga i te Ākuhata 2021, e whai ana ki te whakarite me pēhea, ā, e hia te roa e pūmau ai te ara pūtea. Ahakoa i āwhina ngā tautoko ā-pūtea mai i te kāwanatanga i te 2021/22 ki te whakamāmā i ētahi o ngā pēhitanga ā-pūtea i roto i te wā poto, kāore e whakaritea e tērā ngā whakaritenga pūtea haere ake nei.

E tautoko ana a Waka Kotahi i te whakaheke i te tukunga waro o te pūnaha tūnuku whenua hei kaupapa matua mō Aotearoa me te mōhio ki tō mātau wāhanga mō te whakatutuki i te whakahekenga tukunga waro āpōpō. Kāore e kore ka iti iho te whakawhirinaki ki ngā waka tūmataiti me ngā koranehe i te whakahekenga tukunga waro, ā, ka whakaiti i ngā moni whiwhi mai i te tāke kora me ngā nama kaiwhakamahi rori – koinei ngā puna matua o ngā moni whiwhi a te Tahua Tūnuku Whenua ā-Motu. Ka whakanui ake tēnei i ngā pēhitanga ki te

tahua nā ngā pānga o te mate KOWHEORI-19, arā ko te heke o ngā moni whiwhi mai i te tāke kora me ngā nama kaiwhakamahi rori nā te heke o te haere i runga rori.

I te kino haere o ngā pānga o te huringa āhuarangi, kua tino piki kē ngā pēhitanga ki ngā tahua tautiaki hei utu i ngā kaupapa me ngā tapitapi ohotata kua whakaritea. I te tau 2021/22 i urupare ngā mana tūnuku ki ngā āhuatanga huarere kino nui. He mea taketake te whakaotinga o ngā mahi ohotata hāngai kia noho haumaruru tonu ai, kia noho honohono ai ngā hapori. Engari, nā tērā i hīkina ai ētahi hōtaka tautiaki i whakaritea mō tērā tau nā te iti rawa o ngā pūtea me ngā rawa e hiahiatia ana hei whakaoti i ngā mahi ohotata me ngā mahi tautiaki kua whakaritea.

He otinga wā poto ngā tapitapi ohotata. I roto i te wā, me whai haumitanga nui atu anō hei whakapiki i te pakari ake o te kōtuinga nā ngā huarere kino me te pikitanga o te moana. I te mea he whenua pae moana a Aotearoa, ka tino pā mai ēnei āhuatanga huringa āhuarangi ki a tātau, ā, ko ngā pānga kino rawa ka pā ki ngā hapori whakaraerae me te taratahi.

He nui ngā mea kua taea ahakoa ēnei uauatanga i mua i a mātau me ō mātau hoa. Kei roto i tēnei ko te whakatutuki i ngā whakapaitanga o te Ara ki te Kore mō te tere me te tūāhanga me te whakarewa i te kaupapa whakahau tūmatanui mō te Ara ki te Kore. E whai ana te kaupapa whakahau ki te huri i te āhua o te kōrero a Aotearoa mō te haumaruru rori, ā, kua tīmata kē me tēnei mā te kaupapa whakahau pāpāho pāpori nui rawa me te iwi whānui kua whakahaerehia e mātau.

I taea ētahi tohu nui hira mō te whakatutuki i ngā kaupapa pūrawa nui, tae atu ki te whakatuwheratanga o Te Aranui o Te Rangihaeata me te whakaroa ake i te Ara Pahi o te Raki. I tutuki anō ngā tohu nui hira mā ngā haumitanga i roto i te Kaupapa Whakahāngai Tūnuku o Tāmaki Makaurau me Let's Get Wellington Moving. I ngā wāhi tuawhenua me ngā porowini i Aotearoa, i arotahi ngā haumitanga o ngā whakapaitanga tūāhanga kia noho tūhono tonu ngā hapori noho tawhiti me te tae atu o ngā rawa ki te māketete.

Kua tīmata te whakatinanatanga o te Mahere Rēra o Aotearoa hei whakapai haere i te āhua o te kōtuinga rēra. Ka tautoko tēnei i ngā ratonga onāiane me te whakarato i tētahi kaupapa mō te whakatipu, e nui ake ai ngā kōwhiringa ki te tangata mā te tuku i tētahi kōwhiringa tūnuku kē.

He maha ngā kaha me toro atu hei whakatutuki i ngā whāinga huringa āhuarangi me te toitūtanga taiao a te kāwanatanga. Kei roto i tēnei ko te whakaū i ngā mātāpono toitūtanga mō te hanga mahere me te whakatutuki, te whakarato, te whakarato i ngā kōwhiringa tūnuku atu anō mā te tangata me te kawē rawa, te mahi tahi mō ngā kaupapa whakaheke kiromita waka, te tautoko i ngā kaupapa kia mā ake ngā waka me te tūnuku tūmatanui, me te tuitui taura here angitu ki te hunga whai pānga. Kei te whakatinana anō tēnei i a Tiro Arorangi, tā mātau mahere urutau huringa āhuarangi. Kei te mahia tonutia te mahere, ā, he mahi hira tēnei i raro i te Mahere Urutaunga ā-Motu.

Kei te pūmau tonu a Waka Kotahi ki te whakarato i tētahi pūnaha tūnuku toitū, haumaruru me te tuwhera. Mā tētahi tauira tuku pūtea toitū, he wāhanga hira tonu te haumitanga mai i te NLTF mō te tautoko i tēnei uaratanga, e āwhina ana ki te tūhono i te tangata, ngā hua me ngā wāhi, ā, kia taea ai te hanga mahere me ngā kaupapa kia momoho ai a Aotearoa.



Sir Brian Roche KNZM
Chair



Nicole Rosie
Chief Executive



He tirohanga whānui nā te heamana me te pou whakahaere

Chair and chief executive overview

The 2021-24 National Land Transport Programme has the ambition for a safer, more environmentally sustainable and more accessible transport system for Aotearoa New Zealand. We and our local government investment partners have made important steps toward achieving that ambition, with significant increases in activity planned across most areas.

Overall achievement of the 2021-24 National Land Transport Programme (NLTP) ambition is dependent on National Land Transport Fund (NLTF) revenue streams being sustainable and predictable. This has been particularly challenging and is likely to remain so for the immediate future.

The release of Te Tauākī Kaupapa Here a te Kāwanatanga mō ngā waka whenua 2021, the Government Policy Statement (GPS) on land transport 2021 broadened the scope and expectations of what we and our partners would deliver through the NLTP.

Like many other organisations, Waka Kotahi and its partners have also been affected by the economic fall-out from COVID-19, which has seen significant supply chain disruption and price inflation. These issues have affected costs and delivery of many of our capital projects and asset maintenance. These factors are being exacerbated by a tight and increasingly competitive labour market.

The government has loaned Waka Kotahi up to \$2 billion to meet the scope and expectations of the 2021-24 NLTP and has provided Crown funds to offset some of the impacts of COVID-19 lockdowns, including the impact of the pandemic on changes to travel behaviours and use of public transport services. This enabled Waka Kotahi to continue to increase investment in public transport, despite reduced public transport patronage and revenue. The government has also topped up the NLTF to offset impacts of this year's fuel tax cuts.

The financial support received from the government in this NLTP is enabling Waka Kotahi and its partners to deliver much more during this National Land Transport Programme period.

We are in full support of the Land Transport Revenue Review commissioned by the government in August 2021, which aims to determine how and over what time the funding path can be stabilised. While the financial support received from the government over 2021/22 has helped to ease some of the funding pressures in the short-term, it will not address our ongoing funding requirements.

Waka Kotahi supports decarbonising the land transport system as a priority for Aotearoa and recognises our role in achieving a decarbonised future. Decarbonisation will inevitably reduce reliance on private vehicles and fossil fuels, which in turn will reduce revenue from fuel tax and road user charges – currently the main sources of National Land Transport Fund revenue. This will exacerbate the pressures put on the fund by the impacts of the COVID-19 pandemic, which included declining fuel tax and road user charge revenue due to reduced road travel.

As climate change impacts have become more severe, the pressure on maintenance budgets to fund both planned programmes and emergency repairs has already increased. In 2021/22 local transport authorities responded to a significant number of severe weather events. Completion of the associated emergency works was critical to communities remaining safe and connected. However, that meant some scheduled programmes of maintenance were deferred to next year because there was not enough funding and resources required to complete both emergency works and scheduled maintenance.

Emergency repairs are also only a short-term solution. Over time, substantial additional investment will be required to increase the resilience of the network in the face of extreme weather and sea level rise. As Aotearoa is a coastal nation, we will be significantly affected by these impacts of climate change, with the worst impacts likely felt by the most vulnerable and isolated communities.

Much has been achieved in the face of the challenges we and our partners have faced. This included delivery of Road to Zero speed and infrastructure improvements and launch of the national Road to Zero public awareness campaign. The campaign aims to change the way Aotearoa talks about road safety and has already begun to do so with the highest public engagement of any social media campaign we have run to date.

Some important milestones in delivery of significant capital projects were achieved, including the opening of Te Aranui o Te Rangihaeata Transmission Gully and the Northern Busway extension. Important milestones were also achieved through investments in the Auckland Transport Alignment Project and Let's Get Wellington Moving. In rural and provincial Aotearoa, investment in infrastructure improvements focused on keeping geographically distanced communities connected and getting goods to market.

Implementation of the New Zealand Rail Plan is under way to restore the condition of the rail network. It will support existing services and provide a platform for growth, giving people more choice by offering an alternative transport option.

Multiple levers will need to be drawn on to achieve the government's climate change and environmental sustainability goals. This includes embedding sustainability principles into planning and delivery, delivering more transport choices for people and freight, partnering on vehicle kilometre reduction programmes, supporting cleaner vehicle initiatives and public transportation, and forming successful relationships with stakeholders. It also includes implementing the Tiro Rangi, our climate change adaptation plan. The plan is in development and is a critical action under the National Adaptation Plan.

Waka Kotahi remains committed to delivering a sustainable, safe and accessible transport system. With a sustainable funding model, investment from the NLTF will continue to play an important role in supporting this vision, helping to connect people, products and places and enabling the planning and projects that will help Aotearoa thrive.



Sir Brian Roche KNZM
Chair



Nicole Rosie
Chief Executive



About the land transport investment system

About this report

Waka Kotahi is responsible under the Land Transport Management Act 2003 for allocating and investing the National Land Transport Fund (NLTF) and preparing the National Land Transport Programme (NLTP). Under section 11 of the Act Waka Kotahi must prepare an annual report on the NLTF that includes how the activities funded under the NLTP contribute to achievement of outcomes set out in the Government Policy Statement on land transport (GPS).

The outcomes and achievements presented in this report are the result of a collective investment in land transport. The activities in the NLTP are planned, invested in and delivered as a co-investment partnership between Waka Kotahi, local and regional authorities, New Zealand Police, KiwiRail and other transport sector partners in line with statutory requirements. 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 first annual report under the GPS for 2021/22 to 2030/31 (GPS 2021).

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

The following information forms the statement of performance for the 11 activity classes funded by the NLTF.

Activity class	Page
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Walking and cycling improvements	237
Local road improvements	238
State highway improvements	239
State highway maintenance	240
Local road maintenance	242
Investment management	243
Coastal shipping	244
Rail network	244

National Land Transport Fund

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

- **fuel excise duty** – excise collected at source and recharged in petrol, liquid petroleum gas and compressed natural gas prices
- **road user charges** – charges paid by users of vehicles over 3.5 tonnes manufacturer's gross laden weight and by users of vehicles using diesel or another fuel not taxed at source
- **motor vehicle registry fees** – registration and licence fees paid by public road users to access the road network
- **state highway property rentals and sales** – rentals and other charges on state highway property and from the sale of land surplus to transport requirements
- **track user charges** – charges collected from KiwiRail
- **surplus and short-term debt movement** – use of surplus from a previous NLTF and movement in short-term debt
- **Crown** – the Crown provides funding to support the Rail Network Investment Programme and to offset the cost of the fuel tax reductions, and it also provides money to Waka Kotahi (rather than to the NLTF) to help supplement the NLTF to achieve specific policy objectives such as NZUP and half price fares.

It is a co-investment partnership governed by the statutory framework between Waka Kotahi, which uses the NLTF to invest on behalf of the Crown, and approved organisations.¹ Waka Kotahi assesses and prioritises which activities proposed by approved organisations will be invested in on behalf of the Crown.

Government Policy Statement on land transport

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

The GPS is refreshed every three years. The GPS 2021 is now in effect. The four strategic objectives 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 the NLTF. The NLTP sets out activities expected to be funded from the NLTF under the Land Transport Management Act 2003. It takes into account local government's regional land transport plans, which set out the land transport priorities for each region and need to be aligned with the GPS for funding.

The NLTP includes:

- committed funding from previous NLTPs for transport improvements that are generally large scale and under way
- continuous programmes, such as road maintenance and public transport services
- new activities Waka Kotahi will consider funding, which are developed collaboratively in line with statutory requirements, including giving effect to the GPS and taking into account regional land transport plans.

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

² For more information, see Te Manatū Waka Ministry of Transport (2021) Te Anga Whakatakoto Hua mō ngā Waka: Transport Outcomes Framework (webpage). www.transport.govt.nz/area-of-interest/strategy-and-direction/transport-outcomes-framework

Waka Kotahi investment approach

The primary objective of Waka Kotahi under the Land Transport Management Act 2003 is 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 from the NLTF across transport modes to meet its objective and give effect to the GPS and help deliver a safe, integrated, well-connected and sustainable land transport system within available funding.

Waka Kotahi works closely with its co-investment partners and stakeholders such as local communities and national policy makers to ensure the transport solutions deliver the best outcomes for Aotearoa.

Investment principles

When considering the best mix of activities to receive investment funding in line with statutory requirements, Waka Kotahi applies the following investment principles to guide investment policy:³

- 1. Invest in the transport system to achieve multiple outcomes.** Waka Kotahi invest to deliver key land transport outcomes and GPS on land transport priorities. Waka Kotahi encourages activities and packages of solutions that are deliberately designed to deliver multiple outcomes, including contributing to wider government priorities and wellbeing where transport has a role to play.
- 2. Take a robust approach to delivering best value for money.** To ensure the most effective and efficient solutions are implemented, Waka Kotahi require an appropriate assessment of options and the application of its intervention hierarchy. When assessing 'value', Waka Kotahi consider social, environmental, safety, cultural and economic impacts, whole-of-life costs and benefits. Waka Kotahi ensure an equitable sharing of costs to reflect both public and private benefits.
- 3. Ensure Solutions are future-focused and adaptable.** Waka Kotahi ensure intergenerational impacts and land-use integration opportunities are considered, so that immediate decisions support long-term system outcomes. Recognising future uncertainty, activities should also be able to adapt to changing technology and be resilient to unexpected events.
- 4. Collaborate and engage with the local government sector to understand and reflect local, regional and national perspectives.** Waka Kotahi work with local government and other investment partners and agencies to plan, seek aligned priorities and coordinate activities. Māori, stakeholder and community engagement informs decision making and helps tailor solutions to local conditions.
- 5. Make decisions following a transparent, risk-based process informed by a strong evidence base.** Waka Kotahi is open, clear and impartial when making investment decisions. Waka Kotahi uses timely, agile, right-sized and fit-for-purpose processes that are easy to understand and scaled to the appropriate level of risk. Waka Kotahi will continue to improve future investment decision making through the ongoing evaluation of results to ensure evidence remains robust.

³ These principles sit alongside the operating principles in the Land Transport Management Act 2003 and guide the application of existing and development of new investment policies.

Waka Kotahi investment decision-making approach

To develop the NLTP in accordance with relevant statutory criteria, including giving effect to the GPS, Waka Kotahi uses an investment decision-making framework and process (outlined in figure 1) that includes the Investment Prioritisation Method 2021-24, and the investment policies and guidance in the Waka Kotahi Planning and Investment Knowledge Base. The basis for prioritisation, assessment and investment decisions is set out on the Waka Kotahi website, which also describes the investment decisions made during the year.

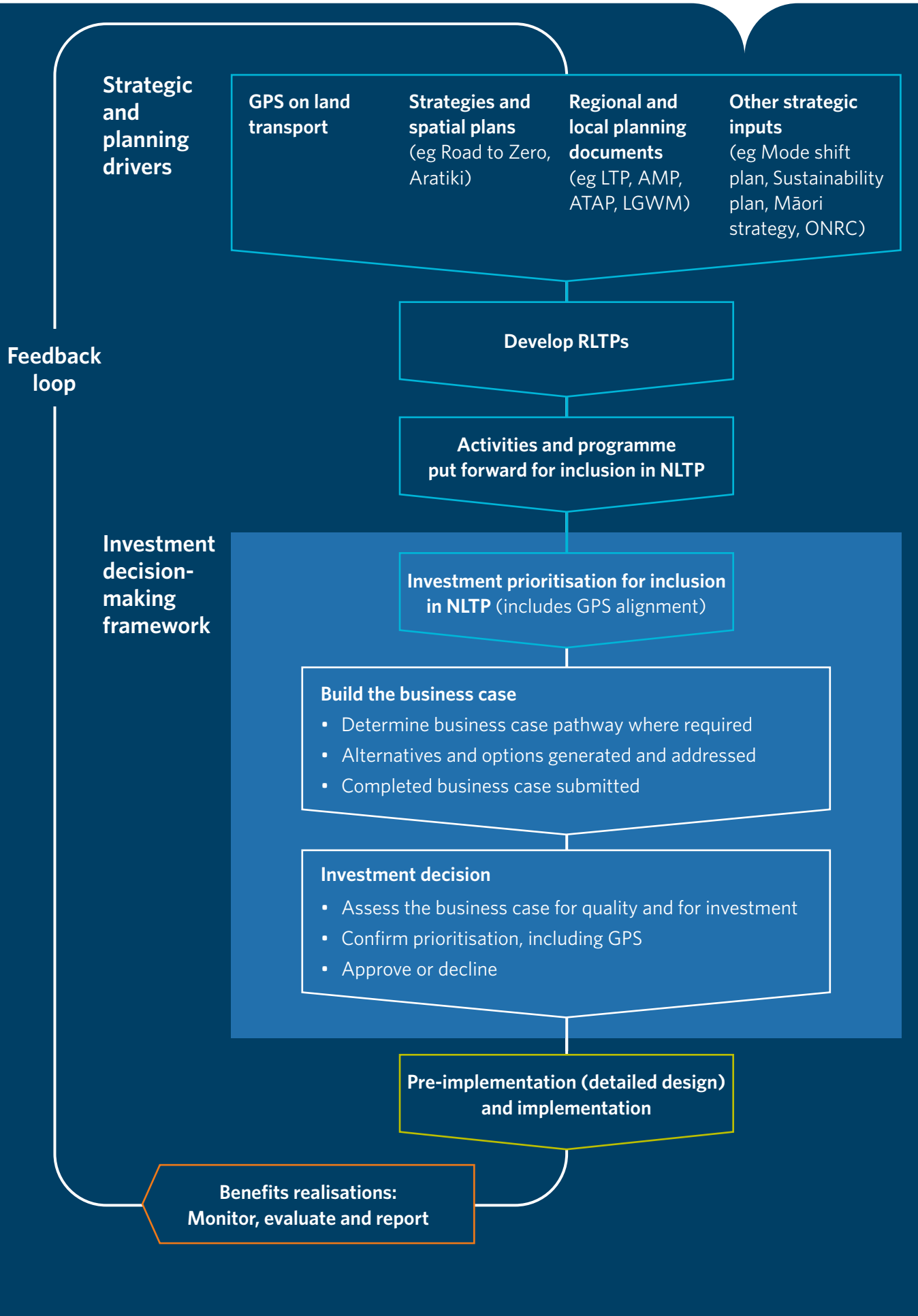
For each activity or programme included in the NLTP, the principles of the business case approach need to be applied in considering options to achieve the desired outcomes. A preferred solution is put forward for an investment decision. The Waka Kotahi Board makes significant investment decisions, and, under the delegation rules, Waka Kotahi managers make other investment decisions. The Board has delegated funding authority to Auckland Transport for investment decisions for its activities in the range of \$2 million to \$15 million.

If the investment is approved, the activity is implemented and benefits from that investment are measured and reported.

For the 2021-24 NLTP, where possible, Waka Kotahi captured baseline and forecast benefits information for all activities submitted for inclusion against a new benefits framework. Assessing whether benefits have been realised will take time as data needs to be gathered and analysed for reporting.

⁴ Waka Kotahi (2022) How decisions are made (webpage). www.nzta.govt.nz/planning-and-investment/funding-and-investing/investment-decisions/how-decisions-are-made

Figure 1 Waka Kotahi investment decision-making framework



Ngā otinga āmiki

Detailed
results



Delivering on the Government Policy Statement on land transport 2021

The overall spend during the first year of the 2021-24 NLTP was \$5.32 billion. This included an investment of approximately \$4.27 billion of NLTF funding across the GPS 2021 strategic priorities. This section describes how the activities invested in contributed to progress toward these priorities.

Safety

GPS 2021 short- to medium-term results

- Reduced number of deaths and serious injuries
- A safer land transport network

Estimated investment in safety-related benefits

In 2021/22, an estimated \$1.26 billion from the NLTF was invested in activities with primary benefits that contribute to safety. This includes investment in these activity classes ranked by largest dollar value:

- Road to Zero
- State highway maintenance
- Local road maintenance
- Local road improvements
- Rail network
- State highway improvements
- Walking and cycling improvements
- Public transport infrastructure
- Public transport services

The 2021/22 spend and performance measure results of these activity classes are summarised on pages 232-244.

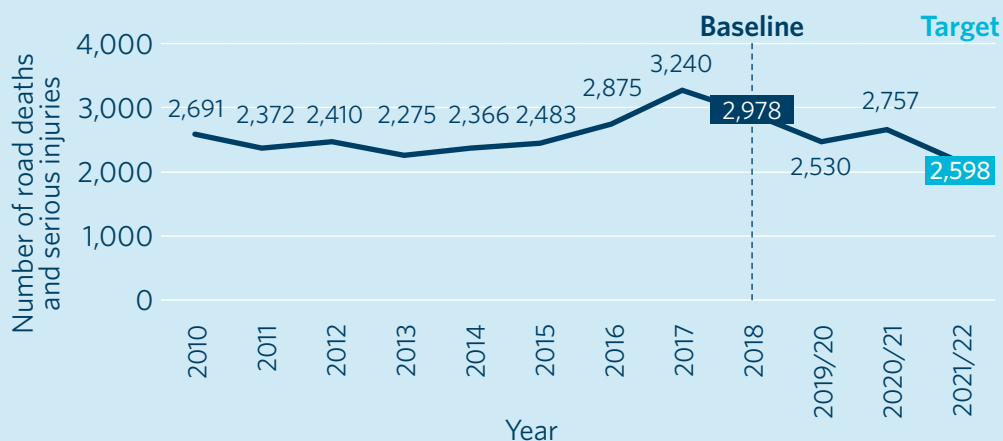
Progress toward results

The main activity class of GPS 2021's safety priority is Road to Zero. The national road safety strategy, Road to Zero, is underpinned by a vision that no one is killed or seriously injured on Aotearoa roads. To support the Road to Zero strategy, Waka Kotahi invested \$682 million in the Road to Zero activity class this year from a total anticipated \$10 billion investment over the next 10 years.

Road to Zero has a target of a 40 percent reduction in deaths and serious injuries by 2030 (from 2018 levels). The most recent Road to Zero monitoring report shows Aotearoa is on track to meet the 40 percent target (see figure 2).⁵

⁵ Te Manatū Waka Ministry of Transport (2022) Te Ara Ki Te Ora: Te ripoata aroturuki ā-tau 2021 | Road to Zero annual monitoring report 2021. www.transport.govt.nz/area-of-interest/safety/road-to-zero

Figure 2 Deaths and serious injuries 2010–2022 (12-month rolling total)



Investments delivered under the Road to Zero activity class included designing and delivering road safety advertising campaigns, reviewing the process for implementing speed limit restrictions on the state highway network, and introducing new rules, guidance and speed management plans to reduce the time needed to make speed limit changes.

Some road policing activities funded by the NLTF did not reach their targets as many frontline staff from New Zealand Police, including road policing staff, were redeployed to COVID-19-related activities.

Safety outcomes are also delivered through other activity classes, including investment to maintain or improve the state highway and local road networks and to support a shift from private vehicles to public transport.

Safety improvements across the network included the installation of a single-lane roundabout at Loop Road in Northland to replace an unsafe and inefficient intersection. The Mt Messenger and Awakino Gorge Corridor bypass will improve safety, resilience and the journey experience along this important transport route. Te Aranui o Te Rangihaeata Transmission Gully Motorway was built to high safety standards and opened after six years of construction. It will improve resilience in the Wellington network. SH1 in Dome Valley and from Whangārei to Wellsford was made safer with the installation of median and flexible safety barriers, rumble strips, a wider shoulder, right-turn bays and improved signage.

Work progressed on two major Dunedin projects promoting safety and better access for people who cycle and walk – the final 5km section of the SH88 Dunedin to Port Chalmers shared path, between Dunedin and Port Chalmers and the city council’s Peninsula Connection project around the Otago Harbour between Dunedin to Portobello.

Road to Zero – a shared responsibility to keep people safe on the roads

Imagine an Aotearoa where everyone can get where they're going safely. Where no drivers, passengers, people walking or cycling, or anyone else dies or is seriously injured on the roads. Aotearoa is not there yet, but Waka Kotahi has a plan.

Road to Zero, the national road safety strategy, adopts a world-leading approach that says it's possible to have no loss of life or serious injury on roads. To achieve that, Aotearoa needs a safe land transport system.

Everyone needs to follow the rules and make safe choices, but people make mistakes. Even when crashes happen, a Safe System can prevent people being killed or seriously injured – by having safer roads and barriers and safe vehicles travelling at safe speeds.

When the transport system is safer, it's more inviting for people to use active transport such as walking and cycling, which has benefits for wellbeing and the environment.

This year, Waka Kotahi launched its Road to Zero public awareness campaign, because everyone shares responsibility for keeping people safe on the roads. As the campaign-launching video said, 'It's time we stopped paying the road toll'. The vision is zero deaths by 2050. Let's make it happen, together.



Better travel options

GPS 2021 short- to medium-term results

- Improved access to social and economic opportunities
- Public transport and active modes that are more available and/or accessible
- Increased share of travel by public transport and active modes
- Reduced greenhouse gas emissions
- Reduced air and noise pollution

Estimated investment in better travel options benefits

In 2021/22, an estimated \$1.67 billion was in activities with better travel options as their primary benefit. This includes investment in these activity classes ranked by largest dollar value:

- Public transport services
- Public transport infrastructure
- State highway improvements
- State highway maintenance
- Local road maintenance
- Walking and cycling improvements
- Local road improvements
- Rail network

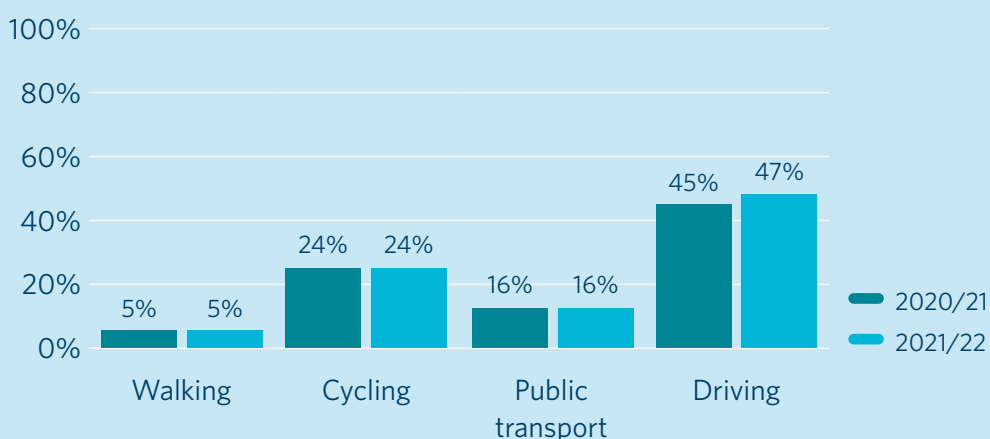
The 2021/22 spend and performance measure results of these activity classes are summarised on pages 232-244.

Progress toward results

People live in and visit cities and towns because they value access to employment, education, healthcare, commerce and communities. Growth in the main urban areas is expected to continue, putting pressure on the transport network. The transport system needs to meet this challenge through investment that reduces people's dependency on vehicles, where possible and appropriate.

The proportion of people with access to jobs through public transport, walking and cycling remains stable since last year (see figure 3). The increase in access through driving is a result of faster peak morning journey times during COVID-19 lockdowns with more people in Auckland and Wellington working from home.

Figure 3 Proportion of jobs within 45 minutes by mode



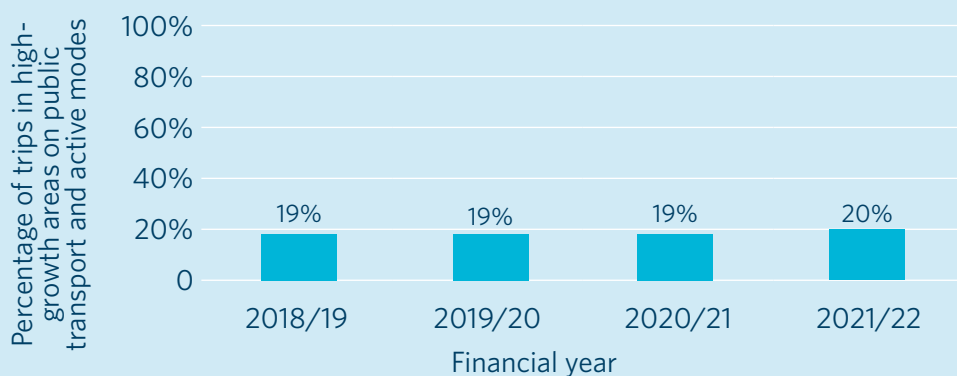
Similarly, the proportion of people with access to other social and economic opportunities (schools, doctors and supermarkets) by public transport and active modes also remained stable (see table 1).

Table 1 Proportion of population with access to social opportunities within 15 minutes by mode (the change shown is compared with the baseline period of 2019/20)

Destination	Walking	Cycling	Public transport	Driving
Primary schools	62% —	89% —	70% —	98% ▼1%
Secondary schools	21% —	71% ▲1%	28% —	92% —
General practitioner	52% ▲1%	83% ▲1%	63% ▲1%	95% —
Supermarkets	39% ▼1%	82% —	51% —	95% —

The overall mode share of public transport and active mode trips in urban areas slightly improved although the increase is within the margin of error ($\pm 2\%$) (see figure 4).

Figure 4 Mode share of public transport and active modes in urban areas



Investments were made this year in walking and cycling improvements such as the innovating streets trial in Ōtautahi Christchurch, and public transport infrastructure, including mass rapid transit and expansion of rail networks. Bus networks and transit stations are being upgraded to improve the frequency and quality of these modes. The Total Mobility scheme assists those with long-term impairments to access appropriate transport to meet their daily needs and enhance their community participation. This assistance is provided in the form of subsidised door-to-door transport services.

While Waka Kotahi continues to invest in improving access through road upgrades, a shift to other more efficient modes is needed to improve access to economic and social opportunities and to reduce emissions.

In GPS 2021, funding for public transport – buses, trains and ferries – is split into two activity classes: public transport services and public transport infrastructure.

Investment in the public transport services activity class will ensure that, where the infrastructure exists, users of the land transport network have easier and reliable access to public transport. Customer preferences and expectations in Aotearoa are changing, which extends to when and how people want to access public transport. To modernise and standardise how customers use public transport, Waka Kotahi has continued work on procuring a national public transport ticketing solution. The National Ticketing Solution will provide a nationally coordinated approach to providing a range of easy to use payment methods for public transport services, giving customers a better, more consistent and common payment experience across New Zealand.

The new public transport infrastructure activity class will continue to fund committed transitional rail activities as well as new metro rail activities in Auckland and Wellington. This includes activities in the Auckland Transport Alignment Project and Let's Get Wellington Moving and inter-regional rail connections such as Te Huia service between Auckland and Hamilton and the Capital Connection from Palmerston North to Wellington. Investment in heavy rail infrastructure supports inter-regional tourism.

This year, the NLTF invested in metro rail activities to support public transport in Auckland and Wellington. This builds on investment in the 2018–21 NLTP in transitional rail activities under a dedicated activity class. Infrastructure is being improved for better commuter access for Pukekohe and Papakura communities. Work is under way on SH1 between Papakura and Bombay to install new motorway overbridges so electric trains and additional rail lines can run underneath.

Aucklanders travelling from Pakuranga to Botany will have more travel choices following the next phase of the Eastern Busway, a 7km busway with separate walking and cycling facilities. Commuters from the North Shore have better bus access into central Auckland with the opening of the Northern Busway extension, a separate two-way road for buses between Constellation and Albany, and upgrades to Constellation Station.

Community-led transport improvements were brought to the streets of Ōtautahi Christchurch with five Innovating Streets for People projects successfully trialling new ways of using bright paint and street furniture to reallocate street space for safe walking and cycling.

Outside the main centres, better travel options are also being encouraged. For example, in Invercargill, residents have better access to public transport services after timetable changes reduced wait times for buses and improved bus frequency. Total Mobility funding kept disabled people in Westport, Greymouth and Hokitika connected with family and friends and able to access essential services such as medical centres and supermarkets.

Innovating Streets for People in Ōtautahi

In little more than eight weeks, with the help of paint, pop-up wave delineators and planter boxes, the Christchurch City Council created a new cycleway to link the city's southeast and central cycle network. The Ferry Road Cycle Connection was one of 62 projects implemented by 32 councils in 2021/22 as part of the Waka Kotahi Innovating Streets for People programme.

The programme funded councils to trial new ways of designing and delivering transportation infrastructure. These projects start out as temporary solutions to test changes, bring forward benefits and show the way to permanent solutions.

Innovating Streets projects create vibrant, safe, people-friendly places for thriving communities. They encourage people to use active modes such as walking and cycling that have physical and mental wellbeing benefits as well as environmental benefits – switching to active modes of transport will help Aotearoa achieve its emissions reduction goals.

Like all Innovating Streets projects, the Ōtautahi project involved community co-design, and the result is a safer, community-driven, people-focused way to get around Ōtautahi using active modes. And it's clearly working – within six months of the cycleway's installation, cycling numbers along the route increased 18–20 percent.

Using lessons and experiences from Innovating Streets, Waka Kotahi has built a new programme, Streets for People, which has similar goals.



Improving freight connections

GPS 2021 short- to medium-term results

- Freight routes that are more reliable
- Freight routes that are more resilient
- Reduced greenhouse gas emissions
- Reduced air and noise pollution

Estimated investment in travel options benefits

In 2021/22, an estimated \$1.07 billion from the NLTF was invested in activities with primary benefits that improve freight connections. This includes investment in these activity classes ranked by largest dollar value:

- State highway improvements
- State highway maintenance
- Local road maintenance
- Rail network
- Local road improvements.

The 2021/22 spend and performance measure results of these activity classes are summarised on pages 232-244.

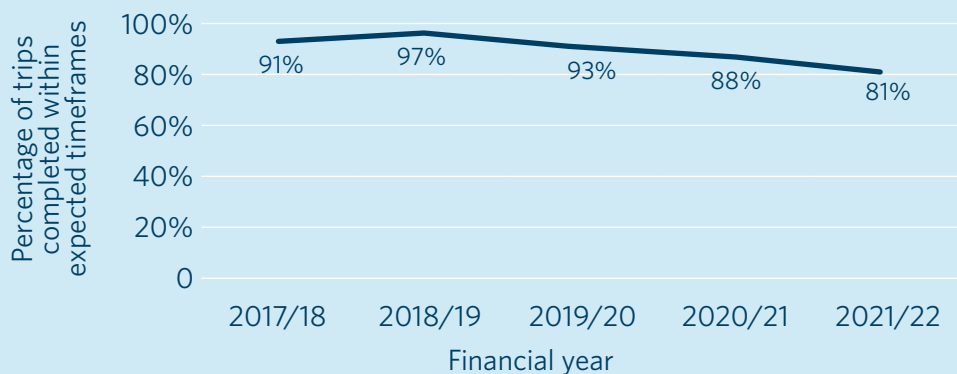
Progress toward results

Freight is moved in Aotearoa through a combination of road, rail and sea. GPS 2021 focuses on increasing the use of both rail and sea to improve road safety and reduce emissions. Investments made under the coastal shipping and rail network activity classes contribute to achieving this goal, along with improvements to and maintenance of the state highway and local road networks to ensure roads freight frequently travels on are kept safe and accessible. The Waka Kotahi freight action plan for 2021–2024 will improve freight connections across heavy rail, road and coastal shipping by improving the efficiency of freight movement and making use of lower emission options such as rail and coastal shipping to reduce greenhouse gas emissions from freight.

Waka Kotahi set a baseline this year to understand the proportion of freight carried by road and rail with the aim of increasing the proportion by rail and decreasing the proportion by road. Currently, 87 percent of freight is transported by road and the other 13 percent is by rail.

Interpeak predictability of travel times on priority freight routes declined this year as the result is derived through a comparison with the prior year's data where COVID-19 lockdowns led to freer flowing journeys (particularly on state highways near urban centres) (see figure 5). With the return to more normal journey times this year, higher travel-time predictability is expected in 2022/23.

Figure 5 Interpeak predictability of travel times on priority freight routes



Coastal shipping transports bulk freight such as cement, refined petroleum products and shipping containers. In time, investment from the NLTF is expected to give the freight industry more choice in how it can move goods to support a more resilient freight network. Moving more freight by coastal shipping will also reduce emissions and improve safety. This year, Waka Kotahi issued a request for proposal that received 13 applications from a broad cross-section of the freight industry (well in excess of the \$30 million funding allocation under the coastal shipping activity class). Four preferred suppliers were selected, and all were contracted by July 2022 to co-invest in new and enhanced coastal shipping services.

Through the rail network activity class, \$107 million was invested in the first year of the Rail Network Investment Programme, which sets out all rail activities that will be funded from the NLTF over the next three years. This three-year programme, delivered by KiwiRail, aims to restore the national rail network to a resilient and reliable state.

Through investment in the state highway improvements activity class, greater resilience has been built into the Tairāwhiti freight network with the completion of bridge strengthening work on SH2 through the Waioeka Gorge. The project finished ahead of schedule and more than \$2 million under budget, and the highway is now capable of carrying high productivity motor vehicles between Gisborne and Bay of Plenty. These vehicles mean fewer trucks are used to transport more freight. This helps the economy grow while, at the same time, reducing congestion, reducing carbon emissions and improving safety on the roads.

To improve safety on popular freight routes, changes were made on SH50 at the Prebensen Drive, Taradale and Hyderabad Road roundabouts to improve traffic flows into Napier and to and from the port. A business case for the replacement of the Stoney Creek Bridge on SH7 south of Reefton was completed as part of an ongoing programme to replace the single-lane bridges on the region's roading network, strengthening freight routes and building resilience into the network.

Te Ahu a Turanga: Manawatū-Tararua Highway

When Manawatū Gorge closed for the final time after a major slip in 2017, Aotearoa lost the main route between Manawatū and Tararua.

Construction of the replacement route, Te Ahu a Turanga: Manawatū-Tararua Highway, is now well under way and expected to be completed in late 2024. The 11.5km-long, four-lane highway will be safer, more resilient to weather and climate change, and more efficient than the old gorge road, which was narrow and often closed by slips. This is good news for travellers and for freight. Palmerston North is a regional hub for road and rail freight, and the new road will connect it with the Port of Napier.

At the heart of the project is a partnership between Waka Kotahi, its contractors and the five iwi connected to the project area. Te Ao Māori is actively integrated into all aspects of the project, including the design, which celebrates this unique area and its rich cultural heritage. The project alliance was recognised for its inclusive approach at the 2021 Diversity Awards, taking out top place in the Mātauranga Māori category.

Wherever possible, Waka Kotahi aims to leave the landscape in a better state than before it began work. It is improving stream habitats and water quality and will plant almost 46 hectares of new vegetation (around 1.8 million native plants) to enhance the existing flora. A separated shared use path will mean people who are walking and cycling can safely enjoy the route too.



Climate change

GPS 2021 short- to medium-term results

- Reduced greenhouse gas emissions
- Reduced air and noise pollution
- Improved resilience of the transport system

Estimated investment in climate change benefits

In 2021/22, an estimated \$0.26 billion from the NLTF was invested in activities that have primary benefits that contribute to climate change. This includes investment in these activity classes ranked by largest dollar value:

- Public transport services
- Local road maintenance
- State highway maintenance
- Rail network
- Local road improvements
- Public transport infrastructure
- State highway improvements
- Walking and cycling improvements
- Coastal shipping

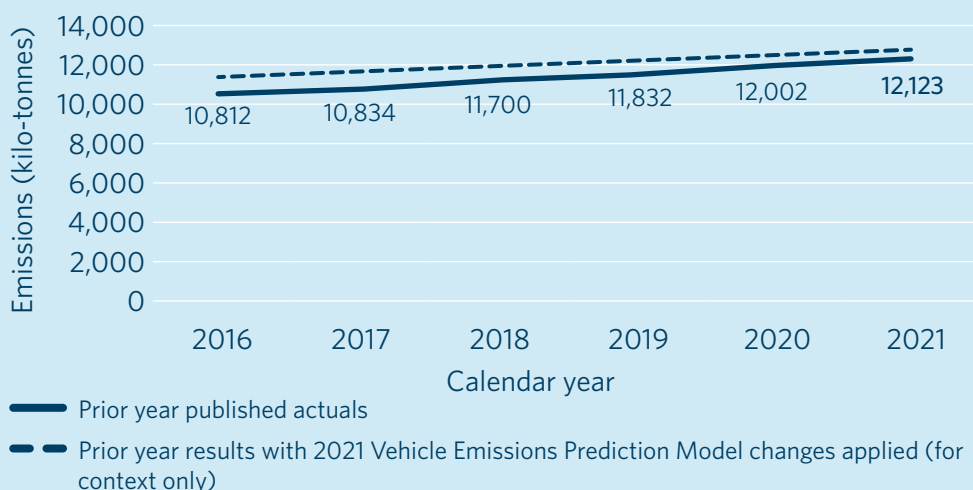
The 2021/22 spend and performance measure results of these activity classes are summarised on pages 232-244.

Progress toward results

New Zealanders are increasingly reliant on private vehicles to meet their travel needs, increasing the transport system's greenhouse gas emissions and contributing to traffic congestion, poor quality urban environments, pollution, poor health and high travel costs. These challenges are concentrated in the main urban centres, which make up just 2 percent of the country's land area but are home to more than 70 percent of the population.

Greenhouse gas emissions from the land transport system have continued to increase over several decades. This increase is also reflected in the reported light vehicle fleet emissions. (see figure 6).

Figure 6 Greenhouse gas emissions from the land transport system ⁶



Waka Kotahi has two documents that explain how it plans, delivers and invests to respond to climate change. *Toitū te taiao: Our sustainability action plan* sets out the Waka Kotahi vision of a low carbon, safe and healthy land transport system and the actions Waka Kotahi will take to tackle climate change. *Tiro Rangi our climate adaptation plan*, will be published late 2022 and will describe the fundamental shifts needed for climate adaptation through the development, management and operation of the land transport system. Regionally, Waka Kotahi is also working with its partners to implement the mode-shift plans for Auckland, Hamilton, Tauranga, Wellington, Christchurch and Queenstown.

The GPS 2021 climate change priority focuses on 'transforming to a low carbon transport system that supports emissions reduction aligned to national commitments, while improving safety and access'.⁷ All NLTF investments have a role to play in addressing climate change, but specific areas of focus include reducing people's need to travel by car, and increasing people's use of public transport, walking and cycling, and supporting more efficient freight movement and freight vehicles.

Increasing the uptake of public transport and walking and cycling compared with travel by car is one of the most important changes Waka Kotahi can influence to reduce greenhouse gas emissions, air and noise pollution, and traffic congestion. Waka Kotahi aims to increase mode shift by shaping urban form to support rapid transit, reduce the need to travel and encourage more walking and cycling. It will make shared and active modes more attractive by improving public transport, walking and cycling facilities and influencing travel demand and transport choices. More information about mode-shift investment is included under 'Better travel options' (pages 222-225). Freight mode share is reported under 'Improving freight connections' (pages 226-228).

⁶ In 2021/22, the model was updated to include calculation of carbon dioxide equivalent emission factors.

⁷ Ministry of Transport (2021) *Government Policy Statement on land transport 2021* (www.transport.govt.nz/area-of-interest/strategy-and-direction/government-policy-statement-on-land-transport-2021/).

Through the public transport service and infrastructure activity classes, \$778 million was invested in activities to support mode shift. For example, work began on improving access and travel choice between Tauranga and Te Puna with stage one of the Takitimu North Link, a four-lane corridor to support public transport and vehicles carrying multiple people.

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 transport network infrastructure. Severe weather will increasingly affect the environment, communities and infrastructure, including roads, rail, community facilities, and water supply and management.

The number of weather events that were extreme enough to close Aotearoa roads increased this year by 124 events (84 percent) on 2019/20. An example of how Waka Kotahi responded to get the network up and running as soon as possible was the emergency work on SH35 in Tairāwhiti to reconnect the region's main state highway. This work was completed within three weeks of the most significant weather event to hit the region since Cyclone Bola 33 years ago. Major repairs continue at 15 sites and minor repairs at more than 800 sites across the network. In Canterbury, emergency work to repair the Ashburton River/Hakatere Bridge following a major flooding event quickly restored full access to the main South Island freight route and reconnected the mid-Canterbury town. This work continues to create a safe and sustainable transport system to support a thriving Aotearoa.

As well as responding to events, NLTF investment is aimed at building resilience so these events do not close roads or when they do, the time and length of the road closures are minimised. In Raupunga Bluff on SH2, a 600m section of the highway alongside the railway line was relocated away from Mohaka River. The old Manawatū River Bridge on SH1 south of Foxton was replaced, providing long-term benefits for the environment and people who use the river. Across the Taranaki network, a bumper summer maintenance programme was delivered: 9.5 lane kilometres of state highway resealed, 10.89 lane kilometres of state highway asphalted, and 9.35 lane kilometres of state highway rebuilt across 145 sites. All these improvements contribute to a roading network resilient to the effects of climate change.

Busway to the future

In May 2022, the 5km extension of the Northern Busway opened on Auckland's North Shore between Constellation Station and Albany Station. Increasing the reach of the public transport network means more people will find it appealing to leave their car at home when they travel for work, education, essential services or recreation and enjoy the benefits of a faster and more reliable transport option.



Waka Kotahi worked in partnership with Auckland Transport to deliver the busway extension and upgrade Constellation Station as part of the Northern Corridor Improvements project, which includes the completion of the Western Ring Route. It is also building 7km of shared paths to make it easier for people to get around their neighbourhood on foot or by bike. As part of creating a welcoming and liveable community to call home, the urban design tells the cultural story of the region and was created in partnership with mana whenua.

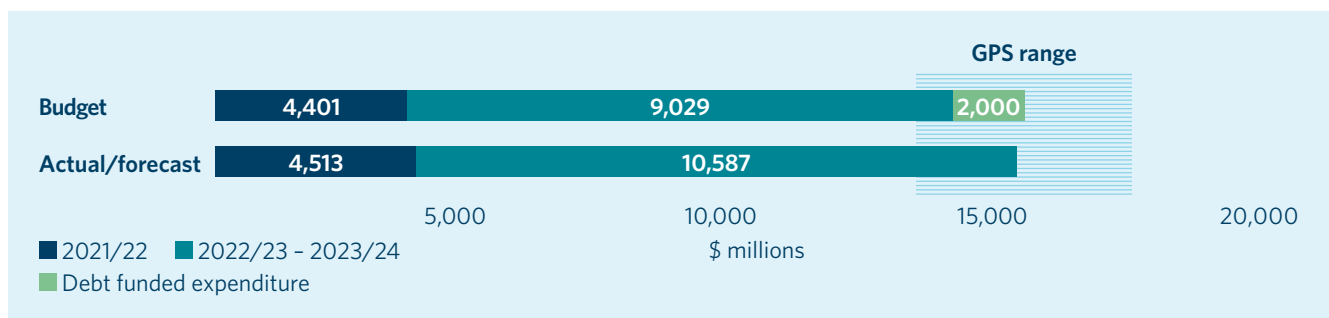
Investment in infrastructure for fast and efficient public transport and active modes is important for keeping a fast-growing city moving, and is essential for reducing emissions that contribute to climate change and negative public health impacts. By breaking New Zealanders' reliance on private vehicles, Waka Kotahi can contribute to a low carbon, safe and healthy land transport system.

Use of the National Land Transport Fund

Revenue for the NLTF during the first year of the 2021-24 NLTP was \$209 million lower than forecast in the published programme mainly due to COVID-19 related lockdowns. The funding gap was mitigated through use of the \$2 billion borrowing facility established to support the delivery of the NLTP.

The intended investments from the 2021-24 NLTF for the planned level of funds allocated in the 2021-24 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 specific Crown funds for the New Zealand Upgrade Programme and other infrastructure projects.

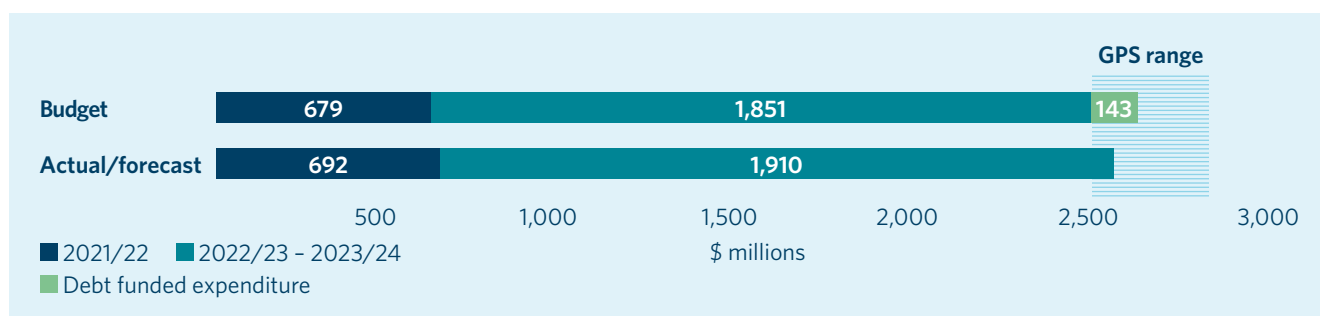
Overall use of the National Land Transport Fund



At the end of the first year of the 2021-24 NLTP, overall NLTF spend across all activity classes is 3 percent above budget. This is largely the result of Cabinet authorising, after publication of the 2021/22 statement of performance expectations, \$2 billion of debt financing to fund the NLTP. The budget represents the three-year investment target set by the Board at the start of the 2021-24 NLTP while the actual/forecast represents the current expected spend for the 2021-24 NLTP.

Road to Zero

Expenditure



Road to Zero expenditure was \$13 million (2 percent) above budget at the end of the first year of the 2021-24 NLTP. The three-year Road to Zero forecast is set to reach the middle of the GPS range. Road to Zero includes spend on road policing, road safety promotion and safety infrastructure works for both approved organisations and state highways. This activity class also includes costs related to the safety camera system which is transferring from New Zealand Police to Waka Kotahi.

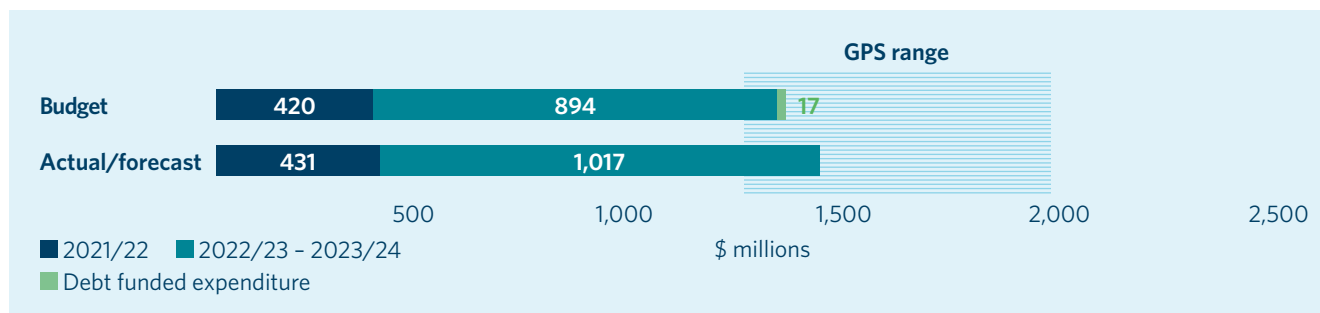
Performance measures

Ref	Performance measure	Status	2021/22 Target	2021/22 Actual	2020/21 Actual	2019/20 Actual
RTZ1	Length of the network treated with reduced speed limits	Not achieved	≥ 500km	165km	New measure	New measure
<p>Engaging with communities is critical to successfully implementing Road to Zero. In 2021/22, community engagement took longer than expected, which delayed completion of the speed limit reviews.</p> <p>The Speed Programme is being reset to support reduced timeframes for speed limit changes and improve the RTZ1 result. Following the reset, the programme will align with new guidelines for phased delivery of speed changes and introduce the new speed rule, guide and management plans.</p>						
RTZ2	Number of corridor infrastructure safety improvements projects started to plan	Not achieved	≥ 5	4	New measure	New measure
<p>Due to the slightly later adoption of the 2021-24 NLTP, some physical works started later than planned. Four of the five new projects planned are under way, and Waka Kotahi expects to finalise contracts for two more projects by the end of August 2022.</p> <p>Waka Kotahi is implementing a new delivery and procurement approach so it can achieve the delivery target next year.</p>						
RTZ3	Number of intersections with primary safe system interventions started to plan	Achieved	≥ 4	4	New measure	New measure

Ref	Performance measure	Status	2021/22 Target	2021/22 Actual	2020/21 Actual	2019/20 Actual
RTZ4 (reflects NZ Police delivery)	Number of passive breath tests and breath screening tests conducted	Not achieved	≥ 3 million	1.6 million	1.5 million	1.4 million
	<p>Breath testing numbers fell well below desired levels. Demands were placed on New Zealand Police by the country's COVID-19 response, which added an extra challenge to reaching the target. These demands included redeployment of police to regional border checkpoints (predominantly around the Auckland region), providing security at Managed Isolation and Quarantine facilities, and increased community policing to enforce compliance with health orders.</p> <p>Police has committed to a renewed focus in this area and an improvement in performance activity. Police is implementing a centralised platform to allow data to be regularly downloaded from breath testing devices. This will enable more real-time data to be used to monitor performance against the Road Safety Partnership Programme targets.</p>					
RTZ5 (reflects NZ Police delivery)	Number of hours mobile cameras are deployed	Not achieved	≥ 80,000	58,408	61,199	61,274
	<p>Camera breakdowns significantly reduced the ability to deploy cameras for the required hours. To help to remedy this the Mobile Camera Replacement Programme began work in April 2022. It will replace all older model cameras with 45 cameras that are more reliable and better at identifying speeding vehicles.</p> <p>Waka Kotahi and New Zealand Police have partnered on a new safety camera and infringement processing operating model to support the transfer of camera ownership and operation from New Zealand Police to Waka Kotahi.</p> <p>The target for mobile speed camera hours deployment was set at 80,000 hours for the fiscal year. Police districts were offered additional funding and are exploring the opportunity to add additional temporary FTE to support this target. The delivery of the Mobile Camera Replacement Programme is expected to provide more reliability and therefore support performance.</p>					
RTZ6	Proportion of road safety advertising campaigns that meet or exceed their agreed success criteria	Not achieved	≥ 86%	81%	85%	90%
	<p>This year-end result saw a score of 81 percent against a target of 86 percent. This score was to be expected given known limitations of the current measurement tool, despite ongoing delivery of the Road Safety Promotional programme. Waka Kotahi believe this is the outcome of a measurement definition that narrowly focuses on traditional advertising channels. It does not reflect the effectiveness of a more multi-channelled and integrated marketing and education programme for road safety.</p> <p>This measure also fails to take account of different levels of strategic and tactical priorities, in particular the high priority Road to Zero Public Awareness Campaign, which was excluded for part of the reporting period.</p> <p>Work is under way to develop a new performance measurement framework that will better represent the strategic outcomes of the full marketing and education road safety promotional programme.</p> <p>Waka Kotahi will continue to report against the current RTZ6 measure until the new measurement framework has been developed and approved.</p>					

Public transport services

Expenditure



Public transport services expenditure was \$11 million (3 percent) above budget at the end of the first year of the 2021-24 NLTP. This mainly relates to the impacts of COVID-19 on lower farebox revenue. The three-year public transport services forecast is set to reach the lower of the GPS range.

Performance measures

Ref	Performance measure	Status	2021/22 Target	2021/22 Actual	2020/21 Actual	2019/20 Actual
PTS1	Number of boardings on urban public transport services (bus, train and ferry)	Not achieved	Increasing (from 2020/21 actual)	86 million	120 million	139 million

People are using public transport less than they used to. The number of urban public transport boardings declined year on year through the pandemic. The decline in boardings from 2020/21 to 2021/22 was greater than in the previous year and more significant than expected, especially in Auckland.

Forecast patronage for 2022/23 is still less than the number of boardings in 2020/21.

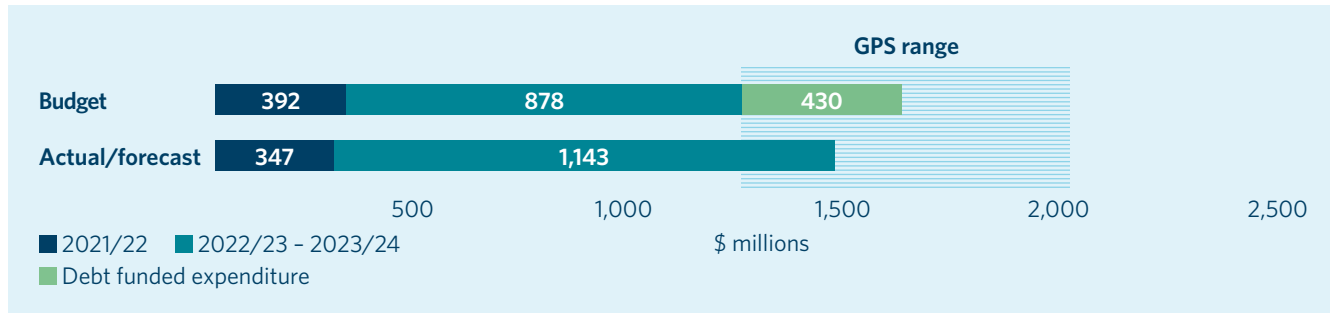
PTS2	Reliability of rail, bus and ferry services	Achieved (baseline set)	Baseline to be set	Baseline set (see table)	Not applicable	Not applicable
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This measure uses data from local authorities to calculate the proportion of rail, bus and ferry services in Wellington and Auckland that are 'completed' (arrive at their final destination without a breakdown). To calculate the results for this measure, we also consider whether the service left on time, with the calculation only including completed services that left the origin stop between 59 seconds before and four minutes 59 seconds after the scheduled departure time.

Location	Rail	Bus	Ferry
Auckland	98%	95%	93%
Wellington	96%	97%	N/A

Public transport infrastructure

Expenditure



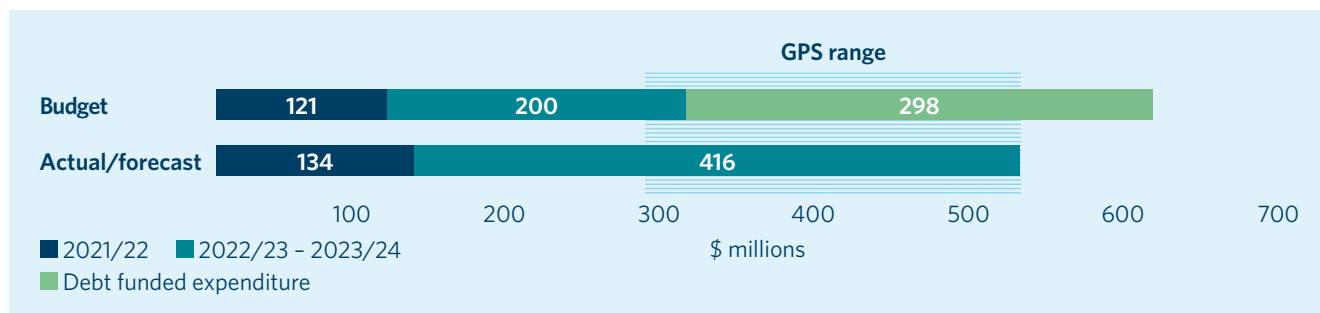
Public transport infrastructure expenditure was \$45 million (11 percent) below budget at the end of the first year of the 2021–24 NLTP. This mainly relates to project delays and deferrals. The three-year public transport infrastructure forecast is set to reach the middle of the GPS range. However, the activity class contains several large projects at an early stage that, depending on progress, could have a material impact on expenditure in the NLTP period.

Performance measures

Ref	Performance measure	Status	2021/22 Target	2021/22 Actual	2020/21 Actual	2019/20 Actual
PTI1	Punctuality of metro rail services	Achieved (baseline set)	Baseline to be set	Baseline set: Auckland: 94.0% Wellington: 89.3%	Not applicable	Not applicable
<p>Punctuality is a useful measure of service reliability and infrastructure standards for rail services (that is to avoid unplanned closures of the rail lines due to repairs or unscheduled maintenance). Punctuality is measured by regional councils to determine compliance with Public Transport Operating Model contracts. In 2021/22, Waka Kotahi worked with regional stakeholders to clarify methods used by councils to measure punctuality, in order to establish nationally consistent baselines that are suitable and also consistent with Public Transport Operating Model contractual requirements.</p>						
PTS1	Number of boardings on urban public transport services (bus, train and ferry)	Not achieved	Increasing (from 2020/21 actual)	86 million	120 million	139 million
<p>Refer to PTS1 in Public Transport Services, on page 235.</p>						

Walking and cycling improvements

Expenditure



Walking and cycling expenditure was \$13 million (11 percent) above budget at the end of the first year of the 2021–24 NLTP. This mainly relates to spend on projects added after the \$2 billion debt facility was approved by Cabinet. The three-year forecast is below budget due to the delays in the start up of the Te Ara Tupua – Ngauranga to Petone project. The delays with the project will result in significant costs moving into the 2024–27 NLTP. The current three-year walking and cycling forecast is toward the upper end of the GPS range.

Performance measures

Ref	Performance measure	Status	2021/22 Target	2021/22 Actual	2020/21 Actual	2019/20 Actual
WCI1	Proportion of cycleways, pathways and shared paths delivered against plan	Unable to report	≥ 80%	Not available	New measure	New measure

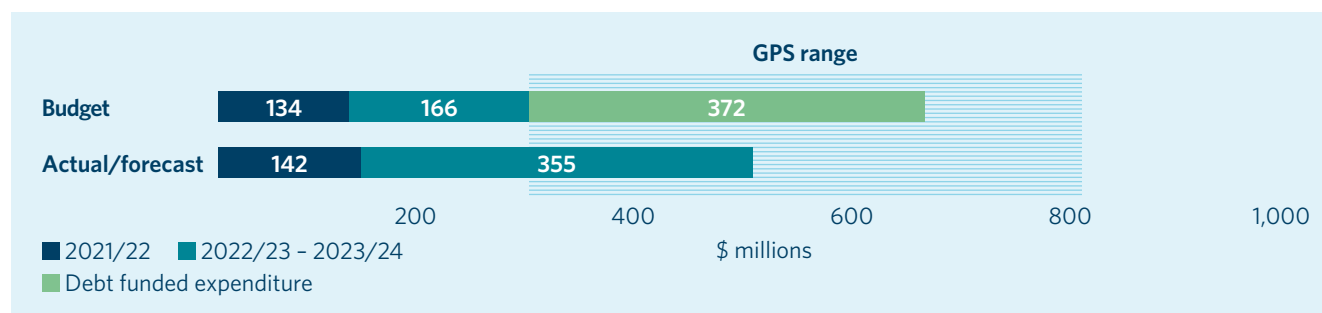
Many of the walking and cycling submissions to the NLTP 2021–24 did not include enough information on the number of kilometres of walking and cycling facilities planned to be delivered. This has made it challenging to accurately assess whether activities were delivered to plan. Waka Kotahi is working with its people and partners to ensure this data is collected and captured by its systems. In the interim, it used local road authority data on kilometres of cycleways delivered to provide insights into cycleway delivery. In 2021/22, 30.5 km of cycleways were delivered, compared with 59.2 km in 2020/21.

As 2021/22 was the start of a new NLTP period, many planned projects were still in the business case or design phase and were not yet ready for construction. Urban Cycleways Programme activity also slowed during this time as the programme due to a close, with many of its projects achieving practical completion by the end of 2020/21. The Urban Cycleways Programme ended in 2020/21, with little programme activity occurring over 2021/22.

Ref	Performance measure	Status	2021/22 Target	2021/22 Actual	2020/21 Actual	2019/20 Actual
WCI2	Cycling count in main urban areas	Not achieved	Baseline to be set	Baseline not set	New methodology	New methodology
<p>The transition to automated counters for collecting walking and cycling data required significant investment in modelling to account for environmental and technical factors that can distort data. Waka Kotahi did not complete the modelling in 2021/22 as planned. It will publish the baseline for this measure in quarter one of 2022/23.</p> <p>In the interim, Waka Kotahi has used data from the Walking and Cycling Attitudes and Behaviour Survey to provide a snapshot of walking and cycling uptake this year. Half of the survey respondents living in urban areas walked to work, study or get around town once a week or more compared with 52 percent in 2020/21 and 49 percent in 2019/20. For cycling, this was 11 percent of respondents compared with 10 percent in 2020/21 and 9 percent in 2019/20.</p>						
WCI3	Walking count in main urban areas	Not achieved	Baseline to be set	Baseline not set	New measure	New measure
Refer to WCI2 commentary.						

Local road improvements

Expenditure



Local road improvements expenditure was \$8 million (6 percent) above budget at the end of the first year of the 2021–24 NLTP. Spend was forecasted to exceed budget following the approval of the \$2 billion debt facility. However, delays and reduced activity by approved organisations has reduced spend. The most significant delays, resulting in the forecast being below budget, have been in the Low Cost Low Risk programme, and projects for Auckland Manukau Eastern Transport Initiative – Eastern Busway Alliance, Matakana Link Road, and Peninsula Roading – Portobello Road. The three-year local road improvements forecast is set to reach the middle of the GPS range.

Performance measures

Ref	Performance measure	Status	2021/22 Target	2021/22 Actual	2020/21 Actual	2019/20 Actual
LRI1	Proportion of local road improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes	Not achieved	≥ 80%	68%	Not applicable	Not applicable

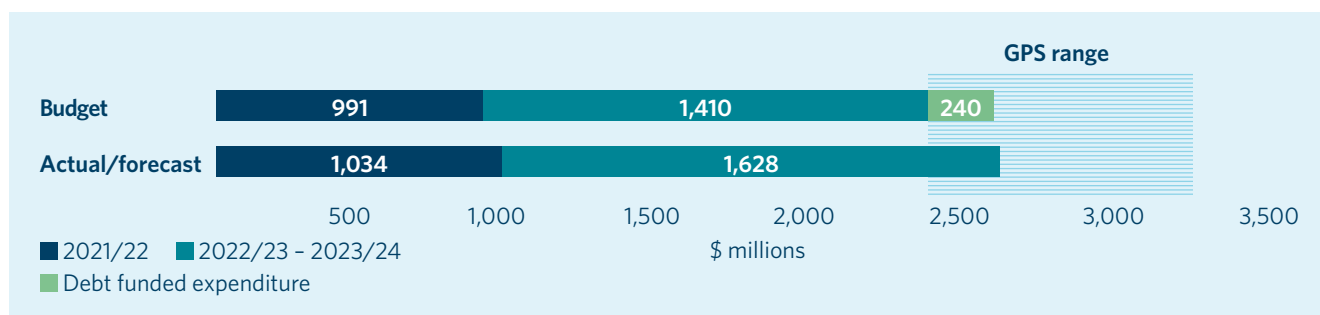
The delivery of some improvement activities has been delayed, including completion of the Horsham Down Link connection to the Waikato Expressway Interchange and underpass. Due to consenting delays, Waka Kotahi now expects that the link road will be open by October or November 2022.

The projects under way to replace existing street lighting with light-emitting diode (LED) lighting in Selwyn and Hurunui are also progressing more slowly than planned, largely due to a lack of LED supply.

It is also likely that the impacts of COVID-19 have influenced the delivery of some activities.

State highway improvements

Expenditure



State highway improvements expenditure was \$43 million (4 percent) above budget at the end of the first year of the 2021-24 NLTP. This is mainly the result of the settlement of COVID-19 claims and contract variations. The three-year state highway improvements forecast is close to the investment target and set to be in the lower half of the GPS range. There have not been many new approvals for state highways projects, the cost increases are generally from existing projects that have been previously approved and contracted for.

Performance measures

Ref	Performance measure	Status	2021/22 Target	2021/22 Actual	2020/21 Actual	2019/20 Actual
SHI1	Proportion of state highway improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes	Not achieved	≥ 90%	86%	New measure	New measure

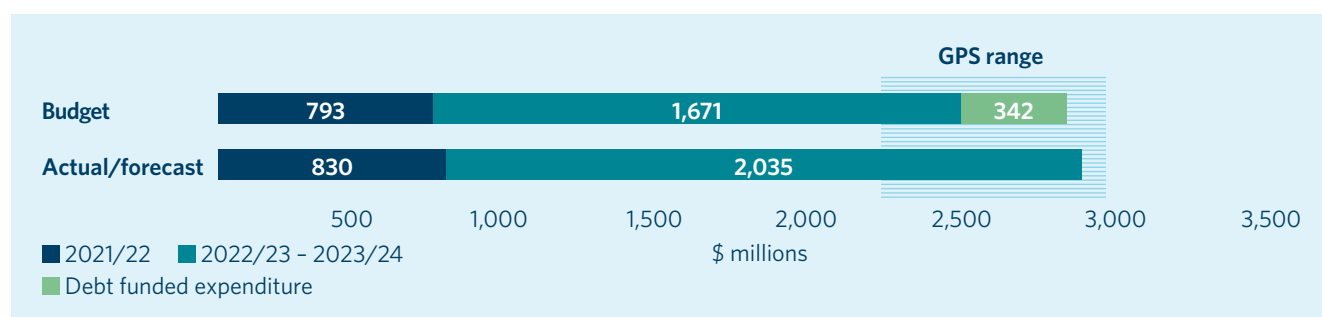
Target was not met mainly due to delays in some of our significant capital projects such as requirements for more detailed options, remedial work, and direct and indirect impacts of COVID-19. COVID-19 impacts (which continue to affect most of Waka Kotahi infrastructure projects) include restrictions to site access, material availability, supply chain disruptions, site personnel and supplier availability, cost escalation, and increased time taken to obtain consents and approvals.

Ref	Performance measure	Status	2021/22 Target	2021/22 Actual	2020/21 Actual	2019/20 Actual
SHI2	Proportion of state highway improvement activities funded by the Crown delivered to agreed standards and timeframes	Not achieved	≥ 90%	58%	New measure	New measure

Target was not met primarily due to the re-baseline of the New Zealand Upgrade Programme, which resulted in the re-setting of the programme and the need to rescope some significant projects. This meant benchmarks shifted since initial targets were set at the beginning of the year. On some projects there were also delays related to COVID-19 impacts, property acquisition, weather events and contractor performance issues.

State highway maintenance

Expenditure



State highway maintenance expenditure was \$37 million (5 percent) above budget at the end of the first year of the 2021-24 NLTP. This was mainly due to additional costs from higher spend on emergency works, increased contract prices, and additional spend following approval of the \$2 billion debt facility. The three-year state highway maintenance forecast is close to the upper end of the GPS range.

Performance measures

Ref	Performance measure	Status	2021/22 Target	2021/22 Actual	2020/21 Actual	2019/20 Actual
SHM1	Proportion of state highway maintenance activities delivered to agreed programme	Not achieved	≥ 90%	85%	New methodology	New methodology

This year was the first year Waka Kotahi included emergency works as one of the activities reported on for this measure. It also moved to a new reporting system for emergency works.

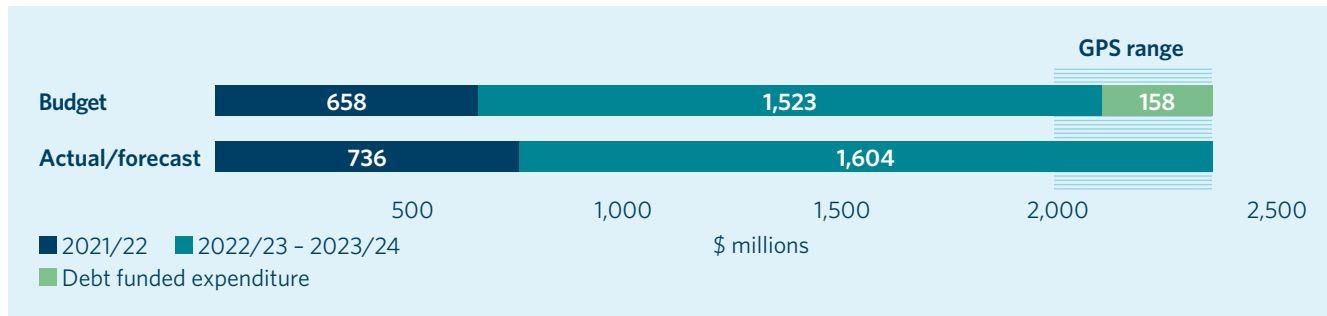
Collecting and entering data into the new reporting system is taking longer than expected and some data was not entered accurately, leading to a lower result being calculated for this measure than in previous years.

To improve the accurate capture of emergency works data, Waka Kotahi is undertaking monthly monitoring and reporting, increasing communication about the new system, and training and supporting staff in using the new system.

Ref	Performance measure	Status	2021/22 Target	2021/22 Actual	2020/21 Actual	2019/20 Actual
SHM2	Proportion of the state highway network that meets minimum asset condition requirements	Achieved (baseline set)	Baseline to be set	Baseline set: 97%	New measure	New measure
<p>Waka Kotahi collects state highway asset condition data every year to understand the effectiveness of its maintenance programme and where immediate action needs to be taken.</p> <p>This result combines three indicators:</p> <ul style="list-style-type: none"> • skid resistance – the efficiency in meeting surface texture standards • rutting – the depth of rut in the pavement surface underneath vehicle wheel paths • roughness – smooth travel standards. <p>These indicators are important in the safe operation of the road network and help identify sections that are below safety standards, are deteriorating, or will require expensive treatment if not maintained at the right time.</p>						
SHM3	State highway maintenance cost per lane kilometre delivered	Achieved	\$25,000–34,200	\$29,423	\$26,292	\$25,352
<p>A smaller programme of maintenance work was planned for 2021/22 than in the second and third years of the 2021–24 NLTP. Waka Kotahi expects increasing inflation, increasing material costs, and market impacts on contracts will increase the cost per lane kilometre delivered over 2022/23 and 2023/24.</p>						
SHM4	Proportion of unplanned road closures resolved within standard timeframes	Not achieved	Weather: ≥ 50% Others: ≥ 90%	Weather events: 58% Other events: 85%	Weather events: 57% Other events: 86%	Weather events: 50% Other events: 90%
<p>The number of weather-related events significantly increased on last year (from 148 to 272). Despite this, the proportion of unplanned road closures resolved within the standard timelines for weather events improved.</p> <p>The proportion of unplanned road closures resolved within the standard timeframes for events other than weather events declined. Crashes made up 82 percent of these other events. Numerous factors in attending and managing crashes may cause standard timeframes to be exceeded, including weather conditions, the injury status of the people involved, emergency services requirements, police accident investigations, and the vehicles involved.</p> <p>To improve this performance, Waka Kotahi updated its memorandum of understanding on incident management with New Zealand Police, Fire and Emergency New Zealand, St John Ambulance and Wellington Free Ambulance. The memorandum sets out clear expectations for incident management and is guided by the philosophy that roads in Aotearoa will not be closed or restricted for any longer than is necessary.</p>						

Local road maintenance

Expenditure



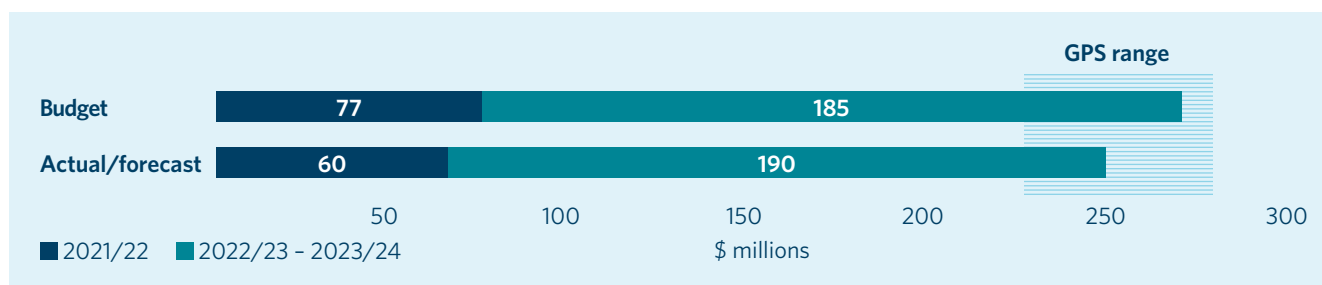
Local road maintenance expenditure was \$78 million (12 percent) above budget at the end of the first year of the 2021-24 NLTP. This mainly relates to higher spend on emergency works. The three-year local road maintenance forecast is at the upper end of the GPS range.

Performance measures

Ref	Performance measure	Status	2021/22 Target	2021/22 Actual	2020/21 Actual	2019/20 Actual
LRM1	Proportion of the local road maintenance programme delivered to plan	Not achieved	≥ 90%	85%	New measure	New measure
<p>The delivery of the scheduled local road maintenance programme was affected by both rising costs and the redirection of resources to emergency response works. Specifically:</p> <ul style="list-style-type: none"> the costs of service and delivery provider contracts awarded by local authorities increased significant resources redirected to emergency response works affected Waka Kotahi partners' ability to supply and deliver local road maintenance activities as planned illness among staff and subcontractors who control traffic delayed programme works, because without traffic controllers, an entire site and its works are held up. <p>Poor weather conditions also affected delivery of this programme.</p> <p>It is likely activities not completed this year will be deferred to 2022/23, increasing the total number of activities planned for that year. Scoping that has already been completed for the deferred activities should help to make delivery more efficient. However, the number of activities that can be delivered within available funding will be affected by cost pressures. Additional emergency and weather events may also limit delivery of other activities.</p>						
LRM2	Proportion of travel on smooth roads	Achieved	≥ 86%	87%	87%	87%
LRM3	Local road maintenance cost per lane kilometre delivered	Achieved	\$3,600-4,400	\$4,108	\$4,004	\$3,628

Investment management

Expenditure



Investment and management expenditure was \$17 million (22 percent) below budget at the end of the first year of the 2021-24 NLTP. This mainly relates to lower than planned expenditure in transport planning and programme business case development. The three-year investment management forecast is set to reach the middle of the GPS range.

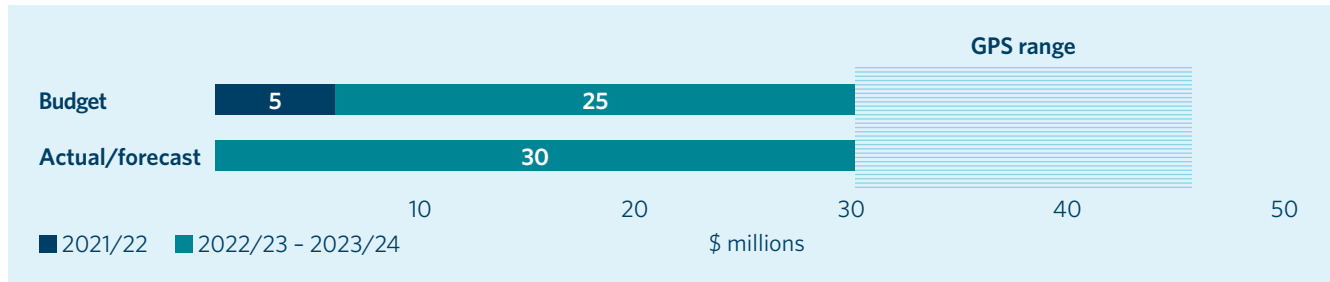
Performance measures

Ref	Performance measure	Status	2021/22 Target	2021/22 Actual	2020/21 Actual	2019/20 Actual
IM1	Total cost of managing the funding allocation system as a percentage of National Land Transport Programme expenditure	Achieved	≤ 1.1%	0.86%	1.00%	1.02%
IM2	Proportion of stakeholders satisfied with Waka Kotahi engagement and systems that support land transport planning, research funding and investment decision-making	Not achieved	Baseline to be set	Baseline not set	New measure	New measure

The development of the required satisfaction research was unable to be completed as planned during 2021/22.

Coastal shipping

Expenditure



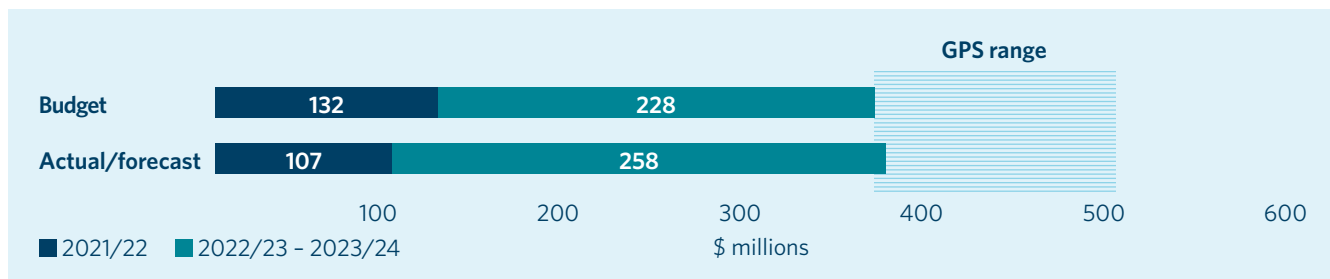
Coastal shipping expenditure was \$5 million (100 percent) below budget at the end of the first year of the 2021-24 NLTP. The first year of the programme focused on procurement activities, and this was successfully completed with four suppliers engaged. The three-year coastal shipping forecast is set to meet the low end of the GPS range.

Performance measures

Ref	Performance measure	Status	2021/22 Target	2021/22 Actual	2020/21 Actual	2019/20 Actual
CS1	An investment plan for Coastal Shipping has been developed and has also been endorsed by the Waka Kotahi Board	Achieved	Achieve	Plan developed and endorsed	New measure	Not applicable

Rail network

Expenditure



Rail network expenditure (funded by the NLTF) was \$25 million (19 percent) below budget at the end of the first year of the 2021-24 NLTP. The three-year rail network forecast is set to meet the low end of the GPS range. This graph excludes reporting on KiwiRail's use of \$834 million of funding from the Crown (\$180 million of which was utilised in 2021/22) to support the rail network activity class.

Performance measures

Ref	Performance measure	Status	2021/22 Target	2021/22 Actual	2020/21 Actual	2019/20 Actual
RN1 (reflects KiwiRail delivery)	Reliability of freight travel time	Achieved (baseline set)	Baseline to be set	Baseline set: 86%	New measure	New measure

For this measure, KiwiRail has set a three-year target of 90%.

Ngā wa hira o ngā rohe

Regional
highlights

Unaudited



Te Tai Tokerau

Northland

A safe, well-connected and resilient land transport system that gets goods to market and supports economic growth in Northland is the focus for investment in this region.

Investment highlights

- A new roundabout and pedestrian connections at the intersection of **SH1 and SH11 in Kawakawa** has improved access and connections for locals, visitors and regional freight.
- Good progress was made on safety improvements on **SH1 in the Dome Valley** with the installation of median and flexible safety barriers, a wider shoulder, right-turn bays and improved signage. Work continues.
- Improvements to the resilience and efficiency of **Kaeo Bridge** started with a new two-lane bridge and roundabout on SH10.
- **SH1 from Whangārei to Wellsford** was made safer with new wider centrelines, flexible median and side safety barriers, and rumble strips. Work continues.
- Safety was improved on **SH1 Loop Road** with the completion of a single-lane roundabout at a previously unsafe and inefficient intersection. Phase two to follow.

Activity class	2021/22 actual \$000
Total	128,490
Road to Zero	7,960
Public transport services	1,513
Public transport infrastructure	117
Walking and cycling improvements	4,116
Local road improvements	3,062
State highway improvements	14,949
State highway maintenance	53,837
Local road maintenance	42,763
Investment management	172
Coastal shipping	-
Rail network	-



Tāmaki Makaurau Auckland



In Auckland, investment supports population growth and the development of new communities with better access to more sustainable travel choice.

Investment highlights

- Cyclists and pedestrians have an additional 2.65km of the **Glen Innes to Tamaki Drive Shared Path** to use with the opening of the St Johns Road to Ōrākei Basin section.
- Commuters from the North Shore have better bus access into central Auckland with the opening of the **Northern Busway extension**, a separate two-way road for buses between Constellation and Albany, and upgrades to the Constellation Station.
- Better commuter access for **Pukekohe and Papakura** communities is closer with work starting on SH1 improvements between Papakura and Bombay to install new motorway overbridges so electric trains and additional rail lines can run underneath.
- Aucklanders travelling from **Pakuranga to Botany** will have better travel choices in the future with a project alliance agreement signed to develop the next phase of the **Eastern Busway**, a 7km busway with separate walking and cycling facilities.
- The contract to build **O Mahurangi – Penlink** was awarded. Residents living in Silverdale, Whangaparāoa and the Hibiscus Coast will have a vital transport link with Auckland and better travel choice.
- Safer and better connections between Auckland and Northland are now available with the opening of the first southern stage of the **Pūhoi to Warkworth motorway**.
- Safety was improved on SH22 with the completion of a roundabout at the intersection with **Glenbrook Road** to reduce speeds and stop dangerous right-hand turns.

Activity class	2021/22 actual \$000
Total	1,120,641
Road to Zero	67,728
Public transport services	238,992
Public transport infrastructure	193,071
Walking and cycling improvements	45,021
Local road improvements	73,777
State highway improvements	202,501
State highway maintenance	148,672
Local road maintenance	149,655
Investment management	1,224
Coastal shipping	-
Rail network	-

Waikato

The valuable economic contribution and importance of Waikato as a regional hub relies on investment that creates a safe, accessible land transport system.

Investment highlights

- The final 22km Hamilton section of the **Waikato Expressway** was completed, ending more than a decade's work to build the seven sections of the 102km expressway. The expressway delivers improved safety and reliability and reduces travel times and congestion on SH1 from the Bombay Hills to south of Cambridge.
- Safety improvements continued on **SH1 Cambridge to Piarere** with the installation of 1.6km of median barriers to prevent head-on crashes and reduce deaths and serious injuries.
- Commuters have better access to Auckland with two return train services introduced on Te Huia (a Monday to Friday service and a Saturday service) and the service extended from **Papakura to The Strand (in Parnell)**.
- Safety and resilience of the region's transport system was improved with work on several **bridges**, including a new bridge on SH27 over Mangawhero Stream, replacement of the SH39 Mangaotama Stream Bridge superstructure, deck repairs to the SH25 Waitakaruru Bridge, and strengthening of the SH25 Waiwawa Bridge.
- People who cycle and walk on Te Awa shared path have safer access in Tamahere with a new **underpass** on SH21 Airport Road, and people in Tairua have a new **footbridge** over Grahams Stream.

Activity class	2021/22 actual \$000
Total	405,652
Road to Zero	30,227
Public transport services	16,192
Public transport infrastructure	1,419
Walking and cycling improvements	14,758
Local road improvements	13,522
State highway improvements	148,423
State highway maintenance	103,214
Local road maintenance	76,850
Investment management	1,046
Coastal shipping	-
Rail network	-



Te Moana-a-Toi

Bay of Plenty

Investment in the Bay of Plenty land transport system supports economic growth and responds to a growing population's need for better travel options.

Investment highlights

- Safety was improved along **SH2 Waihi to Ōmokoroa**, with six of the 10 section upgrades along 40km of the highway completed.
- Work started on improving access and travel choice between Tauranga and Te Puna with stage one of the **Takitimu North Link**, a four-lane corridor to support public transport and vehicles carrying multiple people.
- Safety and connections along **Rotorua's eastern corridor (SH30)** were improved with the completion of the first of three stages of improvements that support future growth and travel choice.
- Safety was improved with the completion of \$15 million of improvements along **SH5 Tārukenga to Ngongotahā**, including a new roundabout at the intersection of SH5 and SH36.
- Partial opening of the **Baypark interchange** enabled work to begin on improving access, safety and connections for walking and cycling.

Activity class	2021/22 actual \$000
Total	209,802
Road to Zero	46,653
Public transport services	13,045
Public transport infrastructure	1,009
Walking and cycling improvements	6,753
Local road improvements	9,644
State highway improvements	49,738
State highway maintenance	45,042
Local road maintenance	37,716
Investment management	202
Coastal shipping	-
Rail network	-



Tairāwhiti Gisborne



Improved access and resilience of the land transport system is critical for Gisborne to grow its economy and make it easier for people to get to health services, education facilities and jobs.

Investment highlights

- Greater resilience has been built into the Tairāwhiti Gisborne freight network with the completion of bridge strengthening on **SH2 through the Waioeka Gorge**. This work finished months ahead of schedule and more than \$2 million under budget. The highway is now capable of carrying high productivity motor vehicles between Tairāwhiti Gisborne and Bay of Plenty.
- **Strengthening resilience of SH35** to better withstand the impact of natural events and provide greater route reliability continued with work completed on five of the 14 highest-risk sites.
- The creation of passing opportunities at five sites along **SH35/SH2** has reduced driver frustration and made overtaking safer. These opportunities are a mix of new slow vehicle bays, extensions to existing slow vehicle bays and mobile phone laybys.
- Emergency works on **SH35** to reconnect the region's main state highway were completed within three weeks of the most significant weather event to hit Tairāwhiti Gisborne since Cyclone Bola 33 years ago. Major repairs continue at 15 sites and minor repairs at more than 800 sites.

Activity class	2021/22 actual \$000
Total	72,249
Road to Zero	656
Public transport services	570
Public transport infrastructure	288
Walking and cycling improvements	989
Local road improvements	3,799
State highway improvements	1,061
State highway maintenance	34,257
Local road maintenance	30,492
Investment management	137
Coastal shipping	-
Rail network	-

Te Matau-a-Māui

Hawke's Bay

Investment in the Hawke's Bay transport system is to improve safety, provide more reliable and resilient access for remote communities and support economic prosperity.

Investment highlights

- Resilience and safety improvements to **Raupunga Bluff** saw a 600m section of SH2 alongside the railway line relocated away from Mohaka River. It included installing a 1.5m-high by 80m-long retaining wall.
- Changes on **SH50 at the Prebensen Drive**, Taradale and Hyderabad Road roundabouts has improved traffic flows into Napier and to and from the port. A new shared path increases safety for pedestrians and cyclists along this busy freight route, connecting Ahuriri to the rest of the Hawke's Bay cycle path network.
- Safer passing opportunities to help reduce driver frustration have been built on **SH2/SH35**. Three slow vehicle bays were built at Matahorua, Kotemaori and Wharerata, and another two are under construction at Waikoau Hill and Mohaka.
- People who cycle and walk between **Waipukurau and Waipawa** have safer access on a new cycle path.
- Work continued to improve safety, resilience and access on **SH2 College Road to Silverstream Station** with 1.7km of road realignment and additional passing opportunities.

Activity class	2021/22 actual \$000
Total	76,944
Road to Zero	6,803
Public transport services	2,773
Public transport infrastructure	-
Walking and cycling improvements	4,264
Local road improvements	3,446
State highway improvements	2,457
State highway maintenance	19,629
Local road maintenance	37,465
Investment management	105
Coastal shipping	-
Rail network	-



Taranaki



Supporting growth is the focus for investment in the Taranaki land transport system. Maintaining and developing the land transport system will keep people moving and build regional prosperity.

Investment highlights

- Safety and resilience of the state highway network were significantly improved with a bumper summer maintenance programme: 9.5 lane kilometres of state highway were resealed, 10.89 lane kms of state highway asphalted and 9.35 lane kilometres of state highway rebuilt across 145 sites.
- The first 2km of unsealed road through **Tāngarākau Gorge on SH43** (the Forgotten World highway) was sealed, making for a safer, more reliable journey for locals and visitors. Sealing the remaining 12km section continues.
- A safer and more resilient route between Taranaki and King Country is a step closer with work beginning on **Te Ara o Te Ata | Mount Messenger Bypass** (\$280 million).
- Installation started on safety improvements to stormwater infrastructure as part of **Te Ara Tūtohu Waitara to Bell Block** (\$82 million). These improvements will help reduce deaths and serious injuries on this busy highway north of New Plymouth.
- Reliability and safety were improved on SH43 with a new two-lane bridge built over the damaged **Manawariri Stream Culvert at Toko, east of Stratford**.

Activity class	2021/22 actual \$000
Total	93,778
Road to Zero	10,803
Public transport services	2,302
Public transport infrastructure	60
Walking and cycling improvements	1,022
Local road improvements	1,132
State highway improvements	17,620
State highway maintenance	37,955
Local road maintenance	22,817
Investment management	67
Coastal shipping	-
Rail network	-

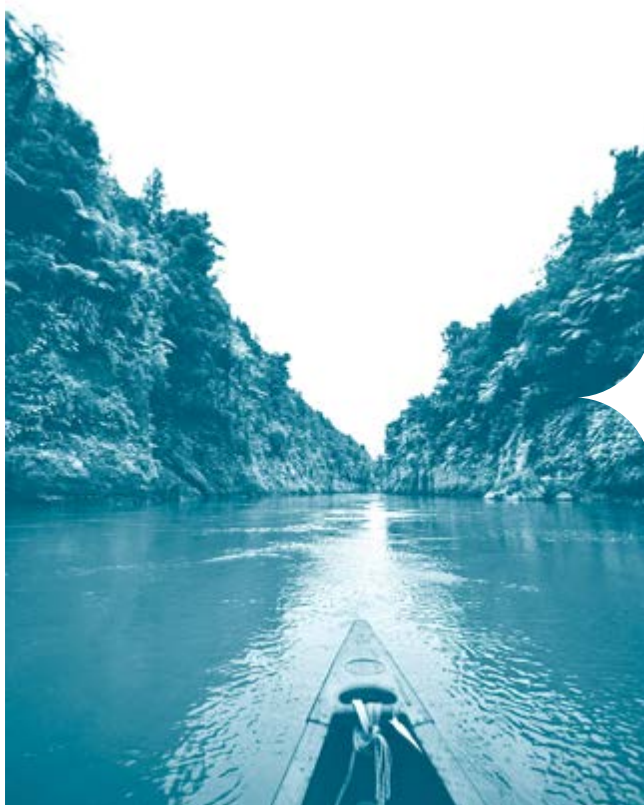
Manawatū-Whanganui

Investment in the Manawatū-Whanganui transport system focuses on improving resilience and helping to make the system safer and more accessible while also planning for the future and strengthening regional connections.

Investment highlights

- Strong connections are being rebuilt between **Manawatū and Hawke's Bay** on Te Ahu a Turanga: Manawatū Tararua Highway over Ruahine Range (\$620 million). The new road will provide a safe, resilient, and efficient route between Woodville and Ashhurst.
- Safer speed limits were implemented on SH3 Napier Road, between **Palmerston North and Ashhurst**, to reduce deaths and serious injuries. Good progress was made on detailed designs for other safety improvements along this section of highway.
- Travel on SH1 through Kuku was made safer for everyone as part of safety improvements on SH1 Ōtaki to south of Levin. Additional safety improvements between **Ōtaki and Levin** are under way.
- Speeds on **SH57 through Levin** have been reduced with a new roundabout at Queen Street to improve safety.
- The old Manawatū River Bridge on SH1 **south of Foxton** was pulled down, providing long-term benefits for the environment and people who use the river. Few people walked or cycled across the bridge and in removing the bridge we've prioritised the environmental benefits of removing the old bridge and piers, including flood management and the overall wellbeing of the river.

Activity class	2021/22 actual \$000
Total	278,953
Road to Zero	15,937
Public transport services	4,146
Public transport infrastructure	92
Walking and cycling improvements	2,496
Local road improvements	8,244
State highway improvements	155,890
State highway maintenance	37,444
Local road maintenance	54,526
Investment management	179
Coastal shipping	-
Rail network	-



Te Upoko o Te Ika a Māui

Greater Wellington

Investment in Te Whanganui-a-Tara Wellington land transport system (including Chatham Islands) focuses on encouraging more people to use sustainable travel options when moving around the region, while improving the safety, reliability and resilience of the transport network.

Investment highlights:

- One of the largest transport infrastructure projects in Aotearoa history, **Te Aranui o Te Rangihaeata Transmission Gully Motorway**, opened after taking six years and more than 12 million work hours to build.
- Travel on SH1 through Kuku was made safer for everyone as part of safety improvements on **SH1 Ōtaki to South of Levin**. Additional safety improvements between Ōtaki and Levin are under way.
- Significant progress was made on the **Peka Peka to Ōtaki Expressway**, a new stretch of SH1 that will connect to the MacKays to Peka Peka section.
- The Wellington Transport Alliance was set up to deliver maintenance and operations activities across Greater Wellington’s highway corridors during the next 11 years and a safer, more efficient transport system.
- Good progress was made on Te Ara Tupua, a project to create a walking and cycling link to **connect Wellington and the Hutt Valley**. Construction is well under way on the Pito-One (Petone) to Melling section of Ngā Ūranga ki Pito-One (Ngauranga to Petone). Te Ara Tupua Alliance was established to deliver the project. Hutt City Council’s Tupua Horo Nuku Eastern Bays Shared Path was integrated with the work of Te Ara Tupua Alliance to deliver a coastal shared path project with similar complexities.
- Work to make **SH58** safer for everyone who uses it continues, with the road being strengthened and a retaining wall built on the Mount Cecil Road to Harris Road section. Planning is under way for the final stage.
- Safer journeys are on the horizon with construction of a new signal-controlled walking and cycling crossing on **Cobham Drive as part of Let’s Get Wellington Moving**.
- Regular overnight shutdowns on **SH2 Remutaka Hill Road** enabled annual maintenance and slip prevention work to improve safety and network resilience.

Activity class	2021/22 actual \$000
Total	700,415
Road to Zero	17,612
Public transport services	100,201
Public transport infrastructure	126,988
Walking and cycling improvements	32,049
Local road improvements	8,445
State highway improvements	286,261
State highway maintenance	66,634
Local road maintenance	60,280
Investment management	1,944
Coastal shipping	-
Rail network	-



Top of the South

Population growth is putting pressure on the Nelson and Tasman transport network, requiring better transport choice through investment in improved walking and cycling options and public transport services.

Investment highlights

- Emergency repair works were completed on **SH60 Tākaka Hill**, following damage by Cyclone Gita in 2018, re-opening the road to two lanes.
- Safety and access improvements on **SH60 High Street in Motueka** included the installation of three sets of traffic signals and a new roundabout.
- Safer speed limits were introduced on **SH6 Hope to Wakefield and SH60** through the Motueka urban township.
- To improve road safety, a roundabout was installed at the intersection of **Rapaura Road (SH62)** with SH6, north-west of Blenheim.
- Recovery of Marlborough's roads after the July 2021 storm event continues with 80 percent of the 1600 faults now repaired.
- Installed on SH6 at the **Richmond Deviation** were 1.1km of median barrier to help prevent head-on crashes.
- Pedestrian refuges were installed or upgraded in Wakefield, Tasman, and in Renwick and Rai Valley, Marlborough, to provide a safer way for people to cross busy state highways.

Activity class	2021/22 actual \$000
Total	110,247
Road to Zero	2,605
Public transport services	1,490
Public transport infrastructure	108
Walking and cycling improvements	1,913
Local road improvements	99
State highway improvements	1,706
State highway maintenance	46,227
Local road maintenance	56,000
Investment management	99
Coastal shipping	-
Rail network	-



Waitaha Canterbury

Improved safety across the network for people who drive, cycle or walk and a more resilient road and rail network are the focus of investment in the Canterbury land transport system.

Investment highlights

- Safer speeds were announced for **SH73 and SH75** from Ōtautahi Christchurch to Akaroa, making travel on this popular tourist route safer and more enjoyable for everyone.
- Significant progress was made on the suite of New Zealand Upgrade Programme projects that will provide Cantabrians with more travel options and improve safety. Work started on two projects to make travel safer: **Weedons Ross Road** in West Melton and **Walnut Avenue** in Ashburton.
- Innovation was brought to the streets of Ōtautahi Christchurch with five Innovating Streets for People projects that successfully trialled new ways of using bright paint and street furniture to reallocate street space for safe walking and cycling.
- Emergency works to repair the Ashburton River/Hakatere Bridge following a major flooding event quickly restored full access to the main South Island freight route and reconnected the mid-Canterbury town of Ashburton.

Activity class	2021/22 actual \$000
Total	273,406
Road to Zero	15,101
Public transport services	36,148
Public transport infrastructure	2,736
Walking and cycling improvements	4,707
Local road improvements	11,764
State highway improvements	48,894
State highway maintenance	70,504
Local road maintenance	83,202
Investment management	351
Coastal shipping	-
Rail network	-



Te Tai o Poutini

West Coast

Investment on the West Coast is in response to extreme weather events and keeps the West Coast moving by building resilience into the network.

Investment highlights

- Emergency works to repair damage along the West Coast, from South Westland to Buller Gorge and Reefton, was completed following storms in July 2021 and February 2022.
- Transport assistance through Total Mobility funding kept disabled people in Westport, Greymouth and Hokitika connected with family and friends and able to access essential services such as medical centres and supermarkets.
- Completion of a business case advances the planned replacement of the **Stoney Creek Bridge on SH7 south of Reefton** as part of an ongoing programme to replace the single-lane bridges on the region's roading network, strengthening freight routes and building resilience into the network.

Activity class	2021/22 actual \$000
Total	53,964
Road to Zero	752
Public transport services	142
Public transport infrastructure	-
Walking and cycling improvements	16
Local road improvements	193
State highway improvements	2,551
State highway maintenance	37,449
Local road maintenance	12,773
Investment management	87
Coastal shipping	-
Rail network	-



Ōtākou - Murihiku

Otago - Southland

Investment in the Otago and Southland land transport system supports a safe, well-connected and resilient land transport system that gets goods to market and supports economic recovery and growth in Otago and Southland.

Investment highlights

- A \$5 million roundabout opened at the busy **SH1 - Elles Road intersection** in south Invercargill to improve safety.
- Work progressed on two major Ōtepoti Dunedin projects promoting safety and better access for people who cycle and walk: the final 5km section of the **SH88 Dunedin to Port Chalmers** shared path and the city council's Peninsula Connection project around the Otago Harbour between Ōtepoti Dunedin to Portobello.
- The construction of a new two-lane bridge on **SH8 over the Clutha River** at Beaumont to replace an ageing single-lane bridge begins to improve resilience on the main freight link between Ōtepoti Dunedin and Central Otago.
- The opening of the new **single-lane Hinahina Bridge** across Catlins River in South Otago strengthens connections for travellers along this important visitor route.
- **Ballantyne Road near Wanaka** is in a popular tourist area and is a busy road with a high crash rate and of high danger to people who walk and cycle. The improvement project completed in late 2021 addressed safety issues such as inconsistent surfacing, limited driver sight lines, a lack of road markings and narrow roadways. Improvements included the sealing of 4km of unsealed road, creating a clear zone on both sides of the road to significantly reduce crash risk, creating a low speed environment, and forming 1m-wide sealed road shoulders for safer opportunities for walking and cycling.
- A new alliance between Waka Kotahi and Queenstown Lakes District Council was set up to deliver several cornerstone projects in the Wakatipu area, addressing the area's transport challenges such as major traffic congestion.

- Invercargill residents have better access to public transport services after timetable changes reduced bus wait times and improved bus frequency.
- Work started on improving safety on **SH94**, the popular tourist route to Milford Sound, by enabling better monitoring of incidents and traffic in the 1.2km Homer Tunnel

Activity class	2021/22 actual \$000
Total	205,168
Road to Zero	8,730
Public transport services	12,421
Public transport infrastructure	665
Walking and cycling improvements	18,322
Local road improvements	8,930
State highway improvements	9,809
State highway maintenance	78,287
Local road maintenance	67,632
Investment management	373
Coastal shipping	-
Rail network	-



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 (the Board) is responsible for the preparation of the National Land Transport Fund financial statements and statement of performance, and for the judgements made in them.

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

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

In the Board's opinion, these financial statements and statement of performance fairly reflect the financial position and operations of the National Land Transport Fund for the year ended 30 June 2022.

Signed on behalf of the Board:



Sir Brian Roche
Chair
30 September 2022



Cassandra Crowley
Chair of the Risk and Assurance Committee
30 September 2022

Countersigned by:



Nicole Rosie
Chief Executive
30 September 2022



Howard Cattermole
Chief Financial Officer
30 September 2022

Financial statements

Statement of comprehensive revenue and expense for the year ended 30 June 2022

	Note	Actual 2021/22 \$M	Budget 2021/22 \$M	Actual 2020/21 \$M
Revenue inflows*				
Land transport revenue	3	4,166	4,371	4,275
Funding from the Crown – Rail Network Investment Programme		180	236	0
Management of Crown land		75	24	54
Tolling revenue		12	13	13
Interest revenue		3	1	1
Total revenue inflows	2	4,436	4,645	4,343
Outflows				
National Land Transport Programme (NLTP)		3,813	3,876	3,804
Road Policing Programme		394	393	376
Rail Network Investment Programme		287	368	0
Fuel excise duty/road user charges administration		12	5	5
Forecasting and strategy		4	3	3
Total outflows	2	4,510	4,645	4,188
Surplus/(deficit) from current National Land Transport Fund (NLTF) balance		(74)	0	155
Fair value gain on long-term payables		8	4	30
NLTP expenditure to be funded long-term		131	(38)	244
Finance charges		(9)	(7)	(10)
Surplus/(deficit) to be funded from future NLTF revenue	2	130	(41)	264
Surplus/(deficit)		56	(41)	419

* 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 2022

	Note	Actual 2021/22 \$M	Budget 2021/22 \$M	Actual 2020/21 \$M
Assets				
Cash and cash equivalents	6	98	0	287
Receivables	3/6	399	317	240
Prepayments		22	0	24
Total assets		519	317	551
Liabilities				
Payables	4/6	3,369	4,023	3,457
Total liabilities		3,369	4,023	3,457
Net assets		(2,850)	(3,706)	(2,906)
General funds		(2,850)	(3,706)	(2,906)
General funds closing balance *	7	(2,850)	(3,706)	(2,906)

* 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 2022

	Note	Actual 2021/22 \$M	Budget 2021/22 \$M	Actual 2020/21 \$M
General funds opening balance				
General funds - current		257	0	102
General funds - long-term		(3,163)	(3,665)	(3,427)
Total general funds opening balance		(2,906)	(3,665)	(3,325)
Changes in general funds balance				
Surplus/(deficit) from current NLTF balance		(74)	0	155
Surplus/(deficit) to be funded from future NLTF revenue		130	(41)	264
Total changes in general funds balance		56	(41)	419
General funds closing balance				
General funds - current	7	183	0	257
General funds - long-term	7	(3,033)	(3,706)	(3,163)
Total general funds closing balance *		(2,850)	(3,706)	(2,906)

* 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 2022

	Actual 2021/22 \$M	Budget 2021/22 \$M	Actual 2020/21 \$M
Cash flows from operating activities			
Receipts from land transport revenue	4,277	4,601	4,324
Payments to suppliers	(4,466)	(4,601)	(4,193)
Net cash from operating activities	(189)	0	131
Net increase/(decrease) in amounts held by the Crown	(189)	0	131
Amounts held by the Crown at the beginning of the year	287	0	156
Amounts held by the Crown at the end of the year *	98	0	287

* 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 2021/22 \$M	Budget 2021/22 \$M	Actual 2020/21 \$M
Net surplus/(deficit) after tax	56	(41)	419
Add/(less) movements in working capital items:			
(Increase)/decrease in receivables and prepayments	(157)	(53)	(17)
Increase/(decrease) in payables	(88)	94	(271)
Net movements in working capital items	(245)	41	(288)
Net cash from operating activities	(189)	0	131

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 (NLTF).

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

The NLTF is used to manage the funding of:

- National Land Transport Programme (NLTP) for:
 - activities delivered by approved organisations such as councils
 - state highway, public transport and walking and cycling activities
 - other Waka Kotahi activities, such as transport planning and sector research.
- New Zealand Police Road Policing Programme
- Rail Network Investment Programme
- Te Manatū Waka Ministry of Transport - for forecasting and strategy.

NLTF cash funds are held as part of total Crown funds. Te Manatū Waka Ministry of Transport is responsible for authorising payments from NLTF and administering appropriations.

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

The NLTF does not have any employees.

The financial statements for the NLTF are for the year ended 30 June 2022 and were approved by the Waka Kotahi Board on 30 September 2022.

Basis of preparation

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

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

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

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

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

Budget figures

The budget figures are derived from the Waka Kotahi *Statement of performance expectations 2021/22* as approved by the board on 12 June 2021. 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 2021.

On 31 August 2020, the New Zealand Accounting Standards Board (NZASB) issued amendments to PBE FRS 48 *Service Performance Reporting* that deferred the effective date from 1 January 2021 until 1 January 2022. PBE FRS 48 aims to establish requirements for the reporting of service performance information in order to better meet the needs of users of general purpose financial reports of public entities.

The new standard has no direct impact on National Land Transport Fund financial statements being a notional entity. Refer to Waka Kotahi financial statements for assessment of the impact of the standard.

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

	Actual 2021/22 \$M	Actual 2020/21 \$M	Actual 2019/20 \$M
Revenue inflows			
Land transport revenue	4,166	4,275	3,790
Funding from the Crown - Rail Network Investment Programme	180	0	0
Management of Crown land	75	54	22
Tolling revenue	12	13	11
Interest revenue	3	1	4
Total revenue inflows	4,436	4,343	3,827
Outflows			
National Land Transport Programme (NLTP)	3,813	3,804	3,696
Road Policing Programme	394	376	362
Rail Network Investment Programme	287	0	0
Fuel excise duty/road user charges administration	12	5	5
Forecasting and strategy	4	3	3
Total outflows	4,510	4,188	4,066
Surplus/(deficit) from current National Land Transport Fund (NLTF) balance	(74)	155	(239)
Fair value gain on long-term payables	8	30	1
NLTP expenditure to be funded long-term	131	244	(1,197)
Finance charges	(9)	(10)	(8)
Surplus/(deficit) to be funded from future NLTF revenue	130	264	(1,204)
Surplus/(deficit)	56	419	(1,443)

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

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

Revenue inflows

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

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

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

Outflows

The NLTF accounts for the flow of funds to:

- Waka Kotahi – for the funding of the NLTP, and administration of fuel excise duty and road user charges
- New Zealand Police – which provides the Road Policing Programme
- Te Manatū Waka – for forecasting and strategy
- KiwiRail – for the Rail Network Improvement Programme.

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

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

Explanation of major variances against budget

Revenue inflows

Land transport revenue was \$4,166 million, \$205 million (5 percent) below the budget of \$4,371 million. The budget was developed before the COVID-19 lockdown in 2021/22. The decrease was mainly due to lower fuel excise duty as a result of fewer passenger cars during lockdown.

Outflows

NLTP was \$3,813 million, \$63 million (2 percent) below the budget of \$3,876 million. This was mainly due to lower than planned spend in several output classes including walking and cycling, local road improvements and public transport infrastructure. This was due to delays caused by pandemic lockdowns and supply chain issues and approved organisations (councils) having constrained funds requiring them to reprogramme and reprioritise work. Typically, the NLTP funds 51 percent of approved organisations transport activities.

NLTP expenditure to be funded long term was \$131 million, \$169 million above the budget of (\$38) million. This was mainly due to a \$164 million movement in the fair value of financial instruments. This also reflects the expenditure on public-private partnerships, the Housing Infrastructure Fund, and expenditure that is financed by borrowing facilities, including accrued interest on some of those facilities.

3 Land transport revenue and receivables

	Actual 2021/22 \$M	Actual 2020/21 \$M
Revenue		
Road user charges	1,904	2,007
Fuel excise duty	1,783	2,191
Motor vehicle registration and annual licensing fees	235	232
Temporary tax reduction Crown revenue - road user charges	186	0
Temporary tax reduction Crown revenue - fuel excise duty	199	0
Track user charges	7	0
Total revenue	4,314	4,430
Less refunds		
Road user charges	72	63
Fuel excise duty	63	71
Motor vehicle registration and annual licensing fees	1	1
Other	1	0
Total refunds	137	135
Less bad debt write-off	25	3
Movement in provision for doubtful debts	(14)	17
Total bad and doubtful debts	11	20
Total land transport revenue	4,166	4,275

As per the Land Transport Management Act 2003, a payment is made for maritime search and rescue activities from fuel excise duty before the duty becomes land transport revenue. This payment was \$29.6 million (2020/21: \$24.8 million).

The total net land transport revenue including additional Crown funding is as follow:

	Actual 2021/22 \$M	Actual 2020/21 \$M
Road user charges*	2,007	1,924
Fuel excise duty**	1,919	2,120
Motor vehicle registration and annual licensing fees	233	231
Track user charges	7	0
Total net land transport revenue	4,166	4,275

* including temporary tax reduction Crown revenue for road user charges

** including temporary tax reduction Crown revenue for fuel excise duty

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

Receivables (included in the statement of financial position)

	Actual 2021/22 \$M	Actual 2020/21 \$M
Debtors - fuel excise duty	202	227
Debtors - Crown temporary tax reduction	170	0
Debtors - motor vehicle register/road user charges	42	60
Debtors - Rail Network Investment Programme	15	0
Debtors - track user charges	3	0
Provision for doubtful debt	(33)	(47)
Total receivables	399	240

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

Debtor balances relating to fuel excise duty, the Rail Network Investment Programme and track user charges are short term and due from other government agencies (such as government departments and Crown entities). There is no indication that these debtors are impaired as at 30 June 2022 (2020/21:nil).

Provision for doubtful debt

The provision for doubtful debt relates to road user charges, the ECLs are \$33 million (2020/21: \$47 million). The NLTF applies the simplified approach and recognises lifetime ECLs for these debtors. Lifetime ECLs recognise all possible default events over the expected life of the receivable. ECLs are calculated in two groups, motor vehicle register debtors and road user charges debtors, to reflect the differences in collection and default rate history.

Estimation techniques and assumptions used in calculating the lifetime ECLs did not change during 2021/22.

The movement in ECLs for the year are shown below.

	Lifetime ECL - debtors - road user charges 2021/22 \$M	Lifetime ECL - debtors - road user charges 2020/21 \$M
Opening balance as at 1 July	47	30
Movement in doubtful debts provision	(14)	17
Closing balance as at 30 June	33	47

Receivables are written-off when they are deemed uncollectable. The total receivables written-off during the year amounted to \$25 million (2020/21: \$3 million). Of the receivables written-off none were still subject to enforcement activities.

4 Payables

	Actual 2021/22 \$M	Actual 2020/21 \$M
Current payable to KiwiRail	26	0
Current payable to Waka Kotahi – current balance	310	293
Current payable to Waka Kotahi – to be funded from future revenue	75	135
Non-current payable to Waka Kotahi – to be funded from future revenue	2,958	3,029
Total payables	3,369	3,457

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

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

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

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 one year and 30 years.

Non-interest bearing non-current payables are discounted to present value as at 30 June 2022.

5 Planned outflows

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

	Actual 2021/22 \$M	Actual 2020/21 \$M
Not later than one year	4,859	4,940
Later than one year and not later than five years	5,458	8,170
Later than five years	5,859	3,382
Total planned outflows	16,176	16,492

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 2021/22 \$M	Actual 2020/21 \$M
Financial assets measured at amortised cost		
Cash and cash equivalents	98	287
Receivables	399	240
Total financial assets measured at amortised cost	497	527
Financial liabilities measured at amortised cost		
Payables	3,369	3,457
Total financial liabilities measured at amortised cost	3,369	3,457

Financial risks

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

Market risk

The NLTF's exposure to the risk of changes in market rates relates primarily to interest rates on long-term debt held by Waka Kotahi. The NLTF is obligated 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 in the Waka Kotahi annual report for 2021/22.

Credit risk

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

Credit quality of financial assets

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

Liquidity risk

Management of liquidity risk

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

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

Refer to note 5 for future outflows of NLTF. The Board actively considers the NLTF revenue forecast when planning the NLTP to maintain the liquidity of the NLTF is maintained.

Refer to note 7 for general funds and capital management of the NLTF.

Contractual maturity analysis of financial liabilities

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

	2021/22			
	Less than 1 year \$M	1-2 years \$M	2-5 years \$M	Over 5 years \$M
Payables	454	102	800	3,239

	2020/21 (restated*)			
	Less than 1 year \$M	1-2 years \$M	2-5 years \$M	Over 5 years \$M
Payables	402	189	510	2,762

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

7 General funds and capital management

	Actual 2021/22 \$M	Actual 2020/21 \$M
General funds – current	183	257
Total general funds – current	183	257
National land transport programme to be funded long-term		
Auckland Transport Package	(354)	(354)
Housing Infrastructure Fund	(62)	(30)
Public-private partnerships*	(2,015)	(2,336)
NLTF borrowing facility for short-term advances	0	(75)
COVID-19 NLTF borrowing facility	(325)	(325)
Tauranga Eastern Link	(107)	(107)
NLTP 2021–24 loan	(201)	0
Fair value changes in financial instruments	31	64
Total general funds – long term	(3,033)	(3,163)
Total general funds closing balance	(2,850)	(2,906)

* Including related interest rate swaps.

The NLTF has a negative general funds balance due to programmes that were accelerated with debt funding sourced from the Crown or through public-private partnerships. The funding received has been recognised as long-term payables that are due up to 30 years from balance date.

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

- The NLTF's liquidity is actively managed.
- The NLTF has a positive cash balance of \$98 million as at 30 June 2022 (2020/21: \$287 million).
- The NLTF's forecasts demonstrate its ability to repay its obligations when they fall due for a period of at least one year from the date of these financial statements.
- The NLTF's main revenue source is land transport revenue, which is forecast with inputs from other government departments and has been accurately forecast in recent years (aside from the impact of COVID-19) and is forecast to be sufficient to meet all committed future outgoings.
- The NLTF has the option to slow expenditure on the NLTP.
- The NLTF has the option to use the short-term borrowing facility of \$250 million to cover revenue or expenditure shocks or to use the short-term borrowing facility of \$250 million to meet seasonal cash-flow cycles. Both facilities were available in full at balance date, with \$150 million drawn down from the seasonal facility post-balance date.

- The government has previously taken action to help deliver on the NLTP as follows:
 - The government approved an additional \$425 million COVID-19 borrowing facility for Waka Kotahi during 2019/20, of which \$125 million was drawn down at 30 June 2021 and \$200 million drawn down in July 2020. Final repayments of the facility fall in 2027/28. The facility is no longer available to be drawn down.
 - In July 2020, the government approved additional funding up to \$600 million and signalled its intention to allow Waka Kotahi to raise additional financing up to \$300 million to manage ongoing COVID-19 impacts, continue financial support for public transport, and allow the delivery of the remainder of the 2018–21 National Land Transport Programme. Out of the \$600 million funding available, Waka Kotahi used \$319 million. No drawdowns were made from 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 2021–24 to 2024–27.
 - The government 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 to support the delivery of the 2021–24 NLTP due to the investment gap between the NLTP and forecast land transport revenue. The loan agreement was signed in December 2021.
- A debt management framework is used to determine a sustainable and efficient level of future liabilities. The framework is based on the expected level of fund inflows and forward commitments and comprises measures and target operating ranges to guide decision making.

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

The Board recognises that as carbon-reducing activities increase then the method of funding transport will need to adapt. There is increased demand for the NLTF with rail, transport regulation and improving and sustaining the transport network. More activity (cost) is required to improve the condition of the state highway network to avoid higher costs in the future, reduce deaths and serious injuries and improve access. The Board does not believe that under current revenue settings it will be possible to achieve all of the above particularly if significant projects require funding such as light rail projects.

Te Manatū Waka Ministry of Transport, The Treasury and Waka Kotahi are carrying out a revenue review to inform Ministers about the gap between demands on the NLTF and current forecast revenue and options to address that gap. The review report is due at the end of 2022.

Capital management

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

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

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

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 NLTF has no contingent liabilities or assets (2020/21: \$nil).

The NLTF may have exposure to those contingent liabilities of Waka Kotahi arising from the delivery of the NLTP.

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 remaining activity to 30 June 2022 is \$557 million (2020/21: \$442 million) (commitment of \$625 million).

11 Events after the balance date

There are no material post balance date events requiring disclosure.

Statement of performance (unaudited)

Output class funding to Waka Kotahi

	Actual 2021/22 \$M	Budget 2021/22 \$M	Actual 2020/21 \$M
Investment management	60	77	67
Public transport services	429	420	362
Public transport infrastructure	304	392	383
Walking and cycling improvements	104	121	191
Local road improvements	105	134	268
Local road maintenance	720	658	700
Regional improvements	0	0	112
State highway improvements	1,010	991	891
State highway maintenance	796	792	774
Road to Zero	285	286	56
Coastal shipping	0	5	0
Funding to Waka Kotahi - current	3,813	3,876	3,804
Road policing programme	394	393	376
Rail network investment programme	287	368	0
Total output class funding	4,494	4,637	4,180
Output class funding (long-term)			
State highway improvements - Auckland Transport Package	0	0	(1)
Local road improvements - Housing Infrastructure Fund	31	40	16
State highway improvements - public-private partnerships	(164)	155	(37)
State highway improvements - repayment for public-private partnerships	(141)	(135)	(62)
NLTF borrowing facility for shocks/seasonal costs	(75)	0	(175)
NLTP 2021-24 loan (including accrued interest)	201	6	0
Fair value changes in financial instruments to surplus or deficit	17	(28)	15
Total output class funding (long-term)	(131)	38	(244)

The output class funding (current) above is net of borrowing used to finance activities Waka Kotahi carries out. The use of the NLTP 2021-24 loan is additional funding to the total output class funding (current) of \$4,494 million above.

Where borrowing facilities are used to fund expenditure, rather than a specific project, the debt is apportioned across activity classes. This effectively is a change between current expenditure and long-term expenditure. The facilities drawn down in the period were apportioned based on the three-year investment targets the Board set. This breakdown is as follows.

Output Class	NLTP 2021-24 Loan \$M
State highway improvements	24
Local road improvements	37
Public transport services	2
Public transport infrastructure	43
Walking and cycling improvements	30
State highway maintenance	34
Local road maintenance	16
Road to Zero	15
Total apportionment	201

For explanations of major variances against budget see the Use of the NLTF graphs on pages 232-244, the graphs include both the output class funding (current) and use of the NLTP 2021-24 loan.

The output class funding (long-term) reflects the expenditure on public-private partnerships, the Housing Infrastructure Fund and fair value changes of financial instruments, and expenditure that is financed by borrowing facilities. The most significant movement in 2021/22 relates to the movements in the fair value of financial instruments (interest rate swaps) associated with the public-private partnerships of \$(305) million and early repayment of the \$75 million shock facility.

Independent auditor's report

To the readers of National Land Transport Fund's financial statements and performance information for the year ended 30 June 2022

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 261 to 275, that comprise the statement of financial position as at 30 June 2022, 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 244.

In our opinion:

- the financial statements of the NLTF on pages 261 to 275:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2022; 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 244:
 - presents fairly, in all material respects, the NLTF's performance for the year ended 30 June 2022, 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 2022. 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 210 to 218, 220 to 244 (excluding service delivery and investment performance measures), 246 to 260, 276 to 277, 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