Ngā tāpiritanga
Appendices (unaudited)

Appendix 1: Sustainability and climate-related reporting

This appendix includes the following climate-related reports.

- Monitoring the progress of Toitū te Taiao, our sustainability action plan (voluntary)
- Climate-related disclosures (voluntary)
- Carbon Neutral Government Programme reporting (mandatory)

## Monitoring the progress of Toitū te Taiao, our sustainability action plan

Toitū te Taiao, our sustainability action plan, was released in April 2020 to set the sustainability direction for Waka Kotahi and embed sustainability across the organisation. It set out a vision of a low carbon, safe and healthy land transport system, with 16 headline actions across six workstreams, as shown in figure 25 on the following page.

All 16 headline actions are substantially complete. Toitū te Taiao is now being refreshed to respond to our changing context, including the Emissions Reduction Plan, National Adaptation Plan and Carbon Neutral Government Programme.

Since 2019/20, we have been monitoring a set of performance indicators that tell us whether the actions we're implementing are helping us achieve the vision of Toitū te Taiao. In 2019/20 and 2020/21, results for these measures were reported in a separate sustainability monitoring report, Tiakina Te Taiao.

In 2021/22, reporting was integrated into the Waka Kotahi annual report for the first time. This section describes 2022/23 performance against the measures set out in Tiakina Te Taiao.

Figure 25 – Toitū te Taiao vision and workstreams
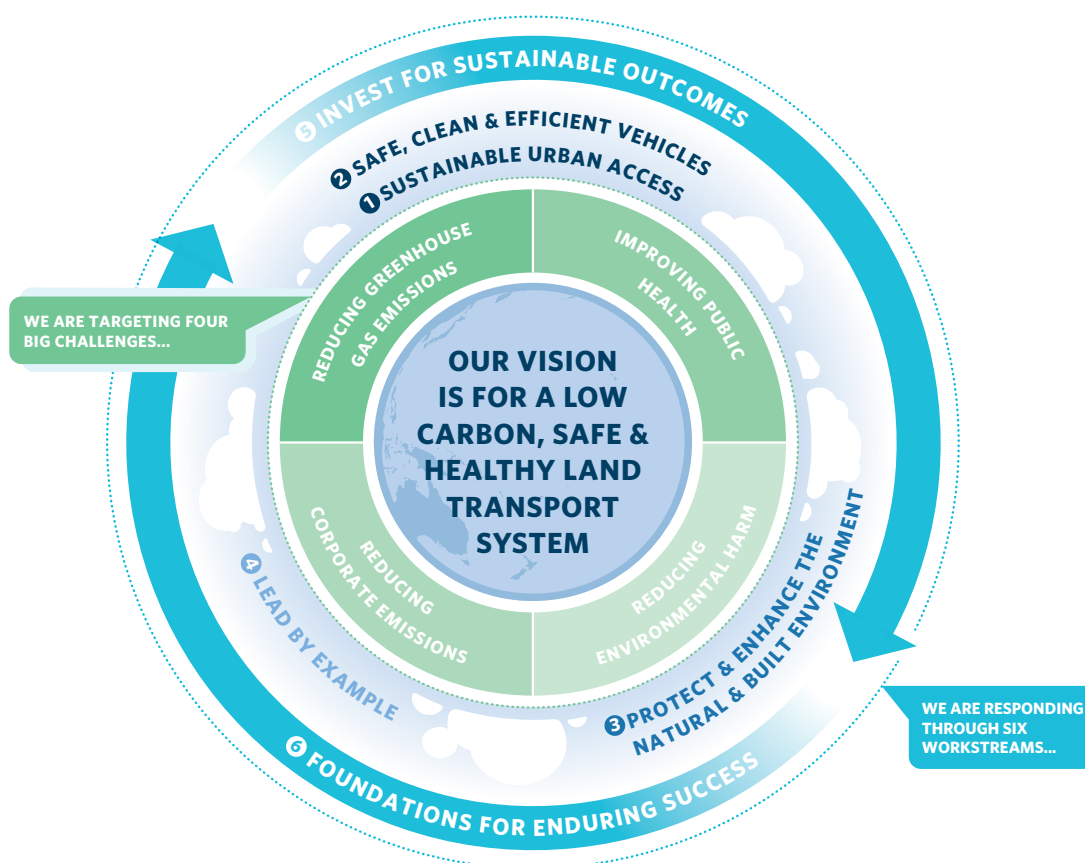
Reducing greenhouse gas emissions

Long-term outcome: Net zero land transport greenhouse gas emissions by 2050

Measure(s)	Desired trend	Status against desired trend	2022 actual	2021 actual	2020 actual
Emissions Total kilotonnes of carbon dioxide (CO2e) emitted from travelling on the road network	Decreasing trend (from the 2019 baseline of 13,116 kilotonnes of CO2e)	Achieved	12,784 kilotonnes of CO2e	Not comparable due to methodology change	Not comparable due to methodology change

In 2023 we adopted the Ministry for the Environment's approach to measuring greenhouse gas emissions and that changed our baseline result for 2019 to 13,116 kilotonnes of CO2e (compared to 11,832 kilotonnes of CO2e that was published in 2022). Greenhouse gas emissions from transport in 2023 are below this emissions baseline from 2019, but have increased each year from 2020 up to 2022. It is difficult to draw conclusions from these trends given the impact of Covid restrictions in the intervening years since 2019, but the recent increase in emissions could reflect a return to long term trends of increasing emissions from transport.

See the result and commentary for ENV1 on page 43 for more detail. Details of the new methodology adopted can be found in the performance measure explanatory notes on our website: nzta.govt.nz/resources/annual-report-nzta

Improving public health

Waka Kotahi has a range of policies, guidance, specifications and tools in place for assessing and managing road transport related air emissions, noise and vibration. We administer rules for vehicle exhaust emissions and noise and manage compliance to confirm that vehicle regulations are met (entry certification, warrant and certificate of fitness). Initiatives to reduce GHG emissions can also reduce air quality and noise impacts from the land transport system.

Long-term outcome: No harm from land transport air and noise emissions

Measure(s)	Desired trend	Status against desired trend	2022 actual	2021 actual	2020 actual
Air quality					
Nitrogen dioxide (NO$_2$) emissions	Decreasing trend (from 2020 actual)	**No change**	6.7 kilotonnes	6.6 kilotonnes	6.7 kilotonnes
Fine particulate matter (PM2.5) emissions	Decreasing trend (from 2020 actual)	**No change**	1.3 kilotonnes	1.3 kilotonnes	1.5 kilotonnes
	Compared to 2021/22, NO$_2$ emissions increased slightly. PM2.5 emissions remained the same as in 2021/22 but are less than the 2020 baseline level of 1.5 kilotonnes.				
Noise					
Number of people assessed as exposed to high levels of road traffic noise	Exposure to land transport noise is an ongoing source of community concern. Transport noise not only affects amenity, land value and productivity, it also impacts people's health and wellbeing. We recently undertook research to understand the health impacts and social costs of land transport noise in New Zealand.				

Number of people assessed as exposed to high levels of road traffic noise

Exposure to land transport noise is an ongoing source of community concern. Transport noise not only affects amenity, land value and productivity, it also impacts people's health and wellbeing. We recently undertook research to understand the health impacts and social costs of land transport noise in New Zealand.

The noise mapping methodology was improved during 2022/23 as part of that research. It showed that the number of people exposed to high levels of road traffic noise of 64 dB LAeq (24h) or more in 2019/20 was estimated to be 124,000 people.

The new methodology gives us more confidence in the absolute number of people exposed, but the result this year is not directly comparable to the calculated noise exposure for 2017 that was reported previously. As a result, it is not possible to infer the actual change in noise exposure from our earlier baseline.

Waka Kotahi takes a best-practice approach to mitigating noise from new and altered road projects, the vast majority of which provide a net reduction in noise exposure. We investigate noise and vibration complaints, and remedy faults on the road network if they are the cause of noise.

Most of the significant increases in road-traffic noise exposure in New Zealand come from new houses being built close to busy roads rather than new roads being built next to existing houses. We are working with district councils and Kāinga Ora to ensure appropriate land use planning controls are in place to reduce impacts on residents.

In 2022, we identified an asphalt formulation (EPA7 50 mm) that provides a substantial reduction in road-traffic noise emission compared to current practice and have started using this as noise mitigation for new road projects.

Measure(s)	Desired trend	Status against desired trend	2022 actual	2021 actual	2020 actual
Cycling					
Number of cycling trips into the central business districts of Auckland, Wellington and Christchurch	Increasing trend (from 2020 actual)	Unable to report	Result not available	Result not available	6,728
	The status against desired trend remains "unable to report" for 2022/23, due to significant issues with reliability of the data collected through the eco-counter bicycle and pedestrian counters across the network. See the result for WCI2, page 70 for more information on these issues.				

Reducing environmental harm

Long-term outcome: The land transport network is managed to support and enhance indigenous biodiversity

Biodiversity

Waka Kotahi has an important role in supporting high-value biodiversity and our herenga (commitment) to minimising the effects we have on our indigenous biodiversity is reflected in organisational policies and standards that guide our work including our recently released ecological impact assessment guideline.

We are also developing an operational biodiversity plan for completion in 2024, that will likely include an action to develop biodiversity measures. In the meantime, biodiversity has been added as a component of the asset management data standard, a vital step to consistently capturing information on biodiversity values within the land transport network. Viewing biodiversity as an asset to be managed is critical to the land transport network being able to support and enhance indigenous biodiversity – a long term outcome in Toitū te Taiao.

We are testing the usefulness and usability of biodiversity data in the asset management data standard in two regions, including through local site investigations. We are also working on a method for collecting nationally relevant biodiversity information for the land transport network. This method will consider central government direction, including the National Policy Statement for Indigenous Biodiversity and the Aotearoa New Zealand Biodiversity Strategy.

Our ongoing research to understand how Waka Kotahi activities can affect biodiversity helps us to improve how we support indigenous biodiversity, especially in areas that are particularly sensitive to land transport activities. We have published research on the edge effects of land transport that also identifies opportunities that road verges provide by creating much needed green space in highly urbanised and/or intensively managed areas.

Long-term outcome: Water bodies are protected from adverse effects of land transport storm-water run-off

Water

While no quantitative measure for this outcome was established as part of the first versions of Tiakina te Taiao, this year we have used the Road Assessment and Maintenance Management system to estimate how much of the state highway network now has best practice stormwater systems in place (i.e. wetlands, detention basins etc).

As part of the continuous upgrades to New Zealand's state highway network, as at 30 June 2023 approximately 370 kilometres (3.4%) of the network have been equipped with best-practice stormwater treatment systems. These systems include wetlands, detention basins, swales, and proprietary treatment devices, all of which play a crucial role in removing sediment and contaminants from road runoff. These treatment solutions are primarily implemented for high volume traffic corridors located in proximity to urban areas.

All new capital projects completed in the Auckland, Tauranga, Wellington and Christchurch areas have included stormwater management features. This aligns with our long-term goal in Toitu Te Taiao of reducing environmental harm and protecting water bodies from adverse effects associated with stormwater runoff. Stormwater treatment will continue to be implemented for all new projects and considered for upgrades.

We are working to incorporate data from the road stormwater screening study into our GIS system so that a high-level overview of a catchment is available when we are planning for upcoming activities.

Our capital projects and maintenance and operations works use erosion and sediment controls to manage runoff during the earthworks phase of construction. For example, the Takitimu Northern Link project that demonstrated excellent compliance with consent conditions during the extreme weather events in the North Island over the past year.

Long-term outcome: We use resources and energy sustainably

Resource efficiency

We previously reported on resource efficiency using a measure of the percentage of materials used in our maintenance contracts that were recycled materials, but the data source was subsequently found to be insufficiently accurate from an auditing perspective.

Looking ahead, our reporting against the CNGP programme requirements will provide a more robust overview of how we are working toward more sustainable use of resources and energy, with a focus on reducing carbon emissions from non-corporate activities. See page 178 to 182 for our first CNGP report.

Measure(s)	Desired trend	Status against desired trend	2022 actual	2021 actual	2020 actual
Compliance					
Compliance with environmental consent conditions.	Increasing (from 2020 actual)	Increasing	96%	Not reported	93% (at 30 March 2021)

Waka Kotahi activities come under a variety of planning and environmental requirements through the Resource Management Act 1991 and other environmental legislation.

Waka Kotahi uses a cloud-based environmental compliance management system (CS-VUE) to capture and manage compliance information for these authorisations. We actively manage environmental compliance with these requirements to meet our statutory obligations and the recent upgrade to the system has helped us improve our overview of consent requirements across projects.

*Note: The percentage above includes both compliant conditions and conditions that have not yet been actioned. It excludes administrative permit conditions. This data represents a point of time rather than an average of a year.

Reducing corporate emissions

Long-term outcome: Waka Kotahi is carbon neutral

Measure(s)	Desired trend	Status against desired trend	2022 actual	2021 actual	2020 actual
Emissions					
Total corporate emissions	Mandatory emissions are <2,544 tonnes of CO_2e	Achieved	2,240.97 tonnes of CO_2e	1,481.94 tonnes of CO_2e	2,536.50 tonnes of CO_2e
	Non-mandatory /additional emissions	N/A	1616.92 tonnes of CO_2e	235.74 tonnes of CO_2e	374.45 tonnes of CO_2e

This is also a performance measure in the Waka Kotahi organisational performance framework (IPOE2: Waka Kotahi corporate carbon footprint; see page 45).

This year is the first year that Waka Kotahi has published its CNGP reporting in its annual reports, which covers both corporate and non-corporate emissions. For more information see page 178 to 182.

This year is the first year we have measured carbon emissions generated by staff commuting for work. This is an 'additional' or non-mandatory emission source. We have shown this separate from mandatory emissions, along with other non-mandatory emissions measured.

Refer tables 5 and 6 for a full list of mandatory and non-mandatory corporate emissions measured this year.
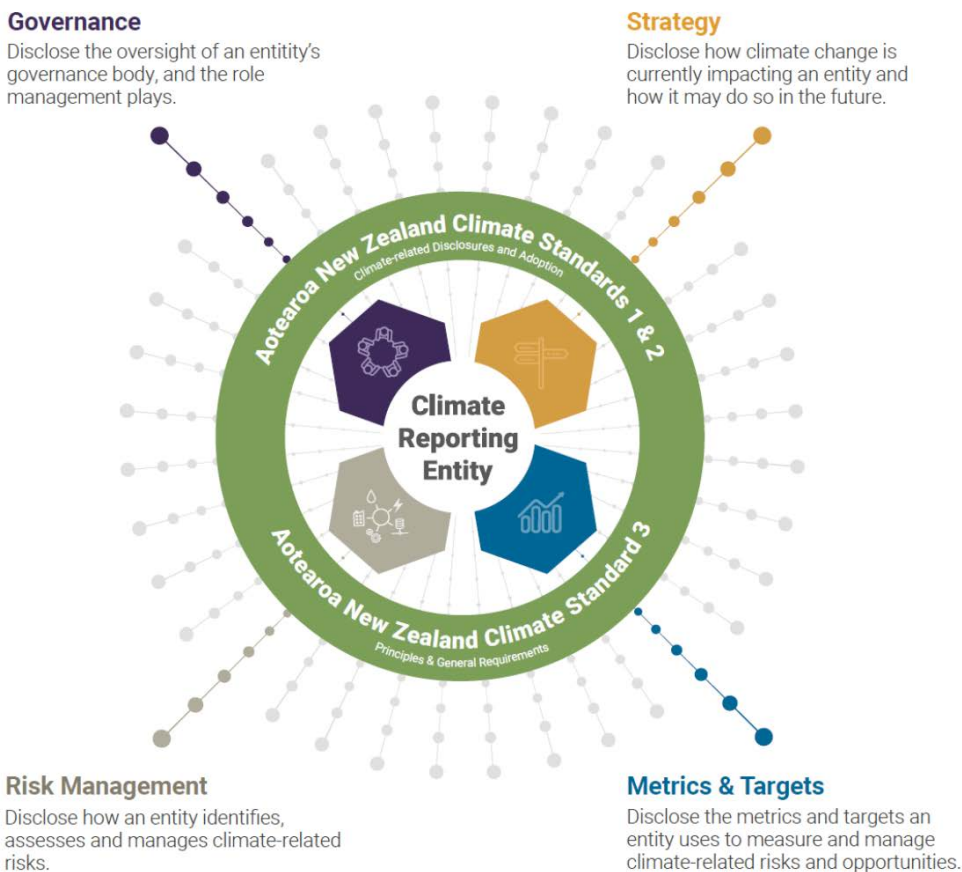
Climate-related disclosures

In 2022 the New Zealand External Reporting Board (XRB) introduced new Aotearoa New Zealand Climate Standards, based on the international Task Force on Climate-related Financial Disclosures (TCFD) framework. The TCFD framework had been developed to enable organisations to manage risks, identify and seize climate-related business opportunities, and disclose reliable information about the risks and opportunities to investors. The Financial Sector (Climate-related Disclosures and Other Matters) Amendment Act 2021 requires large financial institutions within New Zealand to provide mandatory reporting in alignment with the Aotearoa New Zealand Climate Standards from 2023 onwards.

While Waka Kotahi is not a mandatory climate reporting entity, Waka Kotahi recognises the climate emergency as an enterprise top risk and is working to better understand and manage exposure and risk responses. Waka Kotahi has therefore been providing voluntary disclosures that are broadly in alignment with the TCFD framework since the 2020/21 annual report. Reporting against the framework is guided by four themes, shown in figure 26 below.

We are committed to supporting a resilient and low carbon economy through our climate-change mitigation and adaptation planning and activities and will continue to work with our partners to implement the government's National Adaptation Plan and Emissions Reduction Plan as well as expand and refine our climate-related disclosures. We are working to improve our approach as we view this reporting as an important way to provide greater transparency to our stakeholders and the community, including greater clarity about the risks and opportunities climate change poses to Waka Kotahi investment, operations and services and how we are planning to respond.

Figure 26 – Climate-related disclosures framework

Governance
Disclose the oversight of an entitity's governance body, and the role management plays.

Strategy
Disclose how climate change is currently impacting an entity and how it may do so in the future.

Risk Management
Disclose how an entity identifies, assesses and manages climate-related risks.

Metrics & Targets
Disclose the metrics and targets an entity uses to measure and manage climate-related risks and opportunities.

The following sections set out our voluntary climate-related disclosures, grouped according to the four guiding themes of governance, strategy, risk management and metrics and targets. These sections reflect the External Reporting Board's climate-related disclosures guidance, released in January 2023. The guidance is available on the External Reporting Board's website at www.xrb.govt.nz/dmsdocument/4844

Governance

The objective of the governance disclosures is to enable primary users to understand both the role an entity's governance body plays in overseeing climate-related risks and opportunities, and the role management plays in assessing and managing those climate-related risks and opportunities.

Both governance body and management are defined terms in NZ CS [NZ CS 1, paragraph 6].

See the XRB's guidance, section 6 from page 17, for more information.

Waka Kotahi classifies the climate emergency as an enterprise top risk for our organisation. We have made improvements to ensure climate-related considerations are routinely presented to the board and continue to refine our approach.

Our board receives regular risk reporting from our executive leadership team. See the risk management section of this appendix for our approach to climate risk and our actions to incorporate climate risk into our wider risk management framework, and the strategy section for how we are responding to risks, noting this is an evolving area.

Our executive leadership team's advice is informed from the direction they receive from the Executive Subcommittee. During the 2022/23 period our Climate Change and Sustainability Executive Subcommittee previously providing this advice was replaced by our recently established System Leadership Executive Subcommittee, which now has oversight of environmental sustainability, climate change, and public health responsibilities and opportunities. The executive is supported by an enterprise-wide Climate and Sustainability Leadership Group.

Strategy

The objective of the Strategy disclosures is to enable primary users to understand how climate change is currently impacting an entity and how it may do so in the future. This includes the scenario analysis an entity has undertaken, the climate-related risks and opportunities an entity has identified, the anticipated impacts and financial impacts of these, and how an entity will position itself as the global and domestic economy transitions towards a low-emissions, climate-resilient future.

See the XRB's guidance, section 7 from page 27, for more information.

The reality of a changing climate is already being felt across Aotearoa New Zealand. Many parts of the country, including Marlborough, Nelson, Wellington and Northland, were cut off by a large-scale weather system in August 2022 which caused flooding, slips and washouts. The land transport network was further damaged in early 2023, particularly in Te Ika-a-Māui North Island following the impacts of severe flooding in Auckland, Cyclone Hale and Cyclone Gabrielle.

Responding to severe weather events such as these was a priority for Waka Kotahi throughout the year and meant that other planned work needed to be paused or deferred. The additional work has also added pressure to our already strained funding system. Full recovery and rebuild from the recent severe weather events will take time and require ongoing investment, with many affected corridors still relying on interim solutions such as single lanes, detours or bailey bridges.

Over time, the land transport network will need substantial additional investment to increase the resilience of the network in the face of climate impacts, including those arising from more frequent and severe weather events, as well as sea level rise. We also need to improve our understanding of how climate change will impact our organisation and the many services we provide. Tiro Rangi outlines our agreed foundational actions to better understand and manage climate risks, including working collaboratively to develop transport sector climate scenarios and undertaking further work to understand our enterprise risk. The development of cross-sector transport scenarios is currently underway and is expected to inform future climate-related enterprise risk assessment that includes both transitional and physical risks for Waka Kotahi.

Our response to the climate emergency is set out in the Board's Environmental and Social Responsibility Policy, which is given effect to through the following strategies and plans.

- Tiro Rangi – our climate adaptation plan 2022–2024 sets out how Waka Kotahi will work to adapt the land transport system to our changing climate. The development and implementation of Tiro Rangi is a critical action in Urutau, ka taurikura: Kia tū pakari a Aotearoa i ngā huringa āhuarangi Adapt and thrive: Building a climate-resilient New Zealand, Aotearoa New Zealand's first national adaptation plan (NAP). Tiro Rangi describes how the impacts of climate change, including increased frequency of severe weather events, are likely to affect the transport system. It outlines the foundational actions required to begin the step change for climate adaptation in the way we plan, invest in, design, deliver, operate and use the land transport system.

- Toitu te Taiao – our sustainability action plan sets our approach to demonstrating environmental and social responsibility in everything we do, including responding to the climate emergency. Toitu identifies the need to reduce greenhouse gas emissions from transport and identifies a series of actions to be taken, including enabling sustainable urban access and safe and clean vehicles.

- Waka Kotahi is leading implementation of actions within Mahere Hohenga kia Whakakorea te Waro ā-Kawenga 2022-25 – Decarbonising Transport Action Plan 2022-25, which sets out how the transport sector will implement the transport components of Te hau mārohi ki anamata Towards a productive, sustainable and inclusive economy, Aotearoa New Zealand's first emissions reduction plan (ERP).

- Some ERP actions are funded through the Climate Emergency Response Fund and we have established a programme to ensure effective and efficient delivery of the transport initiatives that Waka Kotahi is delivering.

- This is the first year that we are reporting on the non-corporate emissions component of our CNGP commitments.

Our climate adaptation, emissions reduction and sustainability commitments are embedded in our overarching organisational strategy Te Kāpehu and Arataki, our ten-year plan.

Risk management

The objective of the risk management disclosures is to enable primary users to understand how an entity's climate-related risks are identified, assessed, and managed, and how those processes are integrated in existing risk management processes.

See the XRB's guidance, section 8 from page 57, for more information.

Our updated enterprise risk management framework allows for the development of climate scenario-based risk assessments. We are committed to integrating identification and management of climate risk into our existing risk management approach, in alignment with the best practice guidance for NZCS and ISO 14091. This is a long term objective and we plan to commence substantive work in 2023/24 to better understand climate risks an opportunities in the context of our business.

The executive owns enterprise risks, which are reviewed and updated in the Waka Kotahi risk register quarterly. Our internal Risk and Assurance team facilitates this process, with climate emergency risk reporting covering both mitigation and adaptation.

Metrics and targets

The objective of the metrics and targets disclosures is to enable primary users to understand how an entity measures and manages its climate-related risks and opportunities. Metrics and targets also provide a basis upon which primary users can compare entities within a sector or industry.

See the XRB's guidance, section 8 from page 57, for more information.

Waka Kotahi is committed to developing measures to enable us to report on climate related risk and opportunities and our progress towards outcomes. This is captured as an action in Tiro Rangi .

We also monitor how our activities contribute to mitigating climate change. Our organisational performance framework includes measures and targets covering greenhouse gas emissions, mode-shift, resilience and corporate responsibility. These are a subset of the measures included in other strategic documents and plans that guide our climate change response, including the Decarbonising Transport Action Plan, Toitu te Taiao and the CNGP.

The results section of the annual report describes how we are tracking toward the climate-related targets set out by our organisational performance framework.

We also work with Te Manatū Waka to report on the use of the Climate Emergency Response Fund investment in decarbonisation initiatives, implementation of the Decarbonising Transport Action Plan, Emissions Reduction Plan and the National Adaptation Plan.

Carbon Neutral Government Programme reporting

Introduction

Waka Kotahi is part of the all-of-Government Carbon Neutral Government Programme (CNGP), which has been established to accelerate the reduction of greenhouse gas emissions from the public sector. For more information on the programme, see https://environment.govt.nz/what-government-is-doing/areas-of-work/climate-change/carbon-neutral-government-programme/about-carbon-neutral-government-programme/.

We are at the beginning of our CNGP journey and will refine our approach over time.

The CNGP divides greenhouse gas emissions into the following three scopes for reporting and consistency with international reporting guidance.

- Scope 1: Direct GHG emissions from sources the organisation owns or controls (ie within the organisational boundary)
- Scope 2: Indirect GHG emissions from the generation of purchased energy (in the form of electricity, heat or steam) that the organisation uses
- Scope 3: Other indirect GHG emissions occurring because of the activities of the organisation but generated from sources it does not own or control.

For our reporting, Waka Kotahi groups these emissions into corporate emissions (all scope 1 and 2, and some scope 3 emissions) and non-corporate emissions (other material scope 3 emissions), as set out in figure 27.
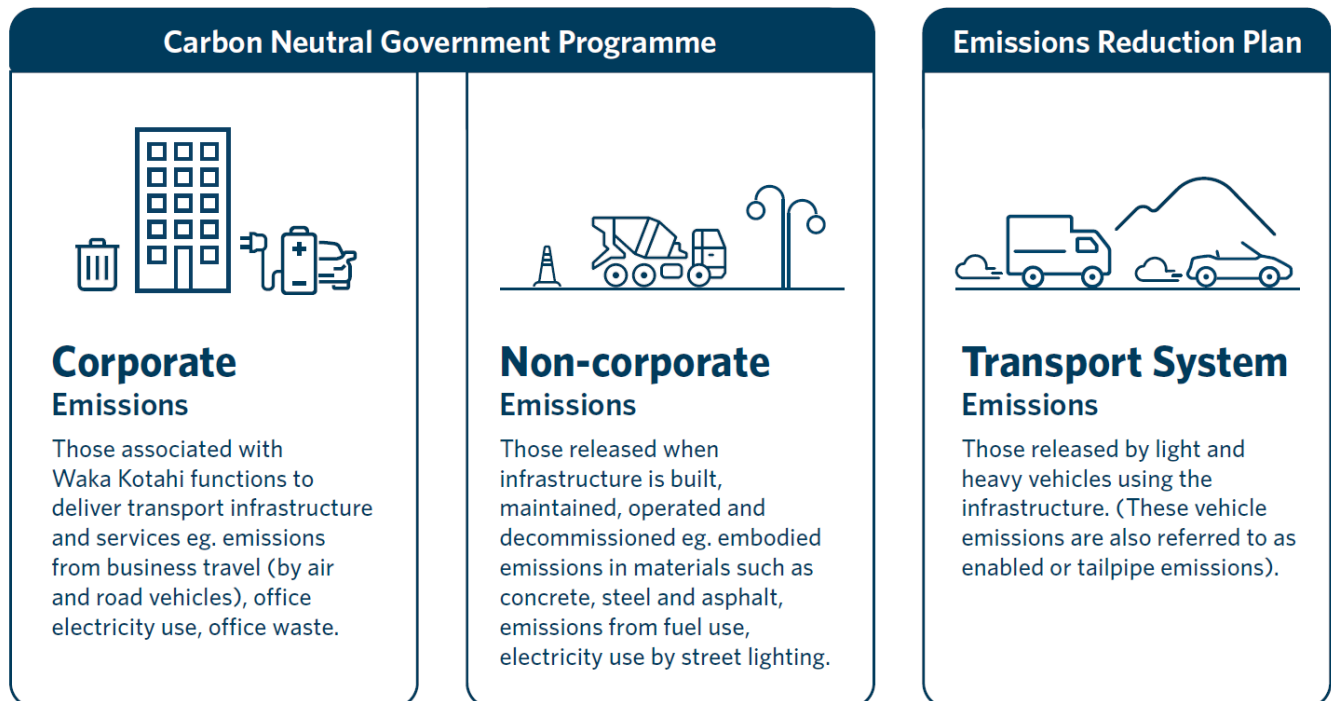
In line with the CNGP reporting guidance provided by Manatū Mō Te Taiao Ministry for the Environment, the following sections set out:

- our corporate and non-corporate emissions profiles for 2022/23
- a summary of progress toward our 2025 and 2030 gross emissions targets.

The CNGP reporting guidance also requires us to report on our FTE and total expenditure for the reporting period. [6] Please refer to pages 203 and 92 of the annual report for this information.

[6] Manatū Mō Te Taiao provides detailed guidance on how agencies should report on these emissions in their annual reports (see the link to the guidance here: https://environment.govt.nz/publications/cngp-measuring-and-reporting-ghg-emissions/)

Figure 27 – Waka Kotahi CNGP and ERP emissions framework

Carbon Neutral Government Programme

Corporate Emissions

Those associated with Waka Kotahi functions to deliver transport infrastructure and services eg. emissions from business travel (by air and road vehicles), office electricity use, office waste.

Non-corporate Emissions

Those released when infrastructure is built, maintained, operated and decommissioned eg. embodied emissions in materials such as concrete, steel and asphalt, emissions from fuel use, electricity use by street lighting.

Emissions Reduction Plan

Transport System Emissions

Those released by light and heavy vehicles using the infrastructure. (These vehicle emissions are also referred to as enabled or tailpipe emissions).

Total greenhouse gas emissions

- Corporate emissions (mandatory and non-mandatory sources): 3,857 tonnes of carbon dioxide equivalent (tCO2e)
- Non-corporate emissions: 340,000 tonnes of carbon dioxide equivalent (tCO2e)

The sections below provide further information on the emissions.

Corporate emissions

We started reporting on corporate emissions in our 2018/19 annual report. Initially, this only included emissions from staff travel and our vehicle fleet. In 2021, a new measure and reduction target were developed (IPOE2: Waka Kotahi corporate carbon footprint), to capture a broader range of emissions sources in line with CNGP reporting guidance. The measure and target for IPOE2 cover all corporate scope 1, 2 and mandatory scope 3 emissions. [7] For more detail on how the results for IPOE2 are calculated, see the explanatory notes on our website.

The 2022/23 target for IPOE2 was to reduce corporate emissions below 2544 tonnes of carbon dioxide equivalent (tCO2e) by 30 June 2022 (30 percent decrease from the 2019/20 baseline of 3619.17 (tCO2e). As reported on page 45 of this report, the 2022/23 result for IPOE2 was 2240.97 tCO2e, and the target was achieved. This reflects our ongoing work to optimise our vehicle fleet through transition to electric vehicles and changes in policy to support a reduction in domestic air travel.

Table 5 breaks down our mandatory corporate emissions by source. Additional/non-mandatory scope 3 emissions (not included in IPOE2) are shown in table 6 on the following page.

[7] Mandatory scope 3 emissions are defined in the CNGP reporting guidance: https://environment.govt.nz/publications/cngp-measuring-and-reporting-ghg-emissions/)

Table 5 – Mandatory corporate emissions for 2022/23 (tCO2e)

Scope	Source	2022/23 actual
Mandatory emissions		
Scope 1: Direct GHG emissions from sources the organisation owns or controls (ie within the organisational boundary) – for example, emissions from the combustion of fuel in vehicles that the organisation owns or controls	Mobile combustion - Petrol and diesel for Waka Kotahi corporate fleet vehicles	306
Scope 2: Indirect GHG emissions from the generation of purchased energy (in the form of electricity, heat or steam) that the organisation uses	Electricity in offices, including EV chargers	1294
Scope 3: Other indirect GHG emissions occurring because of the activities of the organisation but generated from sources it does not own or control (eg air travel) These are broken down into 15 further categories within the GHG Protocol's Corporate Value Chain (Scope 3) Standard (see pp 31–32 of the CNGP reporting guidance).	Business travel – transport (air travel, taxi)	18
	Freight transport (postage & courier)	43
	Electricity Transmission and distribution losses	12
	Office waste to landfill	
	Rental vehicles and use of private vehicles	104
Total mandatory emissions		**2240**

Table 6 – Additional/non-mandatory scope 3 corporate emissions for 2022/23 (tCO2e)

Scope	Source	2022/23 actual
Additional/non-mandatory emissions		
Scope 3 non-mandatory emissions: Emissions Waka Kotahi have measured in addition to the mandatory emissions sources	Staff working from home	96
	Office water supply	4
	Office wastewater services	52
	Business travel - Accommodation	110
	Staff commuting	1347
	Paper recycling	2
	Electricity – EV chargers for Waka Kotahi fleet vehicles (public chargers)	6
Total mandatory emissions		**1617**

Where a measure has been calculated based on a per capita or FTE basis, total Waka Kotahi permanent headcount has been used, excluding contingent (contractor or temporary) staff.

Non-corporate emissions

The CNGP reporting guidance also requires each organisation to identify and report, to the extent possible, other material scope 3 emissions in their inventory. This is the first time that we (and other organisations) have reported these emissions.

We collectively refer to these indirect emissions sources as non-corporate emissions. The non-corporate emissions for Waka Kotahi are those emissions associated with state highway infrastructure delivery and maintenance activities, and operation of state highway network/transport infrastructure. These are considered indirect as Waka Kotahi contracts these services through infrastructure delivery contracts and, for maintenance, network outcome contracts, with the delivery undertaken by our suppliers, agents and partners.

The emissions associated with these activities are as follows.

- **Capital improvement activities:** emissions embodied in construction materials (eg concrete, steel, bitumen) and those arising from the construction activities (eg transport of materials, use of machinery for earthworks, waste disposal) involved in delivering improvements to the state highway infrastructure. These are often referred to as the embodied emissions in a piece of infrastructure such as a road or bridge.

- **Maintenance and operational activities:** these are emissions associated with the materials and activities required to maintain and operate the infrastructure over its service life. These include embodied emissions in materials (particularly pavement materials) and emissions from fuel used in maintenance activities (similar to the emissions associated with construction described above), as well as operational emissions (for example from the use of electricity for lighting).

- **Emergency works:** these are emissions associated with the materials and activities undertaken to re-establish lifelines and access to communities after significant weather events or natural hazard impact on the network. Such works include removal of debris deposited onto the network from slips or flooding events, repair of underslips and construction of retaining walls for example.

For the avoidance of doubt, non-corporate emissions for CNGP reporting purposes exclude emissions from light and heavy vehicles that use the land transport network. We refer to these vehicle emissions as enabled emissions and they are managed through the Emissions Reduction Plan.

Estimated non-corporate emissions in 2022/23

The scale and nature of Waka Kotahi non-corporate emissions is complex, with several years of work required before a full and accurate picture of these emissions can be developed. For this first year of reporting, we have taken a top-down estimation approach using high level financial data to estimate emissions from capital improvements and emergency works; emissions from maintenance and operations have been estimated using a hybrid approach based on asset data combined with average estimates of material use. The results of the estimation are provided in table 7 below.

We are establishing processes to collect bottom-up data based on actual materials used and emissions associated with these activities. This is a resource-intensive exercise that will require ongoing investment, the first tranche of which is underway.

Over time, we propose to develop an appropriate overall measure of non-corporate emissions to enable comparisons across reporting years and to better capture changes in practice aimed at reducing embodied and operational emissions.

Table 7 – Non-corporate emissions for 2022/23 (indicative)

Activity	Estimation basis		Indicative total emissions tCO_2e FY22/23	Uncertainty discussion
Capital improvements	Based on published emissions intensity factors for New Zealand heavy and civil engineering construction (tCO_2e/$ output), applied to spend	$1,251m FY22/23 expenditure	239,000	This estimate is considered to have high uncertainty; it is a top-down estimate that is likely to over-estimate (particularly emergency works) as it assumes all expenditure on heavy construction
Emergency works		$266m FY22/23 expenditure	51,000	
Maintenance & operations (M&O)	Estimation of material quantities from Waka Kotahi Road Assessment and Maintenance Management (RAMM plus supplier provided estimates for fuel/energy used		50,000	This estimate is considered to have medium uncertainty as it is based on RAMM asset data but makes assumptions of individual material quantities
Estimated total			**340,000**	

Progress toward 2025 and 2030 targets compared to base year (%)

The 2022/23 financial year is our base year for non-corporate emissions. Further data is likely to be needed to be able to set reduction targets for these types of emissions. We have begun work on a carbon reduction plan for our non-corporate emissions. This is a significant activity for Waka Kotahi given the scale of emissions and the limited proven alternative materials available for infrastructure construction and maintenance.

Waka Kotahi is committed to environmental sustainability outcomes and the reduction of greenhouse gas emissions across the land transport system. This commitment is outlined in Te Kāpehu our strategic direction and delivered through Toitū Te Taiao our sustainability action plan. We are also implementing internal operational policies to drive continual improvement in efficiency of resources, waste and carbon in our projects, including whole of life carbon assessments. This includes our Sustainability Rating Scheme Policy [8], Infrastructure Delivery Resource Efficiency Policy [9] and the introduction of a voluntary Resource Efficiency and Waste Minimisation key performance indicator measure for existing maintenance contracts.

[8] https://www.nzta.govt.nz/assets/resources/state-highway-control-manual/docs/sustainability-rating-scheme-policy-202009.pdf

[9] https://www.nzta.govt.nz/assets/About-us/docs/Infrastructure-Delivery-Resource-Efficiency-Policy.pdf

Appendix 2:
Asset performance (unaudited)

All government agencies must report on the performance of their assets in their annual reports. Agencies must capture and use in internal management and decision-making processes relevant indicators of past and projected asset performance such as asset utilisation, asset condition and fitness for purpose.

Performance of state highway assets

To monitor the status of our state highway assets we use the following four indicators. For measure definitions and data sources, see the explanatory notes on our website.
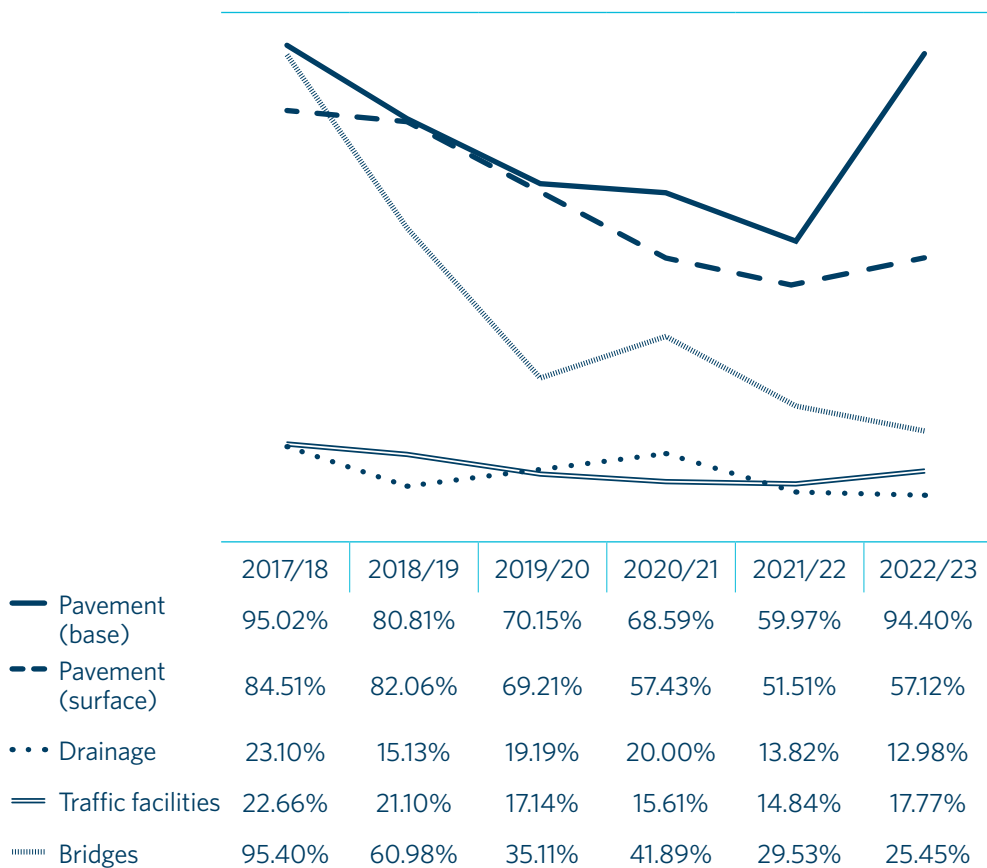
Asset sustainability ratio

Asset sustainability ratio assesses the relationship between expenditure on asset renewals relative to depreciation (where depreciation is considered a measure accounting for decrease in the asset condition and monetary value of an asset due to use, wear and tear or obsolescence) [10]. This indicator approximates the extent to which existing state highway assets are being renewed/replaced as they reach the end of their useful lives and wear out. For example, the 2022/23 ratio for pavement assets broadly implies that, given the rate at which the asset is wearing out/depreciating, investment is at 94 percent of the level needed to sustain the asset base condition. The ratio is an indicator of underinvestment, but it does not follow that a low asset sustainability ratio for a fixed period of time is evidence of underinvestment.

While Waka Kotahi is not funded on a depreciation basis, nor does it fund local government on a depreciation basis, the asset sustainability ratio provides a high-level indication of the sustainability of investment in relation to asset renewal.

Analysis of the ratio alongside trend information indicates the level of investment Waka Kotahi can achieve is not sufficient to maintain the performance of the state highway assets. We expect this will increasingly impact our asset condition performance measures over time.

[10] This excludes expenditure on activities creating new or additional assets and undertaking maintenance that are used by Waka Kotahi in the wider management of the state highway infrastructure.

Figure 28 – Asset sustainability ratio

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Pavement (base)	95.02%	80.81%	70.15%	68.59%	59.97%	94.40%
Pavement (surface)	84.51%	82.06%	69.21%	57.43%	51.51%	57.12%
Drainage	23.10%	15.13%	19.19%	20.00%	13.82%	12.98%
Traffic facilities	22.66%	21.10%	17.14%	15.61%	14.84%	17.77%
Bridges	95.40%	60.98%	35.11%	41.89%	29.53%	25.45%

Proportion of the state highway network that meets minimum asset condition requirements

See the results and commentary for MEET2: Proportion of the state highway network that meets minimum asset condition requirements on page 61.

Number of bridges with restrictions rated as high priority

This measure captures the total number of bridges along state highways that have restrictions for heavy motor vehicles, [11] which were assessed during the year as high priority, ie needs to be addressed. Short- or long-term restrictions are put in place on state highway bridges because of deteriorating condition, damage caused by illegal overloading, or where they were originally designed for lower load limits than current general access limits. A notification of weight and/ or speed limits on state highway bridges is posted on the Waka Kotahi website annually in October, although additional postings may be added during the year as required. Restrictions include mass (weight) limits, speed limits, or both mass and speed limits, for all heavy motor vehicles. Any restrictions that can affect network availability are generally considered as high priority and are dealt with as a priority.

Table 8 – Number of bridges with restrictions rated as high priority

2017	2018	2019	2020	2021	2022
0	2	2	2	3	2

Source: Notification of weight and/or speed limits on state highway bridges 2022_23. Details can be found on the Waka Kotahi website on this link: www. nzta.govt.nz/roads-and-rail/bridges-and-structures/bridge-restrictions

[11] Restrictions on bridges for higher mass vehicles only (ie 50MAX, HPMV and overweight vehicles) are noted separately and are not considered as part of this data set.

Last year's restrictions to SH25 Waiwawa River Bridge and SH39 Mangaotama Stream Bridge had been removed after bridge strengthening and bridge replacement, respectively. Restrictions to SH3 Kopaki Rail Overbridge remained in place until the in October 2022 annual bridge posting, with its condition worsening in late 2022 resulting in its brief closure to all traffic and ultimately to all but light vehicles. The replacement bridge has been completed and opened to traffic in May 2023.

A high priority restriction for SH50 Ngaruroro River Bridge (Fernhill, Hawkes Bay) was included in the October 2022 annual bridge posting and actively placed in early 2023. Half joints to the bridge superstructure were found to be below standard load capacity. Weight restrictions equivalent to 70% of Class 1 loading were placed in addition to a 30km/h speed restriction for heavy motor vehicles. The effects on journeys by this restriction will have been exacerbated by the impacts of cyclone Gabrielle on other bridges in the vicinity. Strengthening of the bridge is planned for late 2024 or earlier if funding and programming permit.

Proportion of unplanned road closures resolved within standard timeframes

See the results and commentary for RES1 on page 52.

Performance of information and communication technology assets

This section provides information on the performance of our information asset management systems, including our critical information technology and communications systems (ICT).

ICT asset performance measures

We have five ICT asset performance measures across the categories of availability, condition and fit for purpose that align with expectations for asset performance assessment as described in Cabinet Office Circular CO (19) 6.31.

We use these measures to assess performance of our critical systems [12]. The following systems are defined as critical because of the potential impacts on operational and business delivery if they fail:

• ITS Network – telecommunications network infrastructure for our transport operations

• DYNAC – our advanced traffic management system

• Sydney Coordinated Adaptive Traffic System (SCATS)

• Driver Licensing Register (DLR)

• Motor Vehicle Register (MVR)

• FLIR – manages the closed-circuit television cameras used on state highways

• Automated Invoice Processing (AIP)

• National Incident and Event Management System (NIEMS)

• Transport Incident and Event Management System (TRIES).

[12] For further information on our ICT asset performance measures, including a description of each measure, the matrix we use to determine incident priority and a glossary describing these critical ICT systems, see the explanatory notes for our performance measures on our website.

Table 9 shows how we are performing against our ICT asset performance measures for our critical systems. The total numbers of high priority incidents (P1 and P2) increased slightly this year. In addition, the profile of the incidents changed, with a decrease in the number of P1 incidents and a subsequent increase in the number of P2 incidents. This is due to more accurate incident impact analysis being carried out when incidents are first logged and ensuring they are categorised correctly.

The percentage up-time this year increased as critical systems were upgraded to increase availability and stability. However, we experienced several extended outages in critical systems due to ageing technology, which is scheduled for replacement.

Table 9 – ICT asset performance for critical systems

	Availability		Condition					
	Percentage up-time (%) [A]		Priority 1 outage time [B]		Priority 1 incidents		Priority 2 incidents	
System name	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
ITS Network	99.57	99.76	37:08	21h 30m	5	8	12	4
DYNAC	99.99	99.88	0:40	10h 30m	2	12	9	14
SCATS	99.98	99.98	2:11	2h	2	1	7	4
DLR and Landata [C]	100.00	99.94	0:00	5h	0	5	7	1
FLIR	99.90	99.89	9:07	10h	3	1	11	1
AIP	99.79	99.82	5:00	16h	2	9	0	0
NIEMS	99.99	100	0:40	0h	1	0	2	1
TRIES	99.97	99.93	2:33	6h	2	6	11	4
Total			57h 19m	71h	17	42	60	29

[A] The percentage of time the system is available for use.

[B] Average time for resolving priority 1 incidents.

[C] Includes the motor vehicle register, vehicle inspection service and road user charges.

Technology remediation programme

This year, we continued to address additional technology system risks through our Technology Remediation Programme so systems are up to date, supported and secure and have built-in redundancy. Table 10 describes the extent to which our critical systems are fit for purpose and the remediation work under way for each system.

Table 10 – Extent to which critical systems are fit for purpose and remediation work under way

System name	Is the system fit for purpose? [A]
ITS Network	A project is under way to upgrade this network.
DYNAC	Fit for purpose.
SCATS	Fit for purpose. An upgrade is scheduled to ensure platform currency.
DLR and Landata [B]	The registers are fit for purpose, being operationally fit and technically robust. An ongoing programme for technology resilience and security improvements is in place.
FLIR	A project is under way to upgrade this technology.
AIP	Meets business needs but its functionality is included in a broader review of our enterprise resource planning tool.
NIEMS	Meets core requirements for the Wellington Transport Operations Centre and Christchurch City Council but is not an integrated national event and incident management solution. A review is planned for 2024 to determine future direction.
TRIES	This is a bespoke legacy system for transport incidents. A review is planned for 2024 to determine future direction.

[A] A Langata business assessment determined whether the system fulfils business requirements.

[B] Includes the motor vehicle register, vehicle inspection service and road user charges.

Appendix 3: Significant capital projects performance against milestones

National Land Transport Programme

Project	2022/23 SPE milestone	2022/23 result	Commentary
Auckland Network Optimisation	Programme governance established and delivery team resourced. Construction of The Strand improvements project started. Designs for four projects for implementation in 2023/24 completed.	Progress made, but not achieved	Programme governance was established with a joint delivery model and partnership with Auckland Transport. Auckland Network Optimisation has faced resourcing and project challenges, including from the Auckland floods, which delayed the start of construction of The Strand. Design work for four projects was discontinued due to the identification of limited benefits. Design for nine alternative projects is under way.
Ara Tūhono: Pūhoi–Warkworth	All planting and fencing works completed. All pavement works completed. Intelligent Transport System integration testing completed. Practical completion achieved.	Good progress made, but not achieved	All pavement works were completed. Intelligent Transport System integration testing was also completed. The road achieved practical completion on 12 June 2023 and was opened on 19 June 2023. Planting, fencing and other deferred works remain to be done. Final works completion is expected in 2023/24.
Northern Corridor Improvements	State Highway 18 westbound onramp opened. State Highway 18 to State Highway 1 northbound link opened. State Highway 1 to State Highway 18 westbound link opened. Practical completion achieved (excludes Rosedale Bus Station and Rosedale Road four-laning).	Achieved	The State Highway 18 westbound onramp, State Highway 18 to State Highway 1 northbound link and State Highway 1 to State Highway 18 westbound link were opened. Practical completion was achieved on 9 June 2023. The Northern Corridor Improvements Project has been delivered within budget and meets quality requirements. The corridor has improved travel time reliability and increased resilience of the road network. It has also improved safety by separating local and highway traffic and made other travel choices more appealing through an improved public transport network with more shared path connections.

Project	2022/23 SPE milestone	2022/23 result	Commentary
Additional Waitematā Harbour Connections	Professional service suppliers procured and public engagement on options completed.	Achieved	Professional service suppliers for the indicative business case were procured, and initial public engagement on the options was completed.
Supporting Growth Alliance	Four detailed business cases for route protection of the preferred transport network to support future growth areas completed. Notice of Requirement for the northwest preferred transport network completed and lodged.	Achieved	The detailed business cases for route protection for Warkworth, Takanini Grade Separated Rail and Frequent Transport Network, North and Pukekohe were completed. The Notice of Requirement for the northwest preferred transport network was completed and lodged with Auckland Council for approval. Hearings are scheduled for September and October 2023.
State Highway 29 Tauriko West Enabling Works	All consents and design completed. Construction contracts tendered.	Good progress made, but not achieved	Design was completed and consents were lodged. However, processing by Tauranga City Council was delayed. Hearings were held in June and also scheduled for August 2023. Procurement for construction started but was put on hold due to consenting delays.
Baypark to Bayfair Link Upgrade	Bridge structure completed, and traffic switched onto Bridge 1 (MGI Flyover). MGI roundabout completed and open to traffic. Te Maunga interchange completed and opened to traffic.	Good progress made, but not achieved	The bridge structure was completed, and traffic switched onto Bridge 1 (MGI Flyover). The MGI roundabout and Te Maunga interchange have not been completed due to resourcing challenges and the effects of significant weather events. The MGI roundabout has been opened to one-lane traffic under temporary traffic management. Project completion is expected in December 2023.
Te Ahu a Turanga: Manawatū Tararua Highway	Construction of piers for bridges 2 and 3 completed. Pavement subbase construction started.	Good progress made, but not achieved	The bridge piers were substantially completed with the last column yet to be done at Bridge 3. Pavement subbase construction started.
Te Ara o Te Ata: Mt Messenger Bypass	Construction on the southern end started. Access for tunnel works built.	Good progress made, but not achieved	Construction on the southern end started. Access and establishment work for the tunnel is under way.

Project	2022/23 SPE milestone	2022/23 result	Commentary
Peka Peka to Ōtaki Expressway	Road open to traffic. Practical completion achieved.	Achieved	The expressway was opened to traffic on 23 December 2022 and achieved practical completion on 31 May 2023. Since opening, the expressway has reduced congestion and improved travel time reliability for people and freight. It has improved safety by separating local and highway traffic, encouraged the use of active modes with its off-road shared path, and increased resilience of the road network.
Transmission Gully	Practical completion achieved.	Not achieved	The road has been open to traffic since 31 March 2022 providing good service levels and improved regional resilience. However, completion of remaining work has not been achieved. Based on the builder's progress, completion of builder scope is likely to extend until at least mid-2025.
Te Ara Tupua: Ngā Ūranga ki Pito-One	Site established and main construction works started.	Achieved	The site was established, and main construction works started.
Christchurch Public Transport Futures Mass Rapid Transit	Indicative business case completed and endorsed by the Waka Kotahi Board.	Achieved	The indicative business case was completed and endorsed by the Waka Kotahi Board.

NZ Upgrade Programme

Project	2022/23 SPE milestone	2022/23 result	Commentary
State Highway 1 Whangārei to Port Marsden Highway Safety Improvements	Detailed business case completed, endorsed by the Waka Kotahi Board and approved by Ministers.	Achieved	The detailed business case was completed, endorsed by the Waka Kotahi Board and approved by Ministers. The project has started pre-implementation.
South Auckland Package	Detailed business case completed, endorsed by the Waka Kotahi Board and approved by Ministers. Lodgement of resource consents started.	Progress made, but not achieved	Completion of the detailed business case was delayed due to work on additional options for Mill Road safety improvements to include a stronger public transport proposition. The business case will be presented to the Waka Kotahi Board and Ministers in late 2023. Lodgement of resource consents has not started and is now scheduled for the first quarter of 2024/25 for Waihoehoe Rd Upgrade and second quarter of 2024/25 for State Highway 22 Upgrade.

Project	2022/23 SPE milestone	2022/23 result	Commentary
Ōtaki to North of Levin	Detailed business case completed, endorsed by the Waka Kotahi Board and approved by Ministers. Resource consents lodged. Active property acquisition started.	Achieved	The detailed business case was completed, endorsed by the Waka Kotahi Board and approved by Ministers. Resource consents were lodged, with more than half the 90 submissions positive, neutral or conditionally supportive. Environment Court hearings are scheduled for October 2023. Excellent progress was made on property acquisition, with nearly 50 percent of parcels required for the project acquired.
Queenstown Package	Designation alterations and Notices of Requirement lodged. Subject to securing designations, construction works started.	Progress made, but not achieved	Designation alterations and Notices of Requirement were lodged. Construction has not started due to affordability challenges. A revised cost proposal is being prepared.

Supporting Regions Programme

Thirteen of the 22 projects in the Supporting Regions Programme we are delivering have been completed, including four this year:

- State Highway 60 Motueka safety improvements
- West Coast state highway single lane bridges
- State Highway 6 and State Highway 8b Cromwell intersection
- State Highway 2 College Road to Silverstream.

The programme continues to experience delays caused by the recent weather events and the COVID-19 pandemic. Several projects have experienced delays in consenting, approvals and property acquisition.

Six projects are planned for completion next year, with four in the first half of the year. We expect a busy upcoming construction season for many projects. Contractor resourcing will be one of the key areas we monitor in the next year to ensure timely delivery.

Appendix 4: Vote Transport Appropriation measures (unaudited)

We are required to provide year-end performance information on appropriations Waka Kotahi is funded for. This section delivers against our reporting requirements under Vote Transport Estimates of Appropriations 2022/23 – Economic Development and Infrastructure Sector and Vote Transport Supplementary Estimates of Appropriations 2022/23.

Non-departmental output expenses

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
Clean car standard – operation					
CCS1	Proportion of vehicle imports with CO_2 and importer information, allowing robust measurement against national CO_2 targets	Achieved	99%	100%	100%
Clean vehicle discount administration costs PLA					
CVD1	Administration costs incurred in accordance with the funding agreement with the Ministry of Transport	Achieved	Achieved	Achieved	Achieved
Cyclone Gabrielle: National Land Transport Fund operating cost pressure funding					
CG1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	Achieved	100%	100%	New measure
Funding for temporary decreases in fuel excise duty, road user charges, public transport fares and railway track user charges					
FTD1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	Achieved	100%	100%	100%

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
Land transport regulatory services					
CAS1	Average number of days taken to enter fatal crash reports into the Crash Analysis System	Achieved	10 working days or less	2.1 working days	1.5 working days
CPO1	Number of community provider organisations who can make group bookings for Class 1 practical tests on the same day	Achieved	7	8	New measure
CPO2	Number of testing days that community provider organisations can book for Class 1 practical tests on the same day	Achieved	30	31	New measure
LIC1	Number of drug or alcohol assessments funded	Achieved	700 or less [A]	347	439
LIC2	Number of older driver licences subsidised	Achieved	116,889 or less [A]	103,586	100,244
MIN1	Proportion of requests completed within specified timeframes – Ministerial correspondence	Achieved	95% or greater	100%	98%
MIN2	Proportion of requests completed within specified timeframes – Parliamentary questions	Achieved	100%	100%	99.9%
MIN3	Proportion of requests completed within specified timeframes – Official Information Act requests	Not achieved	100%	99.8%	99%
DTW1	Average national wait times for a driving test [B]	Achieved	Baseline setting	14 [Baseline set at less than 16]	New measure
TST1	Number of theory test sites nationally [B]	Achieved	Baseline setting	133	New measure
TSP1	Number of practical test sites nationally [B]	Achieved	Baseline setting	100	New measure
MTT1	Number of mobile theory tests conducted in a year [B]	Achieved	Baseline setting	3,748 [Baseline set at 3,000]	New measure
CPS1	Number of community providers directly supported with expert advice from Waka Kotahi in a year [B]	Not achieved	Baseline setting	0	New measure
REA1	Number of regional expert advisors supporting community driver training, and mentoring programmes (expected to be consistent across years) [B]	Not achieved	Baseline setting	0	New measure

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
PPD1	Number of people participating in DRIVE [B]	Achieved	Baseline setting	225,561 [Baseline set at 200,000]	New measure

National Land Transport Programme Additional Crown Funding (2021-2024)

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
NLTP-AC1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet [C]	Achieved	100%	100%	New measure

Public transport bus decarbonisation

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
ZEV1	Increase in the number of zero-emission vehicles deployed into the public transport fleet, measured annually	Achieved	Increase	240 buses [compared to 129 in 2021/22]	New measure
EUB1	Reduction in the number of Euro III and below buses deployed in the public transport fleet [D]	Achieved	Decrease	307 buses [compared to 346 in 2021/22]	New measure

Retaining and recruiting bus drivers

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
RBD1	Proportion of scheduled bus service trips not operated [E]	Achieved	Decreasing	11.4% [new baseline set]	New measure

Road user charges refunds

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
RUC1	Average number of days to process road user charges refund applications	Achieved	20 working days or less	10 working days	7 working days

Social leasing scheme trial

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
SLST1	Administration costs incurred in accordance with the funding agreement with the Ministry of Transport [F]	Achieved	Achieved	Achieved	New measure

Non-departmental other expenses

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual

Bad Debt Provision – Land transport revenue collected by Waka Kotahi New Zealand Transport Agency

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
BDP1	Proportion of bad debt for road user charges against forecast revenue [G]	Not achieved	0.45% or less	0.67%	1.3%

Eastern Busway Project

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
EBP1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet [H]	Achieved	Achieved	Achieved	New measure

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
Waka Kotahi NZ Transport Agency Palmerston North Premises					
PNP1	Proportion of operational expenditure spent to budget	Achieved	100%	100%	100%

Non-departmental capital expenditure

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
Capital Investment Package – Funding for Crown assets					
NZUP1	Proportion of Waka Kotahi NZ Transport Agency NZ Upgrade activities delivered to agreed standards and timeframes	Not achieved	90% or greater	86%	54%
Clean car standard – capital					
CCS-C1	Systems and internal capability are implemented to commence policy with importers of vehicles by late 2022	Achieved	Achieved	Achieved	Not achieved
Housing Infrastructure Fund loans					
HIF1	The loan will be drawn down for the purposes and on the terms agreed between Waka Kotahi NZ Transport Agency and the Minister of Transport	Achieved	100%	100%	100%
National Land Transport Programme Capital PLA					
SHI1	Proportion of state highway improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes [I]	Not achieved	90% or greater	71%	86%
National Land Transport Programme Loan 2021 – 2024					
NLTP-L1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	Achieved	100%	100%	100%
Ngauranga to Petone shared pathway project					
NPSP1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	Achieved	Achieved	Achieved	New measure
NLTF borrowing facility for short-term advances					
NLTF-A1	The loan will be drawn down for the purposes and on the terms agreed between Waka Kotahi NZ Transport Agency and the Minister of Transport	Achieved	100%	100%	100%

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
Regional state highways					
RSH1	Proportion of Waka Kotahi NZ Transport Agency Regional Investment Opportunities (RIO) activities delivered to agreed budget and timeframes [J]	Not achieved	80% or greater	54%	74%
Waka Kotahi NZ Transport Agency regulatory loans					
REG1	The loan will be drawn down for the purposes and on the terms agreed between Waka Kotahi NZ Transport Agency and the Minister of Transport	Achieved	100%	100%	100%

Multi-category expenses and capital expenditure

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
Capital investment package – funding for Crown assets					
Overarching measure					
CIPO0	Reporting on an annual basis	Achieved	Achieved	Achieved	New measure
Non-departmental output expenses – operating costs					
CIPO1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet [K]	Achieved	100%	100%	100%
Clean Car Upgrade					
Overarching measure					
CCU0	Reporting on an annual basis	Achieved	Achieved	Achieved	New measure
Non-departmental output expenses – administration of the Clean Car Upgrade					
CCU1	Administration costs incurred in accordance with the funding agreement with the Ministry of Transport	Achieved	Achieved	Achieved	New measure
Community Connect Programme					
Overarching measure					
CCP0	Reporting on an annual basis	Achieved	Achieved	Achieved	New measure
Non-departmental output expenses – administration of the Community Connect programme					
CCP1	Community Connect is implemented in at least one major urban area in the short term	Not achieved	Achieved	Not implemented	New measure

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
Non-departmental other expenses – public transport concessions					
CCP2	Number of boardings using Community Connect concessions	Not achieved	Baseline setting	Not implemented	New measure
Non-departmental other expenses – total mobility scheme local share funding shortfall					
CCP3	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	Achieved	Achieved	Achieved	New measure

COVID-19 – NLTF funding for cost pressures and revenue shocks

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
Non-departmental output expenses – COVID-19 – NLTF operating cost pressure and revenue shortfall funding					
CPRS1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	Achieved	100%	100%	100%
Non-departmental capital expenditure – COVID-19 – NLTF capital cost pressure funding					
CPF1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	Achieved	100%	100%	100%
Non-departmental capital expenditure – equity injection to Waka Kotahi NZ Transport Agency					
EIF1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	Achieved	100%	100%	100%

Mode-shift – planning, infrastructure, services, and activities

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
Non-departmental output expenses – mode shift – operating costs					
MSOC1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	Achieved	100%	100%	New measure
MSOC2	National light Vehicle Kilometres Travelled (VKT) reduction plan to be provided to the Minister of Transport by 30 June 2023 [L]	Not achieved	Achieved	Not achieved	New measure
Non-departmental other expenses – mode shift -third-party projects and activities					
MSTP1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	Achieved	100%	100%	New measure
MSTP2	Light VKT reduction programmes for Tier 1 urban environments that are aligned to relevant sub-national light VKT reduction targets are on track to be approved and published by 31 December 2023	Not achieved	Achieved	Not achieved	New measure

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
Non-departmental capital expenditure – mode shift – funding for crown assets					
MSCA1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	Achieved	100%	100%	New measure
Reinstatement of the South Island transport corridors					
Non-departmental output expenses – restoration of State Highway 1 between Picton and Christchurch					
KAIK2	Proportion of restoration projects of State Highway 1 between Picton and Christchurch with defects liability period completed to plan	Achieved	100%	100%	100%
Non-departmental capital expenditure – rebuild of State Highway 1 between Picton and Christchurch					
KAIK3	Proportion of rebuild projects of State Highway 1 between Picton and Christchurch with defects liability period completed to plan	Achieved	100%	100%	100%
SuperGold Card enhanced public transport concessions scheme					
Non-departmental output expenses – administration of the public transport concessions scheme					
SG1	Proportion of payments made by Waka Kotahi, from the date the claims were submitted by approved organisations within 20 working days [M]	Achieved	100%	100%	3%
Non-departmental other expenses – public transport concessions for cardholders					
SG2	Number of boardings using SuperGold concessions	Not achieved	12-15 million	11.5 million	9.2 million
Tuawhenua Provincial Growth Fund – transport projects					
Non-departmental output expenses – supporting regional and infrastructure projects					
PGF1	Average number of days to release Provincial Growth Fund funding to support regional and infrastructure projects once approved	Achieved	20 working days or less	No claims made	12 working days
Non-departmental other expenses – enabling infrastructure projects					
PGF2	Average number of days to release Provincial Growth Fund infrastructure funding once approved	Achieved	20 working days or less	7 working days	9.2 working days
Non-departmental other expenses – regional projects and capability					
PGF5	Proportion of Waka Kotahi NZ Transport Agency projects funded by the Provincial Growth Fund delivered to budget and timeframes	Achieved	100%	100%	New measure

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
Non-departmental capital expenditure – infrastructure projects					
PGF7	Proportion of Waka Kotahi NZ Transport Agency projects funded by the Provincial Growth Fund (PGF) delivered to budget and timeframes [N]	Not achieved	80% or greater	60%	100%

[A] The result is dependent on the number of applications we receive.

[B] These are new performance indicators that intend to set a baseline for the new initiative to increase equitable access to driver licences to improve employment and safety outcomes. The target 16 had been benchmarked using the previous years data. Current Regulatory data has the Target as 15 Days. We will use all data at hand to create the target going forward in the next round of estimates. It is important to note, the target in the 23/24 Estimates is less than 30 days, so this target is a large reduction in the previous one, with future targets intended to decrease in line with new data we receive.

[C] This measure has been created to report how money has been utilised to support the funded activities in accordance with the terms and conditions agreed to by Cabinet.

[D] The wording of this measure has been updated to remove Euro IV as it is not yet possible to differentiate Euro IV buses in the data pool.

[E] This measure has been created to report the outcome intended as a result of improved bus driver terms and conditions.

[F] This measure has been created to understand whether funding was used appropriately in the establishment phase of the trial.

[G] This measure has been transferred from the non-departmental other appropriation 'Bad Debt Provision – Motor Vehicle Registration/Licenses and Road User Charges' as a result of appropriation restructuring.

[H] This measure has been created to understand whether funding was used appropriately to support the funded activities.

[I] This measure is also a performance measure for the National Land Transport Programme PLA appropriation (State Highway Improvements).

[J] The measure wording has been changed to be clearer about what projects we are reporting on. The target was reduced from 90% to 80%. Unprecedented severe weather events have negatively affected delivery of our projects. Projects, especially smaller ones, have been affected by the reprioritisation of limited resources to more urgent activities. The 80% target is similar to the standards set for local road improvement activities and walking and cycling improvements.

[K] This measure has been reported against previously but was not included in the 2022/23 Estimates of Appropriations as no funding was allocated to this appropriation at that time.

[L] This measure has been created to reflect what's expected for the national VKT reduction plan before 30 June 2023.

[M] This measure replaces the previous performance measure to align with how claims are submitted by approved organisations.

[N] The acronym PGF has been added into the measure wording for better clarity. The target was reduced from 90% to 80%. Unprecedented severe weather events have negatively affected delivery of our projects. Projects, especially smaller ones, have been affected by the reprioritisation of limited resources to more urgent activities. The 80% target is similar to the standards set for local road improvement activities and walking and cycling improvements.

Non-departmental output expenses

National Land Transport Programme PLA

Investment management

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
IM1	Proportion of total cost of managing the investment funding allocation system to National Land Transport Programme expenditure	Achieved	1.1% or less	0.83%	0.86%

Local road improvements

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
LRI1	Proportion of local road improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes	Not achieved	80% or greater	66%	61%

State highway improvements

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
SHI1	Proportion of state highway improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes [A]	Not achieved	90% or greater	71%	86%

Local road maintenance

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
LRM3	Local road maintenance cost per lane kilometre delivered [B]	Not achieved	$4,480 or less	$4,627	$4,108

State highway maintenance

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
SHM3	State highway maintenance cost per lane kilometre delivered	Not achieved	$25,000–34,200	$31,505	$29,423

Public transport services and public transport infrastructure

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
PTS1	Number of boardings on public transport services (bus, train and ferry)	Achieved	Increasing	129 million	86 million
PTI1	Punctuality of metro rail services that depart no more than 1 minute early or 5 minutes late [C]	Not achieved	95%	82.0% (compared with 92% in 2021/22)	Baseline set: Auckland – 94.0% Wellington – 89.3%

Walking and cycling improvements

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
WCI1	Proportion of cycleways, pathways and shared paths delivered against plan [D]	Not achieved	80%	Unable to report	Baseline not set

Rail network

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
RN2	Freight travel time reliability [E]	Not achieved	90%	83%	Baseline set: 86%
RN1	Amount of freight carried by rail	Not achieved	Increasing	3,928	New measure

Coastal shipping

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
CS1	Coastal shipping activities delivered and funded in accordance with contractual terms [F]	Not achieved	Achieve	Not achieved	New measure

Road to Zero [H]

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
RTZ1	Length of the network treated with reduced speed limits	Not achieved	500km or greater [G]	206km	165km
RTZ2	Number of corridor infrastructure safety improvements projects started to plan	Achieved	5 or greater [G]	5	4

Road user charges investigation and enforcement

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
REV1	Proportion of unpaid road user charges identified through investigations and assessments that are collected	Achieved	65% [I]	81%	82%

Non-departmental capital expenditure

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
National Land Transport Programme Capital PLA					
SHI1	Proportion of state highway improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes [J]	Not achieved	90% or greater	71%	86%

[A] This is also a performance measure for the National Land Transport Programme Capital PLA appropriation.

[B] The budget standard was amended in 2022/23 from $3,638–4,334 to less than or equal to $4,480 to provide a more specific target.

[C] Baseline data gathering has been completed and, with the evidence, the performance indicator has been set as 95%.

[D] Baseline data gathering has been completed and, with the evidence, the performance indicator has been set as 80%.

[E] Reliability of freight travel time performance indicator has been renamed to freight travel time reliability to better align with KiwiRail's performance measures.

[F] This replaces a previous indicator on the development of an investment plan for coastal shipping and reflects the next phase, which is the procurement process.

[G] The annual target is indicative. Performance assessment of this activity under the Road to Zero Programme is at the end of the three-year period of the NLTP (2021/22–2023/24).

[H] In the 2022/23 Supplementary Estimates, RTZ1 and RTZ2 measures were incorrectly removed and the RTZ7 and RTZ8 measures were incorrectly added. These changes were not supposed to be implemented until the 2023/24 Estimates.

[I] This Estimates standard has been updated to allow for more precise reporting.

[J] This is also a performance measure for the National Land Transport Programme PLA appropriation (State Highway Improvements).

Non-departmental output expenses

Ref	Appropriation and measure name	Result status	2022/23 Budget standard	2022/23 Actual	2021/22 Actual
Waka Kotahi regulatory functions PLA					
DEL4	Progress in delivering the regulatory strategy [A]	Achieved	Achieved	Achieved	New measure

[A] This measure was created to report the implementation of our regulatory strategy, which is crucial to establishing the Director of Land Transport's operating model, the monitoring responsibilities and the future of regulatory services.

Appendix 5:
Our people (unaudited)

Our people mean a lot to us. In fact, they're everything. It's their effort and commitment that enable us to do what we do.

This section summarises what our workforce looked like at the end of June 2023. It also describes the things we did over 2022/23 to continue to meet our commitment to be a good employer.

Our workforce

At the end of 2022/23, we had 2734 permanent employees, an increase of 17.6 percent from the previous year. Many of our permanent staff make use of our flexible working policy to work hours that better suit their needs, meaning we had 2570.2 full-time equivalents (FTEs).

Our permanent workforce has grown in response to our growing programme of delivery, which has required more people and more capacity and capability. We've also had a four percentage point reduction in our annual voluntary turnover of permanent employees as the impacts of COVID-19 on the local and international workforce eased (from 18 percent as at 30 June 2022 to 14 percent at 30 June 2023).

The proportion of our workforce on fixed-term employment agreements is 4.3 percent. Our use of employees on fixed-term agreements varies throughout the year depending on business needs.

Ethnicity profile

Two-thirds of our staff identify as European and 6.9% as Māori (see figure 29).

Figure 29 – Ethnic groups with which permanent staff identify (self-identified, staff can self-identify with more than one group), as at 30 June 2023
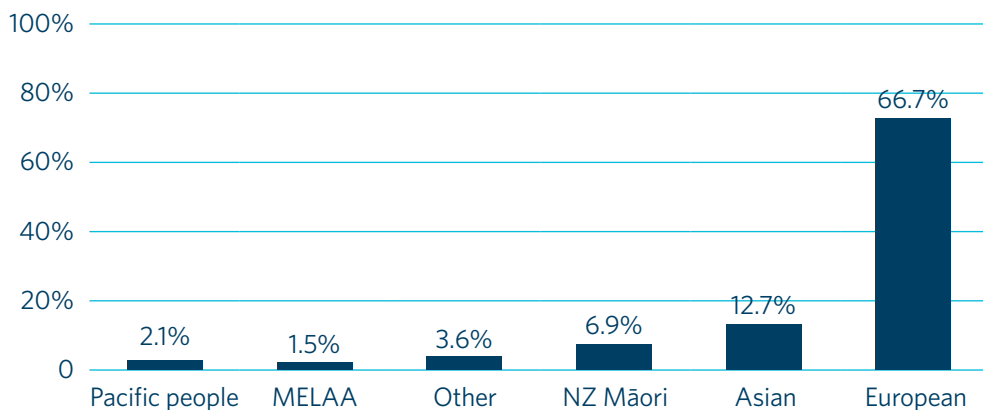
Note: MELAA = Middle Eastern, Latin American and African.

Gender profile

We have more female than male permanent employees, with 1395 (54 percent) female and 1206 (46 percent) male, as well as 14 people who identify as gender diverse or did not declare a gender.

Permanent senior managers (tiers 1 to 3) are 45 (59 percent) female and 31 (41 percent) male.

Our part-time workforce (that is, people employed fewer than 40 hours per week) is about 6.9 percent of our total permanent workforce. About 9.6 percent of our permanent female workforce works part time compared with 3.2 percent of our permanent male workforce.

Figure 30 – Gender profile of permanent staff, as at 30 June 2023

Outer ring - all staff

Inner ring - management

Male 1,206 — 31

Other [A] 14 — 0

Female 1,395 — 45
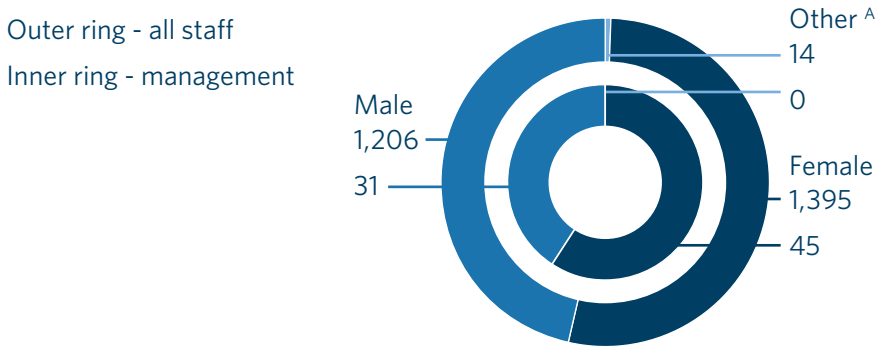
[A] Another gender or did not declare a gender.

Closing the gender pay gap

The overall gender pay gap (the difference between the average pay for male and female employees) is 19 percent, down from 21 percent at the same time last year. This gap is a result of the over-representation of female employees in lower job bands and the under-representation of female employees in higher job bands, although we have seen some changes to that in the past year as reflected in table 11.

Waka Kotahi has pay equity (this means women and men receive the same pay for doing jobs that are different, but of equal value). The gender pay gap by band is shown in table 11 (a negative value means the average pay for female employees is higher than the average pay for male employees).

Table 11 – Gender pay gap by band, as at date

Band	Average gender pay gap (%)
Band 11	-0.2
Band 12	1.2
Band 13	-3.5
Band 14	-3.6
Band 15	-1.6
Band 16	0.2
Band 17	1.0
Band 18	1.2
Band 19	1.1
Band 20	1.0
Band 21	-0.7
Band 22	-8.4
Band 23	-2.4
Executive	1.6

Our commitments to being a good employer

We recognise, respect and value differences and are committed to providing equal employment opportunities for all. This creates better outcomes for our people and the people we are ultimately here for – the people of Aotearoa New Zealand.

We creating a strategy-led, people-centred organisation that is fit for the future, where our people are proud to be part of creating a better Aotearoa. We are committed to being fair, open and transparent and having a workplace where our people are energised and able to perform at their best.

We strive to address barriers to diversity and inclusion in our organisation. We actively engage with our people and their unions when we develop people policies and initiate change programmes, including as we continuously improve our practices.

The following sections list our policies and practices that demonstrate our continued commitment to being a good employer as defined by Te Kāhui Tika Tangata Human Rights Commission and expected by Te Kawa Mataaho Public Service Commission.

People policies and practices by functional element, as at 30 June 2023

Functional element: Leadership, accountability and culture

Our main people policies and practices

Our values and behaviours define what's important to us and help us deliver our best work, every day. They influence how we work in Waka Kotahi and how we engage externally with iwi, partners, stakeholders and communities.

Culture and leadership is one of our four kāhui whetū – strategic priorities. This priority reflects our commitment to investing in a culture and leadership shift to enable the achievement of Te Kāpehu – our strategic goals.

Some mahi is under way to articulate the desired culture and ensure the many elements that create culture are aligned. Leaders have the most opportunity to affect the day-to-day experience of employees, so leadership capability is acknowledged as a significant lever of culture.

Our leadership expectations and capability framework provide clear direction for our leaders. These include a focus on leadership capability areas such as being inclusive, courageous, adaptive, strategic and outcome focused. Accountability is strengthened through the goal-setting performance cycles and development planning along with coaching and feedback.

Resources, programmes and opportunities support leaders to build excellence in people management and leadership and include the following:

- Pā Harakeke, our new people capability framework, has an initial focus on leadership. It articulates five capability areas we require leaders to have and build on. It helps people consider these capabilities across self, people, technical and enterprise leadership. Te ao Māori and tikanga are woven throughout.
- Our Accelerate Leadership Programme was developed to lift the capability of all Waka Kotahi leaders regardless of tier. This programme consists of six modules: courageous leadership, strategic leadership, people leadership, team leadership, adaptive leadership and inclusive leadership.
- A leadership essentials suite of information has launched, covering essential knowledge, processes, mind sets and conversations. It supports the more fundamental elements of people management and leadership and includes a digital leader hub to make it easy for people to find what they need along with opportunities to attend facilitated peer-learning sessions about what good quality conversations look like. Other programmes include coaching courses such as:
  - Leading Through Change
  - The Art of Feedback
  - Leading with Heart
  - Storytelling (a micro-credential).
- Informal learning opportunities include:
  - LinkedIn Learning
  - communities of practice.
- Greater accountability on leaders to prioritise people leader activities and demonstrate expected leadership behaviours is being supported through the introduction of a shared people leader goal for 2023/24 and through leaders of leaders observing, providing feedback and coaching.
- A new 360-degree feedback tool (aligned to our leadership capabilities) has been piloted and will be rolled out over the next 12–18 months. This tool gives leaders opportunities to better understand the impact they are having along and to identify strengths and development opportunities.

Regular senior leader hui provide leaders with opportunities to work collaboratively and contribute to organisational thinking and decision making.

Our chief executive's newsletter called The Way We Move, regular video

newsletter and audio calls provide strong leadership, are grounded in our values, and ensure we all have access to the same information.

Informal recognition is linked to our values, and tools support people to provide values-based recognition to each other.

Yammer and Microsoft Teams allow everyone in Waka Kotahi to collaborate and contribute to workplace conversations and provide an engagement channel directly to our people.

Puna Koi, our new human resources information system, has been in place for a year and is providing valuable workforce data that enables us to make better informed, proactive decisions in partnership with the business.

Peakon is used to measure employee engagement and satisfaction, providing a lens across our culture. The name gifted for this survey is Tapatahi. Our overall engagement score at the end of 2022/23 was 7.6 out of a possible 10. The elements that measure how employees view their leaders continues to track high at 8.5. Three key engagement elements contribute to this driver:

- my manager provides me with the support I need to complete my work
- my manager cares about me as a person
- my manager communicates openly and honestly with me.

Functional element: Recruitment, selection and induction

Our main people policies and practices

Our recruitment and selection processes support our commitment to diversity and inclusion, providing equal employment opportunities and eliminating bias. We use creative solutions to search for and source talent. We are an accredited employer with the New Zealand Immigration Service.

Our recruitment collateral, including our careers website, feature employees from diverse backgrounds and inclusive language.

Progression within Waka Kotahi is based on merit rather than service and is built around competencies and skills. We grow, develop and progress talent through active succession planning and talent identification. As part of this, we identify and address barriers to participation and progression.

Our Emerging Professionals graduate programme helps us to identify and engage with emerging talent and includes a planned rotational programme with a strong development focus. We also sponsor or partner with TupuToa and TupuTai, Māori and Pacific internship programmes, to increase the diversity of our graduate pipelines and build a more inclusive workforce.

This year, we began a pilot programme to enable the build of a project management talent pipeline. Project management skills are scarce in the land transport industry, so we are investing in building capability to support the key projects required to keep Aotearoa safe and moving – now and into the future. This investment includes a project management academy that spans three years and complements tertiary study. The first academy cohort was sourced internally but future cohorts will include external recruitment. Aspects of Pā Harakeke will be reflected in our recruitment and selection approach as this mahi evolves.

We launched our new induction programme Whiria te Ngākau. The name means 'weave the heart', so speaks to the importance of binding our work to our hearts and infusing our actions with purpose, meaning and passion.

The new programme holds Te Kāpehu, Tā Tātou Rautaki Akoranga (our learning

strategy) and Te Ara Kotahi (our Māori strategy) at its heart to create an introduction to Waka Kotahi that sparks human connection and helps our new starters feel engaged, included and supported from day one.

Functional element: Promoting diversity and inclusion

Our main people policies and practices

We are committed to promoting a diverse, equitable and inclusive workplace as it is a critical strength that enables us to better understand, listen to and work with communities across Aotearoa, enhance relationships with stakeholders, evolve our culture, attract top talent, make better decisions and innovate.

Through Tapatahi we measure how satisfied our people are with our efforts to create a diverse and inclusive workplace. Our diversity and inclusion score increased over the last year from 7.7 to 7.9 out of a possible 10.

We are progressing our three-year diversity and inclusion roadmap, which includes initiatives to create a culture of inclusion that aligns with the focus areas Papa Pounamu and Kia Toipoto, the pay gap action plan, we have committed to as a member of the public service leadership team.

We continue to progress the six elements Te Kawa Mataaho has identified to promote diversity, equity and inclusion: cultural competence, addressing bias, inclusive leadership, building relationships and employee-led networks, and kia toipoto – addressing gender, Māori, Pacific and ethnic pay gaps.

Cultural competence

We have committed to the Whāinga Amorangi Programme, which has incorporated the work started through Te Ara Kotahi and Te Ara Poutama, our Māori capability toolkit. We finalised our Whāinga Amorangi plan last year and are preparing for phase two in 2023/24.

We continue to be the highest subscriber across government to Te Arawhiti, the introduction to engagement with Māori and engagement with Māori planning workshops.

Whiria te Ngākau will introduce mihi whakatau, a welcome ceremony, to be held quarterly across our offices to officially welcome new starters. We will also introduce the Wall Walk, a new externally facilitated experience designed to raise collective awareness of important events in the history of Aotearoa New Zealand's bicultural relations (this will also be available for all existing employees).

We encourage people leaders to develop their cultural competency and support their people in developing theirs as part of our performance goal-setting process. We provide several internal learning experiences to support our people to develop their capability; it is not compulsory currently.

We provide a variety of learning experiences from beginner to advanced levels through online and regional pakihi Māori suppliers.

The table lists our internal learning experiences and the participant data for

each.

Te Ara Poutama 2021/22

Course name*	Number of participants
Introduction to Te Ao Māori (The Māori World)	112
Kia Tipu – Te Ao Māori Course 1	64
Kia Hua – Te Ao Māori Course 2	48
Kia Pūawai – Te Ao Māori Course 3 (9-week course)	25
Te Reo Māori 101	105
Te Rito 2020 – Course One – Introduction to Te Rito	173
Te Rito 2020 – Course Three – Back to the Future	115
Te Rito 2020 – Course Two – Te Ao Māori – The Māori World	141
Te Rito 2020 – Course Four – Walking in Two Worlds	91
Toro Mai – Tikanga Māori	25
Toro Mai – Te Reo Māori	64

* The table documents formalised learning experiences, but we also host 'lunch and learn', site-specific, and group- and team-initiated learning events throughout the year to lift capability in and understanding of āronga Māori (Māori perspectives). We don't monitor attendance or assess or evaluate these activities.

Addressing bias

We continue to action and integrate recommendations identified by Diversity Works New Zealand when it audited our internal policies, practices and learning initiatives.

When implementing Puna Koi, we asked employees to review their diversity-related information and, while not compulsory, we encourage people to update their information to support the continual building of our insights in this space and to address identified disparities.

We provide guidance on unconscious bias for hiring managers and share hints on unconscious bias on our talent acquisition intranet page.

Our partnerships with TupuToa and TupuTai are helping us to increase the diversity of our graduates and build a more inclusive workforce. Our first cohort of interns was recruited into our Emerging Professionals programme on successful completion.

We have integrated unconscious bias content into the Accelerate Leadership programme for people leaders and provide several other learning opportunities for all employees. These learning offerings include content on the importance of diversity and inclusion, what a diverse and inclusive workplace looks like, understanding unconscious bias, seeking feedback to build awareness and cultural competency, and creating a safe space for people to give feedback.

On the International Day of Disabled Persons we launched a new disability awareness module, which was developed in partnership with CCS Disability Action.

The table below lists our internal learning courses and enrolment data.

Diversity and inclusion 2022/23

Course name*	Completed	In progress
Introduction to Building Our Inclusive Waka	74	10
Conscious Inclusion	123	42
Including the Rainbow Community at Waka Kotahi	36	6
Disability Awareness	66	20
Total	**299**	**78**

* The table documents formalised learning modules, but we also host 'lunch and learn' sessions throughout the year to raise awareness and promote positive change. We do not monitor attendance at these activities.

We continue to build capability in our people to deliver accessible solutions for communicating with both the public and our people.

We are meeting our requirements under the Plain Language Act 2022 and have appointed a plain language officer. We are developing an online learning module to raise awareness and build capability in communicating in plain language.

We incorporated accessibility into the design and build of our new Wellington office and considered the needs of disabled people beyond minimum compliance requirements, including tactile braille signs on all meeting room doors through our space, accessibility benches with water taps, and a quiet zone to support neurodiverse people.

Inclusive leadership

The Accelerating Leadership team leadership module covers inclusive leadership techniques to build conscious inclusion, understanding the role of the leader in building inclusive leadership, and how to embed inclusive approaches into practices and behaviours.

The Leading with Heart workshop, recently renamed The Empowered Leader: Strategies for Leading with Courage, Compassion, and Confidence, provides our people leaders with practical tools, frameworks and principles for creating a caring and connected workplace environment and supporting teams to move forward, especially during challenging times.

Pā Harakeke includes inclusive leadership as one of five key leadership capabilities.

Building relationships

A focus of Accelerating Leadership is to foster positive relationships between people leaders and their direct reports, emphasising psychological safety, motivating people based on their interests and checking in on engagement.

Our values and behaviours shape our culture and guide the way we work. They are integrated into our core people processes and practices, with a focus on team conversations and activities.

We promote the inclusion of pronouns in email signatures to help build more respectful and inclusive relationships for everyone and help normalise the use of preferred pronouns in the organisation.

Tuakana–Teina relationships are part of Tā Tātou Rautaki Akoranga, our learning

strategy. These relations already occur throughout the organisation formally such as through Emerging Professionals and informally between teams. The application of Tuakana–Teina will continue to be supported and embedded.

Employee-led networks

We recognise employee-led networks play a key role in creating an inclusive culture. We are committed to actively supporting new and existing networks as part of our diversity and inclusion roadmap.

New networks have been formally launched, giving us five networks at different stages of maturity: Wāhine Network, Te Rangitāmiro Māori Network, Pasifika Network, Neurodiversity Network and Pride Network. All networks have executive sponsors and are supported with funding for initiatives aligned with the roadmap.

Forums have been established so network members can connect, share content and shape the future of the network groups. They run initiatives across Waka Kotahi such as the promotion of events and activities related to awareness events such as Matariki, International Women's Day, Pride month, Pink Shirt Day, Pacific language weeks, and Neurodiversity Celebration Week.

Lunch and learn sessions are hosted by our people and have included talks on ageism and intergenerational solidarity on International Youth Day, ending HIV stigma and discrimination in the workplace on World Aids Day, and busting the taboo about menopause during World Menopause Awareness Month.

The Wāhine Network advocated for the introduction of free period products in the workplace, which are now available in our women's, all-gender, and accessible bathrooms. A guide to supporting menopause at Waka Kotahi has also been introduced.

The Pride Network introduced rainbow lanyards for people to visibly show their pride and allyship and demonstrate we are committed to being a safe, welcoming and inclusive organisation for Rainbow communities.

Representatives from the Pride Network are also part of the Cross-Agency Rainbow Network that works to ensure Rainbow voices are included, respected and celebrated across the public service.

We continue to partner with the other transport-related government agencies as part of the Transport Group Women's Network and collectively support the vision and strategic outcomes of the wider government Women's Network.

We have created new online accessibility and plain language communities for people to build awareness, share insights and uplift our capability in accessibility and using plain language for ourselves and our customers.

We celebrate and leverage occasions such as New Zealand Sign Language Week and Global Accessibility Awareness Day to raise awareness about accessibility and inclusion for disabled communities.

Kia toipoto: Addressing gender, Māori, Pacific and ethnic pay gaps

We are committed to addressing pay gaps and continue to monitor and take action to close them. Building on previous work, we launched our first pay gaps action plan in 2023, which focuses on addressing the drivers of gender, Māori, Pacific and ethnic pay gaps.

The plan was developed with our people to align with our values and our commitment to the public service pay gaps action plan, Kia Toipoto.

Functional element: Employee development, promotion and exit

Our main people policies and practices

We promote a culture of learning and continued development at all levels. Development opportunities include undertaking project work, acting in other roles, being seconded, being mentored and coached, and undertaking online and face-to-face learning.

We launched Tā Tātou Rautaki Akoranga, our learning strategy, to support our People Strategy 2021–24 to enable our business to deliver its priorities, unleash people's potential, and create an awesome place to work.

We offer LinkedIn learning licences to all permanent and fixed-term employees, so they can access over 16,000 professional learning opportunities.

We continue to develop insights to support capability mapping, talent management, succession planning and progression and develop frameworks to support this work.

We are an accredited Institute of Professional Engineers New Zealand professional development partner.

We encourage conversations throughout the year between employees and their people leaders to ensure employee development is being considered and to retain key talent by providing internal and external secondment opportunities.

We offer flexible, user-choice exit interview options, including surveys, coffee debriefs and formal interviews.

Functional element: Flexibility and work design

Our main people policies and practices

We promote balancing work–life responsibilities through flexible working.

Our flexible working guidelines highlight the scope of flexible options beyond a hybrid office–work from home arrangement (for example, compressed work weeks, part-time working, and various leave options). These options help create a more diverse, equitable and inclusive workplace and enable our people and their leaders to discuss and agree on the best working arrangement for the individual, team and organisation.

Our people can request changes to their working arrangements, including to full-time and part-time work, variable start and finish times, remote working, job-sharing, condensed working weeks, and extended leave. Our current Tapatahi engagement results aligned to flexible working is currently 8.9, which moves us to the top 25 percent of the government sector.

Strengthening our ways of working (behaviours and practices) is ongoing to ensure flexible working supports performance and wellbeing at the levels of the individual, team and organisation. In addition, we encourage people to take annual leave in the year it is accrued and manage their hours to maintain wellbeing.

Functional element: Remuneration, recognition and conditions

Our main people policies and practices

Our remuneration policies and frameworks are based on the principle that pay reflects the market and performance – not tenure, cost of living or other personal circumstances. We conduct an annual remuneration review, including comparing our remuneration ranges to public sector and other organisations' market data.

We continue to monitor our gender, Māori, Pacific and ethnic pay gaps and address concerns as and where needed to ensure equitable pay outcomes across Waka Kotahi.

We endeavour to make our job evaluation and remuneration practices transparent, equitable and gender neutral.

Recognition is encouraged, and we use a variety of ways to celebrate success and recognise people publicly and privately.

Functional element: Harassment and bullying prevention

Our main people policies and practices

We are committed to maintaining a safe working environment for all our people by fostering a culture of mutual respect, trust, dignity and security. Ensuring the psychological safety of our people is paramount to this. We offer free counselling support in partnership with EAP Services and encourage staff to speak up using confidential reporting channels such as Kōrero Mai.

Our new confidential reporting tool for 'sensitive events' (within Kōrero Mai) makes it easier for people to report concerns confidentially and earlier. This approach will support earlier invention and a case management approach to ensure appropriate and consistent approaches to staff welfare.

We work collaboratively with unions to better understand workplace issues and provide tools and support for our people dealing with, or affected by, unacceptable behaviour.

We have bullying and harassment and sexual harassment policies and an online learning module to support employee understanding of these policies.

Every year we celebrate Pink Shirt Day, an antibullying campaign that celebrates diversity and promotes environments where everyone can feel safe, valued and respected.

Functional element: Safe and healthy environment

Our main people policies and practices

We continue to implement the work outlined in our Health, Safety and Wellbeing Strategy. We have a single focus on ensuring our people, partners and community are safe and well.

Our systems, expectations, programmes and culture continue to be refined, driven and monitored to ensure we go beyond compliance and build a culture that shows we care. A substantial work programme is under way to mature and simplify our health, safety and wellbeing management system, which includes the implementation of policies, procedures, guidance, and tools and forms.

We have committed to the SafePlus programme and completed the internal assessment where we achieved a 'performing' rating. We seek to improve on this with a 'leading' rating but recognise this will take several years and a significant amount of work to shift the culture across all leaders, staff and partners.

A health and safety improvement plan has been developed and aligned with each business group, covering identified gaps and addressing existing needs to improve health and safety.

Five critical risks have been identified and had specific workplans and cross-agency groups developed to mitigate and manage them. The five risk areas are: harmful interactions, roadside work, construction work, driving, and mental health or psychological harm.

We work closely with our construction industry partners to improve health and safety practices and outcomes for contractors and traffic management providers. With construction and roadside work identified as two of our highest areas of risk, we are focused on engaging our contractors and delivery partners, for example, through our Safety Spotlight newsletter, industry engagement mtgs and updates to reporting processes.

Regular webinars are facilitated by motivational speakers, coaches and doctors who specialise in employee mental health and wellbeing.

Appendix 6:
Governance report (unaudited)

Functions and operations

The Waka Kotahi Board is the governing body of Waka Kotahi with authority to exercise its powers and perform its functions. All decisions relating to Waka Kotahi operations must be made by or under the Board's authority.

The Board is appointed by and accountable to the Minister of Transport and responsible for Waka Kotahi:

- acting consistently with its objectives and functions
- carrying out its functions efficiently and effectively
- operating in a financially responsible manner.

Our objective is to undertake our functions in a way that contributes to an effective, efficient and safe land transport system in the public interest.

The Board operates according to its charter, which sets out its governance arrangements and responsibilities, including:

- government and ministerial relationships
- health and safety
- people and culture
- strategy and performance
- significant decisions
- financial oversight and risk management.

Membership

The Minister of Transport may appoint up to nine members to the Board. Board members are appointed for a period of up to three years, which may be extended. The Board appoints members to its four standing committees (listed below).

Disclosure of interests

Before being appointed to the Board, potential members must disclose all interests to the Minister of Transport. Following their appointment, Board members must disclose all interests as soon as practicable. A register of interests is kept and provided to the Board at each scheduled Board meeting.

Delegations

The Board operates through delegation to the Chief Executive. The Chief Executive with the Executive Leadership team are charged with the day-to-day leadership and management of Waka Kotahi. Our Chief Executive sub-delegates authority to the Executive Leadership team and others within specified financial and non-financial limits. Formal policies and procedures govern the parameters and operation of these delegations.

Board performance

The Board regularly reviews its overall performance and the performance of its committees and individual Board members.

Insurance and indemnities

Waka Kotahi has indemnified Board members in accordance with the Crown Entities Act 2004 for liabilities and costs they may incur for their acts or omissions as Board members (including costs and expenses of defending actions for actual or alleged liability). A deed of indemnity on similar terms has also been entered into with the chief executive.

Risk management

We are committed to managing our risks and ensuring effective risk management in everything we do. This is to enable better coordinated and better informed planning and decisions, enabling performance, improvement and resilience.

In accordance with the International Organization for Standardization's standard 31000 2018, effective risk management is achieved through a structured and consistent approach and activities outlined in the risk management framework and applied across the organisation to assess, treat, monitor, review, record and report risk.

Everyone has a role in managing risk so critical risks are appropriately managed and enable the organisation's continuous improvement.

We are committed to a culture of transparency, openness and inclusivity that encourages everyone to identify risks and treat them appropriately.

Key strategic financial and non-financial risks are owned by executive and senior leadership and fall into 11 broad categories:

- Health, safety and wellbeing
- Programme management and governance
- Road Safety Outcomes
- Critical Assets
- Cyber and Information Security
- People and Capability
- Sustainable Funding
- Climate Change
- Stakeholders and partnerships
- Technology systems
- Regulatory.

Board committees

The board has four standing committees: the Risk and Assurance, Investment and Delivery, Regulatory, and People, Culture and Safety Committees.

The committees are governed by Board approved terms of reference and assist the board by focusing on specific matters in greater detail than is possible for the board as a whole. The board may establish other standing or ad hoc committees to assist it in carrying out its powers and functions.

Table 12 shows attendances at committee meetings by committee members. Board members who are not committee members can attend committee meetings; those attendances are not shown in the table.

Table 12 – Board and committee attendance for the year to 30 June 2023

	Regular Board meetings	Special Board meetings	Risk and Assurance Committee meetings	Regulatory Committee meetings	Investment and Delivery Committee meetings	People, Culture and Safety Committee meetings
Total meetings held	**8**					
Dr Paul Reynolds [A]	3					
Cassandra Crowley [B D]	7	2	5		7	
Catherine Taylor [C E]	8	1		8		5
David Smol [C]	6			8		
Patrick Reynolds [C D]	8			8	8	
Victoria Carter [B E]	8	1	5			5
John Bridgman [D]	8	2			8	
Hon Tracey Martin [B D]	7		4		8	
Ngarimu Blair [B C E]	5			3		
Sir Brian Roche	4	2	2		4	

[A] Appointed as the Board chair on 1 February 2023.

[B] Member of the Risk and Assurance Committee, chaired by deputy board chair Cassandra Crowley.

[C] Member of the Regulatory Committee, chaired by Catherine Taylor.

[D] Member of the Investment and Delivery Committee, chaired by John Bridgman.

[E] Member of the People, Culture and Safety Committee, chaired by Victoria Carter.