

Overview of 2023/24

Tirohanga whānui
o te tau 2023/24



Chair and chief executive overview

He tirohanga whānui nā te heamana me te pou whakahaere

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

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

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

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

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

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

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

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

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

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

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

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



Simon Bridges
NZTA Board Chair



Nicole Rosie
NZTA Chief Executive

About this report

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

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

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

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

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

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

The land transport investment system

National Land Transport Fund

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

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

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

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

Government Policy Statement on land transport

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

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

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

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

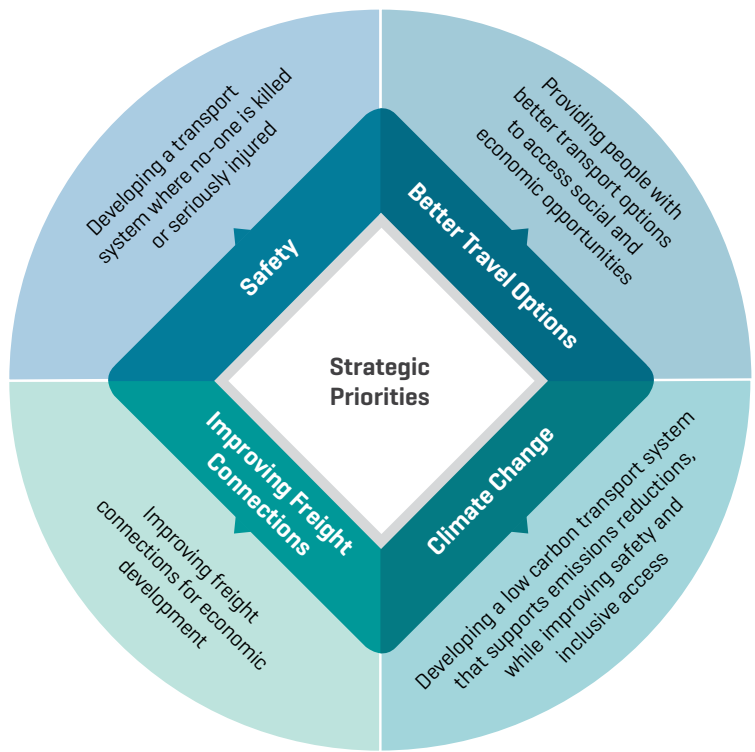


Figure 1 – Strategic direction of the GPS 2021

National Land Transport Programme

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

The NLTP is a snapshot of:

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

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

NZTA investment approach

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

Investment principles

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

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

NZTA investment decision-making approach

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

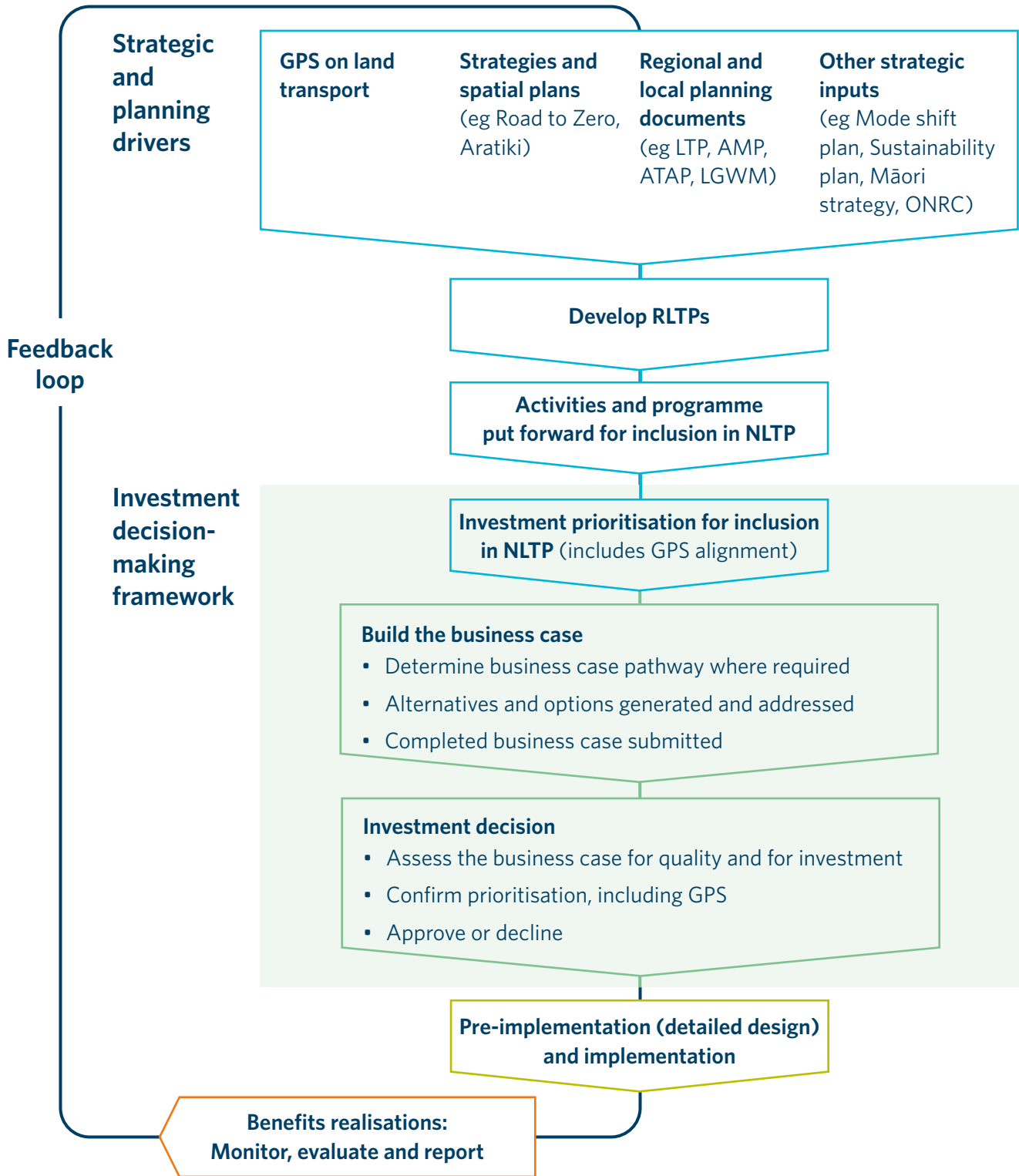
For each activity proposed for inclusion in the NLTP, a business case is developed, and options are identified and assessed. A preferred solution is put forward for an investment decision. The NZTA Board makes significant investment decisions, while under the delegation rules, managers within NZTA make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

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

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

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

Figure 2 – NZTA investment decision-making framework



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