

Annual reports



**For the year ended
30 June 2024**

NZ Transport Agency

Waka Kotahi

Pūrongo ā-tau a

Waka Kotahi

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

National Land Transport Fund

Pūrongo ā Tau mō te Tahua

Tūnuku ā-Papa ā-Motu

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

NZ Transport Agency Waka Kotahi

Published October 2024 | 24-EX-076

ISSN 1173-2237 (print)

ISSN 1173-2296 (online)

Published: October 2024

NZ Transport Agency Waka Kotahi

NZBN: 9429041910085



If you have further queries,
call our contact centre on
0800 699 000 or write to us:

NZ Transport Agency Waka Kotahi
Private Bag 6995
Wellington 6141

This publication is also available on
our website at www.nzta.govt.nz

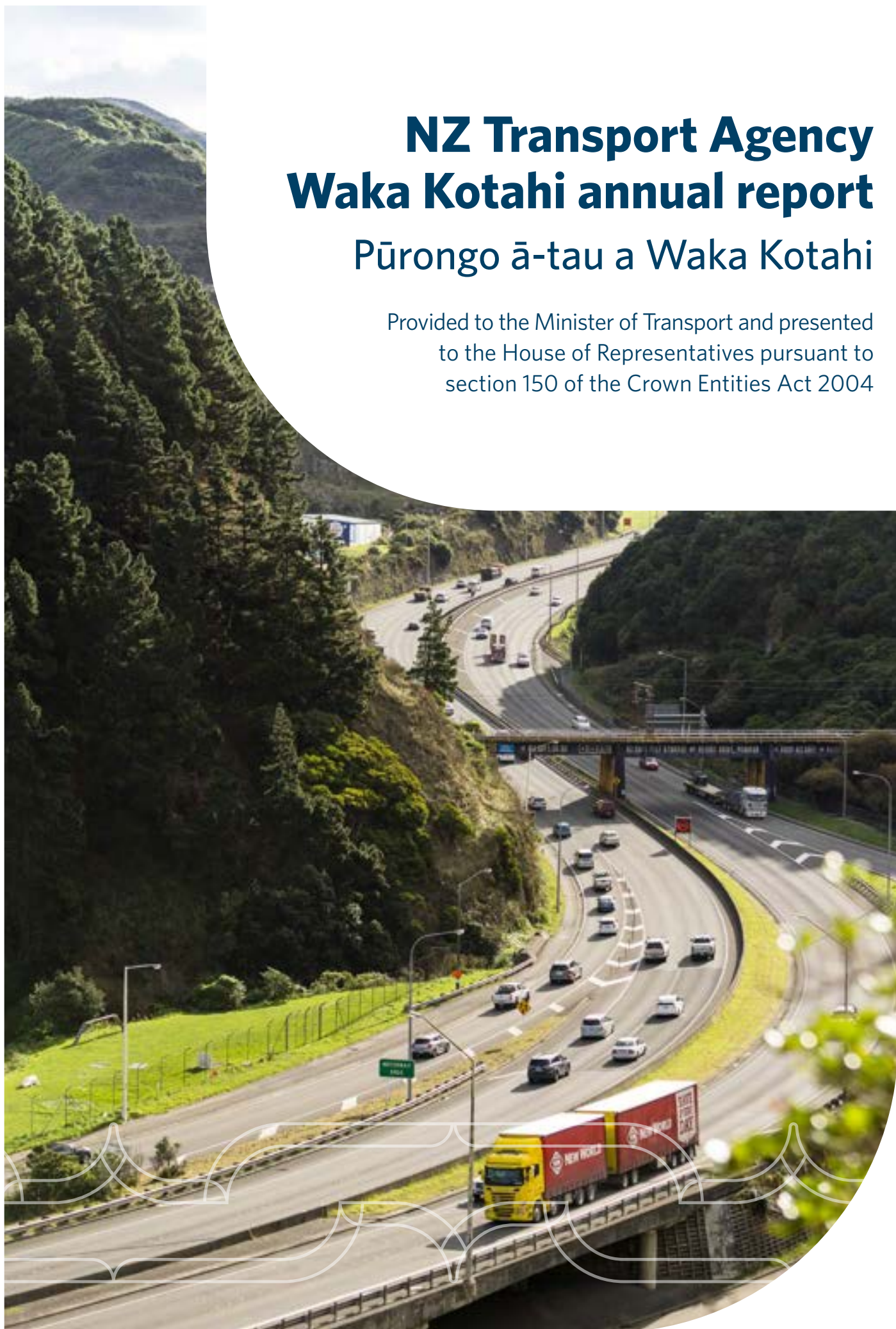
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NZ Transport Agency Waka Kotahi annual report

Pūrongo ā-tau a Waka Kotahi

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Chair and chief executive overview

He tirohanga whānui nā te heamana me te pou whakahaere

We are the stewards of the land transport system for every person in New Zealand. During 2023/24 we worked to deliver our vision of a land transport system that connects people, products and places for a thriving New Zealand. This annual report reflects our progress during the last year in giving effect to the Government Policy Statement on Land Transport (GPS) 2021 and the 2021–24 National Land Transport Programme (NLTP) as well as our response to changing government priorities.

Our operating environment continued to be challenging. We experienced further severe weather events that had an impact on the transport network, as well as continuing supply chain pressures and cost escalations in all aspects of construction and the ongoing need to establish sustainable funding. Despite these challenges, much has been achieved and we continue to deliver across multiple areas of activity.

We worked rapidly to align our business and commercial arrangements with government direction and delivered on new priorities. This included developing a plan to drive performance and efficiency across all land transport investments and report on progress towards this. In addition, we've established an internal effectiveness programme to create greater value for money through organisational structure changes, personnel cost controls, operational cost reduction, technology-enabled change and procurement changes. We delivered the coalition government's 100-day plan priorities for transport, including changing our approach to speed limit reductions, winding up the Clean Car Discount scheme, withdrawing from Let's Get Wellington Moving and ending Auckland Light Rail. We also introduced road user charges (RUC) for electric vehicles, implementing the new requirement at pace and achieving a 96 percent compliance rate by the end of the year.

This year was the final year of the 2021–24 National Land Transport Programme. We made good progress on our significant capital projects, despite delays due to property acquisition and consenting, reduced supply chain capacity and emerging affordability issues. Ara Tūhono: Puhoi to Warkworth achieved full completion in May 2024 and the public-private partnership operating phase started. On the Takitimu North Link Stage 1 project, Cambridge Road Bridge and Wairoa Road Bridge were opened to traffic in April 2024. We're also ensuring New Zealand has a well-maintained and reliable land transport network by increasing our focus on maintenance and pothole repair and prevention, and improving our approach to asset management.

Our regulatory role is essential to supporting a safe land transport system. We delivered strong regulatory performance this year, meeting nearly all our targets and improving safety by prosecuting a variety of commercial operators.

We also worked to deliver better, more modern services for New Zealanders. Our new mobile app makes it easier for customers to interact with us, while allowing us to provide common services more cost effectively. The app experienced high levels of public engagement that demonstrates a strong demand for new and improved services, which we are working to meet. We also worked to fill vacancies in our contact centre and significantly bring down call wait times and took steps to reduce driver licencing wait times after they increased following the removal of resit fees in October 2023.

Recovering from the severe weather events that occurred in 2022/23 continued to be a strong focus. All state highway routes that were affected by the weather events have now been reopened, including State Highway 1 at the Brynderwyn Hills. Our work with our delivery partners to build a new bridge on State Highway 25A at an accelerated delivery pace garnered both national and international recognition for its innovative approach. We continued to deliver a large ongoing programme of remediations throughout the East Coast with our partners through the Transport Rebuild East Coast alliance, supported by the additional investment received through Budget 2024.

Safety has remained a priority and deaths and serious injuries on our roads have continued to decrease, reflecting our efforts to make New Zealand's roads safer. This year, we installed safer infrastructure, worked with New Zealand Police to increase enforcement and continued to mature in our role as regulator of the land transport system. We also progressed the transfer of safety camera operations from New Zealand Police to NZ Transport Agency Waka Kotahi (NZTA) and installed the first NZTA-run safety cameras. Progress has been steady across many key road safety actions and interventions, but the overall scale and pace of delivery has not been sufficient and there is more work to do.

The future direction and priorities for the land transport system are clear following confirmation of the new GPS. GPS 2024 provides record investment in the land transport system and sets 4 focus areas for the next 10 years: economic growth and productivity, increased maintenance and resilience, safety and value for money.

Our focus will be on maintaining and improving the road network, making sure people and freight can get where they need to go quickly and safely. We'll achieve this through a variety of activities including delivering Roads of National Significance and Roads of Regional Significance, increasing maintenance and activity to fix and prevent potholes, and working with the Road Efficiency Group Te Ringa Maimoa to increase the efficiency of transport investments.

We're also changing the way we work as an agency to be more effective and efficient, ensure we achieve value for money from our investments, and hold ourselves and our partners to account for delivery. We're transforming the way we structure, run and deliver our projects, with a new approach being piloted on the first wave of Roads of National Significance projects. We're on track to achieve a 7.5 percent reduction in our 2024/25 operating budget by adapting how we work and deliver our services. This includes stopping non-funded and non-prioritised work, reducing the amount we spend on contractors and consultants we use, and progressing our internal efficiency and effectiveness programme.

We've updated our statement of intent for 2024–28 and statement of performance expectations for 2024–25 and developed the 2021–24 NLTP in alignment with GPS 2024 to ensure we deliver on the government's direction. We'll update our statement of intent once further direction on road safety and climate change priorities and actions for the transport sector are confirmed.

Finally, we acknowledge changes to our board membership that occurred throughout the year. We acknowledge and thank former board chair Dr Paul Reynolds, who stood down in December 2023, and Cassandra Crowley who acted as chair until March 2024. We also acknowledge the contributions of board members Patrick Reynolds and Tracey Martin, who stood down in December 2023 and April 2024 respectively, and Victoria Carter, whose term ended in August 2024.



Simon Bridges
NZTA Board Chair



Nicole Rosie
NZTA Chief Executive

Section A

About us
Mō mātau



Our board



Simon Bridges

Chair

Appointed Board chair
11 March 2024.

Simon Bridges was the National member of parliament for Tauranga and is a former New Zealand Leader of the Opposition and senior Cabinet Minister.

As a member of Cabinet in the last National-led Government, he held several ministerial portfolios including Transport, Energy, Communications, Economic Development and was Leader of the House.

During his tenure as a Minister, Simon helped roll out nation-building infrastructure such as Ultra-Fast Broadband and opened major new roads such as the Waterview Tunnel. During this period, he also implemented policies to grow the electric vehicle market, as well as investments in KiwiRail to improve public transport options.

Simon was previously a litigation lawyer, including at law firm Kensington Swan, and senior Crown Prosecutor in Tauranga.

Simon is Chief Executive of the Auckland Business Chamber, is a non-executive chair and director on several company boards and works in a variety of sectors.



Cassandra Crowley

Deputy Chair

Board member since
23 September 2019.

Cassandra is a chartered accountant (Fellow), barrister and solicitor of the High Court of New Zealand and a member of the Institute of Directors.

In addition to her commercial advisory work, she holds non-executive directorships across several sectors of the New Zealand economy including on listed companies and one of the country's largest exporters. Cassandra chairs several audit, finance and risk committees and committees overseeing digital transformation. She is a past president of Chartered Accountants Australia and New Zealand and has been recognised through several awards for her leadership and governance contributions.

Cassandra chairs our Risk and Assurance Committee and is a member of our Investment and Delivery Committee.



David Smol

Board member since
1 February 2019.

David has over 35 years' experience in New Zealand and the United Kingdom in both the public and private sectors. He has worked in the energy sector in both countries, including as the director of an Oxford-based energy consulting firm with clients in the United Kingdom and Europe, large energy utilities and transmission companies, renewable energy generators, regulatory bodies and government departments.

In 2008, David was appointed Chief Executive of the Ministry of Economic Development. From 2012 to 2017, he was the inaugural Chief Executive of the Ministry of Business, Innovation and Employment, where he was responsible for the stewardship of multiple regulatory systems.

David chairs the GNS Science Board, and Wellington UniVentures (the commercialisation subsidiary of Victoria University of Wellington). He is also a director of Contact Energy and the Cooperative Bank. David was made a Companion of the Queen's Service Order in 2018.

David is a member of our Regulatory Committee.



Catherine Taylor

Board member since
23 September 2019.

Catherine is a chartered accountant and has held senior management positions in the public and private sectors, including 5 years as Director and Chief Executive of Maritime New Zealand.

Catherine has more than 25 years' experience working with transport safety regulation with a focus on how to use regulatory tools to improve safety outcomes.

Catherine holds governance positions in the public, private and not-for-profit sectors. She chairs Diabetes New Zealand, is director of Dunedin International Airport Limited, a trustee of Diabetes New Zealand Research Foundation and a trustee of the New Zealand Law Foundation. She is also an independent chair on several local committees in the area where she lives.

Catherine chairs our Regulatory Committee and is a member of our People, Culture and Safety Committee.



John Bridgman

Board member since
1 July 2020.

John has over 35 years' experience in engineering and project management roles across Australasia and Asia.

John chairs City Rail Link Ltd and is a director of Kāinga Ora – Homes and Communities. Until 2023, he was Chief Executive of Ōtākaro Ltd (now Rau Paenga Ltd), the Crown company responsible for the Crown's contribution to the rebuilding of Christchurch following the 2011 earthquakes. He has held a variety of senior leadership roles at AECOM (including as Industry Director – Civil Infrastructure in Australia and as Managing Director of the New Zealand business), as well as governance roles on major infrastructure projects in New Zealand, Australia, Asia and the United Kingdom.

John chairs our Investment and Delivery Committee.



Ngarimu Blair

Board member since
12 November 2021.

Ngarimu has strong Māori governance experience, including leading the restructuring of the Ngāti Whātua Ōrākei Group into a modern post-settlement governance entity in 2012.

Ngarimu is currently a director of Kāinga Ora, Ngāti Whātua Ōrākei Whai Rawa Ltd, a large property company responsible for the protection and growth of the tribe's commercial assets, and co-chairs Tāmaki Makaurau Mana Whenua Forum.

Ngarimu is a member of our People, Culture and Safety Committee and our Regulatory Committee.



Pat Dougherty

Board member since
9 August 2024.

Pat is an experienced former local government chief executive, as well as a civil engineer with experience across rail, water, roading and other local government services.

Pat was the Chief Executive of the Nelson City Council for five years and the Kāpiti Coast District Council for 10 years. During his time at the Kāpiti Coast District Council, he also chaired the Wellington Region Civil Defence Emergency Management Executive Group and served on the board of the McKays to Pekapeka Expressway Alliance.

More recently Pat has been appointed to the board of Wellington Water and the Expert Advisory Panel reviewing the Public Works Act 1981. He is a member of the Institute of Directors and a chartered member of Engineering NZ.



Rob Gilmore

Board member since
9 August 2024.

Rob is a civil engineer with more than 40 years' experience in road transport.

Rob has held executive roles at GHD Ltd and Downer for over 20 years. At GHD, Rob was global business leader roads and highways and led teams and delivered projects in New Zealand, Australia, the Pacific, the Middle East, the United States, the United Kingdom and Ireland. At Downer, Rob was executive general manager for clients and strategy, growing the organisation's capability across New Zealand. Since leaving Downer, Rob has continued to provide strategic and technical advice to clients within the transport sector in New Zealand and Australia.



Warwick Isaacs

Board member since
9 August 2024.

Warwick is an experienced infrastructure chief executive, with a strong local government and public delivery background.

Formerly, chief executive of a national group home building franchise, he has also been deputy chief executive - implementation and director of the Christchurch Central Development Unit at the Canterbury Earthquake Recovery Authority, chief executive of Timaru District Council and chief executive of Buller District Council. Warwick originally trained as a chartered accountant.

Our leadership team

Our Chief Executive and Executive Leadership Team manage our organisation. They are:

Nicole Rosie – Chief Executive

Brent Alderton – Group General Manager Regulatory – Te Rōpū Waeture and Director of Land Transport

Brett Gliddon – Group General Manager Transport Services – Te Toki

Caz Jackson – Group General Manager People, Culture and Safety – Pūmanawa Tāngata

Chris Bunny – Group General Manager System Leadership – Te Tūāpae

Karen Jones – Group General Manager Engagement and Partnerships – Te Waka Kōtuia

Liz Maguire – Chief Digital Officer, Digital – Te Aukaha

Richard May – Chief of Staff, Office of the Chief Executive

Sara Lindsay – Group General Manager Commercial and Corporate – Te Ama

Sarina Pratley – Chief Customer and Services Officer, Customer and Services – Te Mahau

Profiles of the leadership team are available at <https://nzta.govt.nz/about-us/about-nz-transport-agency-waka-kotahi/our-executive-leadership-team>

Our workforce

Our people are critical to delivering our purpose. They enable us to do what we do.

We recognise, respect and value differences, and we're committed to providing equal employment opportunities because this creates better outcomes for our people and for New Zealand. We continue to address barriers to diversity and inclusion and deliver on our commitment to being a good employer in line with Human Rights Commission guidance and Te Kawa Mataaho Public Service Commission expectations.

At the end of 2023/24, we had 2769 permanent employees (2720.5 full-time equivalents¹). Most of our permanent employees are female (54 percent), with 14 people identifying as gender diverse or having not declared a gender. Most of our permanent senior managers (tiers 1-3) are female (63 percent).

About 7 percent of our permanent employees identified as Māori. Rangitāmiro, our Māori employee network, provides a place for Māori to connect, build community and share mātauranga. Rangitāmiro means to combine, bind together and integrate, amalgamating individual strands and fibres of harakeke into a strong cluster.

See appendix 5 for detailed information on our workforce and what we're doing to meet our good employer commitments.

¹ The full-time equivalent (FTE) metric means an employee is assigned an FTE value between 0 and 1 depending on the proportion of full-time hours worked.

Our context and strategic direction

Tā mātau horopaki
me te ahunga rautaki



Government Policy Statement on land transport

The GPS sets out the priorities for a 10-year period and is updated every 3 years. It guides how we invest the National Land Transport Fund (NLTF) and how we prioritise activities in regional land transport plans for inclusion in the NLTP.

The GPS for 2021/22 to 2030/31 (GPS 2021) had 4 strategic priorities: safety, better travel options, improving freight connections and climate change (see figure 1). This GPS also introduced new functions and responsibilities for NZTA, including in relation to rail and coastal shipping.

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.

Alongside delivering the government’s emerging priorities and progressing our strategic outcomes, we must also continue to maintain and renew the existing land transport network. The NLTF annual report (section B) summarises how the NLTF was invested in 2023/24 to contribute to GPS 2021 priorities.

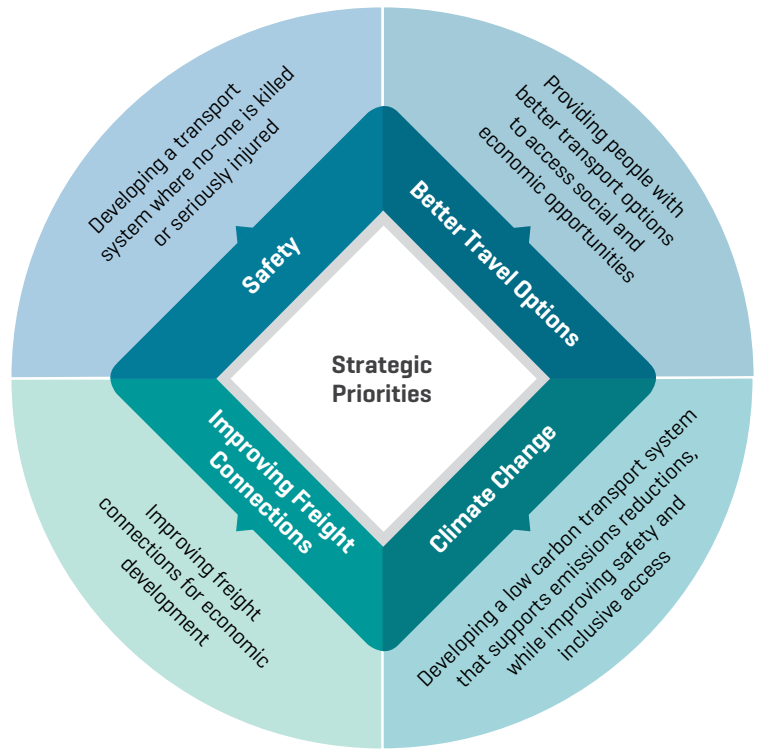


Figure 1 – Strategic direction of the GPS 2021

Responding to ministerial directions

As a Crown entity, we may receive written directions from the Minister of Transport (as our responsible Minister) as well as from the Minister of Finance and Minister for the Public Service who may issue joint whole-of-government direction. Ministerial directions may be issued for several reasons, including when there is a change of government, a significant change of government direction, or when a minister needs to specify certain expectations.

GPS 2024 outlines the government’s transport investment priorities and represents a different direction from that reflected in our statement of performance expectations for 2023/24. To align to this direction and the government’s expectations, we needed to stop or change certain activities during the year.

In December 2023, following Parliament’s passing of the Land Transport (Clean Vehicle Discount Scheme Repeal) Amendment Bill, we received formal ministerial direction to continue to:

- process any rebate applications received before 1 January 2024
- administer rebate payments for applications received before 1 January 2024
- carry out other actions necessary for the scheme to be wound up before the close of 30 June 2024.

In addition, we received written instructions from the Minister of Transport relating to:

- an amendment to the Land Transport Rule: Setting of Speed Limits 2022

- the expectation that NZTA stops any work to reduce light vehicle kilometres travelled that was funded through the Climate Emergency Response Fund
- the expectation that NZTA focuses on its core business of road maintenance, regulatory activities, and progressing roading and infrastructure projects to which it is contractually committed.

We also received written instruction from the Minister of Finance and Minister for the Public Service that our Board should deliver fiscal sustainability by regularly reviewing our programmes to assess value for money, stopping any programmes that are not delivering results and reprioritising or returning funding to the Crown, and taking immediate action to reduce reliance on contractors and consultants.

Several previously issued directions continued to apply for some or all of 2023/24. These include directions to:

- support a whole-of-government approach to implementing the Carbon Neutral Government Programme (March 2022)
- give effect to government policy in the administration of rebates under the Clean Vehicle Discount Scheme (February 2022)
- manage the delivery of any activities approved under section 20 of the Land Transport Management Act 2003 that are funded or to be funded out of the Coastal Shipping Activity Class in the NLTP (December 2021)
- carry out an additional function to plan, fund, design, supervise, construct and maintain rapid transit networks and/or projects, including light rail (May 2018)
- support whole-of-government approaches to procurement, information and communication technology and property (April 2014).

Transport outcomes framework

From a long-term investment perspective, the Ministry of Transport's transport outcomes framework guides our work and investments. Launched in 2018, the framework aligns with the Treasury's living standards framework and describes 5 long-term outcomes for the transport system: inclusive access, economic prosperity, resilience and security, environmental sustainability, and healthy and safe people.

NZTA's land transport benefits framework aligns with the transport outcomes framework and is intended to endure as GPS strategic priorities are refreshed. Benefits and measures from the benefits framework are used in all planning and business cases for transport investment. For more information on our investment and decision-making approach and tools, see www.nzta.govt.nz/planning-and-investment.

Our strategic direction - Te kāpehu

Te kāpehu outlines our place and aspirations within the wider land transport system, what we want to achieve as an organisation and how we will go about achieving that (see figure 2). It is informed by the government direction for the transport system, and helps us navigate how we respond to the direction set by the GPS and our legislative framework.

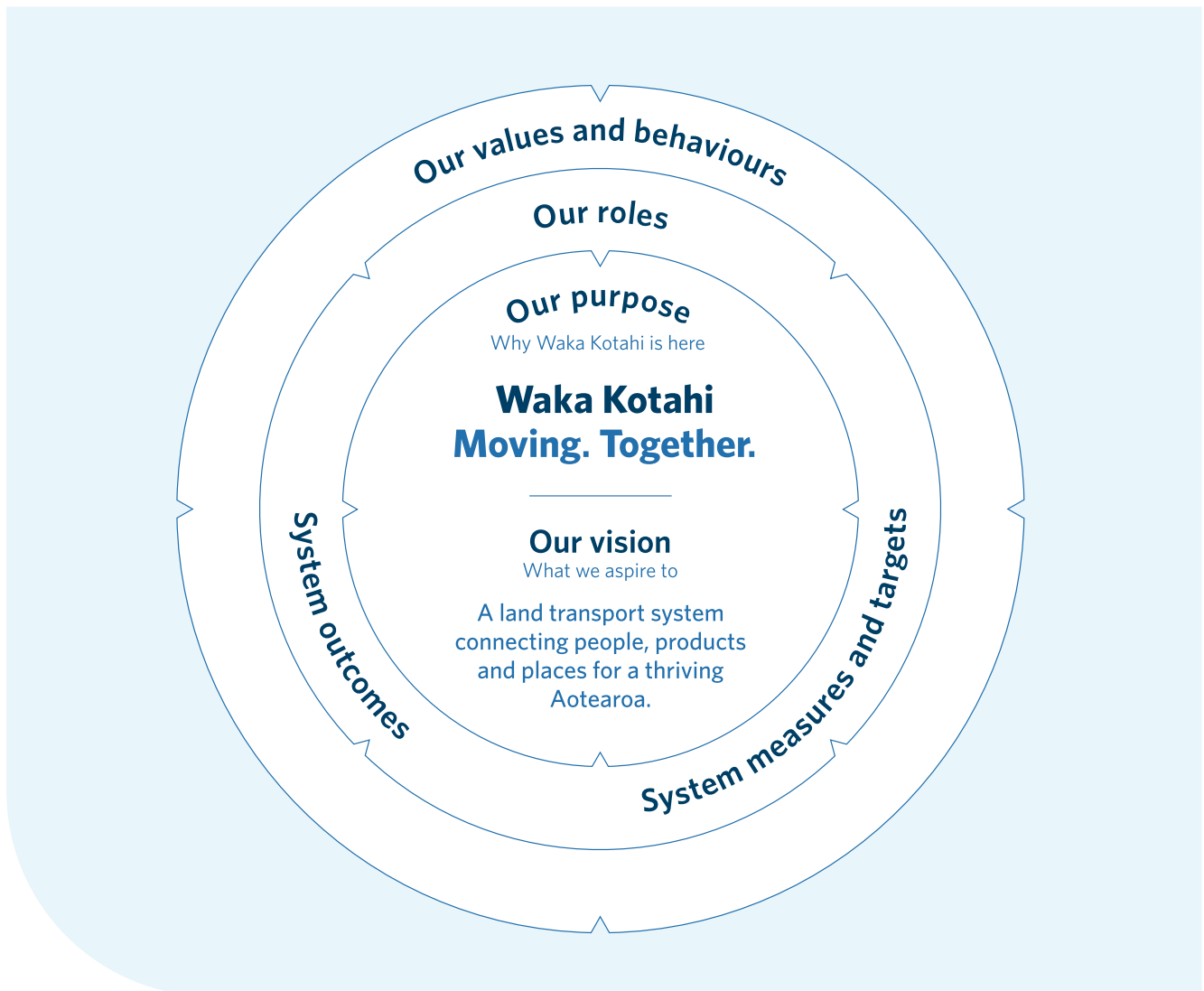
Te kāpehu sets our vision for a land transport system that connects people, products and places for a thriving New Zealand.

Our roles are the big things we need to do to achieve our vision:

- move together as one - kia hoe ngātahi
- leave great legacies - te anamata
- deliver the right things - kia tika te mahi
- enable a safe system - kia marutau.

Our system outcomes are the long-term changes to the transport system we are focusing on to realise this vision. We want Aotearoa New Zealand to have a land transport system that is safe, environmentally sustainable, effectively and efficiently moving people and freight, and meeting current and future needs. Our system measures and targets help us track progress towards achieving the four system outcomes.

Figure 2 - Te kāpehu | Our Compass



Our values and behaviours - Ngā mātāpono

Our values and behaviours support the delivery of our strategy and shape our culture and the way we work together. They are part of what it means to be an employee, helping us deliver our best work every day, defining what's important to us and guiding how we work with each other and how we engage with iwi, other partners, stakeholders and communities. Our mātāpono (values) are in English and te reo Māori. Each mātāpono has its own meaning (see figure 3).

Figure 3 - Our values and behaviours



Kia Māia

Be Brave

Our outcomes are better when we bring courage and self-belief to our passion and purpose



Kotahitanga

Better Together

We achieve great things when we work together to build trusted relationships inside and outside NZTA.



Ngākau Aroha

Have Heart

We have the wellbeing of our people, community and planet at the heart of everything we do.



Mahia

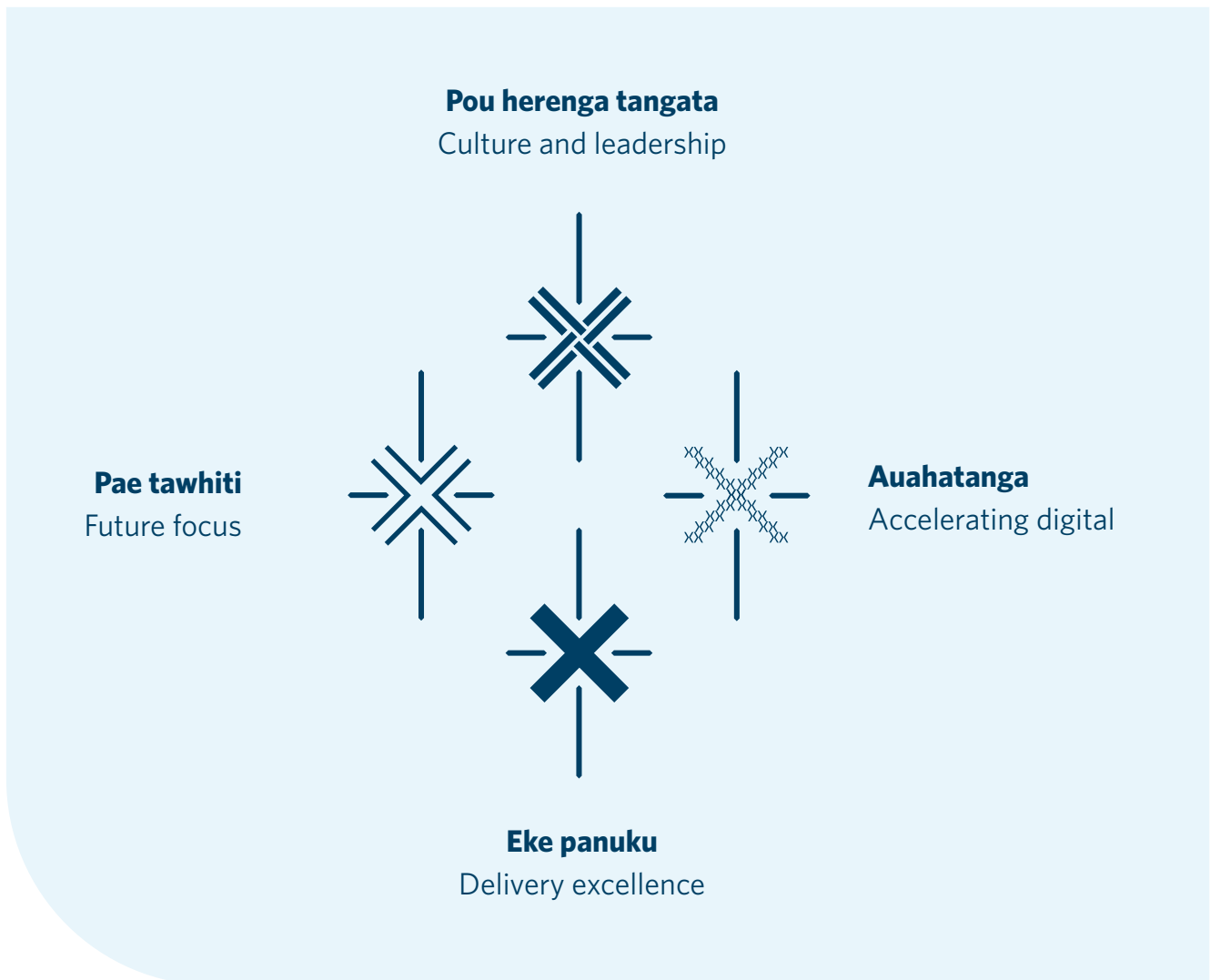
Nail It

We create an enduring legacy, delivering our best work every day.

Our guiding stars - Kāhui whetū

Kāhui whetū, our strategic priorities, are the guiding stars ensuring we align our organisation, resources and people to deliver Te kāpehu:

- 1. Pou herenga tangata - culture and leadership:** We have a highly engaged one NZTA culture built on great leadership and teams, shared values and effective partnerships.
- 2. Eke panuku - delivery excellence:** We are focused on delivering our core business, do that exceptionally well and strive to continually improve.
- 3. Pae tawhiti - future focus:** Our research, innovative thinking, strategy, policy and long-term planning set a course to a safe, sustainable and efficient land transport system.
- 4. Auahatanga - accelerating digital:** We use digital and data capabilities to enable our future transport vision, transform our operations, and provide better experiences for our people, partners and users.



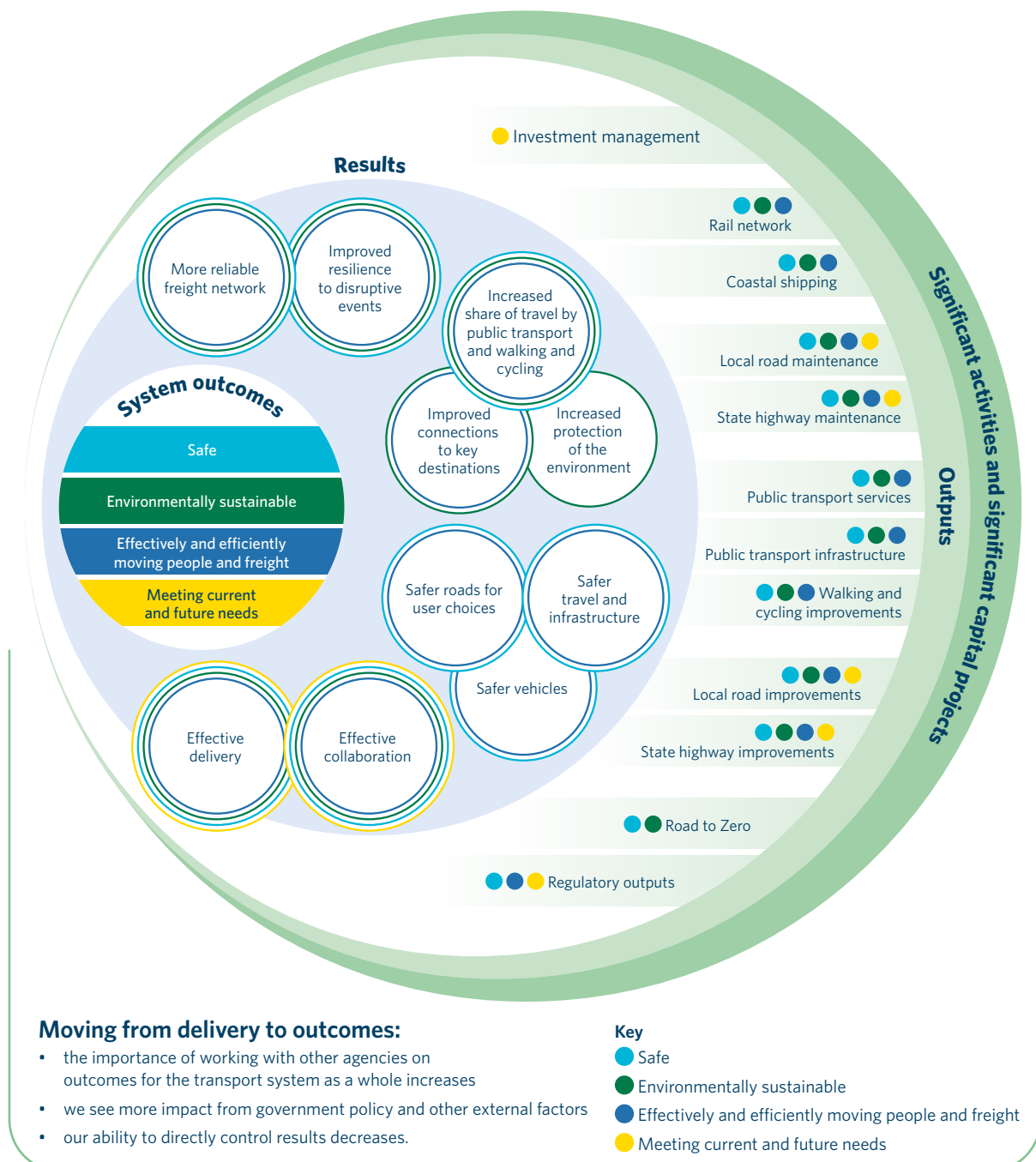
Our performance framework

Our performance framework (see figure 4) helps us track progress toward achieving the strategic direction set in Te kāpehu. It aligns with the transport outcomes framework, the GPS, and other programme-specific frameworks, including those embedded in Toitū te Taiao, our sustainability action plan, and Tū Ake, Tū Māia, our regulatory strategy.

Our performance framework includes our system outcomes, external and internal results, and delivery activities and outputs. The relationships between these elements are complex and multifaceted. Many results and outcomes are the responsibility of the wider transport sector or government, so are not ours alone to influence (see figure 5). For this reason, we do not show direct links between the elements of the framework – they work in combination with each other to make progress toward our vision.

For detailed descriptions of our system outcomes and results, see our statement of intent for 2021–26².

Figure 4 – Relationship between the layers of our performance framework



² NZTA statement of intent 2021–2026 www.nzta.govt.nz/resources/nz-transport-agency-statement-of-intent-main-index/soi-2021-2026

Our vision: A land transport system that connects people, products and places for a thriving Aotearoa

System outcomes and measures ^A

Are we achieving the long-term outcomes we need to achieve to realise our vision?

Safe

Number of road deaths and serious injuries (DSIs)
 ✓ 30%
 System target: 40% reduction in DSIs by 2030 from 2018 levels

Significant incident frequency rate
 ✓ Decrease

Environmentally sustainable

Greenhouse gas emissions from the land transport system
 ✓ Decrease
 System target: 41% reduction in transport emissions by 2035 from 2019 levels

Proportion of the light vehicle fleet that are zero-emissions vehicles
 ⬆ Increase
 System target: increase zero-emissions vehicles to 30% of the light fleet by 2035

Effectively and efficiently moving people and freight

User experience of transport network by mode
 ⬆ Improving for public transport and active modes

Freight mode share of road and rail
 ✓ Decrease for road
 ⬆ Increase for rail

Meeting current and future needs

Funding sustainability
 Proportion of net revenue forecast to be spent on continuous programmes and public private partnerships
 No greater than 75%

Proportion of the state highway network that meets minimum asset condition requirements
 ⬆ ⬆ Maintain or increase

Light vehicle kilometres travelled in major urban areas
 ✓ Decrease
 System target: 20% reduction in total kilometres travelled by the light fleet by 2035 from 2019 levels

Results and measures ^A

Are we seeing the changes we need to achieve our system outcomes?

Are we influencing the right external changes?

Safer travel and infrastructure ●●

Number of DSIs where the speed limit does not align with the safe and appropriate speed
 ✓ 40%

Number of head-on, run-off-road and intersection DSIs
 ✓ 30%

Safer vehicles ●●

Number of DSIs involving a vehicle with a low safety rating
 ✓ 20%

Improved resilience to disruptive events ●

Proportion of unplanned road closures resolved within standard timeframes
 ⓪ Weather event ≥50%
 ⓪ Other events ≥90%

Increased share of travel by public transport, walking and cycling ●●●

Mode share of public transport and active modes in urban areas
 ⬆ Increase

Are we making the right internal changes?

Effective delivery ●●●●

Staff engagement
 ⬆ ⬆ Maintain or increase

Investment performance
 ⬆ Improve investor confidence rating

Service quality (ease of transacting with us)
 ⬆ ⬆ Maintain or increase

Quality of regulatory activity - Percentage of regulatory activity that conforms to key decision-making criteria
 ⬆ Increase

Figure 5 – NZ Transport Agency performance framework

Delivery and measures

Are we delivering what we need to deliver to support these changes?

Are our **key programmes, strategies and initiatives** being delivered as intended?

Significant activities in 2022/23

Our significant activities capture the milestones we want to achieve in 2022/23 to help us progress towards our system outcomes and respond to government priorities for the land transport system.

How are we delivering and investing in our **products and services (output classes)** in terms of quantity, quality, timeliness and cost?

Significant capital projects as part of:

- National Land Transport Programme
- New Zealand Upgrade Programme

Output classes:

- Road to Zero
- State highway improvements
- State highway maintenance
- Local road improvements
- Local road maintenance
- Walking and cycling improvements
- Public transport services and infrastructure
- Rail network
- Coastal shipping
- Investment management
- Driver licensing and testing
- Vehicle safety and certification
- Regulation of commercial transport operators
- Regulation of the rail transport system
- Revenue collection and administration (including tolling)

Safer road user choices ●●

Number of DSIs associated with behavioural risk factors
 ✓ 20%

Increased protection of the environment ●

The percentage of projects that are undergoing an Infrastructure Sustainability Council rating are progressing on track to achieve an Infrastructure Sustainability rating
 ➤ ➤ Maintain or increase NZTA corporate carbon footprint
 ✓ 44% by 2025

More reliable freight network ●●●

Interpeak predictability of travel times on priority freight routes
 ➤ ➤ Maintain or increase

Improved connections to key destinations ●●●

Access to social and economic opportunities by mode
 ➤ Increase for public transport and active modes
 Proportion of recently consented residential units in major urban areas with access to frequent public transport services
 ➤ Increase

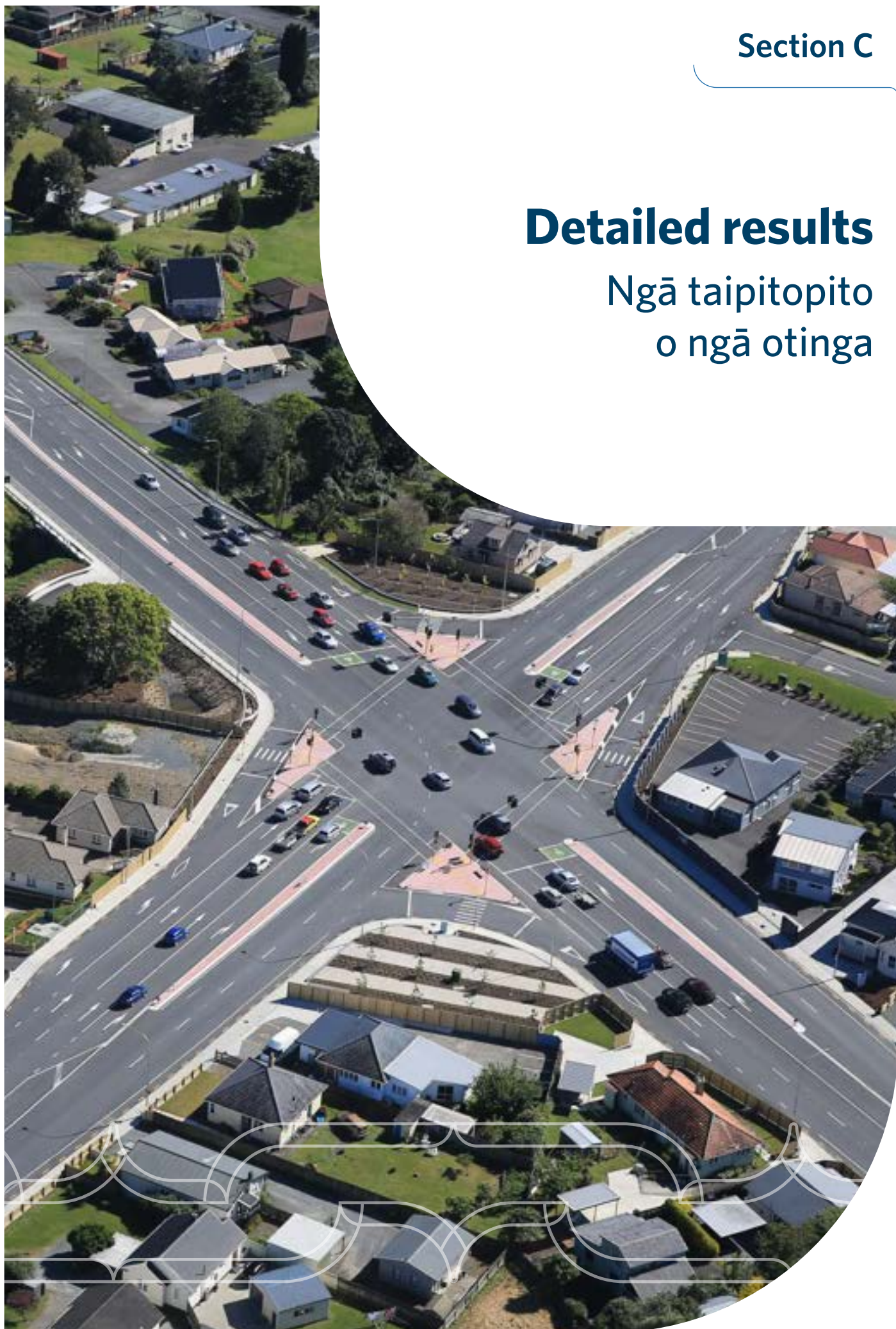
Effective collaboration ●●●●

Partnerships and engagement with Māori
 ➤ Improve
 Partnership and engagement with stakeholders
 ➤ Improve

^A Unless otherwise stated, the timeframe for achieving our system outcome and result measure targets is 30 June 2026.

Detailed results

Ngā taipitopito
o ngā otinga



Summary of 2023/24

We worked at pace to respond to changes in government direction

The coalition government's 100-day plan, coalition agreements and the GPS 2024 have set a different direction for land transport. GPS 2024 reintroduces economic growth and productivity as a GPS strategic priority, alongside maintenance and resilience, safety and value for money.

We moved swiftly to align to this new direction and meet the government's expectations. We delivered all the transport-related priorities in the government's 100-day plan, which included stopping or reducing certain programmes of work. This included Let's Get Wellington Moving, Auckland Light Rail, the Clean Car Discount, Public Transport Bus Decarbonisation, Retaining and Recruiting Bus Drivers, Community Connect Programme Administration, work on national and local light vehicle kilometre reduction programmes, and speed limit reductions.

We also worked at pace with our local government partners to develop the NLTP for 2024-27 in alignment with GPS 2024 and ministerial expectations.

We worked to achieve value for money and a sustainable funding model

The land transport system is under increased pressure with more and heavier vehicles using the network, past under-investment in maintenance, and the frequency and severity of extreme weather events significantly increasing. In addition to this, we need increased revenue to deliver the forecast capital improvements in GPS 2024. A sustainable funding model would give us confidence about future funding and help us make long-term investment and land use decisions that support economic growth and prosperity for the benefit of all New Zealanders.

Establishing a sustainable funding model was an important focus in 2023/24. GPS 2024 outlines a combination of funding sources that provide funding certainty over the next 3 years, while also setting the expectation that we will look at alternative funding arrangements and delivery models and focus on driving performance and efficiency through our investments. While the issue of funding and financial sustainability is ongoing, we continued to work with the Ministry of Transport, The Treasury and other agencies to progress the findings of the Land Transport Revenue Review and look at alternative funding arrangements and delivery models.

The cost escalations we've experienced over several years slowed in the second half of 2023/24, but we remain under pressure to demonstrate we are achieving value for money and a good return on investments. We've established an internal efficiency and effectiveness programme to make savings across the organisation, delivering on the government's expectations for cost savings.

We delivered improved customer services

We're working to provide a better customer experience for people using the land transport system, with a focus on ensuring our systems and processes make it easy to use our services. It's important that transacting with us is as easy as possible, as this supports improved regulatory compliance and access to information.

In 2023/24, we released a test version of our mobile app to the public, allowing customers to access their information and carry out various interactions from their phone. The high levels of public engagement with the app demonstrate strong public demand for online services that are quick and easy to access, and we're working to meet that demand.

Practical driving test wait times increased following the removal of resit fees in October 2023. We took steps to address this by changing driver testing fees and increasing the availability of testing officers. We also changed the recruitment approach in our contact centre, filling vacancies and significantly reducing call wait times and email backlogs.

We kept people and products moving and communities connected

As stewards of the land transport system, our role is to maintain the state highway network for all New Zealanders, keeping people and products moving and communities connected. Last year, we carried out preventive work to improve safety and reduce the impacts of natural hazards, continued to respond to and recover from severe weather events, and worked to ensure we can quickly reopen roads after unplanned closures caused by weather-related events and other events such as road crashes.

We delivered initiatives focused on increasing the uptake of efficient, cost-effective, low carbon transport options that reduce congestion and increase patronage on public transport. We worked with our partners to progress rapid transit projects in Auckland and Christchurch that will support city growth, enable effective urban development, and make it easier and safer for people to move around. We also continued to roll out the National Ticketing Solution, which will provide for a broader range of payment methods for all public transport across the country, encouraging greater use of public transport.

Our work to recover and rebuild from the severe weather events of recent years continues. Budget 2024 allocated significant Crown funding to respond to the North Island weather events, aiding the recovery and rebuild required for local roads and state highways in Northland, Coromandel and the East Coast. Throughout 2023/24, ongoing issues such as active slips and new weather events made recovery challenging and delayed some works.

Despite these ongoing challenges, we responded effectively to recover from severe weather events. We established the Transport Rebuild East Coast alliance which continues to deliver an ongoing recovery programme, remediating hundreds of slips, underslips, retaining walls and bridges. We reopened all state highway routes affected by Cyclone Gabrielle. This work included building a new bridge on State Highway 25A in Coromandel, using an approach that allowed us to deliver quickly and reopen the road in time for Christmas 2023. We also completed repairs to State Highway 1 at Brynderwyn Hills and reopened this important route in time for the Matariki long weekend.

We started realigning our safety work programmes with changes in government direction

Deaths and injuries on roads have serious and wide-reaching impacts on people and communities. Road safety is a responsibility we all share, and improving road safety in an efficient manner is a priority for us.

Deaths and serious injuries on the roads decreased in 2023/24, continuing an overall downward trend since 2019. Despite this decrease, the number of deaths and serious injuries remains unacceptably high and there is more work to do to improve road safety.

Our safety programme remains aligned to the Safe System approach, with a focus on making roads, drivers and vehicles safer. Last year, we worked with New Zealand Police and our local partners to deliver safety initiatives, including installing safety treatments on the road network, raising awareness of safer vehicles, delivering communication and engagement campaigns, and enhancing driver safety through road policing, enforcement and education.

In 2023/24, we installed the first NZTA-run safety cameras, and our work to install more cameras around the country will continue in 2024/25. We're also taking over the operation of permanent safety cameras from New Zealand Police, and we will be responsible for operating and regulating all safety cameras from 1 July 2025.

We've continued to support the delivery of safety outcomes through our funding of road policing. This year, New Zealand Police conducted over 3.58 million breath tests, exceeding the target of at least 3.0 million tests. This is the highest number of breath tests in a decade and the first time the target has been met since this measure was introduced in 2019/20. New Zealand Police also operated mobile safe speed cameras for a total of 63,054 hours in 2023/24. Although this is below target, the number of hours cameras have been deployed has increased steadily since 2021.

As the country's lead regulator for land transport, it's our role to improve safety and reduce the risk of harm across the land transport system. Our regulatory function plays a significant role in achieving the government's road safety objectives, and we made changes last year to strengthen our delivery of regulatory services. Last year, we exceeded our target for the percentage of regulatory activity that conforms to key decision-making criteria, achieved all but 2 of our performance targets, and successfully prosecuted commercial operators and KiwiRail for safety and compliance breaches.



Progress against Budget initiatives and significant activities

Significant Budget initiatives

Through the Budget process, the government allocates funding to deliver its strategic objectives and priorities. Table 1 identifies where reporting on progress for significant Budget initiatives we delivered or deliver can be found. Some of these initiatives were stopped in 2023/24 as indicated below.

Table 1 - Location of reporting on Significant Budget initiatives progress

Initiative	Budget year funded	Location
Implementing a Clean Car Standard ^A	Budgets 2021, 2022, 2023	Pages 22, 61, 184
Community Connect – Public Transport concessions for Community Services Cardholders ^A	Budgets 2022, 2023	Pages 22, 61, 185
Decarbonising the Public Transport bus fleet ^A	Budgets 2022, 2023	Pages 22, 61, 183
Establishment of the Clean Car Discount ^{AB}	Budgets 2021, 2022, 2023	Pages 22, 61, 182
Mode shift and reducing Light Vehicle Kilometres Travelled – investments, planning and enabling congestion charging ^{AB}	Budgets 2022, 2023	Pages 22, 42, 186
Retaining and Recruiting Bus Drivers – Improving Terms and Conditions ^A	Budget 2023	Pages 22, 61, 183
Initial Response to Cyclone Gabrielle and the January floods	Budget 2023	Pages 23, 60, 182
Road Improvements to Support Resilience to Climate-Related Weather Events ^A	Budget 2023	Pages 39, 60, 186
National Resilience Plan: Phase 1 – transport package	Budget 2024	Pages 60, 186
North Island Weather Events - Road Response, Recovery and Rebuild	Budget 2024	Pages 23, 38, 187
National Resilience Plan: Phase 2 – transport package	Budget 2024	Pages 60, 186

^A We returned some previously allocated funding for projects that were stopped or reduced in scope. Refer to the financial statements from page 92 for further details.

^B These initiatives were stopped during 2023/24 in response to government direction.

Significant activities

Our significant activities, identified in our statement of performance expectations for 2023/24,³ capture what we planned to achieve through our major programmes, strategies and initiatives. Table 2 identifies where reporting on progress for each activity can be found.

Table 2 - Location of reporting on significant activity progress

Significant activity	Location
● Meeting current and future needs	
Work with the Treasury and Ministry of Transport on follow-up actions that build on the recommendations of the 2022/23 Land Transport Revenue Review	Page 30
Implement a Board approved programme to provide assurance that value for money is being delivered across NZTA activities	Page 29
Continue to implement measures to increase capability and capacity in compliance monitoring, debt collection and recovery for road user charges	Page 30
Develop life cycle asset management plans for all infrastructure types and release the pavement and drainage plans in 2023/24	Page 29
Release a state highway strategy and an associated action plan that sets out those activities required to achieve a safe, sustainable and resilient network	Page 28
Continue to support road controlling authorities' implementation of the Asset Management Data Standard by completing tranches 2 and 3 of the implementation plan	Page 29
Deliver the Consumer Hub application, which will provide customers with all their information and interactions in one place, and allow them to carry out simple but common transactions through a secure application	Page 33
Improve our use of people information and intelligence by leveraging our new technology, including simplifying core people-related and systems-related processes and developing a people and safety reporting framework	Page 31
Define the culture and leadership we want at NZTA, that aligns with our kāhui whetū	Page 32
Install the first package of bilingual traffic signs on the roading network.	Page 30
● Effectively and efficiently moving people and freight	
Reassess and update land transport corridor plans to ensure longer term corridor planning is consistent with emissions reduction objectives and ensure projects, landholdings and other asset planning processes are managed consistently with the updated plans	Page 39
Work with our partners to progress delivery of rapid transit, which includes projects and initiatives needed to enable rapid transit such as rapid transit network plans and extending our requiring authority status to rapid transit networks and projects	Page 40
Mobilise the design, build, implementation and support activities for the National Ticketing Solution Programme to deliver the pilot and full launch in Environment Canterbury, and plan for Greater Wellington Regional Council and Auckland Transport	Page 40
Continue to implement our freight action plan to improve connections and movement of freight across the land transport system, while reducing emissions in line with ERP targets	Page 39
Deliver state highway response and recovery works associated with severe weather events to ensure accessibility and connectivity of the road network and improve resilience of the land transport system, including the repair, reinstatement and rebuild in Northland, Waikato, Hawke's Bay, Gisborne and Marlborough	Page 38

³ Waka Kotahi NZ Transport Agency Statement of performance expectations 2023/24. Wellington: Waka Kotahi NZ Transport Agency. nzta.govt.nz/resources/nz-transport-agency-statement-of-performance-expectations-main-index/spe-2023-2024

● Safe	
Continue to deliver the Speed and Infrastructure Programme, with local road controlling authorities, including investing in safety treatments and infrastructure improvements, and making targeted speed changes	Page 48
Investigate a harm prevention approach to target known road safety and compliance risks and support best practice for work-related safety on the road	Page 51
Continue to deliver communication and engagement campaigns to support behavioural change and increase awareness of the importance of key Road to Zero initiatives such as safe vehicles	Page 49
Work with the Ministry of Transport and New Zealand Police to partner with Māori and implement initiatives that improve road safety outcomes for Māori	Page 50
Progress expansion of the safety camera network and conclude preparations to transfer existing safety cameras from New Zealand Police	Page 49
● Environmentally sustainable	
Partner with councils to deliver the Transport Choices package, focused on rapid roll out of urban cycle networks; walkable neighbourhoods; safer, greener and healthier school travel; and more reliable and user-friendly public transport	Page 61
Publish a national light vehicle kilometres travelled (VKT) reduction plan that aligns with the national light VKT reduction target in the ERP	Page 13
Partner with councils, iwi and Māori, and community representatives on publishing the light VKT reduction programmes for tier 1 urban environments that align with relevant sub-national light VKT reduction targets	Page 13
Identify plausible light and heavy vehicle fleet transition pathways to meet the challenging 2035 targets in ERP focus areas 2 and 3 and inform actions for future ERPs	Page 61
Fulfil non-corporate emissions commitments under the memorandum of understanding with the Ministry for the Environment on Carbon Neutral Government Programme activities	Page 164
Embed climate adaptation into our strategic settings for system planning, spatial planning and investment	Page 60
Update the database of risks to the state highway network from climate change and other natural hazard impacts	Page 60

Applying the PBE FRS 48 reporting standard

The PBE FRS 48 standard, which forms part of generally accepted accounting practice, establishes requirements for reporting non-financial performance information.

Our performance framework, set in our statement of intent for 2021–2026, includes the measures and targets we are working to achieve. We regularly review and refine our system outcome, result, output class and appropriation measures to ensure they remain meaningful and relevant, including considering the qualitative characteristics and constraints of performance information set in PBE FRS 48.

In selecting and reporting measures, we have made some judgements and assumptions. Information on the judgements with the most significant effect on the selection, measurement and presentation of performance measures are included alongside reported results and in the technical notes for non-financial performance measures (available at nzta.govt.nz/resources/annualreport-nzta).

● Meeting current and future needs

Meeting current and future needs is about ensuring we have access to the people, funding and systems we need.

Summary

Delivering a well-maintained, reliable, resilient and safe network

The state highway network is one of the country's most important assets, playing an important role in linking main population centres to industrial hubs and tourism destinations, and delivering public transport solutions. As asset manager for the network, we need to ensure this network is well maintained, reliable, resilient and safe. We need to do this in the most efficient way possible to achieve maximum value for money.

During the year, we responded to government expectations for improving our delivery of maintenance and renewals on the network, including pothole prevention. As part of developing the Performance and Efficiency Plan required under GPS 2024, we set out projects and actions to lift performance and efficiency in road maintenance and capital project delivery. We also implemented the New Zealand Guide to Temporary Traffic Management, which supports reduced spending on temporary traffic management and increased efficiency of our spending on road maintenance.

Delivering on this objective remains a challenge. Longer wet seasons and more severe weather events mean the network deteriorates faster than our maintenance could historically keep up with. The gap between projected funding and the investment required for a well-maintained, reliable and resilient network, coupled with cost inflation, have made it difficult to increase maintenance frequency and coverage substantively to keep pace with this deterioration.

GPS 2024 sets clear expectations that we increase our focus on performance and efficiency, including improving asset management practices across sector investments. We're developing an improvement approach to asset management that will help us to deliver on this expectation.

Better management and understanding of information about our land transport assets help us to focus our investment on efficient changes that improve the roading network, achieving greater value for the money we invest. We're working to improve our strategic asset management and increase the capability and capacity of the transport sector through the Integrated Delivery Model, our new approach to network contract management.

In the past year, we have completed key activities that support development of the tactical plan for the Integrated Delivery Model. We drafted a state highway strategy and associated action plan that sets out what we need to do to achieve a safe, sustainable and resilient network. This included drafting a policy and objectives for our asset management. The planned release of these documents has been delayed, but we are using the asset management policy and objectives to help develop a tactical plan for the Integrated Delivery Model.

Effective planning around how we invest in and deliver infrastructure improvements and maintenance, including asset management plans and a strategy for state highways, is crucial. Last year, we released all our lifecycle asset management plans internally, and these were used to inform the development of the state highway maintenance bid in the 2024–27 NLTP. We continue to refine and improve our pavement and drainage plans so that we can estimate future repair and replacement needs more reliably.

We've also introduced the Asset Management Data Standard, which creates a common language and structure so data we collect about land transport assets around the country is consistent and well managed. This will enable road controlling authorities, including NZTA, and the wider transport sector to collect better quality data, helping them meet their asset management goals and their roles in the Integrated Delivery Model. Last year, we successfully implemented the standard with Masterton District, Upper Hutt City, Wellington City, Kapiti Coast District, Porirua City, Queenstown Lakes District, Carterton District, and South Wairarapa District Councils.

Delivering value for money

We continue to work towards delivering our services more efficiently and effectively, showing value for money and providing a better customer experience for people using the land transport system. We've worked to rapidly align our business and commercial arrangements with government direction for value for money. This work included stopping non-funded and non-prioritised work, reassessing and seeking savings on core costs, reducing the amount we spend on contractors and consultants we use, and building value-for-money considerations into all aspects of our work.

We also established an internal programme with 5 major change areas that will allow us to do more and better for less: organisational structure changes, personnel cost controls, operational cost reduction, technology-enabled change and procurement changes.

Due to these changes, we're on track to deliver \$25 million of NLTF overhead savings and a 7.5 percent reduction in our 2024/25 operating budget. We developed a Performance and Efficiency Plan as required under GPS 2024 and will use this to report on our progress in driving performance and efficiency across all transport investments.

Partnering and engaging with Māori

Te Tiriti o Waitangi provides for the exercise of kāwanatanga (the right of the Crown to govern) while actively protecting tino rangatiratanga (self-determination) of Māori with respect to their natural, physical and spiritual resources. The Land Transport Management Act 2003, Land Transport Rules, the Marine and Coastal Area (Takutai Moana) Act 2011 and the Resource Management Act 1991 are key pieces of legislation that outline our responsibilities in relation to te Tiriti.

The Land Transport Management Act 2003 sets out specific requirements to facilitate contribution of Māori to land transport decision-making processes, as well as to separately consult and engage with Māori. The Resource Management Act 1991 requires the principles of te Tiriti to be taken into account when exercising powers under the Act, as well as specific provisions relating to Māori that must be considered in the Act's processes. Te Ara Kotahi, our Māori strategy, provides strategic direction on how NZTA works with and responds to Māori, and what this means for how we do business.

Over the last year, we improved how we engage Māori in national-level decisions relating to funding from the NLTF, building a relationship with the National Iwi Chairs Forum, and developing an agreement to frame our relationship. Alongside the Ministry of Transport and New Zealand Police, we've worked to partner with Māori in implementing initiatives that improve road safety outcomes for Māori.

We continued to monitor our relationship with Māori to understand whether we are realising the vision of Te Ara Kotahi. We've seen improvements to most of the strategic relationship drivers we ask our Māori partners about as part of our Māori partnerships engagement survey.

Our relationship with Māori has seen positive movement on most of our relationship drivers in 2023/24, resulting in this measure increasing by 8 percentage points over the last year from 49 percent to 57 percent. Driving this improvement are significant increases in reliability, fostering relationships, and cultural awareness and competency. Since this survey began in 2021/22, the result has improved from 45 percent to 57 percent. Despite citing current improvements, Māori partners have clearly raised that they are uncertain about what our future relationship will look like. Their optimism in 2023/24 decreased to 43 percent last year from 60 percent. Continuing to focus on the main relationship drivers for our Māori partners will reinforce NZTA's commitment to Māori and meeting our statutory obligations.

Early last year, we continued our partnership with Te Mātāwai to install the first package of bilingual traffic signs on the roading network as part of He Tohu Huarahi Māori Bilingual Traffic Signs Programme.

Developing sustainable funding

Arriving at a sustainable funding model is critical to ensuring New Zealand has a well-maintained, reliable and resilient transport network and is meeting the government's expectations. New and different funding sources are needed to support the level of change underway as existing funding sources are no longer able to fund the demands of the current and future land transport system.

The government expects us to increase our focus on performance and efficiency and to hold to account the organisations we work with to do the same. We need to drive greater accountability, delivery and value for money from our transport investments from both ourselves and the organisations we invest in. We must also consider alternative ways to fund and deliver projects to ensure greater funding sustainability in the future.

Ensuring sustainable funding through the response to the 2022/23 Land Transport Revenue Review, led by the Ministry of Transport and The Treasury, remains an ongoing and overriding concern, and was an important focus in 2023/24. We worked with the Ministry of Transport on follow-up actions that build on the review's recommendations. We established a revenue review policy team and continued working with the Ministries of Transport and Housing and Urban Development and The Treasury to look at alternative funding arrangements and delivery models for the future.

Road user charges (RUC) are a significant contributor to the NLTF, and we must collect this revenue fairly and in accordance with the law for investment in a safe, resilient and accessible transport system. Over several years, we have focused on increasing our capability and capacity for RUC compliance monitoring, debt collection and recovery.

In 2023/24, we received an additional \$3.5 million in funding to increase our debt recovery activities. As part of this increase in activity, we trialled sending notification and reminder texts to several groups of people who owed RUC. Over the course of the trial, we collected 13 percent to 20 percent more debt from those groups who received the text reminders than from those who did not. This meant we could recover more RUC, more quickly.

We also launched communication campaigns to ensure non-compliant vehicles were on the appropriate RUC rate and achieved a significant increase in operator audits that identified additional unpaid RUC. We were recently permitted to revoke the transport service licences of non-compliant companies. When faced with potential revocation, a third of companies became compliant. The investment in debt recovery activities resulted in \$12 million of outstanding RUC being returned to the NLTF.

We also need a fair and equitable approach to funding regulatory activity so that we are properly resourced to regulate the land transport system into the future. In 2023/24, we continued implementing a new regulatory funding, fees and charges regime, with new fees and charges taking effect from 1 October 2023.

Delivering better experiences for our customers and our people

We're providing better experiences for our customers by modernising the way we do things and making it easier for customers to use our services. Using digital solutions more often and in different ways allows us respond to increasing customer demand for more accessible services and improve our operating processes. We're looking at ways to be more customer-focused, deliver more value for money, and be more efficient and effective in how we deliver our services.

Providing more of our services digitally makes it easier for customers to interact with us in a way that is more cost effective for NZTA. In April 2024, we launched our new mobile app for public testing and feedback (see case study on page 33). The app provides customers with driver licence, warrant of fitness and vehicle licence details and RUC end-distance information. About 12,000 people signed up to use the app in its first 2 months, demonstrating a high level of public engagement. The final version was launched in August 2024 and we will continue to add more features over coming years.

We're developing and delivering a Customer Strategy which will improve customer experience by being more customer-focussed and emphasising continuous improvement. Along with our channel management strategy, this will ensure we meet customers' expectations around accessing our services and significantly improve our contact centre and operational performance. Customers had been experiencing long call wait times and delays in receiving replies to emails. We changed our recruitment processes to ensure we could fill vacancies and saw our speed to answer calls decrease from 23 minutes to 3 minutes and our time to reply to emails decrease from 18 days to 3 days.

Investing in our digital capability

Digital transformation provides opportunities to improve our operations and provide better experiences for our people. Last year, we implemented new technology to simplify our core people-related and systems-related processes. We improved our human resource information system by making it easier for people to document goals and review performance reviews and improved how we manage headcount and organisational change.

Investment in our internal digital capability remains necessary to upgrade ageing platforms, better integrate our systems, expand our digital services, and allow our people to work more efficiently. This year, we continued our Technology Remediation Programme to review our digital capability and assess whether critical systems are fit for purpose. We still have more work to do to identify systems that require updating to ensure they are current, supported and secure and have built-in redundancy. For more information on the performance of our information and communication technology assets, see appendix 2.

Strengthening our organisational foundations

We want a highly engaged organisational culture built on great leadership and great teams, shared values and effective partnerships. We are focused on improving our ability to collaborate and partner with others, improving our project delivery, improving the quality of our services and strengthening our regulatory performance.

To give effect to Te kāpehu and our kāhui whetū, we have defined the culture we want at NZTA as 'performance delivered with care'. Developing our culture is an ongoing activity, and across the year we delivered a variety of activities to embed this way of working. We regularly monitor our progress through Tapatahi, our staff engagement survey. This year, we achieved our target for engagement, maintaining last year's score of 7.5 despite an environment of significant organisational change. The results showed that autonomy, management support and goal setting were areas of strength, with opportunities to improve engagement in the areas of development, career and communication. We also introduced the RAPID® framework to improve decision-making, collaboration and accountability, and implemented a shared leader goal and development to drive leadership accountability and effectiveness. We continued to progress diversity, equity and inclusive initiatives such as embedding our diversity and inclusion roadmap and pay equity action plan.



Developing our mobile app

Our customers increasingly expect us to provide more modern and accessible services. In response, we've developed our own mobile app to change how users interact with us.

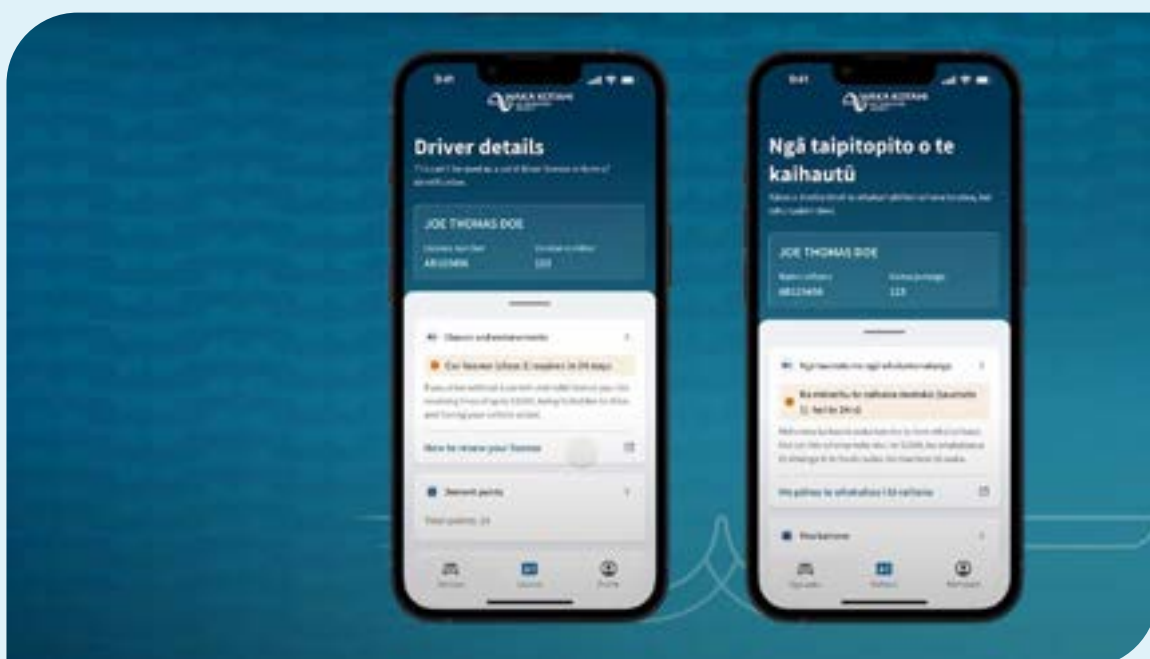
The app is a secure one-stop shop that provides all a customer's information and interactions in one place - a consumer hub. Because it's an app, we can proactively deliver notifications and targeted communication and educational messaging to customers in a low cost, highly effective way. This means the app will not only provide a modern and convenient way for our customers to interact with us, but will help us to deliver more value for money in how we provide services.

Enabling customers to self-serve rather than phone us for simple queries will reduce calls to our contact centre for 6 of the top 12 reasons to call. This will make it easier to reach our team for more complex queries and allow us to provide our services more efficiently and cost-effectively. We expect the app to result in savings on administration costs for processing transactions and responding to contact centre queries of over \$5 million each year for the next 5 years.

To make it easier for customers to make payments, the app has a function to save payment details. Making it more convenient for customers to pay will improve compliance and reduce collection costs and the amount of road user charges we write off. This will ensure everyone pays their fair share and contribute to more sustainable funding for the land transport system. Proactive prompts for customers to update their contact details will improve the accuracy of the data we hold and enhance our overall service by getting it right first time. We're also working to make sure the app meets digital accessibility standards, so it can be used easily by people with a diverse range of abilities.

During testing, the app was accessed over 75,000 times and 12,000 payments were initiated. Feedback from test users was positive and shows that transport users value having digital access to our services. We received many great suggestions for improvements, some of which we've already made.

Future updates will allow users to easily pay tolls and view their vehicles' safety ratings, as well as pave the way for digital driver licences.



Measuring our performance

System outcome measures

Ref	Measure	Status	Target	2023/24 actual	2022/23 actual
MEET1	Funding sustainability – Proportion of net revenue forecast to be spent on continuous programmes and public-private partnerships ^{AB}	Not achieved	≤75%	77% (2024/25 forecast)	66%

MEET1 is the proportion of current and future NLTF revenue required to be spent to maintain existing assets and services (referred to as continuous programmes), and meet debt obligations. It indicates the minimum amount of revenue required to cover continuous programmes and debt and does not account for committed or forecast improvement activities.

A result over 75% and approaching 100%, in the absence of any additional funding, significantly constrains the ability of NZTA and our co-investment partners to deliver the NLTP. Under this scenario, revenue would be largely consumed by expenditure to maintain existing assets, services and debt obligations with little or no scope for investment in new infrastructure and system improvements.

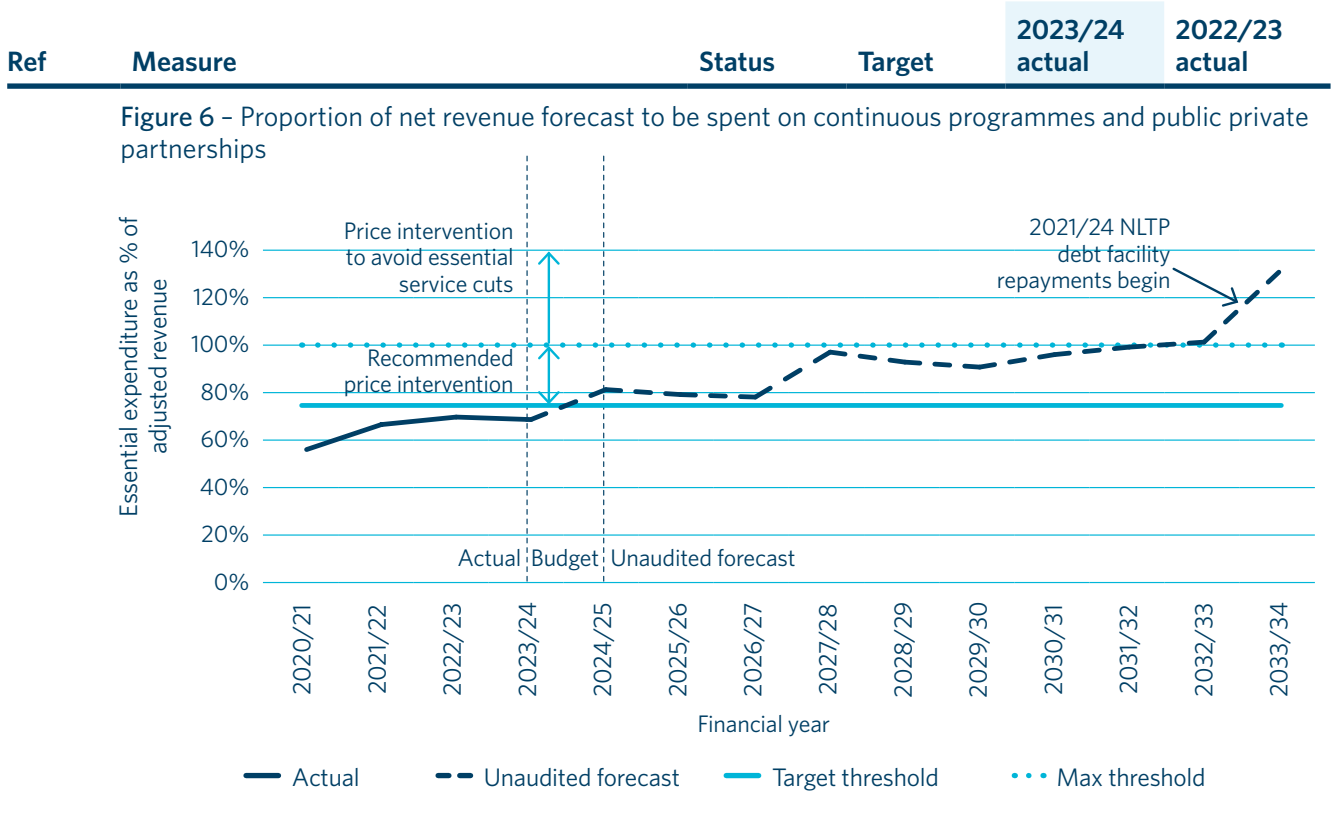
A result approaching 100% should be a trigger for increases to fuel excise duty (FED) and road user charges (RUC) as this would indicate that all revenue would be consumed by continuous programmes, with no scope for continuing capital improvement programmes.

Figure 6 shows how this proportion of expenditure as a percentage of NLTF revenue has changed over time since 2020/21, and how it is forecast to change from 2024/25 to 2033/34. 'NLTF revenue' includes revenue from FED and RUC, as well as current and forecasted Crown contributions and debt financing movements. The figures for 2020/21–2023/24 have been calculated primarily from revenue, expenditure and borrowing actuals published in prior year NZTA and NLTF annual reports. The forecast from 2024/25 comes from unaudited models and estimates developed by Ministry of Transport and NZTA. These forecasts assume that the majority of NLTF revenue will continue to come from FED and RUC. For detailed information on the data sources used to inform these forecasts, see the technical notes⁴ on our website.

Figure 6 shows that over the 2024–27 NLTP period, forecast expenditure is expected to average approximately 70% of revenue, but will jump materially over the remaining 7 years of the forecast period of GPS 2024, averaging 96%. The main cost driver of this increase is an increase in continuous programme costs (+37%), due to more frequent weather events, more lane kilometres of roads to maintain and increased asset complexity (for example the addition of wire barriers). The main revenue driver is the first 3 years include a net debt draw down supplements revenue while the later years include reflect net debt repayment.

Across the duration of the 10 years covered by GPS 2024, approximately \$6.8 billion is available for capital improvements after covering continuous programmes and debt obligations. The funding ranges indicated in the GPS for improvement activity classes for this period are approximately \$21 billion to \$39 billion. To only meet the lower range of the improvement activity classes would require an additional \$14.3 billion of funding. This shortfall is the equivalent of an increase in FED and RUC equivalent, of about 4.5 cents per litre per annum for the 10-years, in addition to the increases already planned.

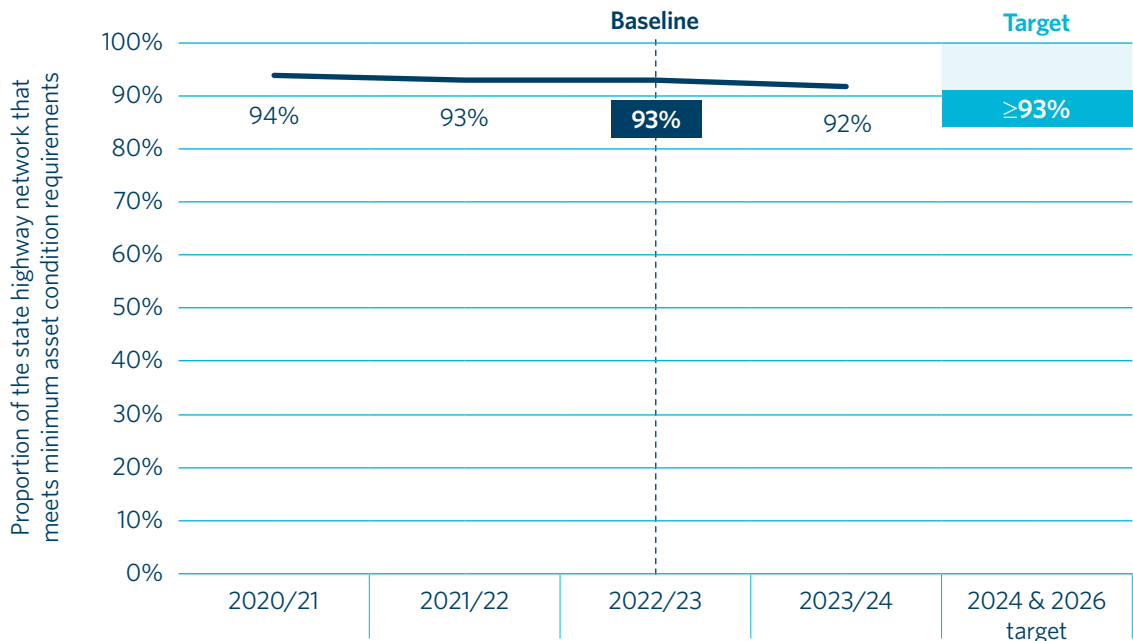
⁴ NZ Transport Agency Waka Kotahi annual report and National Land Transport Fund annual report – main index. www.nzta.govt.nz/resources/annual-report-nzta



MEET2 (SHM2)	Proportion of the state highway network that meets minimum asset condition requirements ^B	Not achieved	≥93%	92%	93%
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The overall state highway condition has been declining in recent years, and there is variation in condition between regions. In particular, the Central Waikato, Taranaki, Northland and Tairāwhiti Gisborne regions have a high proportion of 100-metre sections of highway that are in very poor condition, collectively making up 10% of the national total of all very poor segments. To manage the decline in state highway condition, we need to maintain roads that are in better condition while fixing those in poor condition. We’ve developed a 10-year programme that will gradually increase the level of rehabilitation, alongside other renewal activities, to achieve an acceptable level of service across the entire state highway network by 2033.

Figure 7 – Proportion of the state highway network that meets minimum asset condition requirements



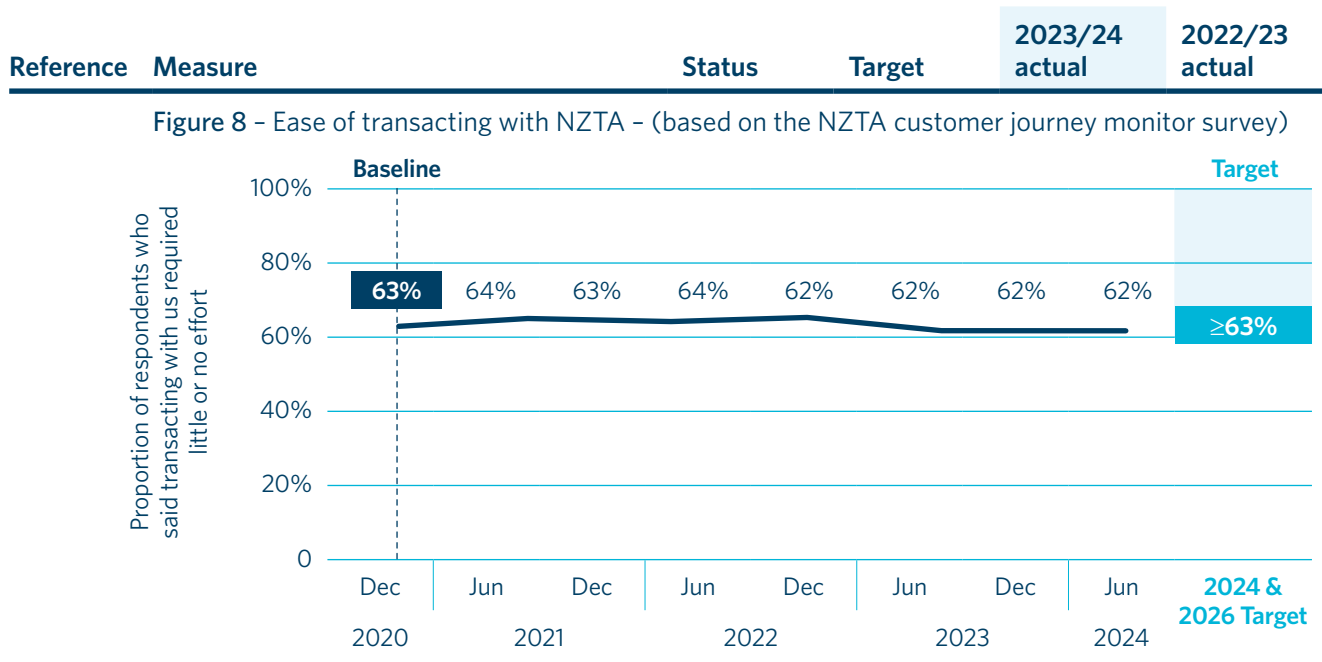
Ref	Measure	Status	Target	2023/24 actual	2022/23 actual
MEET3	Expenditure on state highway renewals as a proportion of depreciation (asset sustainability ratio)	Achieved	Set a baseline	Baseline and target set	Pavement (base): 94% Pavement (surface): 57% Drainage: 13% Traffic facilities: 18% Bridges: 25%

^A We have limited ability to influence this result. While it provides useful information about the transport system and our operating environment, it is not an indicator of NZTA performance and has been removed from our performance framework from 2024/25 onwards.

^B Following the 2022/23 annual report, we reviewed the methodology for this measure. The previous methodology used the average result of 3 separate aspects - surface skid resistance, rutting in the surface underneath wheel paths and roughness. The new methodology, set in our SPE 2024/25, looks at the 3 areas separately. Where one area is below threshold, that part of the network is considered as not meeting minimum asset condition requirements. This change aligns with the information included in the State Highway Asset Management Plan, GPS 2024 and network forward work programmes. The revised methodology helps us to identify areas of concern or higher risk on the network and supports long-term state highway strategic planning. The updated methodology and targets have been applied for 2023/24 reporting and retrospectively for previous years' results.

Results measures

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
DEL1	Staff survey engagement score - based on the overall engagement score, out of a maximum of 10	Achieved	≥7.4	7.5 ^{A B}	7.6 ^B
DEL2	NZTA investor confidence rating (ICR) - (rating scale from A to E, with an A signalling high performance)	Unable to report	Increasing trend (from a "C" rating in 2018)	Unable to report	Unable to report
In August 2023, Cabinet approved discontinuation of the Investor Confidence Rating. Investment assurance mechanisms now include the quarterly investment report and The Treasury's risk profile assessment process.					
DEL3	Ease of transacting with NZTA - (based on the NZTA customer journey monitor survey)	Not achieved	≥63%	62%	62%
<p>The overall user experience score was slightly below target, and the same result as 2022/23. Some individual scores increased, including booking a driver's licence practical test (42%, up by 2 percentage points) and renewing a driver's licence (40%, up by 2 percentage points). The score for contacting someone about a problem or question (33%) declined by 3 percentage points.</p> <p>Driver licensing wait times were a key contributing factor to not meeting the target. We reintroduced resit fees and are actively managing the hiring of more driver testing officers to help relieve test wait times and workload pressures at our driver testing agents. The introduction of road user charges (RUC) for electric vehicles may have influenced a negative response from customers when buying RUC (declined by 1% compared to last year). Pothole repair is likely to be an important factor affecting the low score for contacting someone about a problem or question (33%). This work is a priority for us under GPS 2024.</p>					



DEL4	Quality of regulatory activity – Percentage of regulatory activity that conforms to key decision-making criteria	Achieved	>85%	97%	New measure
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^A The methodology for the 2023/24 result uses the engagement score from the survey conducted and completed on or immediately before the end of the financial year.

^B The 2022/23 actual has been revised to match this methodology. The result previously reported in the 2022/23 annual report (7.5) was calculated using the average engagement score of all surveys conducted and completed in 2022/23.

Effective collaboration

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
COL1	Average performance score of key strategic relationship drivers of Māori partnerships	Achieved	>45%	57%	49%
COL2	Stakeholder satisfaction	Achieved	>54%	60%	53%

Stakeholders' satisfaction with their relationship with NZTA in 2024 has increased to 60%. This is the highest level in recent years and is up from 53% in 2023, with a margin of error of +/- 6.4%. Dissatisfaction has decreased to 17%, down from 25% in 2023, and being last at this level in 2020 (at 18%).

Our analysis of the underlying drivers of satisfaction indicates that satisfaction levels for aspects of stakeholders' working relationships with NZTA continue to lift year on year for taking time to understand their organisation's needs and prioritising the needs of their organisation appropriately. NZTA staff remain an area of strength with relatively stable satisfaction levels, with some improvement for being responsive to problems or queries following a decrease in this aspect in 2023. Following an increase last year for a range of communication attributes, views have slipped back downwards for two-way dialogue on important matters to the stakeholder, being open and transparent about key funding influences, and engaging about emerging trends and opportunities.

● Effectively and efficiently moving people and freight

Effectively and efficiently moving people and freight is about ensuring networks are available and reliable with a focus on increasing the uptake of efficient, cost-effective, low carbon transport options.

Summary

Keeping communities connected

As stewards of the land transport system, we are responsible for partnering with others to keep people and products moving and communities connected. An important part of this role is improving the resilience of the land transport network. This means undertaking preventive work to improve safety and reduce the impacts of natural hazards, as well as enabling effective recovery from sudden disruptions with a return to normal levels of service as quickly as possible.

Responding to and recovering from the severe weather events that affected large parts of the country during 2022/23 remained a priority throughout 2023/24. We continued to work in affected regions on recovery programmes for local roads and state highways, including significant works such as on State Highway 1 at Brynderwyn Hills, where damage in multiple locations required us to cut into the hillside, removing unstable slopes and making space for future works.

Significant recovery projects are ongoing on the East Coast, including replacement of the Hikuwai River bridge and large-scale repairs in Mangamuka Gorge, as well as culvert replacements and repairs to drop-outs (damage to the road's surface cause by underslips or other erosion) on several state highways. The recovery and rebuild from severe weather events take time, and ongoing weather events and deterioration in the road condition have made this work particularly challenging. Budget 2024 included additional recovery funding, which will allow us to complete recovery works in these regions.

An important part of keeping communities connected is quickly reopening roads after unplanned closures caused by weather-related events and non-weather-related events such as road crashes. Last year, we met our target for reopening roads after weather-related events but not for after other events. The total number of non-weather-related events increased in 2023/24 compared with previous years, which contributed to us missing this target. Road crashes are the main cause of non-weather-related closures, and people's injury status, and the number and type of vehicles involved influence our ability to resolve road closures.

Emergency services requirements are also a factor in our ability to resolve road closures. Last year, we updated our memorandum of understanding on incident management with New Zealand Police, Fire and Emergency New Zealand, Hato Hone St John and Wellington Free Ambulance. The memorandum aims to ensure non-weather-related incidents are well-managed and roads are not closed or restricted for any longer than is necessary for each party to carry out its functions.

Planning our future investment in the state highway network

The State Highway Investment Proposal is NZTA's bid for funding through the NLTP. It is a key part of our long-term planning for the state highway network. It identifies the proposed programme of work for the state highway network to both deliver on the government's strategic objectives and meet the needs of New Zealanders. As part of developing our proposal for 2024–34, we carried out detailed planning work in 2023/24 on specific land transport corridors, such as State Highway 14 in Northland and State Highway 5 between Napier and Taupō. The proposal also includes proposed funding to update system plans for various corridors around the country, which indicate potential investments over the longer term.

Improving freight networks

The government expects us to focus investment on connecting people and freight quickly and safely, supporting economic growth, creating social and economic opportunities, and actively looking for ways to minimise inefficiencies and maximise opportunities for New Zealanders. An important aspect of this is ensuring the country has an efficient, reliable and resilient freight network. We're continuing to implement our freight action plan to improve connections and movement of freight across the land transport system.

In 2023/24, we completed state highway improvement projects to increase reliability and safety for freight journeys on several key routes. This included completing the Waikato Expressway, which will mean quicker and safer freight journeys between Hamilton, Auckland, Tauranga and lower North Island. We supported regional growth by enabling more high-productivity motor vehicles to use State Highway 2 between Ōpōtiki and Gisborne.

In addition, we carried out state highways improvements that will enhance network resilience, including to coastal erosion and flood hazards, to maintain reliable road freight journeys in Wellington, Napier to Gisborne, and Dunedin to Christchurch. We also continued to roll out commercial vehicle safety centre sites through the Weigh Right programme (see case study on page 52). These sites improve freight safety by screening for overweight heavy commercial vehicles, as well as helping protect key infrastructure from damage by loads that are too heavy.

We are finalising a new freight action plan for 2024–27 to align with GPS 2024 and the freight and supply chain strategy.

We also continued to monitor the predictability of travel times on priority freight routes. This measure compares journey times with a typical experience in the previous financial year to determine whether interpeak journey times on priority freight routes are predictable. While we did not meet our target, reliability improved to 89.5 percent, up from 80.2 percent last year. Weather events and road closures, such as on State Highway 1 at Brynderwyn Hills and on the East Coast of the North Island, affected freight travel time predictability again in 2023/24.

Making public transport more accessible

Public transport improves travel choices, increases access to employment, education and social opportunities, eases congestion, and supports vibrant and liveable urban communities and effective land use. Reducing congestion and increasing patronage on public transport is a focus for the government.

We're making public transport more accessible by working in partnership with 13 public transport authorities to progress the National Ticketing Solution. The new national system will be called Motu Move and will provide easy-to-use payment methods such as contactless credit and debit cards and digital payment methods for all public transport across the country. In 2023/24, we started developing and testing the solution and are now establishing the transport ticketing and payments function. We're also working with Auckland Transport on its solution, which will allow travellers in Auckland to make contactless payments using the 'Open Loop' system from late 2024, before its full transition to Motu Move in 2026. While the programme is expected to be delivered within the approved budget and timeline, changes to plans for the transitioning of public transport authorities to Motu Move are putting some pressure on delivery.

We continued to work with our partners to progress rapid transit projects in Auckland and Christchurch. These projects will support city growth, enable effective urban development, and make it easier and safer for people to move around. Last year, we made significant progress on the Auckland Rapid Transit Pathway, forming a working group with key parties and revising the Auckland Rapid Transit Pathway document to reflect changes in direction for rapid transit. We also refreshed the investment framework for the Northwest Rapid Transit project to reflect the focus on delivering value for money in line with government expectations. Christchurch Mass Rapid Transit faces funding challenges, so is not currently progressing to its next stage.



Case study

Accelerating the reopening of State Highway 25A

In the Coromandel Peninsula, severe weather in early 2023 caused multiple slips on State Highway 25A, causing a large section of the road to collapse and slip away into the gully.

State Highway 25A is a critical thoroughfare, and we needed to restore it in a way that ensures resilience and long-term confidence for local communities. We considered 3 options for rebuilding: build a bypass, replace the lost section of road with a bridge, or rebuild the highway from the bottom up using retaining walls.

A bridge was chosen, as it was the quickest, safest and most resilient option and work could continue in winter. We selected a joint venture between McConnell Dowell and Fulton Hogan, with support from Beca and Tonkin+Taylor, to design and build the bridge and reinstate this major tourist route.

While the type of bridge proposed would usually take 12 to 14 months to construct, the work was completed in just 7 months and under budget. To achieve this, the team adopted a transformational process that, with the benefit of acting under emergency provisions, reduced timeframes, risk and cost.

NZTA and the joint venture were committed to a process that was innovative and pragmatic, rapid and accurate. This included efficiencies such as reusing and adapting an existing bridge design and accessing existing components, prefabricating steel and precast concrete bridge components off-site, and repurposing some materials from other projects, as well as accelerating procurement, utilising existing supply relationships and embedding a contract structure that ensured rapid decision-making.

This highly successful and flexible approach led to both local and international recognition. The project won the Āpōpō Award for Innovation in June 2024 and was named Bridge Project Team of the Year at the New Civil Engineer Conference Awards in London in July 2024. The project is also a finalist in Civil Contractors New Zealand's National Construction Excellence Awards 2024 and Infrastructure New Zealand's Building Nations Impact Awards 2024.

Our innovative delivery approach meant the road was reopened 3 months ahead of schedule, allowing us to reconnect Coromandel communities in time for Christmas 2023. We'll look for ways to apply this experience to other major roading projects in the future.



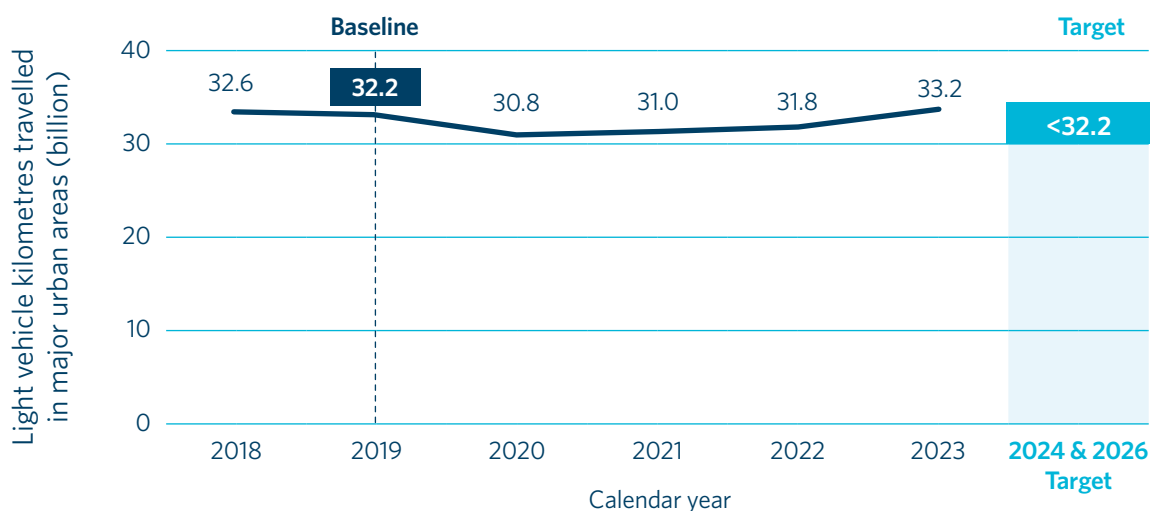
Measuring our performance

System outcome measures

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
MOVE1	Light vehicle kilometres travelled in main urban areas ^{AB}	Not achieved	<32.2 billion kilometres by 2026 ^C	33.2 billion kilometres	31.8 billion kilometres

Light vehicle kilometres travelled in main urban areas has been increasing since 2020, and in 2023/24 remained higher than the 2019 baseline. The result of this measure relies on numerous transport systems and broader land-use levers. The main transport system actions to improve performance will be undertaken through the GPS 2024, for example through funding the rapid transit network in Auckland and upgrades to rail in the lower North Island. The National Ticketing Solution will improve the efficiency of public transport.

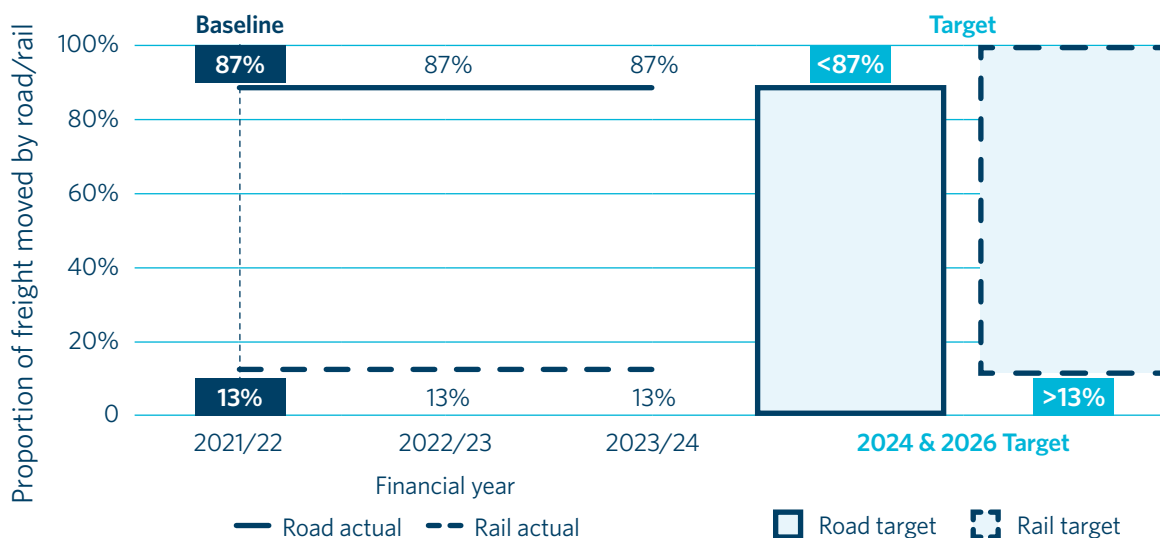
Figure 9 - Light vehicle kilometres travelled in major urban areas (billion)



MOVE2	User experience of transport network by mode ^D	Achieved	Public transport >54%; Active modes >62%	Public transport: 59%; Active modes 69%	Public transport 59%; Active modes 67%
MOVE3	Freight mode share of road and rail ^A	Not achieved	Road <87%; Rail >13%	Road 87% Rail 13%	Road: 87% Rail: 13%

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
	The proportion of freight carried by road and rail remained the same as last year. Since 2021/22, the total tonnage of road and rail freight has declined. This has been driven by recessionary factors and noted across the road and rail sector, port import volumes and the ANZ Truckometer (a set of two economic indicators derived using traffic volume data from around the country). Rail volumes have declined at a faster rate than road freight volumes. This is due to a number of factors including the relative changes in volumes of commodity types that are carried by road and rail, and the fact that rail is often used to 'top-up' road volumes. When overall volumes are down, rail tends to decline more sharply. We supported KiwiRail to deliver the first Rail Network Investment Programme ⁵ , which set out rail activities to be funded from the NLTF to improve the resilience, reliability and safety of the rail network and support freight movement.				

Figure 10 – Freight mode share of road and rail



^A We have limited ability to influence this result. While it provides useful information about the transport system and our operating environment, it is not an indicator of NZTA performance and has been removed from our performance framework from 2024/25 onwards.

^B Major urban areas refer to tier 1 (Auckland, Christchurch, Hamilton, Tauranga, Wellington) and tier 2 (Dunedin, Napier-Hastings, Nelson Tasman, New Plymouth, Palmerston North, Queenstown, Rotorua, Whangarei) council areas.

^C The 2023/24 target was changed from 32.3 billion kilometres to 32.2 billion kilometres, following the methodology change explained in our 2022/23 annual report.

^D Overall experience (based on our customer journey monitor survey), with recent journeys by main transport mode scored from 1 (lowest) to 10 (highest). Active modes are walking and cycling.

⁵ Rail Network Investment Programme 2021. Wellington: KiwiRail. kiwirail.co.nz/our-network/funding-our-network/rail-network-investment-programme/

Results measures

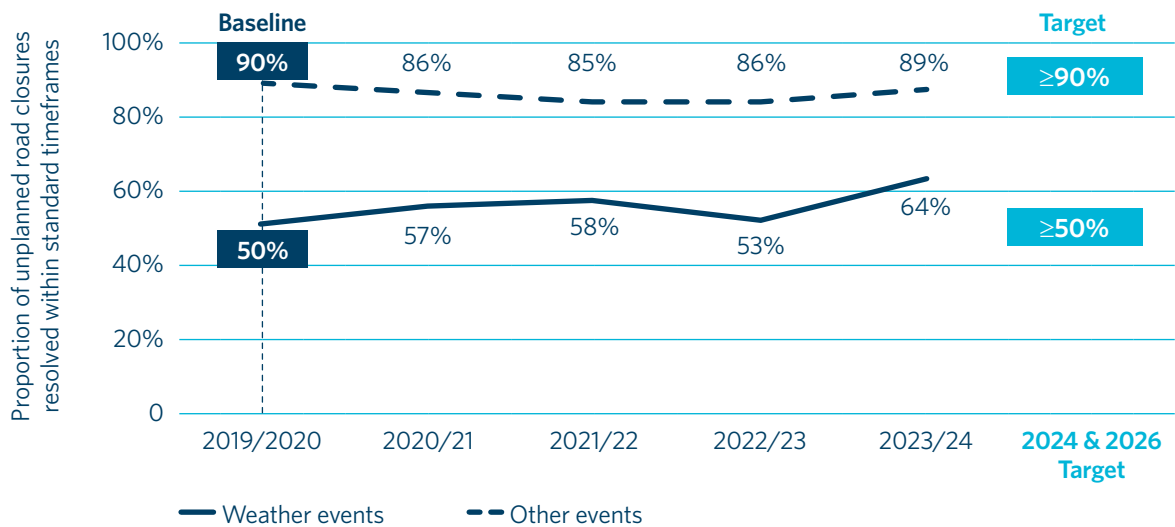
Improved resilience to disruptive events

Improving the ability of the land transport system to withstand, absorb, adapt, respond and recover from unplanned disruptive events

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
RES1 (SHM4)	Proportion of unplanned road closures resolved within standard timeframes	Not achieved	Weather events: $\geq 50\%$ Other events: $\geq 90\%$	Weather events: 64% Other events: 89%	Weather events: 53% Other events: 86%

The target was met for weather-related events but not for other events. Road crashes remain the predominant cause of the closures for other events. Delays in resolving road closures caused by crashes can be due to weather conditions, people’s injury status, emergency services’ requirements, and the number and type of vehicles involved. To improve this performance, work has started across the regions to embed understanding of the updated Memorandum of Understanding on incident management into processes for emergency services and network outcomes contracts contractors. This work will continue in 2024/25.

Figure 11 – Proportion of unplanned road closures resolved within standard timeframes



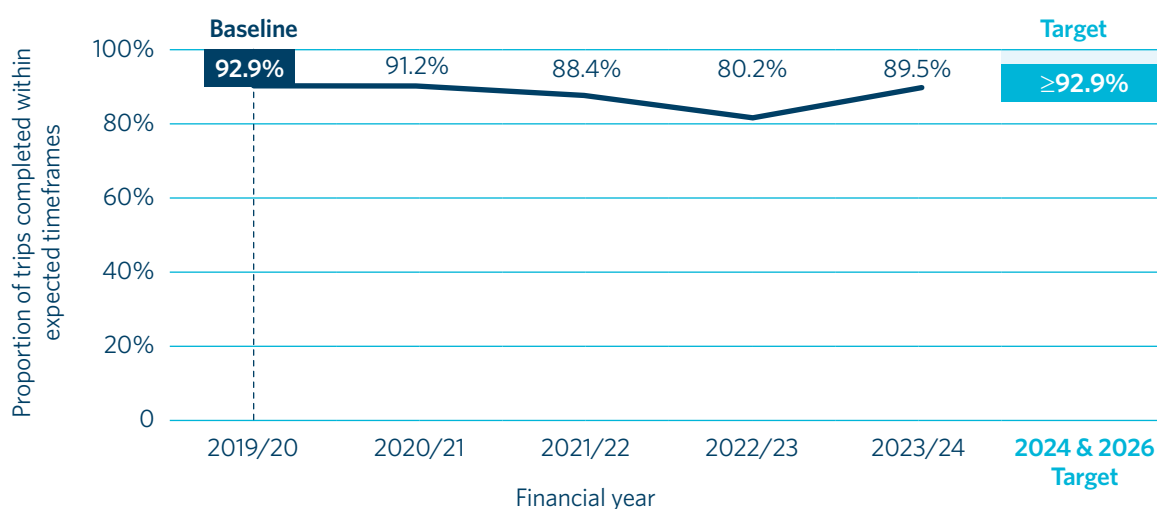
More reliable freight network

Improving network predictability

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
MRFN1	Interpeak predictability of travel times on priority freight routes	Not achieved	≥92.9%	89.5%	80.2% ^A

The measure compares the 12-month rolling average of journey times at specific freight locations against the prior year. Although the target was not met, predictability has improved compared to last year. We continued to see impacts of weather events and road closures (such as the closure of the Brynderwyn Hills in Northland in 2024 and ongoing impacts of weather events on the East Coast of the North Island).

Figure 12 - Interpeak predictability of travel times on priority freight routes



^A Prior year results as presented in this table and graph differ to the prior year actuals published in the 2022/23 annual report. This is because prior year results have been updated to reflect the latest TomTom data.

Increased share of travel by public transport, walking and cycling

More people are choosing active and/or shared modes as their preferred method of travel

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
SHARE1 ^A	Mode share of public transport and active modes in urban areas	Achieved	>19%	20%	20%

^A We have limited ability to influence this result. While it provides useful information about the transport system and our operating environment, it is not an indicator of NZTA performance and has been removed from our performance framework from 2024/25 onwards

Improved connections to key destinations

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
ACCESS1	Access to social and economic opportunities by mode (opportunities: jobs, general practitioners, supermarkets and schools) ^A	Not achieved	Increasing for public transport and active modes (from 2019/20 baseline)	Maintaining	Maintaining

Compared to the 2019/20 baseline, the proportion of the population within 15 minutes by cycling to primary schools (89%), secondary schools (71%), general practitioners (83%) and supermarkets (83%) all increased by about 1 percentage point.

Access by public transport was down by approximately 1% from 2019/20, while access by walking was relatively unchanged.

The proportion of jobs accessible in 45 minutes increased by approximately 2 percentage points for public transport (15% to 17%) and 1 percentage point for cycling (23% to 24%).

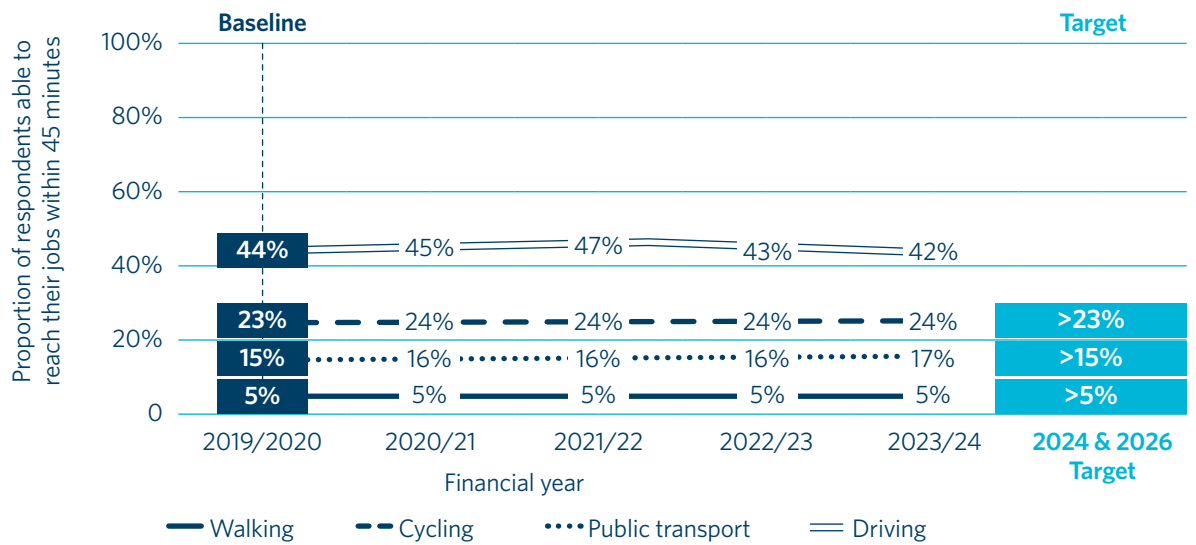
Table 3 - Proportion of population within 15 minutes of the nearest school, general practitioner and supermarket by mode ^A

Mode	Financial year	Primary schools	Secondary schools	General practitioners	Supermarkets
Walking	2019/20	62%	21%	51%	40%
	2020/21	62%	21%	52%	39%
	2021/22	62%	21%	52%	39%
	2022/23	62%	21%	52%	40%
	2023/24	62%	21%	52%	40%
Cycling	2019/20	89%	70%	82%	82%
	2020/21	89%	71%	83%	82%
	2021/22	89%	71%	83%	82%
	2022/23	89%	71%	83%	82%
	2023/24	89%	71%	83%	83%
Public transport	2019/20	70%	28%	62%	51%
	2020/21	70%	28%	63%	51%
	2021/22	70%	28%	63%	51%
	2022/23	70%	27%	62%	51%
	2023/24	70%	27%	62%	50%
Driving	2019/20	99%	92%	95%	95%
	2020/21	98%	92%	95%	95%
	2021/22	98%	92%	95%	95%
	2022/23	98%	92%	95%	95%
	2023/24	98%	92%	95%	95%

^A Previous years' results have been updated to reflect the latest data.

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
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Figure 13 – Proportion of population within 45 minutes of jobs by mode



ACCESS2	Proportion of recently consented residential units in major urban areas with access to frequent public transport services ^{BCD}	Achieved	≥20.0%	20.0%	19.6%
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^B We have limited ability to influence this result. While it provides useful information about the transport system and our operating environment, it is not an indicator of NZTA performance and has been removed from our performance framework from 2024/25 onwards.

^C This is based on morning peak frequent public transport services and building consents issued in major urban areas.

^D Network accessibility data is updated in the first week of March each year.

● Safe

Safe is about ensuring no one is killed or seriously injured when using or working on the transport system.

Summary

Making the transport system safer

Deaths and serious injuries on the roads place a substantial burden on families, society, the economy, and the health sector each year. The Safe System approach, which is recognised internationally as best practice in road safety, is our foundation for reducing deaths and serious injuries on the network. It recognises that people make mistakes, and the system should be forgiving and reduce the likelihood of death and serious injury when crashes occur.

There were 2670 deaths and serious injuries on the roads over the last year, with 226 fewer fatalities than in the previous year. While this continues an overall downward trend in deaths and serious injuries since 2019, the number of deaths and serious injuries remains unacceptably high, and we need to continue to work together with New Zealand Police, the Ministry of Transport and local government to improve the safety of roads, drivers and vehicles.

Over the last year, we collaborated with local road controlling authorities to deliver safety treatments and infrastructure improvements on the road network, such as installing median barriers and improving intersections. Over time, these interventions are expected to reduce deaths and serious injuries caused by the most common crash types.

Deaths and serious injuries in head-on, run-off-road and intersection crashes remain above the targets set in our statement of performance expectations. Median barriers are a critical tool for reducing head-on crashes, and last year we delivered 181km of median barriers on state highways. Many councils faced financial challenges over the past year and have been unable to contribute the local share towards installing median barriers on local roads, which meant we were unable to deliver any median barriers on the local road network last year. Going forward, our focus on safe roads will see NZTA deliver safe roading infrastructure via the Roads of National Significance and Roads of Regional Significance, while providing enhanced maintenance, increased support for Police enforcement and continued road safety education and promotion targeted at high-risk behaviours. In addition, value for money safety improvements will receive targeted investment through the National Land Transport Programme 2024-27.

We've seen a decline in deaths and serious injuries from crashes associated with behavioural risk factors (such as the use of alcohol and other drugs and the impact of driver fatigue and distraction) since December 2022. Progress has been steady across many key road safety actions and interventions, including significant improvements in road policing activity targeting high risk behaviours. Despite this, the overall scale and pace of delivery has not been enough to achieve the level of reductions we need to in this area.

Road policing and enforcement are key tools in supporting and encouraging safe driving behaviour, and we've continued to work with and fund New Zealand Police on this. One focus for road policing is on drug and alcohol impairment, and in 2023/24 New Zealand Police conducted over 3.58 million breath tests, exceeding the target of at least 3.0 million. This is the highest number of breath tests in a decade and the first time the target has been met since this measure was introduced in 2019/20.

We continued to deliver communication and engagement campaigns to support behavioural change and increase awareness of the importance of safety initiatives. These campaigns included support for our summer road safety and safe motorcycling campaigns, and events such as the Northland and National Field Days and Road Safety Week. We provided communication and engagement input into safety camera systems, safety treatments and infrastructure improvements projects.

We play a pivotal role in increasing public understanding of vehicle safety. We raised awareness of vehicle safety ratings and crash avoidance features through integrated communication, marketing, education and partnerships activity, and we supported the update of Rightcar safety ratings, which resulted in a significant increase in traffic to the Rightcar website. Deaths and serious injuries from crashes involving vehicles with low safety ratings have declined, as older and less safe vehicles are retired from the vehicle fleet and replaced by newer vehicles with more safety features.

We know safety cameras discourage excessive speeds, improve compliance with speed limits, and reduce deaths and serious injuries. In 2023/24, we continued expanding the safety camera network, with 24 new safety camera sites constructed or in the process of being constructed, and we started safety camera enforcement in July 2024. We completed preparations for the transfer of existing safety cameras from New Zealand Police to NZTA, with the first New Zealand Police safety camera on track to transfer to us in August 2024. We've adjusted the rate and pace of the safety camera network expansion to reflect GPS 2024.

New Zealand Police continues to deploy mobile safe speed cameras while the transition of safety cameras to NZTA is ongoing. In 2023/24, New Zealand Police operated mobile safe speed cameras for 63,054 hours. While this remains below the target of 80,000 hours set under the Road Safety Partnership Programme 2021-24, the number of hours that mobile cameras were operated has increased each year, increasing from 58,406 in 2021/22. The transition of existing safety cameras to NZTA created challenges around retention and recruitment of traffic camera operators, which affected the number of hours New Zealand Police could operate cameras.

Deaths and serious injuries occurring where the speed limit does not align with the safe and appropriate speed for the road remain above the targets set in our statement of performance expectations. Changing government direction means we are no longer delivering speed management in line with the targets in our statement of performance expectations and did not deliver the full speed and infrastructure programme as planned. We are aligning with the government's new approach to speed limits, including the proposed new Setting of Speed Limits Rule.

The government has signalled that a new set of road safety objectives will be developed that will guide our investment and delivery approach in the future, and we will work to align our safety programmes with this direction once it is known.

Improving road safety outcomes for Māori

We recognise and respect our Tiriti o Waitangi obligations and continue to work with Māori to achieve mutually beneficial outcomes and better respond to Māori needs and aspirations, including those for road safety.

In 2021, He Pūrongo Whakahaumarū Huarahi Mō Ngā Iwi Māori, the Māori road safety outcomes report, contained a review of literature, research and data to improve our understanding of road safety outcomes for Māori and identify Safe System failures for Māori. It found Māori experience substantially higher rates of death and serious injury on our roads than people of other ethnic groups. We're working with the Ministry of Transport and New Zealand Police to explore the risks identified in the report and partner with Māori to implement initiatives to improve road safety outcomes for Māori.

Last year, we participated in regular hui with the National Road Policing Centre and collaborated with the Ministry of Transport on developing safety objectives to improve road safety outcomes for Māori. We also joined with local councils, iwi, New Zealand Police, ambulance services, the Accident Compensation Commission, road safety providers and wider communities to share safety education messages with Māori through events such as Road Safety week, the Northland Field Days and Matariki. We supported Te Rōpū, the Safety Camera Systems Māori Advisory Group, to enable Māori input into the programme to guide engagement with iwi, hapū and whānau, contribute to improving Māori road safety outcomes, and give effect to te Tiriti o Waitangi and the 3 principles of partnership, protection and participation. Building strong relationships with Māori through these engagements helps iwi to deliver information and support to their communities to increase good road safety practices, ensures our road safety education encompasses a te ao Māori (Māori world) view, and helps to embed our commitment to te Tiriti into our road safety objectives.

We again contributed to the Road Safety Partnership quarterly ministerial report in 2023/24, and continued to refresh He Pūrongo Whakahaumarū Huarahi Mō Ngā Iwi Māori, with additional data incorporated from the Study of Road Trauma Evidence and Data report.

Providing high quality regulatory services

We are the country's lead regulator for land transport. One of our roles is to improve safety and reduce the risk of harm across the land transport system, and our regulatory function plays a significant role in achieving the government's road safety objectives.

Crucial to achieving these improvements is that we must be properly resourced to regulate the land transport system effectively. Last year, we implemented changes to regulatory funding, fees and charges that Cabinet agreed to in March 2023, and focused on further strengthening our regulatory performance as we implemented a refreshed Tū Ake, Tū Māia, our regulatory strategy.

Since 2020, when Tū Ake, Tū Māia was initially developed, our delivery of regulatory services has stabilised, and we're becoming more effective and consistent in our approach. Last year, 97 percent of our activities conformed to our key decision-making criteria. This increase from our baseline of 85 percent reflects an improvement in our documentation, consistency, decision-making and follow-up.

The progress we've made in delivering our regulatory role, from vehicle safety to regulation of the rail transport system, is reflected in our output class measure results (see pages 65–86). In 2023/24, we achieved nearly all our regulatory targets. We missed our target for the proportion of non-compliance actions for rail participants that are progressed within acceptable timeframes. Five cases fell outside the acceptable timeframe by 1 to 6 days, because licence holders inadvertently failed to inform us that the actions had been completed.

Wait times for driver licence tests were a challenge for us last year, and we did not achieve our target in this area. The removal of resit fees for theory and practical tests in October 2023 significantly increased demand for driver licence test bookings, which led to unacceptable increases in test wait times, test failure rates and no-shows. We implemented new changes to driver licensing fees, which re-introduced a resit fee for the third and every subsequent test for a class 1 car licence. We also took steps to recruit more driver testing officers, expand the available hours for theory and practical driving tests, and increase the number of courses we run to train new driver testing officers. These changes, alongside the revised fee regime, will take effect in 2024/25 and we expect them to significantly improve test wait times.

Keeping our people safe

The health, safety and wellbeing of our people, both staff and contractors, is a priority for us and an important part of our safety role.

In 2023/24, we investigated harm prevention approaches to target known road safety and compliance risks and support best practice for work-related safety on the road. We continued to grow membership of the Road Freight Safety Group, which has worked with us to streamline and prioritise regulatory change around work-related safety on the road. We funded the acceleration of an industry-led heavy vehicle accreditation scheme (TruckSafe), which will give industry more ownership of its safety. We also began work across the public and private sectors to develop road safety investment decision tools to ensure future road safety interventions are effective and efficient.

Our significant incident frequency rate increased in the second half of the financial year. More than 90% of the significant incidents related to contractors working on NZTA projects or contracts, and most of these incidents were significant near misses rather than injuries, which is to be expected with more transparent reporting. The top 3 incident types related to working in and around live traffic, driving, and mobile plant and equipment.

Improved incident reporting reflects our efforts to promote and communicate revised contractor reporting guidance to our project and contract managers, partners and contractors. The target of this measure was adjusted for 2024/25 to better reflect performance data from the last decade. Our focus will be on contractor safety management, such as sessions to identify improvements and share lessons within the industry. These sessions will build on our more detailed assurance and audit activities, more health, safety and wellbeing involvement in procurement and performance review, and revision of our health, safety and wellbeing minimum expectations material for the transport sector.

Case study

New Commercial Vehicle Safety Centre at Ohakea

A new commercial vehicle safety centre being built at Ohakea is expected to improve travel efficiency for heavy vehicle operators, while carrying out crucial safety and compliance checks on heavy vehicles. It's part of our commitment to improving road safety by making sure heavy vehicles and their drivers are safe and compliant. It also aims to ensure fairness and consistency for industry and keep compliant vehicles moving.

This facility is one of 12 planned as part of the national Commercial Vehicle Safety Centre programme. The programme is developing an integrated network of cameras, weigh-in-motion sites and safety centres covering strategic routes across the country.

The new safety centre (formerly called a weigh station) is on State Highway 1 and 3 at Pukenui Road, outside Royal New Zealand Air Force Base Ohakea and near the recently constructed roundabout. This is a high-volume freight route and heavy vehicles can use the roundabout to pull into the safety centre from both directions.

As part of this project, 2 sets of in-road scales (weigh-in-motion plates) will be installed in the northbound and southbound lanes between Bulls and Sanson. Automatic licence plate recognition cameras and digital signage boards will also be

installed on the side of the state highway. If a heavy vehicle is flagged as potentially unsafe or non-compliant during screening, the digital sign will instruct the driver to pull into the centre by showing the vehicle's licence plate number.

Once at the safety centre, Commercial Vehicle Safety Team officers from New Zealand Police will ask the driver to drive over the weigh bridge. Further compliance checks may also take place, such as checking RUC or logbooks or completing a vehicle inspection. The team will also check logbooks to make sure drivers have been taking the breaks they need to prevent fatigue, as well as checking for any driver impairment, before they get back on the road.

This technology will help to streamline travel for operators, because those not flagged during screening won't need to pull into the safety centre. The data we collect will give us insight into the behaviour of heavy vehicle drivers on the network. We can use this insight to target our education and compliance work towards safety issues in the industry, while also protecting our roads from damage and bringing down road maintenance costs.

Construction on the safety centre began in late 2023 and is on track for completion in early 2025.



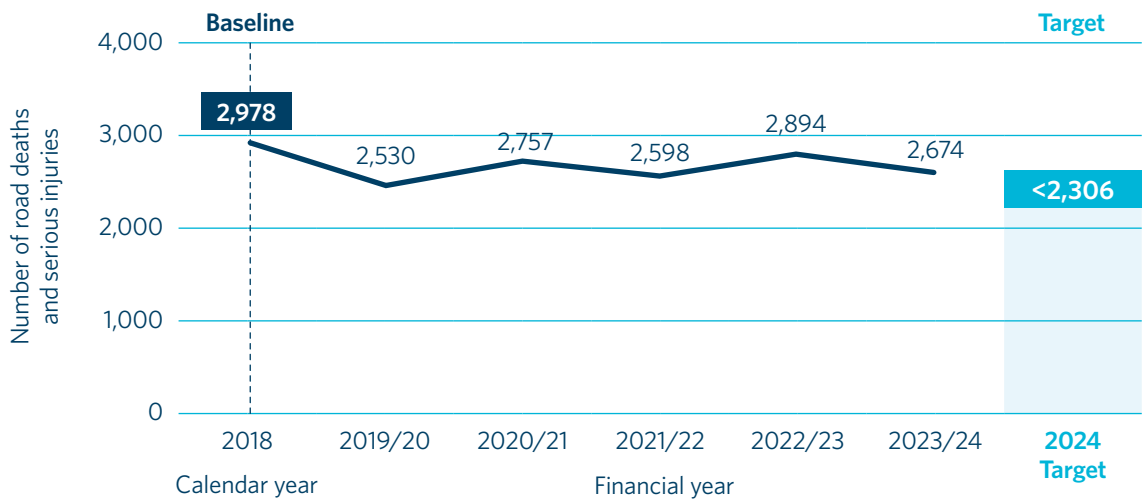
Measuring our performance

System outcome measures

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
SAFE1	Deaths and serious injuries ^{A B}	Not achieved	<2,306	2,674	2,894

Deaths and serious injuries in 2023/24 reduced by 10% from the 2018 baseline and were down 8% from the previous year. While there has been steady progress across several key road safety actions and interventions, the overall scale and pace of delivery wasn't sufficient to meet the target. New road safety objectives and actions are expected to be released in 2024/25 and, alongside GPS 2024, will set the direction for our road safety work programme going forward.

Figure 14 - Deaths and serious injuries (12-month rolling total)

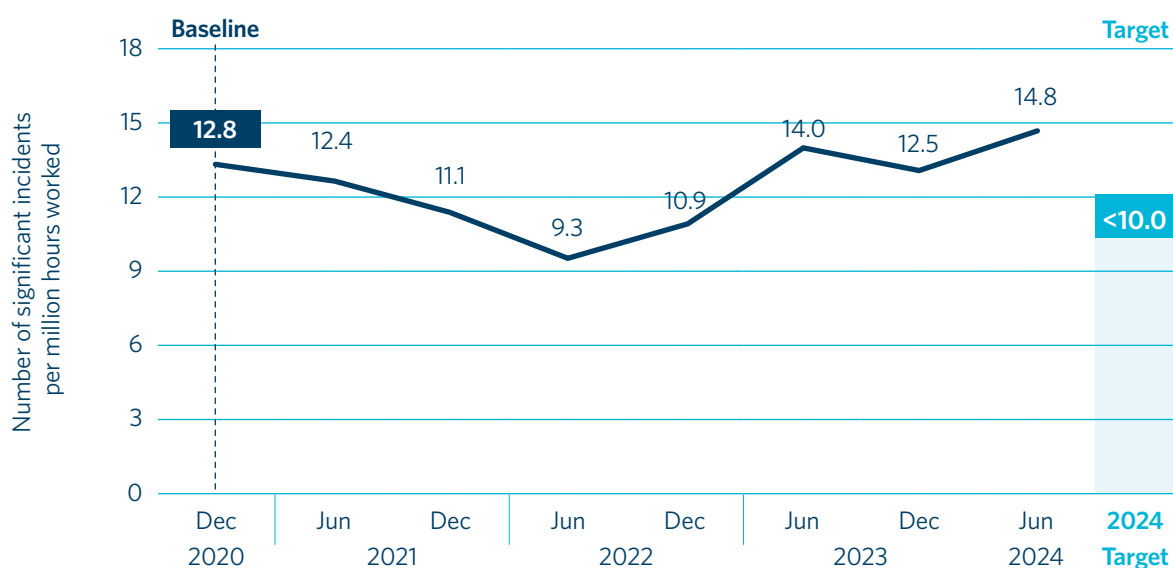


Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
SAFE2	Significant incident frequency rate ^B	Not achieved	<10.0 per million hours worked	14.8 per million hours worked	14.0 per million hours worked

The significant incident frequency rate increased in the second half of the year. More than 90% of significant incidents related to contractor work on NZTA projects or contracts. Most of these incidents were significant near misses, consistent with more transparent reporting. The top 3 incident types were related to working in and around live traffic, driving and mobile plant and equipment. Improved incident reporting reflects our efforts to promote and communicate revised contractor reporting guidance to our project and contract managers, partners and contractors.

The target for this measure will be adjusted in 2024/25 to better reflect performance data from the last decade. Our focus will be on contractor safety management, such as lessons learned sessions to identify improvements and share lessons within the industry. These will build on our more detailed assurance and audit activities, more health, safety and wellbeing involvement in procurement and performance review, and revision of our health, safety and wellbeing minimum expectations material for the transport sector.

Figure 15 - Significant incident frequency rate



^A From 2019/20 onwards, results are a 12-month rolling total to 30 June of each year. Before 2019/20, data was available to only 31 December of each year at the time of annual report preparation.

^B Information received after publication may mean deaths and serious injuries figures need to be adjusted. For example, New Zealand Police may receive fatal crash notifications for a period after the data has been extracted for this table, and some deaths may occur after the reporting period. Additionally, the data for serious injuries sometimes changes as we reconcile hospitalisation data with Crash Analysis System records. While we have retrospectively updated data from previous years in our systems, we have not changed the prior year actuals presented in this report.

Results measures

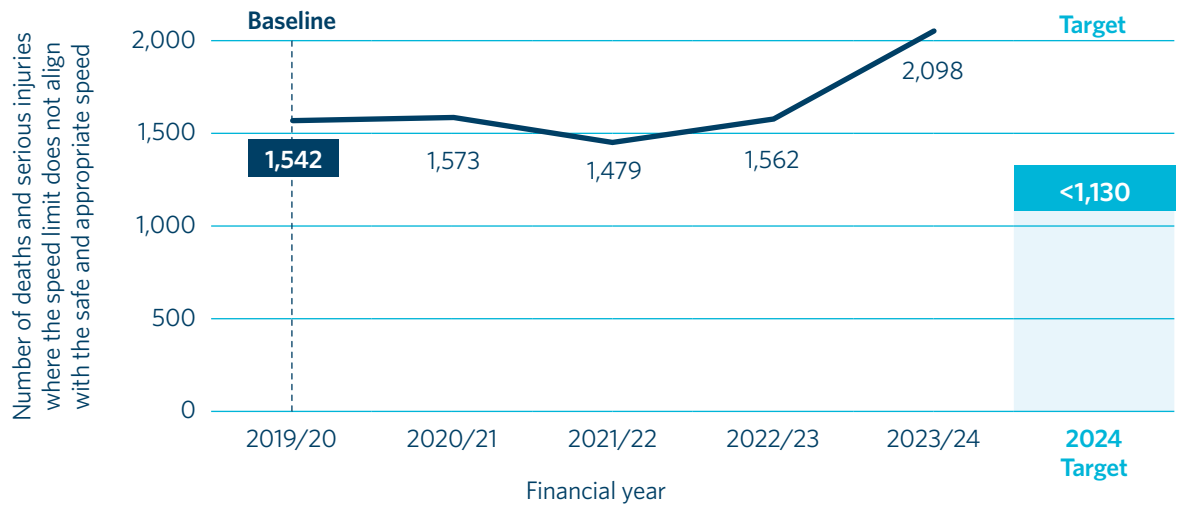
Safer travel and infrastructure

Improving the safety of transport infrastructure and setting safe speed limits to improve the safety of travel across all modes

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
STI1	Number of deaths and serious injuries where the speed limit does not align with the safe and appropriate speed ^A	Not achieved	<1,130	2,098	1,562

Although the target was not achieved, substantial progress has been made in aligning the road network to safe and appropriate speed limits through significant changes implemented across the network. Despite this, most of the road network still has a speed limit that is above the safe and appropriate speed. It is important to note that the significant increase for 2023/24 is due to changes to the definition of safe and appropriate speed limit for various road categories released with the current Speed Rule. These changes resulted in more of the network having a lower safe and appropriate speed limit than before and therefore greater exposure to DSIs.

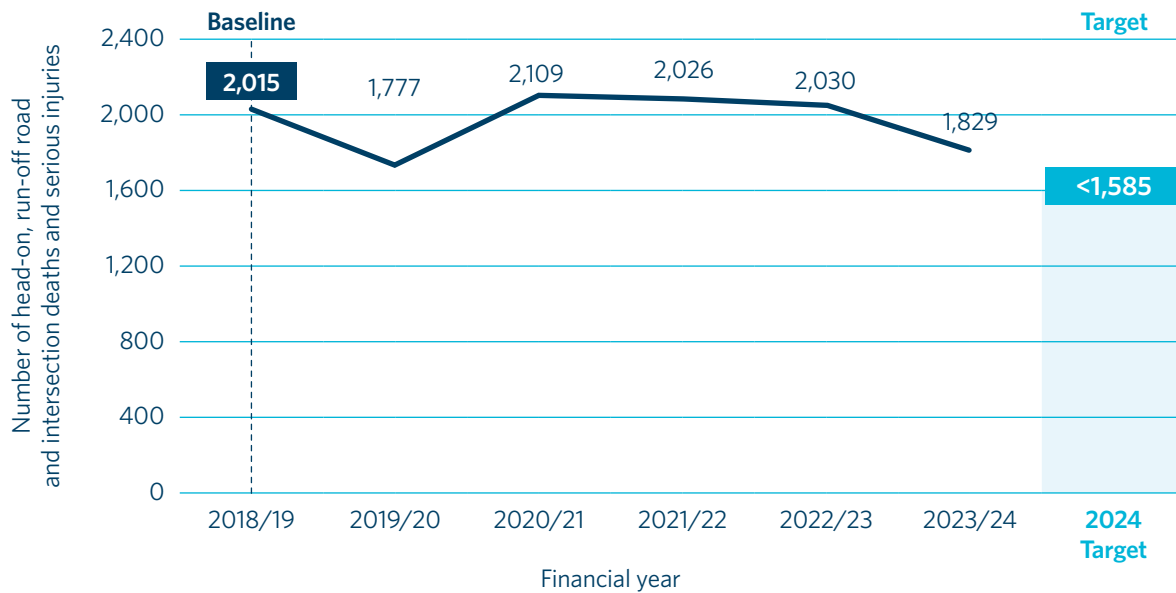
Figure 16 – Deaths and serious injuries where the speed limit does not align with safe and appropriate speed



Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
ST12	Number of head-on, run-off road and intersection deaths and serious injuries ^A	Not achieved	<1,585	1,829	2,030

We had some success in the delivery of median barriers, safe intersection treatments, and reduced speed limits at targeted locations, but the overall scale and pace of delivery across the system wasn't sufficient to meet the target.

Figure 17 - Deaths and serious injuries from head-on, run-off and intersection crashes



^A Information received after publication may mean deaths and serious injuries figures need to be adjusted. For example, New Zealand Police may receive fatal crash notifications for a period after the data has been extracted for this report, and some deaths may occur after the reporting period. Additionally, the data for serious injuries sometimes changes as we reconcile hospitalisation data with Crash Analysis System records. While we have retrospectively updated data from previous years in our systems, we have not changed the prior year actuals presented in this report.

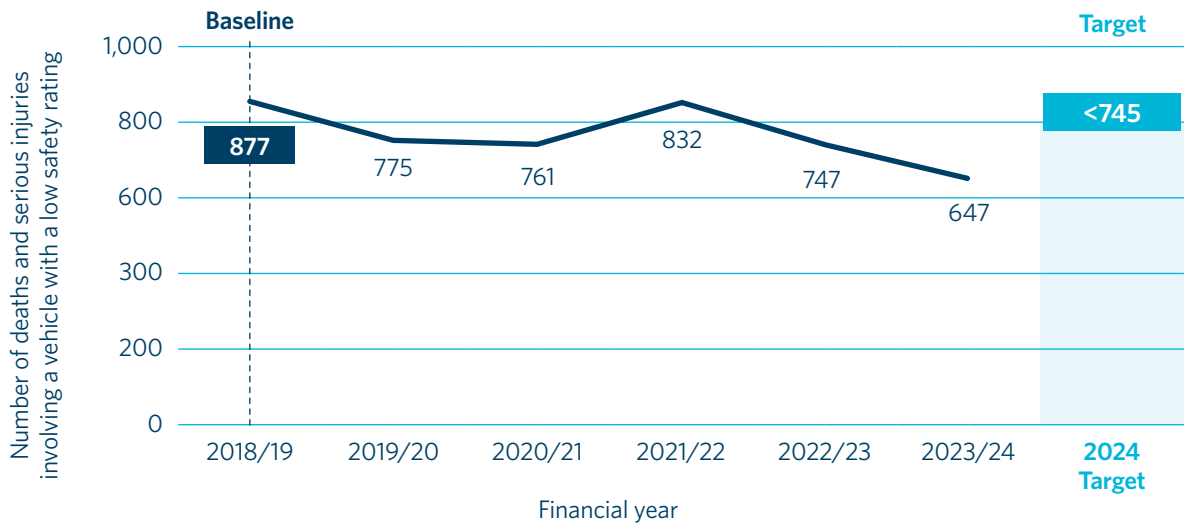
Safer vehicles

Encouraging more people to buy safe vehicles

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
SV1	Number of deaths and serious injuries involving a vehicle with a low safety rating ^A	Achieved	<745	647	747

NZTA plays a pivotal role in increasing public understanding of vehicle safety to help influence safer vehicle purchases. We have also seen attrition of older and less safe vehicles from the fleet over recent years. This target being achieved signals positive advancements in vehicle safety. However, the planned regulatory changes to further improve the supply of safer vehicles into the fleet have not progressed, which would further and substantially improve vehicle safety.

Figure 18 - Deaths and serious injuries involving a vehicle with a low safety rating



^A Information received after publication may mean deaths and serious injuries figures need to be adjusted. For example, New Zealand Police may receive fatal crash notifications for a period after the data has been extracted for this report, and some deaths may occur after the reporting period. Additionally, the data for serious injuries sometimes changes as we reconcile hospitalisation data with Crash Analysis System records. While we have retrospectively updated data from previous years in our systems, we have not changed the prior year actuals presented in this report.

Safer road user choices

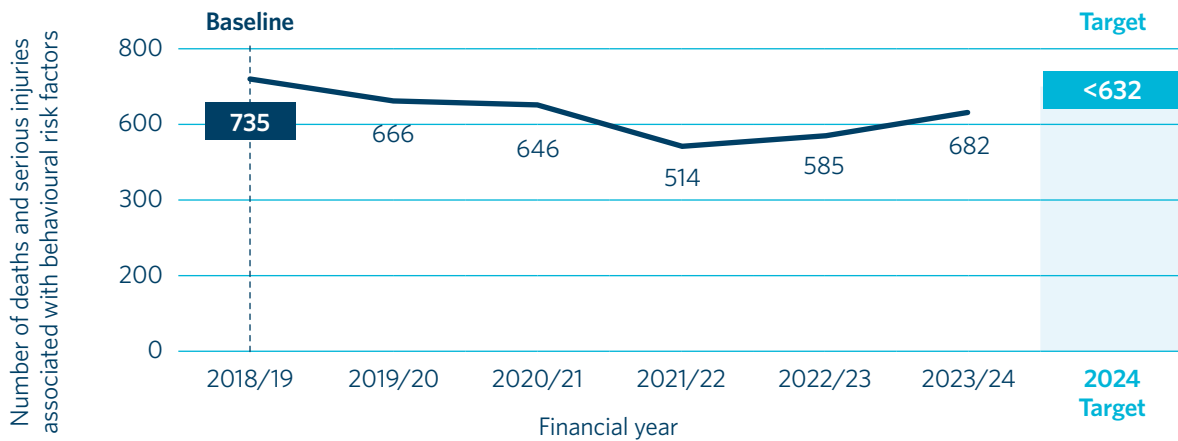
Encouraging safer road user choices and behaviours

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
SRUC1	Number of death and serious injuries associated with behavioural risk factors ^A	Not achieved	<632	682	585

There have been significant improvements in road policing activity targeting high risk behaviours. However, other components of the Safe System approach, such as safer vehicles and safer roads, affect whether a crash caused by behavioural risk factors leads to a death or serious injury. For example, a median barrier is designed to prevent an impaired driver from crossing the centreline, thus preventing a high speed head-on crash that would be more likely to lead to death or serious injury. Similarly, people travelling in a safer car, regardless of crash causation, are more likely to be protected and sustain less severe injuries.

Improvements to all parts of the system and not just road policing and enforcement therefore play a role in reducing DSI from behavioural risk factors. New objectives and actions for road safety are expected to be released later in the year to build on the GPS 2024 which signals a focus on safer roads, safer drivers and safer vehicles. The road safety objectives alongside the GPS will set the direction for road safety activity in future.

Figure 19 - Deaths and serious injuries associated with behavioural risk factors



^A Information received after publication may mean deaths and serious injuries figures need to be adjusted. For example, New Zealand Police may receive fatal crash notifications for a period after the data has been extracted for this report, and some deaths may occur after the reporting period. Additionally, the data for serious injuries sometimes changes as we reconcile hospitalisation data with Crash Analysis System records. While we have retrospectively updated data from previous years in our systems, we have not changed the prior year actuals presented in this report.

● Environmentally sustainable

Environmentally sustainable means reducing harm to and improving the environment with a focus on reducing greenhouse gas emissions and climate change adaptation, including reflecting expectations on us set by the Carbon Neutral Government Programme.

Summary

NZTA is subject to environmental requirements under a variety of statutes and policy statements. The Land Transport Management Act 2003 requires that we exhibit a sense of environmental and social responsibility when undertaking our functions. This section incorporates reporting against Toitu te Taiao – our sustainability action plan that demonstrates our commitment to environmental and social responsibility.

Reducing our environmental impact

We reduce the environmental impact of our activities by reducing our corporate and non-corporate infrastructure carbon emissions and by focusing on resource efficiency and waste minimisation across our infrastructure delivery and maintenance activities. This reduces costs and environmental impacts at the same time.

NZTA activities come under a variety of planning and environmental requirements through the Resource Management Act 1991 and other environmental legislation. NZTA uses a cloud-based environmental compliance management system (CS-VUE) to capture and manage information about our compliance. 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. We maintained compliance of 96%⁶ with environmental consent conditions.

As a Crown entity, we are subject to the Carbon Neutral Government Programme, which aims to accelerate the reduction of emissions in the public sector. We're committed to reducing both our corporate emissions and our non-corporate emissions. Non-corporate carbon emissions come from the construction, maintenance, operation and end-of-life processes of our physical assets, including the state highway network. Last year, we reduced our corporate emissions in line with our corporate carbon reduction targets. We signed a contract with the preferred supplier for our digital carbon measurement tool and will launch it over the coming months.

We've made progress in establishing a baseline for our non-corporate emissions and developed a carbon reduction plan. We've also started reporting to the Ministry for the Environment on our progress.

We've continued to focus on reducing the environmental impact of our infrastructure delivery and maintenance activities. Our Resource Efficiency Strategy and related resource

⁶ The percentage 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.

efficiency and waste minimisation policies guide how we use, re-use and dispose of resources across our infrastructure delivery and maintenance activities. We embed these requirements into the contracts for our supply chain as part of our procurement process, helping to ensure our infrastructure and maintenance projects deliver good environmental and social outcomes. We achieved our 2023/24 target of having more than 75 percent of our eligible projects on track to attain an Infrastructure Sustainability Council rating (see page 64), which drives, measures and verifies sustainability outcomes. Eligible projects are improvement projects over \$100 million.

Understanding and managing natural hazards and climate risk

We continue to mature our approach to understanding and managing natural hazards and climate risk to create a more productive and resilient land transport network, and organisation.

We are deepening our understanding of the current and future climate risks that affect resilience. We face risks related to the physical impacts of climate change, such as from acute events or sea-level rise, as well as risks related to the country's transition to a climate-resilient, low-emission future. These transitional risks include fuel supply chain problems and increased costs of low-carbon construction materials. Last year, guided by the standards of the External Reporting Board, we improved on how we assess climate risks and opportunities in our business (see appendix 1). This aligns with the strategic direction of Tiro Rangī, our climate adaptation plan.

We've improved and added more data to our National Resilience Assessment Tool. This tool is a geospatial database of natural hazard risks on the state highway network and is a key information source when we are identifying, planning and managing critical infrastructure risks. It captures data related to damage to the network from natural hazards and assesses resilience risks, including hydrological and geological risks, and risks associated with climate change. This tool supports more effective and proactive decision-making to improve resilience, including being better prepared for the impact of severe weather events and to support recovery. We've taken further steps towards embedding climate adaptation into our strategic settings. We undertook this work to help meet our requirements, and those of other parts of government, under the National Adaptation Plan. In 2023/24, we developed a strategic recovery framework that guides decision-making when there is major, widespread or repeated damage to the transport network due to events such as Cyclone Gabrielle (see case study on page 62). The framework supports a strategic approach to recovery and helps integrate climate adaptation into our decision-making.

We have started incorporating a climate adaptation lens into Arataki, our 30-year plan, and contributed to the development of transport sector climate-related scenarios. Additionally, we updated our Monetised Benefits and Costs Manual to include a new process that accounts for the benefits of resilience improvements, which will better inform adaptation investment decision-making.

Reducing transport system emissions

During 2023/24, we continued to work with local government and other stakeholders to deliver on requirements in the first Emissions Reduction Plan, including leading and collaborating across a variety of actions that contribute to reducing emissions from the land transport system.

We administered the Clean Car Discount until the end of December 2023 when the programme was ceased, in line with the government's 100-day plan. Over the last year, 26,441 EVs and plug-in hybrid vehicles were added to the national fleet, taking the proportion of the light vehicle fleet that are low or no emissions vehicles from 1.9 percent in 2022/23 to 2.4 percent in 2023/24 (see ENV2 on page 63).

We also administered the Clean Car Standard through our low emission vehicles output class. The Clean Car Standard regulates importers to reduce carbon dioxide (CO₂) emissions by encouraging a greater supply of low and zero emission vehicle imports into New Zealand. The Clean Car Standard system supports this aim by allowing us to measure the New Zealand vehicle fleet against national CO₂ targets. It ensures vehicles do not proceed to entry certification and registration unless they have a CO₂ value assigned. In 2023/24, all vehicles imported had CO₂ information recorded in the system.

We also delivered a variety of emissions reduction activities funded through the Climate Emergency Response Fund, before the fund was discontinued with the government decision to stop ring-fenced revenue raised through the NZ Emissions Trading Scheme. This included \$61 million of funding to public transport authorities to improve the employment terms and conditions for New Zealand bus drivers (reducing both the national shortage of bus drivers from 900 to almost zero, and the volume of service cancellations from 15 percent to almost zero). The programme committed \$18.6 million in funding agreements with councils to contribute to the decarbonisation of their bus fleets. Funding was also provided to public transport authorities towards the cost of 14.4 million public transport service boardings out of 37 million boardings in total during the first quarter of 2023/24 through the Community Connect initiative. As part of this, we administered funding to support half-price public transport concessions for Community Services Card holders and 75 percent discounts for Total Mobility services, with free fares for people aged 5 to 12 and half-price fares for people aged 13 to 24 on public transport until 30 April 2024.

The Climate Emergency Response Fund also provided \$164.5 million of investment in public transport, walking and cycling improvements, safety enhancements to local community school routes and other initiatives through the Transport Choices programme. We delivered more than one-third of the Transport Choices programme by the end of 2023/24 and are on track to deliver the agreed output targets.

Although the target set in our statement of performance expectations was met, land transport emissions increased in 2023/24 from the previous year. The government has signalled in both GPS 2024 and the public consultation document on the second Emissions Reduction Plan that it intends to take a different approach to reducing emissions, including reducing transport emissions. During 2024/25, we will support the Ministry of Transport and Ministry for the Environment as they finalise the parts of the second Emissions Reduction Plan relevant to land transport.

Case study

Strategic recovery framework

Climate change is increasing the severity and frequency of weather events that disrupt the transport network. Combined with other hazards such as earthquakes, volcanic eruptions and tsunamis, the challenge of keeping transport networks open will only grow. While most network disruptions and outages can be addressed relatively quickly and at low cost, an increasing number are either highly significant or part of an ongoing systemic issue creating repeated outages.

To help us respond better to hazards and severe weather events, we developed a strategic recovery framework that guides decision-making when the transport network experiences major, widespread or repeated damage. The framework supports a more sustainable, long-term strategic approach to recovery, provides greater certainty for affected communities, and helps us to make consistent and appropriate decisions on how best to recover from major disruptions.

The framework recognises various pathways to recovery after a disruption to the transport network. These range from not restoring part of a network to restoring it with greater levels of

service and resilience. Used alongside resilience programme business cases and other planning activities, this framework supports us to rebuild with greater long-term resilience after major disruptions.

We applied the framework with great success when we developed the resilience strategic response for Tairāwhiti Gisborne, Wairoa and Hawke's Bay following the North Island weather events in early 2023. Working across NZTA, the framework helped us make consistent decisions about the most appropriate ways to respond to and recover from the impacts of the weather events. It guided our decisions about whether connections should be 'patched up', improved and made more resilient, or whether we needed to build entirely new stretches of road to support long-term resilience.

The framework has also been applied to other responses across the country, including Coromandel-Hauraki and Northland. We're continuing to embed the recovery framework in Arataki, our 30-year plan for the land transport network, and will use it to inform strategic transport planning.



Measuring our performance

System outcome measures

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
ENV1	Greenhouse gas emissions from the land transport system	Achieved	<13,258 kilotonnes of CO ₂ -e	12,934 kilotonnes of CO ₂ -e	12,784 kilotonnes of CO ₂ -e

Method

The methodology for calculating ENV1 is aligned to the NZ Greenhouse gas (GHG) Inventory methodology for measuring land transport emissions.

The NZ GHG Inventory is the official national reporting required under the UN Framework Convention on Climate Change and the Kyoto Protocol. The GHG Inventory results tend to be published with a 15-month delay in April each year. NZTA has applied the same calculation and input assumptions as the GHG Inventory methodology to calculate GHG for 12-month periods ending on 31 December.

The calculation is done by calendar year results directly align to the GHG Inventory results over time. The calculation of 2022 emissions uses MBIE annual fuel data for land transport for the 12 months to 31 December 2022: mbie.govt.nz/assets/Data-Files/Energy/nz-energy-quarterly-and-energy-in-nz/oil.xlsx

Assumptions

Road transport data relates only to on road vehicle use. Findings of the EECA report on off-road liquid fuel insights have been used by MBIE to remove off-road fuel consumption from the MBIE annual fuel data⁷. The most robust approach for national level reporting is considered to be a top-down approach using MBIE fuel data that aligns with and effectively replicates the Ministry for the Environment’s GHG Inventory methodology.

Limitations

The use of findings from the EECA report on off-road liquid fuel insights has limitations, as the off-road fuel calculation relies on one-off survey data and the survey of recreational boat owners required self-reporting. MBIE fuel data is based on supplier and distributor reports. This means the data may not account for delays between when fuel is supplied to a retailer and the time the fuel is consumed.

ENV2	Proportion of the light vehicle fleet that are low or no carbon vehicles	Achieved	Increasing (from 2020 baseline of 0.59%)	2.44%	1.9%
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⁷ The report can be found at www.eeca.govt.nz/assets/EECA-Resources/Research-papers-guides/Off-road-liquid-fuel-insights

Results measures

Increased protection of the environment

Investing in the land transport system in a way that is sustainable and reduces harm

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
IPOE1	The percentage of projects that are undergoing an Infrastructure Sustainability Council (ISC) rating are progressing on track to achieve an Infrastructure Sustainability (IS) rating	Achieved	≥75%	100%	100%
IPOE2	NZTA corporate carbon footprint ^A	Achieved	<2,347 tonnes CO ₂ -e	1,877 tonnes CO ₂ -e	2,247 tonnes CO ₂ -e

Method

Our corporate carbon footprint calculates our emissions from our corporate activities. This includes business use of rental cars and leased fleet, business travel (flights), business taxi transport, freight/couriers, waste to landfill, purchased electricity and reimbursed staff business travel in personal vehicles, working from home and staff commuting. The methodology for calculation of IPOE2 is aligned to the GHG Protocol and ISO 14064-1:2018 standards and is verified independently each year by Toitū Envirocare. The GHG emissions sources included are those required for Toitū Carbon Reduce programme certification, GHG Protocol and ISO 14064-1:2018 standards, and the Toitū Carbon Reduce programme technical requirements. This included a review of operational expenditure for corporate activities from financial reports, personal communication with relevant staff, and communication with the Carbon Neutral Government Programme networks.

Assumptions

We assume source data provided by suppliers represents a complete and accurate account. Where full source data has not been available, the use of default and average emissions factors have been applied.

Limitations

Our corporate emissions data is limited to our organisation and its functions and facilities. It does not include project site offices and alliance offices, where we do not have operational control. We have excluded any 'transitional' properties – properties that may be purchased in the process of roading construction, for example, and excluded is lighting on our roading network. Our corporate emissions data also excludes property purchased to ensure ground stability, and deforestation associated with roading projects.

More information is provided in appendix 1.

^A Our corporate emissions figures are verified independently each year by Toitū Envirocare. Our targets are projected emissions to reflect what NZTA endeavours to achieve each year. They align with the reduction target needed for a global emissions pathway that limits warming to no more than 1.5°C, required by the Carbon Neutral Government Programme: A guide to measuring and reporting greenhouse gas emissions.

Output class performance

Overview

We are funded to deliver and invest in a variety of goods and services across categories known as output classes. These categories reflect the types of activities (activity classes) the government expects us to deliver and invest in to realise the objectives of GPS 2021 and effectively perform our regulatory function.

In 2023/24, we had 17 output classes. Under each system outcome we list the output classes we'll deliver and invest in to complete our significant activities. Table 4 summarises the contribution of each output class to our four Te kāpehu system outcomes.

Table 4 - Contribution of each output class to our system outcomes

Output class	Meeting current and future needs	Effectively and efficiently moving people and freight	Safe	Environmentally sustainable
State highway improvements			●	●
Local road improvements			●	●
Walking and cycling improvements		●	●	●
State highway maintenance	●		●	●
Local road maintenance	●		●	●
Public transport services		●	●	●
Public transport infrastructure		●	●	●
Road to Zero			●	
Rail network		●	●	●
Coastal shipping		●	●	●
Investment management	●			
Driver licensing and testing			●	
Vehicle safety and certification			●	
Low emission vehicles		●	●	●
Regulation of commercial transport operators			●	
Regulation of the rail transport system			●	
Revenue collection and administration	●			

Output class results

Our output class measures tell us whether we are effective in undertaking the activities the government expects us to deliver and invest in. The relationships between these measures and the Te Kāpehu outcomes aren't linear – the results influence each other and will work together to help us achieve our system outcomes. The following key shows the outcomes each result contributes to:

- Meeting current and future needs
- Environmentally sustainable
- Effectively and efficiently moving people and freight
- Safe

For measure definitions and data sources, see the technical notes on our website: nzta.govt.nz/resources/annual-report-nzta

For full details on output class funding and expenditure see from page 251.

State highway improvements ● ●

Delivered by NZTA and funded from the National Land Transport Fund and the Crown

What we do

We plan, invest in and deliver infrastructure (including roads, roadsides and all supporting infrastructure and technology) by working collaboratively with council partners to co-create integrated, community-wide solutions.

Difference this output class makes

State highway improvements primarily contribute to a safer, more resilient transport system, improved access to social and economic opportunities, better travel options and improved freight connections. We also aim to improve levels of service and value for money for more sustainable transport outcomes. Investing in state highway improvements plays a critical role in reducing safety- and resilience-related risks across the land transport system.

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
SHI1	Proportion of state highway improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes ^{A B}	Achieved	≥80% ^C	81%	71%
SHI2	Proportion of state highway improvement activities funded by the Crown delivered to agreed standards and timeframes ^{A B}	Achieved	≥80% ^D	92%	69%

^A This is also an appropriation measure in Vote Transport (see appendix 4).

^B The scope, target, and methodology for this measure were changed and approved in the Supplementary Estimates of Appropriations 2023/24 for Vote Transport. Further detail on how performance against these measures is calculated is in the technical notes on our website.⁸

⁸ NZ Transport Agency Waka Kotahi annual report and National Land Transport Fund annual report – main index nzta.govt.nz/resources/annual-report-nzta

^c The target, scope and methodology for this measure was changed this year to align with the change made in the appropriation measure in the Vote Transport Estimates of Appropriation Supplementary 2023/24. The change significantly increased the number of activities and projects assessed and included progress delivery, which provided a more accurate reflection of delivery performance. Without the change, result would have been 58%.

^d The target, scope and methodology for this measure was changed this year to align with the change made in the appropriation measures in the Vote Transport Estimates of Appropriation Supplementary 2023/24. The change significantly increased the number of activities and projects assessed and included progress delivery, which provided a more accurate reflection of delivery performance. Without the change, result would have been 91%.

	Actual 2023/24 \$M	Budget 2023/24 \$M	Variance 2023/24 \$M	Actual 2022/23 \$M
Revenue	1,637	1,978	(341)	1,446
Expenditure	1,826	1,978	(152)	1,446
Net surplus/(deficit)	(189)	0	(189)	0

Excludes repayment of borrowing.

Note: expenditure includes all funding sources and is net of developers' contributions, so reflects increases in NZTA assets. Some non-cash capital and operating expenses presented in the financial statements are not included in these figures. They are expenditure for:

- depreciation and state highway write-offs of \$511 million (2023/24: \$524 million)
- public-private partnerships of \$7 million (2023/24: \$14 million).

State highway improvements was \$152 million (8 percent) below budget mainly due to underspends and delays across a number of Crown funded projects caused by rescoping of activities and extreme weather events.

See pages 251-252 for full details on output class funding and expenditure.

Local road improvements ●●

Invested in by NZTA, delivered by approved organisations and funded from the National Land Transport Fund and the Crown

What we do

We co-invest in infrastructure (including roads, roadsides and all supporting infrastructure and technology) by planning collaboratively to co-create integrated, resilient, multimodal and community-wide transport solutions.

Difference this output class makes

Local road improvements primarily contribute to a safer, more resilient transport system, improved access to social and economic opportunities, and better travel options. We also aim to improve levels of service and value for money for more sustainable transport outcomes. Investing in local road improvements plays a critical role in reducing safety and resilience-related risks across the land transport system.

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
LRI1	Proportion of local road improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes ^A	Not achieved	≥80%	30%	60% ^B
<p>Phases of projects not being completed as planned was mainly due to the availability of funding from local government. Spend was reprioritised to respond to weather events and changing government direction also impacted on delivery. However, not all councils were affected in the same way. Several phases of the projects also required cost and scope adjustments, which led to delays in delivery while options were evaluated.</p> <p>There will be an increased focus on monitoring of projects to ensure early identification and resolution of issues, to support delivery to plan.</p>					

^A This is also an appropriation measure in Vote Transport (see appendix 4). In our statement of performance expectations for 2024/25, we removed 'standards' from the measure description to better reflect what is being measured. The measure description and methodology were updated accordingly to match the change, and the results for both 2023/24 and 2022/23 have been recalculated using the new measure description and methodology.

^B This result published in 2022/23 report was 66%, using the old measure description and methodology.

	Actual 2023/24 \$M	Budget 2023/24 \$M	Variance 2023/24 \$M	Actual 2022/23 \$M
Revenue	208	280	(72)	182
Expenditure	208	278	(70)	182
Net surplus/(deficit)	0	2	0	0

Excludes repayment of borrowing.

Local road improvements were \$72 million (25 percent) below budget mainly due to delays in and reprioritisation of council roading projects, partly caused by extreme weather events and changing government direction. See pages 251-252 for full details on output class funding and expenditure.

Walking and cycling improvements ●●●

Delivered by NZTA and approved organisations and funded from the National Land Transport Fund and the Crown

What we do

We plan and co-invest in new and improved walking and cycling facilities, as well as in community education and promotion activities, to increase the uptake of walking and cycling. We deliver walking and cycling facilities in state highway corridors, and local and regional councils primarily deliver local walking and cycling facilities.

Difference this output class makes

Walking and cycling improvements encourage more people to change mode (or 'mode shift') by:

- creating safer and more accessible walking and cycling infrastructure
- creating transport networks that give people more transport choices
- supporting access to social and economic opportunities, including education, employment and tourism, using environmentally friendly and sustainable transport modes.

As active travel modes, walking and cycling also promote health and wellbeing.

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
WCI1	Proportion of cycleways, pathways and shared paths delivered against funded ^A	Not achieved	80%	65%	Not available
	A total of 55.5km of cycleways, pathways and shared paths were planned to be delivered this year. Seventeen out of 27 projects were delivered during 2023/24 representing 36.2km (65%) delivered and opened to the public. These included the shared path in Bunnythorpe, Richmond cycle lanes, Mangawhai shared path, and Petone to Melling walking cycling link. Project delivery was impacted for a variety of reasons. Weather events and redesigns caused delays in construction. Some projects were paused due to changing priorities for councils.				
WCI2	Average national change in cyclist counts ^{B C}	Achieved	Increasing	5.4% growth	Not available
	Nationally, on average, we counted 5.4% more cyclists passing our count sites than in 2022/23. Growth in cyclists counted is due to a range of factors including increased investment in safe cycling infrastructure and speed environments that are more attractive for safer cycling. Tasman region (14%) and Nelson region (13%) had the highest growth, followed by Wellington region (9%), Auckland region (7%), and Canterbury region (6%). Regions with declines in cycling counts were Marlborough region (-10%), Manawatū-Whanganui region (-1%), Northland region (-1%), and Southland region (-1%).				
WCI3	Average national change in pedestrian counts ^{B C}	Achieved	Increasing	18.5% growth	Not available
	Nationally, on average, we counted 18.5% more pedestrians passing our count sites than in 2022/23. Growth in pedestrians counted is due to a range of factors including increased investment in safer and more attractive urban environments including slower speed areas. The regions with highest growth rate were Nelson region (36%), Auckland region (28%), and Manawatū-Whanganui region (26%). Only two regions' saw declines from last year, Northland region (-9%) and Southland region (-3%).				

^A This is also an appropriation measure in Vote Transport (see appendix 4).

^B The methodology and descriptions for WCI2 and WCI3 have been updated and the measure names differ from what was published in our statement of performance expectations for 2023/24. This is the first year we've been able to reliably ingest this large dataset from councils. We are measuring changes in walking and cycling using automated counters spread across 15 regions, using data from those sites where we have had counters in place for at least 2 consecutive years. We use these counts to assess the impact our activity is having on uptake of walking and cycling. Because regions have varying numbers of sites with counters, on both higher and lower volume routes, the number of cyclists and pedestrians counted does not reflect the number of cyclists or pedestrians in that region. We calculated the change in pedestrian and cyclist count between 2022/23 and 2023/24 for each region. The rate of change from each region was averaged, weighted by population, to give the average national change in pedestrian and cyclist counts. The result is heavily influenced by the regions containing cities with large populations.

^C Several count sites have not been used to provide data for the measure as a result of large spikes in data that appeared inconsistent with the underlying trend, or where gaps in the data meant the results were not directly comparable. The count sites disaggregate the road users into cyclists and pedestrians. E-scooters are included in the pedestrian count, except a few sites which can count e-scooters separately. This isn't considered to influence the results significantly because of the low numbers of e-scooters relative to pedestrians and the relatively stable numbers of e-scooters.

	Actual 2023/24 \$M	Budget 2023/24 \$M	Variance 2023/24 \$M	Actual 2022/23 \$M
Revenue	287	537	(250)	209
Expenditure	287	537	(250)	209
Net surplus/(deficit)	(0)	0	(0)	0

Excludes repayment of borrowing.

Walking and cycling expenditure was \$250 million (47 percent) below budget mainly following a change in response to government direction to stop a number of Climate Emergency Response Fund (CERF) activities, and some councils reprioritising spend to maintenance. See pages 251-252 for full details on output class funding and expenditure.



State highway maintenance ● ● ●

Delivered by NZTA and funded from the National Land Transport Fund and the Crown

What we do

We maintain and operate the state highway network (including roads, roadsides, supporting infrastructure, technology and emergency works) to agreed levels of service.

Difference this output class makes

State highway maintenance provides reliable access for people to social and economic opportunities, while maintaining the safety and resilience of the state highway network.

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
SHM1	Proportion of state highway maintenance activities delivered to agreed programme	Not achieved	≥90%	76%	72%
	We successfully delivered our resurfacing programmes with 95% delivered to the agreed programme, but didn't achieve targets for other programme activities. Emergency works-related projects (excluding those associated with the North Island weather events in 2023) didn't meet forecast end dates. The inclusion of emergency works in this measure continues to impact our ability to achieve the target.				
SHM2	REFER TO MEET2 ^A				
SHM3	State highway maintenance cost per lane kilometre delivered ^B	Not achieved	\$25,000 - \$36,000	\$39,894	\$31,505
	The increase of state highway maintenance cost per lane kilometre delivered reflects industry cost increases. During the renegotiation and contract extension work with our suppliers, cost across all activities increased. We're transitioning to a Portfolio, Programme and Project Management (P3M) best practice model for project delivery and moving into the Integrated Delivery Model ^C . This is designed to improve how we monitor, report, and manage costs.				
SHM4	REFER TO RES1				

^A This is also a measure for our system outcome meeting current and future needs (see page 35).

^B This is also an appropriation measure in Vote Transport (see appendix 4).

^C The Integrated Delivery Model (IDM) is the new delivery model for road maintenance on our state highway network. The model aims to drive better value for money outcomes across the country, while also improving network condition. The IDM ensures NZTA gives effect to the State Highway Asset Management Plan (SHAMP), which outlines how maintenance, operations, and improvements together provide services to road users, so they have safe and accessible roads to travel on. The IDM will replace the Network Outcomes Contracts (NOC) that have been in place since 2014.

	Actual 2023/24 \$M	Budget 2023/24 \$M	Variance 2023/24 \$M	Actual 2022/23 \$M
Revenue	1,858	1,145	713	1,228
Expenditure	1,858	1,145	713	1,228
Net surplus/(deficit)	0	0	0	0

Excludes repayment of borrowing.

State highway maintenance expenditure was \$713 million (62 percent) above budget. This was mainly due to emergency works spend mainly as a result of the North Island weather events and higher spend on the planned maintenance programme. See pages 251-252 for full details on output class funding and expenditure.

Local road maintenance ● ● ●

Invested in by NZTA, delivered by approved organisations and funded from the National Land Transport Fund

What we do

We co-invest in the planning and maintenance of the local road network (including roads, roadsides and all supporting infrastructure and technology) to the appropriate levels of service.

Difference this output class makes

Local road maintenance provides reliable access for people to social and economic opportunities while maintaining the safety and resilience of the local road network.

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
LRM1	Proportion of the local road maintenance activities funded by the National Land Transport Fund delivered to plan ^A	Not achieved	≥90%	82%	82%
<p>Councils' delivery of maintenance and renewal activities continued to be adversely affected by the redirection of resources to emergency works, resource shortages and rising costs. The North Island weather events in early 2023 had a huge and continued impact to the Northland, Auckland, Gisborne, and Hawke's Bay regions. The response and recovery works associated with these events carried on into 2023/24, diverting resources away from planned renewals. Additionally, resource shortages affected councils' delivery in terms of both timelines and costs.</p> <p>Unfinished activities have been deferred to 2024/25, which is also the start of the 2024-2027 NLTP. Allowance has been made in the local road pothole prevention activity class to facilitate the deferred works and the overall cost increase.</p>					
LRM2	Proportion of travel on smooth roads	Not achieved	≥86%	85%	86%
<p>The year's result was slightly lower than the target, reflecting the reduced delivery of road resurfacing and rehabilitation works across the network. This was due to the redirection of resources to emergency works, resource shortages and rising costs.</p> <p>Increased maintenance and resilience is a strategic priority in GPS 2024. Through the local road pothole prevention activity class, road resealing, road rehabilitation and drainage maintenance have been prioritised</p>					
LRM3	Local road maintenance cost per lane kilometre delivered ^B	Not achieved	\$3,800- \$4,700	\$5,020	\$4,627
<p>The cost of delivering maintenance and renewals activities was adversely affected by higher than forecast inflation over recent years, industry cost increases, resource shortages and extreme weather events.</p> <p>Unfinished activities have been deferred to 2024/25, which is also the start of the 2024-2027 NLTP. We've made allowance in the local road pothole prevention activity class to facilitate the deferred works and the overall cost increase.</p>					

^A This measure compares the delivery of sealed pavement and resurfacing and rehabilitation, unsealed road metalling and rehabilitation and drainage renewals by approved organisations against forecast works and budget. See the performance measure technical notes for further detail (NZ Transport Agency Waka Kotahi annual report and National Land Transport Fund annual report - main index. nzta.govt.nz/resources/annual-report-nzta).

^B This is also an appropriation measure in Vote Transport (see appendix 4).

	Actual 2023/24 \$M	Budget 2023/24 \$M	Variance 2023/24 \$M	Actual 2022/23 \$M
Revenue	1,241	980	261	1,047
Expenditure	1,241	980	261	1,047
Net surplus/(deficit)	0	0	0	0

Excludes repayment of borrowing.

Local road maintenance was \$261 million (27 per cent) over budget mainly due to higher emergency works spend, mainly due to the North Island weather events. See pages 251–252 for full details on output class funding and expenditure.

Public transport services ●●●

Invested in by NZTA, delivered by approved organisations and funded from the National Land Transport Fund and the Crown

What we do

We co-invest with approved organisations in bus, ferry and rail public transport services, customer information, technology, facilities operations and maintenance. We also subsidise door-to-door transport for people with mobility impairments and administer the Crown-funded SuperGold card concession scheme.

Difference this output class makes

Public transport improves travel choices; increases people's access to employment, educational and social opportunities; eases congestion; and makes better use of the existing transport system. It also reduces the impact of transport on the environment and contributes to reducing the number of deaths and serious injuries from road crashes. Public transport supports vibrant and liveable urban communities and effective land use. The Total Mobility scheme increases equity of access for mobility-impaired people, and the SuperGold scheme improves access to social and health opportunities for older people.

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
PTS1	Number of boardings on urban public transport services (bus, train and ferry) ^{A B}	Achieved	>129 million	154 million	129 million
PTS2	Reliability of urban rail, bus and ferry services ^C	Achieved	>83%	89%	83%

^A This is also an appropriation measure in Vote Transport (see appendix 4).

^B This is also a performance measure for the public transport infrastructure output class.

^C Service trips are considered 'completed in full' when the trips departed the origin on time and arrived at the destination. 'On time' is between 59 seconds before and 4 minutes and 59 seconds after the scheduled departure time.

	Actual 2023/24 \$M	Budget 2023/24 \$M	Variance 2023/24 \$M	Actual 2022/23 \$M
Revenue	653	734	(81)	673
Expenditure	653	734	(81)	673
Net surplus/(deficit)	0	0	0	0

Excludes repayment of borrowing.

Public transport services expenditure was \$81 million (11 percent) below budget mainly following a change in response to government direction to stop a number of Climate Emergency Response Fund (CERF) activities. See pages 251–252 for full details on output class funding and expenditure.

Public transport infrastructure

Delivered by NZTA and approved organisations and funded from the National Land Transport Fund

What we do

We co-invest with approved organisations in bus, ferry and rail public transport infrastructure improvements to deliver safe and effective public transport services.

Difference this output class makes

Public transport improves travel choices; increases people's access to employment, educational and social opportunities; eases congestion; and makes better use of the existing transport system. It also reduces the impact of transport on the environment and contributes to reducing the number of deaths and serious injuries from road crashes. Public transport supports vibrant and liveable urban communities and effective land use. Investing in infrastructure improvements for public transport increases the safety, reliability, resilience and effectiveness of services, as well as increasing public transport's attractiveness to users.

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
PT11	Punctuality of metro rail services	Not achieved	≥95% ^A	85%	82%

^A The target was updated after the SPE was published. The 2023/24 SPE target was maintaining or increasing.

	Actual 2023/24 \$M	Budget 2023/24 \$M	Variance 2023/24 \$M	Actual 2022/23 \$M
Revenue	703	756	(53)	627
Expenditure	703	756	(53)	627
Net surplus/(deficit)	0	0	0	0

Excludes repayment of borrowing.

Public transport infrastructure expenditure was \$53 million (7 percent) below budget primarily due to work ceasing on Let's Get Wellington Moving projects following a change in Government priorities, and lower than budgeted spend by Kiwirail on the metro network programme. See pages 251–252 for full details on output class funding and expenditure.

Road to Zero ●

Delivered by NZTA and approved organisations with funding from the National Land Transport Fund

What we do

In the last year, we worked with approved organisations to:

- deliver the Speed and Infrastructure Programme, which provided safety treatments and speed management changes on state highways and local roads, targeting roads and roadsides that offered the greatest potential for reducing deaths and serious injuries
- invest in the Road Safety Partnership Programme (Road Policing), taking a risk-based approach that targeted activity at behaviours likely to create the highest safety risks, alongside highly visible patrols to support and encourage safe driving behaviour
- deliver road safety promotion activities, including the Vehicle Safety Programme, national, regional and local road safety education and advertising campaigns and initiatives
- prepare for the delivery of the Tackling Unsafe Speeds Programme that supported effective speed management
- support the court-imposed alcohol interlocks subsidy scheme
- deliver system leadership, research, monitoring and coordination to support Road to Zero.

Difference this output class makes

This output class contributes to the Road to Zero target of a 40 percent reduction in deaths and serious injuries by 2030 (from 2018 levels). This would mean 750 fewer people killed and 5,600 fewer seriously injured by 2030. It also embedded the Safe System approach in our safety interventions and investment.

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
RTZ3	Number of intersections treated with Primary Safe System treatments ^A	Not achieved	≥500	132	New measure
	We treated 132 intersections with Primary Safe System treatments in the Speed and Infrastructure Programme, including a mix of roundabouts, raised safety platforms, and left in left out treatments. Multiple factors affected our ability to treat more intersections, including the North Island weather events in 2023, which required resources to be reallocated to response and recovery. Changes in government direction saw us move away from delivering raised safety platforms.				
RTZ4	Number of passive breath tests conducted	Achieved	≥3 million	3.6 million	2.6 million
	Reflects New Zealand Police delivery				

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
RTZ5 Reflects New Zealand Police delivery	Number of hours mobile cameras are deployed	Not achieved	≥80,000	63,054	61,028
	<p>Mobile safe speed cameras operated 63,054 hours in 2023/24, which was below the target of 80,000 hours set under the Road Safety Partnership Programme (RSPP). New Zealand Police gradually increased the total number of mobile camera operating hours during the Road Safety Partnership Programme 2021–24 from 58,406 in 2021/22 to 63,054 in 2023/24.</p> <p>The transition of mobile cameras from New Zealand Police to NZTA affected the delivery of hours, due to, for example, difficulty in retaining and recruiting traffic camera operators during the transition.</p>				
RTZ6	Proportion of road safety advertising campaigns that meet or exceed their agreed success criteria	Achieved	≥86%	94%	88%
RTZ7	Kilometres of high-risk roads addressed through speed management	Not achieved	≥3,500	1,983	New measure
	<p>We delivered 951km of speed change on local roads by June 2024, which are 28% of the top 10% high risk roads. On state highways we delivered 1,032km of speed change, equating to 15% of the top 10% high risk roads. Changes in government direction have required this work to be re-aligned, including to appropriately consider the proposed changes in the draft Setting of Speed Limits Rule 2024.</p>				
RTZ8	Kilometres of the network treated with new median barriers	Not achieved	≥400	181	New measure
	<p>The overall target for state highway and local road delivery was not achieved due to lower state highway delivery than initially planned and local government funding constraints. On the state highway network, it took longer than anticipated over the two years to gain the necessary momentum to achieve the original target. This was largely due to the time necessary to fully appreciate local site conditions, working with communities to gain local insights and then to prepare final design solutions ready for implementation. Upon realising that the original target was unlikely to be achieved, a dedicated median barrier acceleration programme was developed with a reduced forecast and a focus on efficient delivery. Efforts to accelerate delivery ultimately resulted in state highways exceeding the revised forecast. While the local roads component was comparatively much smaller, local government could not contribute funding due to financial constraints and the lack of local share meant almost no median barriers were delivered on the local road network in 2023/24.</p>				

^A The measure and target have been updated in the SPE 2023/24 to align with its counterpart in the Road to Zero annual monitoring report.

	Actual 2023/24 \$M	Budget 2023/24 \$M	Variance 2023/24 \$M	Actual 2022/23 \$M
Revenue	983	1,027	(44)	792
Expenditure	980	1,027	(47)	789
Net surplus/(deficit)	3	0	3	3

Excludes repayment of borrowing.

Road to Zero was \$47 million (5 percent) under budget. This was mainly driven by slower delivery than expected across the speed and infrastructure programme and delays in safety camera system implementation. Road to Zero includes spend on road safety promotion and speed and safety infrastructure works for both approved organisations and state highways. See pages 251-252 for full details on output class funding and expenditure.

Road policing

	Actual 2023/24 \$M	Budget 2023/24 \$M	Variance 2023/24 \$M	Actual 2022/23 \$M
Revenue	433	426	7	415
Expenditure	433	426	7	415
Net surplus/(deficit)	0	0	0	0

The road policing output class is reported in the annual report for the National Land Transport Fund, pages 251-252. Road policing was materially on budget. See pages 251-252 for full details on output class funding and expenditure.

Rail network ● ● ●

Invested in by NZTA, delivered by KiwiRail and funded from the National Land Transport Fund and the Crown

What we do

We support KiwiRail to deliver the first Rail Network Investment Programme, which sets out all rail activities that will be funded from the NLTF over the next three years. With KiwiRail, we monitor the delivery of this programme and report to the Minister of Transport on progress.

Difference this output class makes

Rail network activities enable the development of a resilient and reliable rail network, which improves safety and supports freight movements in a mode-neutral system by enabling choices to be made (by companies and customers) about the most efficient way to move freight. Improving the rail network also contributes to reducing congestion and emissions.

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
RN1 Delivered by KiwiRail	Amount of freight carried by rail ^A ^B	Not achieved	≥4,050 million net tonne kilometres	3,482 million net tonne kilometres	3,928 million net tonne kilometres
<p>The total tonnage of rail freight declined by 16.7%. This decline was largely driven by recessionary factors and noted across the road and rail sectors and port import volumes and commented on by the ANZ Truckometer. We continue to work with KiwiRail as it delivers its infrastructure programme and improves the reliability and condition of the freight network.</p>					
RN2 Delivered by KiwiRail	Freight travel time reliability ^B	Not achieved	≥90%	89%	83%
<p>The volume of current maintenance and renewal work had a impact on network availability and freight travel time reliability. We continued to monitor this indicator through KiwiRail quarterly reporting.</p>					

^A The scope, budget standard, and methodology for this measure were changed and approved in the Supplementary Estimates of Appropriations 2023/24 for Vote Transport

^B This is also an appropriation measure in Vote Transport (see appendix 4).

	Actual 2023/24 \$M	Budget 2023/24 \$M	Variance 2023/24 \$M	Actual 2022/23 \$M
Revenue	560	447	113	434
Expenditure	560	447	113	434
Net surplus/(deficit)	0	0	0	0

The rail network activity class was \$113 million (25 percent) above budget, which reflects additional expenditure to reinstate the rail network following the North Island Weather Events. Additional Crown funding was provided for weather events recovery following the setting of Budget 2024. KiwiRail was materially on budget for the Crown and 2021-24 rail network element of the National Land Transport Programme. See pages 251-252 for full details on output class funding and expenditure.

Coastal shipping ●●●

| Delivered by NZTA and funded from the National Land Transport Fund

What we do

We assess the type of assistance and investments that would best achieve the government's coastal shipping outcomes. This involves supporting research and other activities to identify how the domestic coastal shipping sector could be best supported to grow and more freight could be moved on the 'blue highway'. Through activities in other output classes, we also invest in infrastructure feasibility work and improvements to help support moving freight by coastal shipping.

Difference this output class makes

Coastal shipping activities enable growth in the domestic coastal shipping sector that generates a variety of benefits. These benefits include reduced emissions and air pollution, reduced safety risks of freight travel, improved mode choice for freight transporters, and New Zealand-flagged coastal shipping that can operate on a more level playing field with other freight operators, enhancing the sustainability and competitiveness of the domestic sector.

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
CS1	Coastal shipping activities delivered and funded in accordance with contractual terms ^A	Not achieved	Achieved	Not achieved	Not achieved
<p>Three of the 4 coastal shipping suppliers have new vessels in operation. One supplier is no longer proceeding with its proposal due to the complexities of the detailed design for its new vessel. As a result, not all activities were delivered in accordance with contractual terms.</p>					

^A This is also an appropriation measure in Vote Transport (see appendix 4).

	Actual 2023/24 \$M	Budget 2023/24 \$M	Variance 2023/24 \$M	Actual 2022/23 \$M
Revenue	3	13	(10)	23
Expenditure	3	13	(10)	23
Net surplus/(deficit)	0	0	0	0

Coastal shipping was \$10 million (75 percent) below budget. This was the result of expenditure being above budgeted levels in the prior year and one supplier being unable to deliver its agreed work programme. See pages 251–252 for full details on output class funding and expenditure.

Investment management ●

Delivered by NZTA and funded from the National Land Transport Fund and the Crown

What we do

We develop and manage the NLTP, including managing the NLTF; advising the government on investment and funding, including development of the GPS; developing the NLTP and NZTA Investment Plan; and providing risk-based targeted assurance over outcome delivery. We plan the transport system, including supporting the development of statutory, regional, long-term and spatial transport plans. We also develop transport models and business cases and plan activity management. We deliver sector research, including engaging with the sector, and developing, delivering and promoting research projects.

Difference this output class makes

Investment management allows us to shape the land transport system in accordance with government direction. Minimising the cost of managing the investment funding allocation system will help ensure we're reducing expenditure on unnecessary or inefficient processes.

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
IM1	Proportion of total cost of managing the investment funding allocation system to National Land Transport Programme expenditure ^A	Achieved	≤1.1%	0.86%	0.83%

^A This is also an appropriation measure in Vote Transport (see appendix 4).

	Actual 2023/24 \$M	Budget 2023/24 \$M	Variance 2023/24 \$M	Actual 2022/23 \$M
Revenue	83	123	(40)	73
Expenditure	83	123	(40)	73
Net surplus/(deficit)	0	0	0	0

Investment management expenditure was \$40 million (33 percent) below budget mainly due to operational cost savings in the programme management of the National Land Transport Programme and lower transport planning spend. See pages 251–252 for full details on output class funding and expenditure.

Driver licensing and testing ●

Delivered by NZTA and funded from fees and charges and the Crown

What we do

We improve the safety of the land transport system by helping drivers to meet and maintain required safety standards. We develop and manage the driver licensing system, including by providing approved driver licensing courses and developing licensing and testing rules. We also run public education campaigns and develop and maintain resources, including road codes, theory and practical test requirements, and testing and provider manuals. We work with our partners to audit systems and implement other regulatory activities. Our partners include driver licensing and testing course providers, testing officers, alcohol interlock providers and our driver licensing agent network.

Difference this output class makes

Driver licensing and testing contributes to safe, competent and legal drivers, builds public confidence in the licensing system, and enhances access to the social and economic opportunities associated with being able to drive.

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
DLT1	Proportion of non-compliance actions for driver licence course providers and testing officers that are progressed within acceptable timeframes	Achieved	≥95%	96%	98%
DLT2	Proportion of practical tests taken within 30 working days of booking	Not achieved ^A	90%	65%	84%
We received 329,525 practical tests bookings this year, an increase of 12% on 2022/23. The removal of re-sit fees for driver licence tests in October 2023 and more overseas driver licence conversions (potentially caused by the high migrant arrivals this year) have contributed to this increase, which has impacted driver licence wait times. We've initiated a dedicated project to implement policy and operational changes aimed at reducing wait times.					
DLT3	Number of compliance monitoring activities for driver licensing and testing course providers	Achieved	≥50	157	New measure

	Actual 2023/24 \$M	Budget 2023/24 \$M	Variance 2023/24 \$M	Actual 2022/23 \$M
Revenue	83	80	3	76
Expenditure	86	73	13	67
Net surplus/(deficit)	(3)	7	(10)	9

Drivers licensing and testing recorded a deficit of \$3 million significantly adverse to budget. The introduction of the no-resit fee policy led to a surge in theory and practical testing demand, driving an unexpected deficit for the first year of the new fees regime. See pages 251–252 for full details on output class funding and expenditure.

Vehicle safety and certification ●

Delivered by NZTA and funded from fees and charges and the Crown

What we do

We use vehicle registration, licensing, standards and certification to help ensure vehicles on the country's roads are compliant and safe. We do this by developing rules, standards and guidelines for vehicle inspection and certification, appointing vehicle inspectors and inspecting organisations, and revoking certification of vehicles when we find they are unsafe or illegal. We monitor performance of inspectors and inspecting organisations, investigating complaints and taking appropriate action against inspectors and organisations that do not meet required standards. We also manage the delivery of motor vehicle registration and licensing services to the public. These services include maintaining the integrity of the motor vehicle register and related systems, authorising and managing third-party access to registry information, and informing the public of vehicle standards, registration and licensing regulatory requirements.

Difference this output class makes

Vehicle safety and certification (including registration, licensing, standards and certification activities) helps ensure vehicles on our roads are safe and maintains the integrity of vehicle registration and certification systems.

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
VSC1	Proportion of non-compliance actions for vehicle inspecting organisations, vehicle certifiers and vehicle inspectors that are progressed within acceptable timeframes	Achieved	≥95%	100%	99%
VSC2	Number of compliance monitoring activities completed for inspecting organisations and vehicle inspectors	Achieved	≥3,500	5,222	New measure

Due to a strategic redeployment of resources to address overdue reviews in the Upper North Island, we surpassed the target by 49%. The target did not account for these overdue reviews but in future, targets will be set considering both overdue and projected reviews to better reflect our workload and goals.

	Actual 2023/24 \$M	Budget 2023/24 \$M	Variance 2023/24 \$M	Actual 2022/23 \$M
Revenue	106	111	(5)	75
Expenditure	102	105	(3)	81
Net surplus/(deficit)	4	6	(2)	(6)

Vehicle safety and certification recorded a surplus of \$4 million which was less than budget. This was partly due to receiving section revenue under section 9(1)(a) of the Land Transport Management Act 2023 to support our regulatory function and more revenue from motor vehicle licensing than was budgeted for. See pages 251–252 for full details on output class funding and expenditure.

Low emission vehicles ●●●

| Delivered by NZTA and funded from the Crown

What we do

We administer and operate the Clean Car Standard and Clean Car Discount that support the decarbonisation of the light vehicle fleet.

Our work to support the decarbonisation of the bus fleet is reflected in the public transport services output class.

Difference this output class makes

Decarbonising the light vehicle fleet is critical for reducing transport emissions in line with the government's emissions reductions plan. We contribute to this by encouraging the rapid uptake of low and zero-emissions light vehicles and supporting an equitable transition, making them accessible for more New Zealanders.

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
CCS1	Proportion of vehicle imports with CO ₂ and importer information, allowing robust measurement against national CO ₂ targets ^A	Achieved	≥99%	100%	100%

^A This measure is also an appropriation measure in Vote Transport (see appendix 4)

	Actual 2023/24 \$M	Budget 2023/24 \$M	Variance 2023/24 \$M	Actual 2022/23 \$M
Revenue	173	176	(3)	371
Expenditure	173	176	(3)	371
Net surplus/(deficit)	0	0	0	0

Low emission vehicles expenditure was materially on budget. See pages 251-252 for full details on output class funding and expenditure.

Regulation of commercial transport operators ●

Delivered by NZTA and funded from fees and charges and the Crown

What we do

We improve the safety of the land transport system by helping to ensure commercial operators and drivers meet the required safety standards. This includes developing land transport rules relating to commercial transport operation, setting regulatory standards and requirements for the industry, and educating operators and the public on commercial transport obligations. We also administer permits for overweight, overdimension and high-productivity vehicles and manage commercial transport operator licensing. We monitor compliance with commercial operator obligations, and investigate and prosecute operators and drivers who do not meet required standards.

Difference this output class makes

Effective regulation of commercial transport operators helps to ensure commercial operators and drivers are safe and legal, so people and goods can be moved safely.

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
CTO1	Proportion of non-compliance actions for commercial operators that are progressed within acceptable timeframes	Achieved	≥95%	100%	100%
CTO2	Number of compliance monitoring activities completed for commercial transport service licence holders and commercial drivers (classes 2–5)	Achieved	≥3,400	5,711	New measure
	We made changes to our regulatory operating model that resulted in exceeding the target. The changes included the shift to evaluating transport service licence operators' compliance and moving compliance monitoring of drivers to a centralised commercial drivers function.				
CTO3	Proportion of transport service licences and permitting applications completed within the specified timeframes	Achieved	≥95%	97%	New measure

	Actual 2023/24 \$M	Budget 2023/24 \$M	Variance 2023/24 \$M	Actual 2022/23 \$M
Revenue	21	22	(1)	13
Expenditure	18	21	(3)	12
Net surplus/(deficit)	3	1	2	1

Regulation of commercial transport operators recorded a surplus of \$3 million which was slightly better than budget. This was mainly due to receiving revenue under section 9(1)(a) of the Land Transport Management Act 2023 to support our regulatory function as well as an increase in charges collected since the implementation of new fees on 1 October 2023. See pages 251–252 for full details on output class funding and expenditure.

Regulation of the rail transport system ●

| Delivered by NZTA and funded from fees and charges and the Crown

What we do

We regulate the rail transport system to assure stakeholders and the public that rail participants effectively manage rail safety risks. We manage entry to and exit from the rail system by licensing and restricting operations, approving 'safety cases' (documents that describe a licensee's safety approach) and guiding the development of safety standards. We also assess compliance, investigate safety accidents, and direct improvements or restrictions in response to safety breaches. We prosecute breaches of the Railways Act 2005, monitor risks and the overall level of safety in the rail system, and provide advice and information on rail system safety.

Difference this output class makes

Effective regulation of rail participants helps New Zealand have safe rail networks that can be used with confidence to move people and goods.

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
RTS1	Proportion of non-compliance actions for rail participants that are progressed within acceptable timeframes	Not achieved	≥95%	84%	96%
	<p>We undertook 38 cases of non-compliance actions for rail participants, with 6 instances not progressed within acceptable timeframes. Five of these cases experienced a slight delay, falling outside the acceptable timeframe by less than one week. This delay primarily resulted from licence holders' administrative oversight where we weren't informed of the completion.</p> <p>We've redefined the licence manager function to include structured, regular catch ups with licence holders for monitoring issues such as remedial actions more closely. Additionally, the introduction of a new regulatory workflow tool will resolve manual tracking of deadlines.</p>				
RTS2	Number of compliance monitoring activities completed for rail licence holders	Achieved	≥50	66	New measure
RTS3	Proportion of ordinary safety assessments completed for rail licence holders within specified timeframes	Achieved	≥95%	95%	New measure

	Actual 2023/24 \$M	Budget 2023/24 \$M	Variance 2023/24 \$M	Actual 2022/23 \$M
Revenue	3	4	(1)	3
Expenditure	3	4	(1)	3
Net surplus/(deficit)	0	0	0	0

Regulation of the rail transport system recorded a nil surplus/(deficit) as budgeted. See pages 251-252 for full details on output class funding and expenditure

Revenue collection and administration ●

Delivered by NZTA and funded from fees and charges and the Crown

What we do

We collect and refund road user charges revenue (to be paid to the NLTF) by selling RUC licences, investigating evasion and enforcing payment, and refunding customers' charges paid for off-road travel. We collect road tolling revenue to fund or repay the cost of building, maintaining and operating toll roads, investigating evasion and enforcing payment, and managing associated systems, customer interfaces and payment channels. We collect and rebate regional fuel tax to fund regional projects, including collecting fuel tax from distributors, providing rebates for off-road use, auditing compliance with the requirements, and reporting fuel prices and volumes. We refund and account for fuel excise duty claims so customers are refunded for offroad fuel use. We also inform and advise the public about revenue collection and administration, including RUC and road tolling.

Difference this output class makes

Revenue collection and administration allows us to collect the amount of revenue prescribed fairly and in accordance with the law to invest in a safe, resilient and accessible transport system. Revenue collected through motor vehicle registration is also invested in the transport system.

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
REV2	Proportion of refunds processed within 20 days	Achieved	≥85%	99%	New measure
REV3	Number of road user charges compliance monitoring activities completed for all road users	Achieved	≥90	174	New measure

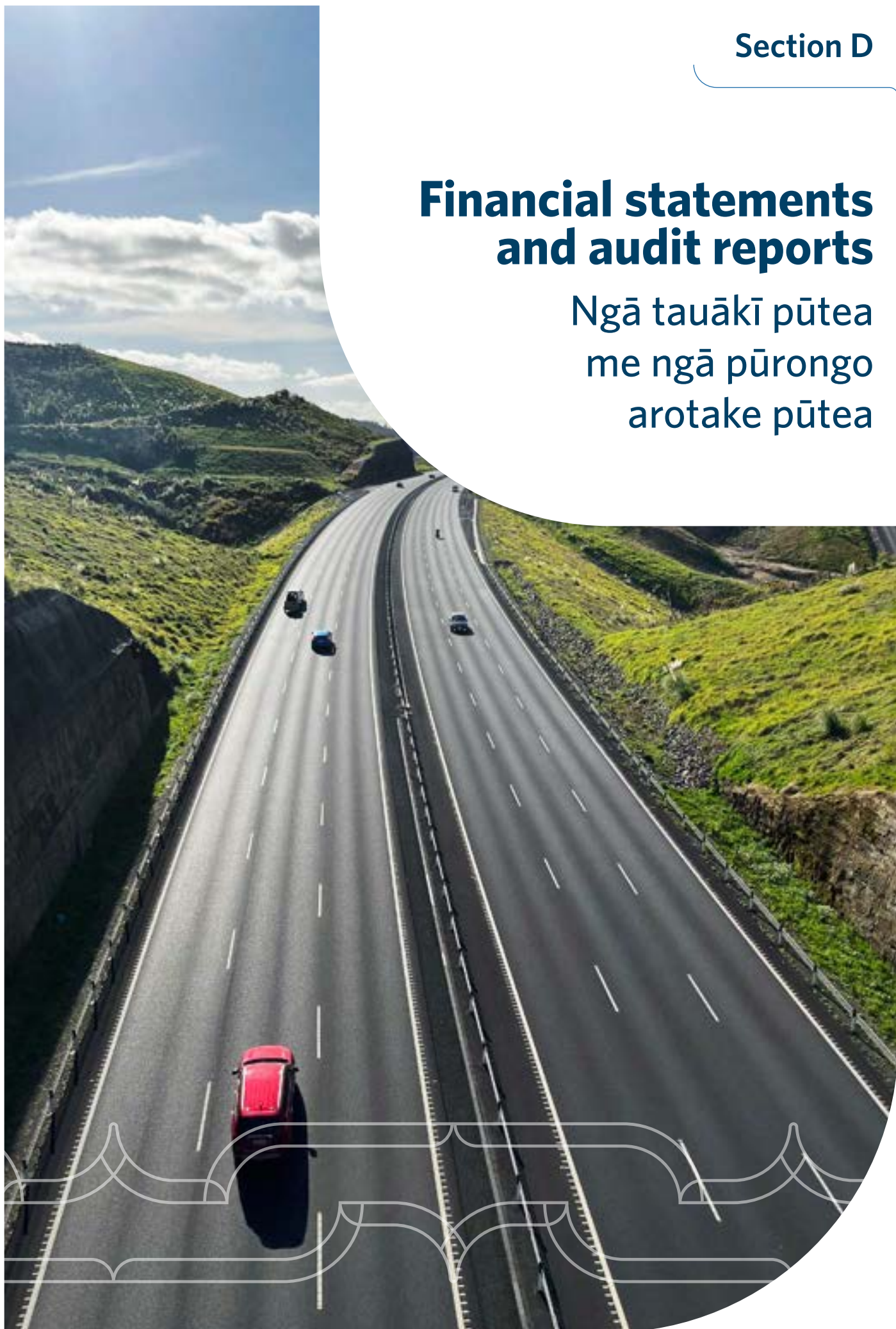
We implemented improvements including data enhancements, timely operator responses, assessment automation, and process documentation refinements. This led to a more effective and efficient compliance monitoring process and a result almost double the set target.

	Actual 2023/24 \$M	Budget 2023/24 \$M	Variance 2023/24 \$M	Actual 2022/23 \$M
Revenue	63	61	2	49
Expenditure	70	70	0	53
Net surplus/(deficit)	(7)	(9)	2	(4)

Revenue collection and administration recorded a deficit of \$7 million which is slightly favourable to budget due to additional costs arising from upgrading the tolling back office system. See pages 251-252 for full details on output class funding and expenditure.

Financial statements and audit reports

Ngā tauākī pūtea
me ngā pūrongo
arotake pūtea



Insurance and indemnities

NZTA has directors and officers' liability and professional indemnity insurance cover in respect of the liability or costs of board members and employees. NZTA has insurance cover for income protection, life insurance and travel-related risk for employees where injury or loss occurs while on NZTA business.

NZTA indemnifies board members and certain executives for liabilities and costs they may incur for their acts or omissions as board members or employees (as the case may be) as permitted by the Crown Entities Act. The indemnity applies only where the board member/employee has acted in good faith and in the performance, or intended performance, of NZTA's functions.

Statement of responsibility

The NZ Transport Agency Waka Kotahi (NZTA) Board is responsible for the preparation of the NZTA financial statements and statement of performance and for the judgements made in them.

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

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

In the Board's opinion, these financial statements and statement of performance fairly reflect the financial position and operations of NZTA for the year ended 30 June 2024.

Signed on behalf of the Board:



Simon Bridges
NZTA Board Chair
30 September 2024

Countersigned by:



Nicole Rosie
Chief Executive
30 September 2024



Cassandra Crowley
Chair of the Risk and Assurance Committee
30 September 2024



Howard Cattermole
Chief Financial Officer
30 September 2024

Highlights from our financial statements (unaudited)

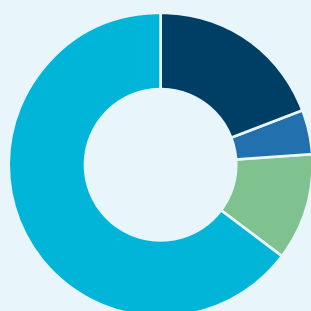
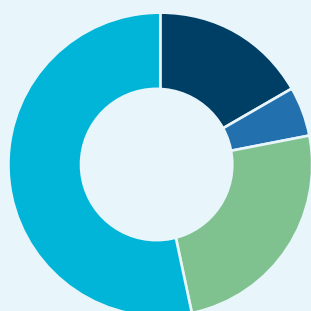
\$7.6 billion total funding received

(2022/23: \$6.5 billion)

Most of NZ Transport Agency Waka Kotahi's income is from the National Land Transport Fund. We also receive revenue from: the Crown to support the Major Crown Investment Projects (MCIP) and for specific projects; and regulatory fees and charges.

2023/24

2022/23



Funding received by source

	<u>2023/24</u>	<u>2022/23</u>
Crown	16.6%	19.2%
Other revenue	5.2%	4.7%
Financing	24.8%	11.2%
National Land Transport Fund	53.4%	64.9%

\$7.8 billion total funding spent

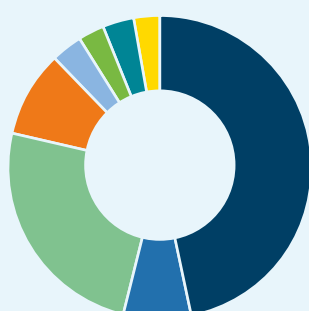
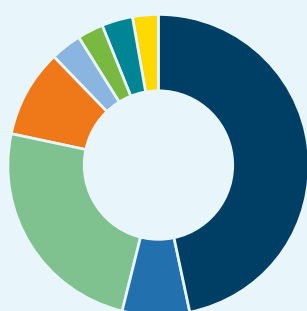
(2022/23: \$6.5 billion)

Our expenditure is guided by the Government Policy Statement on land transport and the priorities identified in our Statement of intent 2021-2026. In 2023/24, over half (54 percent) of our expenditure directly related to: NLTP operating expenses we provided to approved organisations, activities funded from the Crown and maintenance and operation of the state highway network. NLTP capital expenditure comprised 34 percent of our annual expenditure which includes state highway improvements, renewals and other capital activities where the assets are owned by NZTA such as certain public transport and walking and cycling assets. Personnel and operating expenses including interest and finance costs made up the remaining 12 percent.

2023/24

2022/23

Funding spent by type



	2023/24	2022/23
NLTP operating expenditure	46.8%	51.5%
Crown operating expenditure	7.1%	9.9%
NLTP capital expenditure	24.8%	18.9%
Crown capital expenditure	9.3%	8.9%
Repayment of financing	3.2%	2.3%
Interest and finance costs	2.8%	2.8%
Personnel costs	3.3%	3.2%
Operating expenses	2.7%	2.5%

\$85.4 billion net assets/equity

(2022/23: \$82.8 billion)

The statement of financial position shows what we own (assets), what we owe (liabilities) and our overall net worth (represented by our net assets/equity).

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Total assets	91,960	94,628	87,520
Less total liabilities	6,549	6,133	4,765
Net assets/equity at end of year	85,411	88,495	82,755

Our statement of financial position reflects the significant value held in the state highway network, with \$92 billion of assets and low levels of liabilities. The state highway network accounts for 93 percent of our asset base. The valuation of the state highway continues to increase with cost increases across the construction sector.

Financial statements

Statement of comprehensive revenue and expense for the year ended 30 June 2024

	Note	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Revenue				
Operating funding from the National Land Transport Fund	2	5,068	4,772	4,511
Operating funding from the Crown	2	540	845	676
Revenue from other activities	2/3	398	288	309
Total revenue		6,006	5,905	5,496
Expense				
Land transport funding		4,016	4,099	3,750
Employee costs	7	254	260	218
Operating expenses	8	208	239	169
Low emission vehicles		154	166	342
Interest and finance costs	11	285	224	178
Depreciation, amortisation and state highway write-off	4	1,146	881	832
Assets vested to local authorities	4	106	0	0
Total expense	2	6,169	5,869	5,489
Surplus/(deficit)		(163)	36	7
Other comprehensive revenue and expense				
Gain/(loss) state highway network revaluations	4	1,212	4,800	6,166
Net movement in cash flow hedges	11	5	8	84
Total other comprehensive revenue and expense		1,217	4,808	6,250
Total comprehensive revenue and expense		1,054	4,844	6,257

Statement of financial position as at 30 June 2024

	Note	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Assets				
Cash and cash equivalents		565	50	222
Debtor Crown		277	386	350
Receivables and other assets		217	122	125
Derivative financial asset	11	28	0	35
Debtor National Land Transport Fund		147	444	302
Debtor National Land Transport Fund – debt related*		5,301	5,132	3,709
Property assets held for sale	4	24	49	38
Property, plant, equipment and intangible assets		95	93	102
State highway network	4	85,306	88,352	82,637
Total assets		91,960	94,628	87,520
Liabilities				
Payables	8	1,020	796	891
Employee entitlements	7	39	39	37
Provisions	10	16	46	26
Derivative financial liability	11	69	86	75
Borrowing and other liabilities	11	3,491	3,296	1,787
Public-private partnership liabilities	5	1,914	1,870	1,949
Total liabilities		6,549	6,133	4,765
Net assets		85,411	88,495	82,755
Equity				
Contributed capital		0	0	0
Retained funds		(15)	11	(19)
Equity derived from the state highway network		85,401	88,498	82,754
Cash flow hedge reserve	11	25	(14)	20
Total equity		85,411	88,495	82,755

*Including \$400 million of current debtors related to private-public partnerships unitary charges and other debt repayment funding due from the National Land Transport Fund.

Statement of changes in equity for the year ended 30 June 2024

	Retained funds* \$M	Memorandum accounts \$M	Equity derived from the state highway network \$M	Cashflow hedge reserve \$M	Total \$M	Budget \$M
Balance as at 1 July 2022	18	(41)	75,578	(64)	75,491	74,656
Surplus/(deficit)	13	(6)	0	0	7	(26)
Other comprehensive revenue and expense						
State highway network revaluations	0	0	6,166	0	6,166	5,911
Movement in cash flow hedges	0	0	0	84	84	17
Total other comprehensive revenue and expense	0	0	6,166	84	6,250	5,928
Total comprehensive revenue and expense	13	(6)	6,166	84	6,257	5,902
Changes in equity – capital contribution from National Land Transport Fund	0	0	1,007	0	1,007	1,495
Changes in equity – other adjustments	(3)	0	3	0	0	0
Total changes in equity	10	(6)	7,176	84	7,264	7,397
Balance as at 30 June 2023/ 1 July 2023	28	(47)	82,754	20	82,755	82,053
Surplus/(deficit)	(163)	0	0	0	(163)	36
Other comprehensive revenue and expense						
State highway network revaluations	0	0	1,212	0	1,212	4,800
Movement in cash flow hedges	0	0	0	5	5	8
Total other comprehensive revenue and expense	0	0	1,212	5	1,217	4,808
Total comprehensive revenue and expense	(163)	0	1,212	5	1,054	4,844
Changes in equity – capital contribution from National Land Transport Fund	0	0	1,602	0	1,602	1,598
Changes in equity – other adjustments	167	0	(167)	0	0	0
Total changes in equity	4	0	2,647	5	2,656	6,442
Balance as at 30 June 2024	32	(47)	85,401	25	85,411	88,495

* Retained funds is made up of general NZTA operations equity as well as ringfenced equity accounts to track the revenue and costs of administering specific schemes. This includes the community road safety fund and tolling administration.

Statement of cash flows

for the year ended 30 June 2024

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Cash flows from operating activities			
Receipts from the National Land Transport Fund	3,680	3,442	4,019
Receipts from the Crown	745	838	514
Receipts from other revenue	377	235	255
Payments to employees	(252)	(219)	(213)
Payments to suppliers	(4,327)	(4,482)	(4,077)
Goods and services tax (net)	(107)	0	(9)
Net cash from operating activities	116	(186)	489
Cash flows from investing activities			
National Land Transport Fund receipts from sale of state highway-held properties	11	33	13
Purchase of property, plant, equipment and intangible assets	(12)	(17)	(39)
Investment in the state highway network	(2,595)	(2,617)	(1,800)
Net cash from investing activities	(2,596)	(2,601)	(1,826)
Cash flows from financing activities			
Capital contribution from the National Land Transport Fund	204	319	305
Capital contribution from the Crown	1,212	1,135	521
Receipts from borrowing	1,897	1,769	862
Repayment of borrowing	(294)	(250)	(184)
Interest paid on borrowing	(196)	(186)	(125)
Net cash from financing activities	2,823	2,787	1,379
Net (decrease)/increase in cash and cash equivalents	343	0	42
Cash and cash equivalents at the beginning of the year	222	50	180
Cash and cash equivalents at the end of the year	565	50	222

Reconciliation of net surplus to net cash from operating activities

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Surplus/(deficit)	(163)	36	7
Add/(deduct) non-cash/non-operating items:			
Depreciation, amortisation and state highway write-off	1,146	881	832
Losses on disposal of non-financial assets	2	0	9
(Gains)/losses on FX derivatives	2	0	(6)
Net impact of assets vested to/(from) local authorities	106	0	0
Movement in discounting on receivables	(1)	2	3
Interest on borrowings	264	182	155
Movement in discounting on borrowings	3	11	0
Total non-cash/non-operating items	1,522	1,076	993
Add/(deduct) movements in working capital:			
(Increase)/decrease in Debtor National Land Transport Fund and Debtor Crown	(1,172)	(1,301)	(660)
(Increase)/decrease in receivables and other assets	(93)	(40)	(1)
Increase/(decrease) in creditors and other payables	20	38	145
Increase/(decrease) in employee entitlements	2	5	5
Net movements in working capital items	(1,243)	(1,298)	(511)
Net cash from operating activities	116	(186)	489

Notes to the financial statements

1 | Entity information

NZ Transport Agency Waka Kotahi ('NZTA') is a Crown entity as defined by the Crown Entities Act 2004 and is domiciled and operates in New Zealand. Legislation governing the operations of NZTA includes the Crown Entities Act 2004 and the Land Transport Management Act 2003.

The primary objective of NZTA is to provide services to the New Zealand public. Its purpose is to deliver effective, efficient, safe and resilient transport solutions that support a thriving New Zealand.

NZTA does not operate to make a financial profit.

The financial statements for NZTA are for the year ended 30 June 2024 and were approved by the NZTA Board on 30 September 2024.

Basis of preparation

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

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

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

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

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

Budget figures

The budget figures are derived from the statement of performance expectations 2023/24 as approved by the Board on 20 June 2023. The budget figures were prepared in accordance with NZ GAAP, using accounting policies that are materially consistent with those adopted by the Board in preparing these financial statements. The budget figures are not audited and certain balances have been reclassified to reflect the actual spend during 2023/24.

Related party disclosures

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

Taxes

All items in the financial statements are stated exclusive of goods and services tax (GST), except for receivables and payables, which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

NZTA is a public authority, so is exempt from the payment of income tax.

Capital management

The capital of NZTA is its equity. Equity is represented by net assets. NZTA is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which imposes restrictions in relation to borrowing, acquiring securities, issuing guarantees and indemnities and using derivatives.

NZTA manages its equity by managing its forecast cash flows from the National Land Transport Fund and other sources compared with its outgoings. When NZTA borrows funds, it ensures it has sufficient forecast cashflows from future National Land Transport Fund revenue to meet its repayment obligations. NZTA has a letter of support from Minister of Finance and Minister of Transport to give the board confidence that the future cashflows will be sufficient to meet debt repayments. Where funds are borrowed for the Regulatory business that is in expectation that future fees and funding will enable that debt to be repaid.

Debtor National Land Transport Fund and Debtor Crown

Debtor National Land Transport Fund and *Debtor Crown* represents undrawn funds from the operating and capital appropriations relevant to expenditure incurred and not funded by borrowings. The receivables are expected to be received within 30 days of balance date.

Debtor National Land Transport Fund – debt related represents operating and capital expenditure for programmes that are funded by loans and public-private partnerships that will be reimbursed by the National Land Transport Fund over future financial periods. The receivable balance has been discounted over its term at the effective interest rate at the transaction date.

There is no indication that Debtor National Land Transport Fund or Debtor Crown are impaired as at 30 June 2024. We have considered the credit risk to NZTA from the National Land Transport Fund in note 11.

Receivables

Receivables are recognised at face value less an allowance for doubtful debt calculated using the expected credit losses (ECLs) model. NZTA applies the simplified approach and recognises lifetime ECLs for receivables. Receivables are written off when they are deemed uncollectable.

ECLs and write offs of receivables are not disclosed separately as they are not considered material.

Accounting standards issued and not yet effective

NZTA has adopted all accounting standards, amendments and interpretations to existing standards that have been published and are mandatory from 1 July 2023. There are no issued, but not yet effective standards as at 30 June 2024 that NZTA considers would have a material impact on the financial statements.

Critical accounting judgements, estimates and assumptions

In preparing the financial statements, NZTA has applied judgements, estimates and assumptions concerning the future that may differ from the subsequent actual results. These judgements, estimates and assumptions are continually evaluated and are based on historical experience, where possible, and other factors. Note 4 outlines the judgements, estimates and assumptions applied to the valuation of the state highway network.

2 | Operating and capital funding and expense

The tables below represent funding from the National Land Transport Fund and the Crown and relevant expenses for operating transport infrastructure and other services throughout New Zealand.

2023/24 year

	Operating funding revenue* actual 2023/24 \$M	Capital funding contribution actual 2023/24 \$M	Total funding actual 2023/24 \$M	Operating expense actual 2023/24 \$M	Capital expense actual 2023/24 \$M	Total expense actual 2023/24 \$M
National Land Transport Fund						
Public-private partnerships	0	6	6	0	6	6
State highway improvements***	756	91	847	925	118	1,043
Local road maintenance	1,241	0	1,241	1,241	0	1,241
State highway maintenance***	1,228	572	1,800	1,286	572	1,858
Public transport services	510	0	510	514	0	514
Public transport infrastructure	518	21	539	518	21	539
Local road improvements	185	0	185	197	0	197
Walking and cycling improvements	110	93	203	110	93	203
Investment management	63	0	63	77	0	77
Road to zero	425	107	532	427	112	539
Coastal shipping	3	0	3	3	0	3
Local road improvements (Housing Infrastructure Fund)	14	0	14	14	0	14
Road user charges collection, investigation and enforcement	11	0	11	11	0	11
Refund of fuel excise duty	4	0	4	4	0	4
Total National Land Transport Fund funding and expense	5,068	890	5,958	5,327	922	6,249
Total Budget***	4,772	748	5,520	4,800	748	5,548
Classified as follows:						
Funding paid to approved organisations (excl. NZTA)				2,702		2,702
NZTA expenditure				2,625	922	3,547
Total National Land Transport Fund expense				5,327	922	6,249

	Operating funding revenue* actual 2023/24 \$M	Capital funding contribution actual 2023/24 \$M	Total funding actual 2023/24 \$M	Operating expense actual 2023/24 \$M	Capital expense actual 2023/24 \$M	Total expense actual 2023/24 \$M
Crown						
NZ Upgrade Programme****	(2)	606	604	36	606	642
COVID -19 related funding - public-private partnerships	19	0	19	19	0	19
Local road improvements (Provincial Growth Fund)	(3)	0	(3)	(3)	0	(3)
Climate Emergency Response Fund						
Bus decarbonisation	4	0	4	3	0	3
Community connect programme	69	0	69	68	0	68
Mode shift - walking and cycling improvements	56	0	56	56	0	56
Mode shift - Public Transport Services	16	0	16	16	0	16
Mode shift - Public Transport Infrastructure	33	0	33	33	0	33
Mode shift - investment management	5	0	5	5	0	5
Retaining and recruiting bus drivers	16	0	16	15	0	15
Ngauranga to Petone walking and cycling path	0	28	28	0	28	28
SuperGold card administration and public transport concessions	38	0	38	37	0	37
Crown (Supporting regions programme)	0	37	37	0	37	37
Regional Resilience	0	16	16	0	16	16
Eastern busway project	77	0	77	77	0	77
Kaikōura earthquake response	0	0	0	1	0	1
Crown infrastructure partners	0	34	34	0	34	34
Clean vehicle discount	159	0	159	159	0	159
Clean car standard	13	2	15	13	2	15
Other Crown funding and expense	40	0	40	39	0	39
Total Crown funding and expense	540	723	1,263	574	723	1,297
Total Budget**	845	1,134	1,979	812	1,134	1,946

Classified as follows:

	Operating funding revenue* actual 2023/24 \$M	Capital funding contribution actual 2023/24 \$M	Total funding actual 2023/24 \$M	Operating expense actual 2023/24 \$M	Capital expense actual 2023/24 \$M	Total expense actual 2023/24 \$M
Funding paid to approved organisations (excl. NZTA)				302		302
NZTA expenditure				272	723	995
Total Crown expense				574	723	1,297
Total funding and expense from fees, charges and other revenue***	398	0	398	268	0	268
Total Budget**	288	0	288	257	0	257
Total revenue and expense	6,006	1,613	7,619	6,169	1,645	7,814
Total Budget**	5,905	1,882	7,787	5,869	1,882	7,751

* Funding from borrowing facilities is included within the funding revenue and capital funding columns. A non-current debtor from the National Land Transport Fund (NLTF) is recognised when borrowing facilities are drawn down to reflect the future obligation of the NLTF to fund NZTA for the borrowing repayment. The borrowing facilities included in funding in 2023/24 are: \$493 million local road maintenance; \$349 million public transport infrastructure; \$14 million public transport services; \$277 million state highway maintenance; \$184 million local road improvements; \$106 million road to zero and \$201 million walking and cycling improvements.

** Budgets by output class are included in the output class income and expenditure statements on pages 141-152.

*** The difference in funding and expenditure for state highway improvements relates to the revocation of a state highway to a local council and state highway write offs. The difference in funding and expenditure for state highway maintenance relates to revenue received from third parties. Third party revenues are shown in the Total funding and expense from fees, charges and other revenue line.

**** The difference in funding and expenditure for NZ Upgrade Programme relates to the write-off of the previously impaired and abandoned Northern Pathway project.

2022/23 year

	Operating funding revenue* actual 2022/23 \$M	Capital funding contribution actual 2022/23 \$M	Total funding actual 2022/23 \$M	Operating expense actual 2022/23 \$M	Capital expense actual 2022/23 \$M	Total expense actual 2022/23 \$M
National Land Transport Fund						
Public-private partnerships	0	14	14	0	14	14
State highway improvements	761	123	884	796	127	923
Local road maintenance	1,047	0	1,047	1,047	0	1,047
State highway maintenance	1,211	(49)	1,162	1,278	(49)	1,229
Public transport services	497	0	497	498	0	498
Public transport infrastructure	488	58	546	489	58	547
Local road improvements	120	0	120	134	0	134
Walking and cycling improvements	83	92	175	84	92	176
Investment management	65	0	65	67	0	67
Road to zero	165	202	367	165	202	367
Coastal shipping	23	0	23	23	0	23
Local road improvements (Housing Infrastructure Fund)	37	0	37	37	0	37
Road user charges collection, investigation and enforcement	10	0	10	10	0	10
Refund of fuel excise duty	4	0	4	4	0	4
Total National Land Transport Fund funding and expense	4,511	440	4,951	4,632	444	5,076
Total Budget	4,107	969	5,076	4,127	969	5,096
Classified as follows:						
Funding paid to approved organisations (excl. NZTA)				2,432		2,432
NZTA expenditure				2,200	444	2,644
Total National Land Transport Fund expense				4,632	444	5,076

State highway improvements and state highway maintenance capital expenditure is partly funded from depreciation (operating) funding. All expenditure by approved organisations regardless of whether it is capital in nature to them is an operating expense for NZTA.

	Operating funding revenue* actual 2022/23 \$M	Capital funding contribution actual 2022/23 \$M	Total funding actual 2022/23 \$M	Operating expense actual 2022/23 \$M	Capital expense actual 2022/23 \$M	Total expense actual 2022/23 \$M
Crown						
NZ Upgrade Programme	0	478	478	0	478	478
COVID -19 related funding – public-private partnerships	18	0	18	0	0	0
Half price funding of public transport	134	0	134	134	0	134
Local road improvements (Provincial Growth Fund)	11	0	11	11	0	11
Climate Emergency Response Fund						
Bus decarbonisation	1	0	1	1	0	1
Community connect programme	3	0	3	3	0	3
Mode shift – walking and cycling	12	0	12	12	0	12
Mode shift – Public Transport Services	1	0	1	1	0	1
Mode shift – Public Transport Infrastructure	1	0	1	1	0	1
Mode shift – investment management	2	0	2	2	0	2
Retaining and recruiting bus drivers	3	0	3	3	0	3
Ngauranga to Petone walking and cycling path	0	21	21	0	21	21
SuperGold card administration and public transport concessions	34	0	34	34	0	34
Crown (Supporting regions programme)	0	24	24	0	24	24
Eastern busway project	31	0	31	31	0	31
Kaikōura earthquake response	4	(5)	(1)	4	(5)	(1)
Crown infrastructure partners	0	47	47	0	47	47
Clean car discount	347	0	347	347	0	347
Clean car standard	11	11	22	11	11	22
Other Crown funding and expense	63	0	63	55	0	55
Total Crown funding and expense	676	576	1,252	650	576	1,226
Total Budget	413	908	1,321	410	908	1,318

	Operating funding revenue* actual 2022/23 \$M	Capital funding contribution actual 2022/23 \$M	Total funding actual 2022/23 \$M	Operating expense actual 2022/23 \$M	Capital expense actual 2022/23 \$M	Total expense actual 2022/23 \$M
Classified as follows:						
Funding paid to approved organisations (excl. NZTA)				230		230
NZTA expenditure				420	576	996
Total Crown expense				650	576	1,226
Total funding and expense from fees, charges and other revenue	309	0	309	207	0	207
Total Budget	204	0	204	213	0	213
Total revenue and expense	5,496	1,016	6,512	5,489	1,020	6,509
Total Budget	4,724	1,877	6,601	4,750	1,877	6,627

Funding from the National Land Transport Fund and the Crown

The majority of the funding is received from the National Land Transport Fund and the Crown.

Funding from the National Land Transport Fund and the Crown has been accounted for in accordance with PBE IPSAS 23 *Revenue from non-exchange transactions* and classified and treated as non-exchange revenue. The funding is used for the specific purpose set out in legislation and the scope of the relevant government appropriations. The payment of funding does not entitle the payer to an equivalent value of services or benefits, because no direct exchange relationship exists between paying the funding and receiving services or benefits from NZTA. Apart from these general restrictions there are no unfulfilled conditions or contingencies attached to this funding and is recognised as revenue when received and reported in the financial period to which it relates.

Funding is recognised as a capital contribution when expenditure for capital projects is incurred.

Funding from fees, charges and other revenue

Revenue from other activities has been classified and treated as exchange revenue and accounted for in accordance with PBE IPSAS 9 *Revenue from exchange transactions*.

Land transport funding

NZTA receives land transport funding and then provides it to approved organisations for the delivery of services and uses it to maintain and operate the state highway network.

Explanation of major variances against budget

Operating expense related to the National Land Transport Fund was \$527 million (11 percent) above budget. This is primarily due to higher than budgeted state highway maintenance and local road maintenance as a result of the North Island Weather Events, notably the Auckland anniversary flood and Cyclone Gabrielle.

Operating expense related to the Crown was \$238 million (29 percent) below budget. This was mainly due to cessation of a number of Climate Emergency Response Fund (CERF) initiatives following government policy changes.

Capital expense related to the National Land Transport Fund was \$174 million (23 percent) above budget. This was mainly due to higher than budgeted state highway recovery work as a result of the North Island Weather Events.

Capital expense related to the Crown was \$411 million (36 percent) below budget. This was the result of lower spend in the Major Crown Investment Projects (previously NZ Upgrade Programme). This is a timing of spend issue across multiple projects and expenditure is expected to increase in the 2024/25 year.

3 | Revenue from other activities

	Actual 2023/24 \$M	Actual 2022/23 \$M
Fees and Charges		
Motor vehicle licensing fees	78	54
Driver and testing licensing fees	77	67
Road user charges collections	27	13
Certification review fees	26	18
Transport licensing fees	21	14
Rail licensing fees	3	2
Border inspection fees	1	1
Total fees and charges	233	169
Recoveries from National Land Transport Programme and other activities*	99	81
Interest and finance income	36	26
Tolling fees and contributions	20	17
Levy on personalised plates for community road safety initiatives	9	9
Miscellaneous revenue	1	7
Total revenue from other activities	398	309

* Includes developer contributions.

4 | State highway network

	Actual 2023/24 \$M	Actual 2022/23 \$M
Opening balance	82,637	74,421
Additions*	2,689	2,891
Depreciation**	(1,020)	(797)
Write-offs**	(107)	(18)
Assets vested to local authorities***	(106)	0
Disposals	(13)	(21)
Revaluation of state highway network	778	6,484
Impairment through the revaluation reserve****	434	(318)
Assets transferred from/(to) held for sale	14	(5)
Closing balance	85,306	82,637

* Additions in 2023/24 include an increase in the works under construction activity of the NZUP projects, in particular Penlink, Takitimu North Link Stage 1 and Otaki to North of Levin. Also the continued progress on Ngauranga to Petone Walking and Cycling and Te Ahu a Turanga Manawatu Tararua Highway. There was also increased renewal activity and construction related to the North Island Weather Event recovery. Additions in 2022/23 included the transfer of the Puhoi to Warkworth PPP asset into the state highway.

** Includes the write-offs of the Manawatu Gorge section of SH3 (that had been fully impaired since its closure) and the previously impaired and abandoned Northern Pathway project. Depreciation, amortisation and state highway write-off balance in the statement of comprehensive revenue and expense included \$19 million (2022/23: \$16 million) of depreciation and amortisation relating to property, plant, equipment and intangible assets and is not included in the state highway network disclosure above.

*** The assets vested to local authorities for 2023/24 reflect the revocation of SH01K to the Kapiti Coast District Council.

****2023/24 has an impairment reversal related to the North Island weather events that impacted on the 2022/23 annual accounts and state highway valuation following significant recovery works on the state highway network. It also includes the reversal of impairments related to NZUP projects that have been reinstated under GPS2024.

The cost of constructing the state highway network is recognised as an asset. Subsequent cost is included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future service potential will be realised, and the cost can be measured reliably. Repairs and maintenance costs are expensed during the financial period in which they are incurred.

Valuation

The state highway network (excluding land and formation) is valued using an optimised depreciated replacement cost methodology based on the estimated current cost of constructing the existing assets by the most appropriate method of construction, reduced by factors for the age, condition and performance of the assets. The estimated current cost is expected to change over time. The Corridor land is valued using the "across the fence" methodology, which is based on the premise that the corridor land should be of similar value to the land through which it passes. Formation is valued using unit rates for formation types applied to the carriageway. Land, held properties, formation and the sub-base component of pavement are non-depreciable asset classes. Qualified independent valuers carry out the valuation along with support from NZTA as shown on the table on the following page.

State highway network component	Valuer
Existing network assets: Roads (formation and pavement), bridges, culverts and subways, drainage, traffic facilities and other structures	WSP (a consultant valuation company), based on unit rates provided by BondCM* (a cost estimation company)
New major network assets**	Based on unit rates provided by BondCM* and input from internal project review assessments; reviewed by WSP
Tunnels	Valued by NZTA based on indexed unit cost rates derived by WSP. Valuation is reviewed by WSP
Land (held property)	Darroch (a property management and valuation company)
Land (corridor)	Internally valued by NZTA, based on an "across the fence" methodology, that uses inputs from QV and LINZ data with indexation from Core Logic and reviewed by WSP
Miscellaneous assets	Derived from other values and reviewed by WSP

* Unit rates are provided by BondCM on a 3-yearly basis and reviewed and indexed annually in intervening years based on indices provided by Stats NZ and reviewed by WSP and BondCM. In 2024 BondCM undertook a full bottom up assessment of the unit rates.

** State highway projects with expenditure over \$20 million.

State highway network components	Optimised depreciated replacement cost		Depreciation expense	
	Actual 2023/24 \$M	Actual 2022/23 \$M	Actual 2023/24 \$M	Actual 2022/23 \$M
Land*	22,969	23,135	0	0
Formation	20,593	19,648	0	0
Pavement base course**	11,570	11,213	73	59
Pavement surface	2,296	2,002	321	233
Drainage	3,196	3,140	99	75
Traffic facilities	2,199	2,073	159	130
Bridges	15,440	14,572	232	179
Culvers and subways	1,014	974	25	21
Tunnels and other structures	5,515	5,376	71	60
Miscellaneous***	514	504	40	40
Total	85,306	82,637	1,020	797

*Land includes corridor land and held properties excluding properties held for sale.

**Pavement basecourse includes basecourse which is depreciable and pavement subbase which is non-depreciable.

***Miscellaneous asset class is made up of Intelligent Traffic Systems, traffic management units, tolling infrastructure, bailey bridges, sea and river protection structures and other structures.

State highway assets increased in value by \$2.7 billion mainly due to price movement in unit rates reflecting the current costs of construction and annual capital expenditure on state highway projects less depreciation.

Depreciation

Depreciation is calculated on a straight-line basis on state highway network assets (other than land, held properties, formation and the subbase component of pavement) at rates that will reduce the value of the assets to their estimated residual value over the useful life of the assets. The depreciation expense for 2023/24 is calculated based on the 30 June 2023 valuation.

Impairment

State highway network assets are reviewed for impairment whenever events or changes in circumstances indicate that there may be a reduction in asset future service potential. An impairment loss is recognised when the asset's carrying amount exceeds the recoverable service amount. The recoverable service amount is the higher of the asset's fair value less cost to sell or value in use. Impairment of state highway network assets is deducted from the asset revaluation reserve to the extent of an existing credit balance. Any excess is recognised in surplus or deficit.

Last year the main impairment on the network was from the North Island Weather Events that occurred during January and February 2023 with Cyclone Gabrielle causing significant damage and/or debris restricting access to the state highway network. During the year access to the network has been reinstated although some sections remain under temporary traffic management restrictions. The impairment consideration this year has focused on the two Hawke's Bay sections of State Highway 2 that still remain under traffic restrictions, these are the sections of road known as Devil's Elbow and Waikare Gorge. These two sections represent six kilometres of highway and have a depreciated replacement cost of \$9 million excluding land and formation. This value is being carried as an impairment.

Significant rain over August 2022 caused several slips under State Highway 1 through the Mangamuka Gorge in Northland that resulted in the closure of the road, further damage was suffered in the North Island Weather Events. The road is not expected to reopen until December 2024, while the corridor is reinstated. While the road is closed the highway is considered to be fully impaired at a value of \$33 million.

There were impairments on the network relating to pavement issues on the Waikato expressway that have now been repaired and the impairment reversed.

There were impairments relating to several New Zealand Upgrade projects due to changes to their project scope. GPS24 has reinstated these projects with the exception of the Northern Pathway. The impairments have been reversed and the costs associated with the Northern Pathway cycleway derecognised.

The section of corridor known as the Manawatu Gorge remains closed and has been fully impaired with the majority of the corridor now written off with no impact on Other Comprehensive Income through impairment.

Revocation

In April 2024, the section of road previously known as SH01K was revoked as a state highway and is now under the management and control of the Kapiti Coast District Council. This section of corridor was bypassed following the completion of the Mackays to Peka Peka expressway. NZTA completed renewal and maintenance activities on SH01K prior to it being handed over to the local roading authority. This has now been completed and \$106 million has been derecognised from the NZTA state highway.

Estimates, assumptions and judgements

Due to the unique nature of the state highway network, the value of the assets cannot be measured with precision. There are uncertainties about the values assigned to different components of the state highway network. These uncertainties include whether NZTA databases have accurate quantities and whether some cost components and in-service data are captured completely. NZTA is continually reviewing controls to improve the timeliness and accuracy of the main asset database – the Road Assessment and Maintenance Management (RAMM) database and the Highway Structures Information Management System (HSIMS) database. In addition, significant estimates and assumptions have been applied to the valuation, which include assumptions on quantities used in the construction of state highway network components, the life of the assets and the unit cost to apply. Changes to the underlying estimates and assumptions can cause a material movement in the state highway valuation and are reviewed periodically.

NZTA is continuously improving the accuracy of the asset databases and the identification of all costs that should be capitalised through its state highway valuation improvement programme.

The state highway valuation improvement programme for 2023/24 continued the focus on simplifying the valuation process and improving the quality of the valuation input and outputs as well as the systems used for the valuation.

The table below represents estimated inputs used in the 2023/24 valuation.

State highway network component	Quantity	Rate	Useful life (years)	Basis of evaluation
Land	Land corridor: 35,460 ha Held property	QV rateable values and index Market price	N/A	Corridor land (land associated with the road) is valued by NZTA GIS system based on QV rateable values per square metre of the surrounding land. Rateable values are indexed between the 3 yearly RV updates. Held properties, which are properties not yet part of corridor land, are based on market prices determined by Darroch Ltd.
Formation (earthworks)	Formation: 105 million m ² Shoulder formation: 21 million m ²	Unit prices and an overhead rate	N/A	Unit rates are provided by BondCM based on terrain type groupings and adjusted for construction overhead costs.
Pavement subbase and base course	Pavement other: 37 million m ³ Shoulder basecourse: 3 million m ³	Unit prices and an overhead rate	75-150 for basecourse N/A for subbase which is non-depreciable	Subbase and basecourse quantities are determined from Austroads Pavement Design Guide. Unit rates are provided by BondCM.
Pavement surface	Pavement surface: 121 million m ²	Unit prices and an overhead rate	11-14	Unit rates and overhead rates are provided by BondCM.

State highway network component	Quantity	Rate	Useful life (years)	Basis of evaluation
Drainage	Drainage: 72,645 units Stormwater channel: 15,481 km	Unit prices and an overhead rate	50	Unit rates and overhead rates are provided by BondCM.
Traffic facilities	Railings: 3,237 km Signs: 200,921 units Traffic facilities: 11,751 km	Unit prices and an overhead rate	10-25	Unit rates and overhead rates are provided by BondCM. Quantities are derived by WSP from a combination of historical cost data and recent construction costs.
Bridges	2,779 bridges	Unit prices and an overhead rate	90-100	Unit rates and overhead rates are provided by BondCM.
Culverts and subways	Culverts and subways: 438 thousand m ³	Unit prices and an overhead rate	50-75	Unit rates and overhead rates are provided by BondCM.
Other structures	Retaining walls: 791 thousand m ² and 36 km Tunnels: 22 structures	Unit prices and an overhead rate	10-100	Unit rates are derived from a combination of indexed historical cost data and recent construction costs.

Unit prices

A significant component of the valuation is based on unit prices provided by independent expert BondCM. Unit cost rates are based on current national market construction costs and market indices from Stats NZ. This is adjusted for regional variations when significant.

BondCM undertakes a full review of rates every three years. Movements in rates are indexed in the intervening years. The indexation applied to the rates is from available construction and structures indices provided by Stats NZ up to March 2024 with Holt Winter smoothing applied to forecast to June 2024. WSP review the indices. The unit rates provided by BondCM generally relate only to the cost of physical construction.

Overhead costs

Overhead costs are estimated by BondCM based on actual information for recently completed projects. The rate of overheads incurred on a project can vary significantly depending on whether the construction is taking place in a greenfield or brownfield environment. No additional movement was proposed by BondCM for the current year. Overheads include the sum of preliminary and general oncost (36 percent) multiplied by professional fees and including NZTA costs (15 percent), along with brownfield costs at 15 percent for urban and motorway carriageways and 5 percent for rural carriageways.

Quantities

The calculation of the state highway network valuation consists of estimated quantities that include the actual area and length of the network at the close of the prior year extracted from the asset management systems. Completed construction projects within the current financial year are included in the calculation at cost.

Work in progress

Recent capital expenditure is not yet reflected in the asset database. This is because the projects are large and it can take several years to finalise the project and complete the necessary records in the asset management information systems. Typically, large projects are entered into the information systems some years after they are first operational given the complexity of the asset components. The total work in progress included in the valuation is \$12 billion, which is initially recognised at cost, with prior years' work in progress being indexed.

Valuation inputs subject to estimation uncertainty

The valuation input and/or assumptions subject to the most estimation uncertainty are as follows.

- Preliminary and general (P&G) on-costs, related to multiple asset components: P&G on-costs are associated with site establishment and disestablishment, site management and compliance on-costs, and contractor mark-up.
- Professional fees related to multiple asset components: Professional fees are the cost for professional services from external consultants and internal cost for investigations, design and management surveillance quality. Professional fees of 15 percent are derived based on project averages provided by BondCM.
- Formation: This is the constructed land form profile and platform on which the pavement structure is built. Formation within the different terrain types can be highly variable, the valuation of formation is on an average basis with the unit rates used in the valuation provided by BondCM.
- Brownfield costs: A major component of brownfield costs are one-off costs necessary to make the land freely available to build the state highway. They include capital works relating to the relocation and refurbishment of assets owned by other parties, work to protect the privacy and environment of adjoining properties, and compensation to landowners. Other components of the brownfield cost result from the increased constraints or requirements imposed when constructing in an already-developed location; for example, increased traffic management and security; limitations on available contractor areas for storage, parking, buildings and general operations; noise and dust limitations; and restricted hours of work. BondCM provided a brownfield overhead rate for rural and urban areas that has been applied to the depreciable assets unit cost rates. The urban rate has also been applied to motorways.

Sensitivity analysis

The following sensitivity analysis represents possible impacts on the state highway network valuation based on changes to estimates of +10 percent.

	Change in optimised depreciated replacement cost 2023/24 \$M	Change in optimised depreciated replacement cost 2022/23 \$M
Movement in P&G on-cost by 10% (from 36.0% to 39.6%)	1,650	1,575
Movement in external professional fees by 10%	650	621
Movement in formation unit cost by 10%	2,059	1,965
Movement in bridge unit cost by 10%	1,544	1,457
Movement in unit cost* by 10%	3,032	2,876
Movement in land corridor cost by 10%	2,297	2,316
Movement in brownfield cost by 10%	402	389
Movement in price index** by 10%	6,234	5,956

*Relates to bridges, culverts and pavements (surface and other).

**Excludes land

WSP performed simulation analysis on the valuation to quantify the range of valuation outcomes that could occur as a result of changes in the different valuation inputs. WSP concluded that the overall valuation is likely to be between -7.5 percent and +10 percent of the current value. The sensitivity analysis above is only an indication of the range of possible impacts and should not be interpreted as the likely actual impact.

Property assets held for sale

NZTA owns 51 properties valued at \$24 million (2022/23: 84 properties valued at \$38 million) that have been classified as held for sale. It is expected that these properties will be sold by 30 June 2025. Held properties are classified as property assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Property assets held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

Explanation of major variances against budget

State highway assets were \$85,306 million, \$3,046 million (3 percent) below the budget of \$88,352 million due to lower unit cost rate indices movement, reduced property valuation from expectations, revocation of SH01K, along with higher depreciation than budgeted.

5 | Public-private partnership liabilities

	Actual 2023/24 \$M	Actual 2022/23 \$M
Liabilities		
Transmission Gully	1,027	1,042
Pūhoi to Warkworth	887	907
Total public-private partnership liabilities	1,914	1,949

Public-private partnership agreements

NZTA has entered into public-private partnership agreements with the:

- Wellington Gateway Partnership for the Transmission Gully project
- Northern Express Group for the Pūhoi to Warkworth project.

Public-private partnerships for the construction of state highways are treated as service concession arrangements and accounted for in accordance with PBE IPSAS 32 Service concession arrangements: grantor.

During construction, the cumulative cost, including financing, is recognised as an asset. A matching liability represents the obligations of NZTA under the arrangement should conditions exist such that the arrangement will not continue through to the service commencement date. At contract inception there are no scheduled payments before the service commencement date.

Once operational, the public-private partnership assets are accounted for as part of the state highway.

Under the agreements, the contractors will finance, design, build, operate and maintain the sections of state highway. NZTA provided land it owns to the contractors on which to build the state highway.

The operational agreements run for 25 years from the service commencement date, after which the responsibility for ongoing operation and maintenance of both roads will revert to NZTA.

As agreed at contract inception, now that the public-private partnership assets have become operational, NZTA pays the contractor a quarterly unitary charge in arrears subject to satisfactory performance against agreed service levels. The unitary charge has three components:

- A reduction in the service concession liability.
- Finance costs: Under the terms of the agreements, the operators have a provision to re-price the finance costs at intervals during the 25-year period. NZTA has put in place interest rate swaps to hedge the re-pricing of the finance costs. See note 11 for details of the interest rate swaps.
- Service costs: These cover the operational costs of running, maintaining and ensuring the availability of the highway to the service level agreed with NZTA. Some of these costs are indexed to the Consumer Price Index or to other relevant indices and can be varied from time to time.

The reduction in the service concession liability, finance and service costs are recognised in the period incurred.

Under the settlement agreements agreed between NZTA and the PPP counterparties in 2021/22, the debt component of the quarterly payments had commenced before service commencement date. This has occurred for both Transmission Gully and Pūhoi to Warkworth.

Transmission Gully public-private partnership

The COVID-19 lockdown in March–April 2020 was considered an uninsurable event for which NZTA, the Builder and Wellington Gateway Partnership negotiated a commercial settlement in financial year 2020/21. Under the terms of the settlement agreement, risks and costs related to Alert Levels 1 and 2 are the Builder’s responsibility. NZTA was exposed to risks and costs associated with any future periods at Alert Levels 3 and 4. Agreement is still to be reached between the parties of the impacts of the lockdowns on the project. On 25 September 2023, NZTA received a claim for cost and delay from the Builder, lodged in the High Court, relating to COVID-19 and a number of other matters.

In March 2022 Transmission Gully was opened to traffic in advance of the completion of final required activities by the public-private partnership counterparties. With the opening of the asset to traffic the public private partnership asset became part of the state highway asset.

Refer to note 13 contingencies for further information on Transmission Gully.

Pūhoi to Warkworth public-private partnership

The COVID-19 lockdown in March and April 2020 was considered an uninsurable event for which NZTA, the Builder and the Contractor have reached a pre-settlement agreement in financial year 2019/20.

Under the terms of the settlement agreement, risks and costs related to Alert Levels 1 and 2 are the Builder’s responsibility. NZTA is exposed to risks and costs associated with any future periods at Alert Levels 3 and 4.

As a result of the 2021 August COVID event and other construction delays, the contractor was not able to achieve service commencement requirements by May 2022 as agreed in the 2020 revised project agreement. There is an ongoing assessment of claims for subsequent COVID-19 lockdowns in accordance with the process set out in the agreements.

In June 2023 Pūhoi to Warkworth was opened to traffic and the public-private partnership asset became part of the state highway asset.

Refer to note 13 contingencies for further information on Pūhoi to Warkworth.

Deed of Indemnity

The Crown has issued indemnities to each consortium for all indemnified amounts (as defined in the respective Deeds of Indemnity). In general terms, the indemnified amounts consist of sums payable by NZTA in the operational phase of the project and defined compensation sums payable in the event of default on payment by NZTA. If the Crown is required to make a payment under its indemnity, NZTA must reimburse it under the Reimbursement and Management Agreement.

Commitments

The total estimated capital and operating expenditure to be paid throughout the 25-year period is \$2.4 billion for Transmission Gully and \$1.6 billion for Pūhoi to Warkworth.

Explanation of major variances against budget

Public-private partnership liabilities were \$1,914 million, \$44 million (2 percent) above budget of \$1,870 million mainly due to movements in floating market interest rates and timing of quarterly unitary payments. The interest rate movements are offset by the derivative financial instrument which ensures NZTA pays a fixed interest rate.

6 | Capital commitments

The future aggregate construction contract commitments for the state highway network are as follows. These are based upon our committed forward work programmes, which are in some cases not yet fully contracted, but in substance are committed.

	Actual as at 30 June 2024 \$M	Actual as at 30 June 2023 \$M
Not later than one year	1,157	1,030
Later than one year and not later than five years	1,349	1,401
Later than five years	5	6
Total capital commitments	2,511	2,437

7 | NZ Transport Agency Waka Kotahi employee costs and employee entitlements

Reconciliation of total employee costs to NZ Transport Agency Waka Kotahi employee costs

	Actual 2023/24 \$M	Actual 2022/23 \$M
Total employee costs	368	289
Deduct:		
Transport Agency capitalised employee costs allocated to NLTP activities	(60)	(42)
Transport Agency operating employee costs allocated to NLTP activities	(54)	(29)
Total NZ Transport Agency Waka Kotahi employee costs*	254	218

* Total NZTA employee costs exclude contractor costs which are included under note 8.

Employee costs (included in the statement of comprehensive revenue and expense)

	Actual 2023/24 \$M	Actual 2022/23 \$M
Salaries and wages	240	204
Defined contribution plan employer contributions	8	7
Other employee costs	6	7
Total NZ Transport Agency Waka Kotahi employee costs*	254	218

* Total NZ Transport Agency Waka Kotahi employee costs exclude contractor costs which are included under note 8.

Employee entitlements (included in the statement of financial position)

	Actual 2023/24 \$M	Actual 2022/23 \$M
Employee entitlements - current	35	33
Employee entitlements - non-current	4	4
Total NZ Transport Agency Waka Kotahi employee entitlements	39	37

Key management personnel

Key management personnel compensation and board member remuneration have been presented to the nearest thousand dollars (\$000) to provide more meaningful information to the users of the financial statements.

Key management personnel compensation

	Note	Actual 2023/24 \$000	Actual 2022/23 \$000
Board members			
Remuneration		367	377
Number of Board members in the financial year	a	10	10
Leadership team			
Remuneration	c	4,813	4,223
Number of personnel		13	13
Total key management personnel compensation		5,180	4,600
Total personnel during the year	d	23	23

a. Reflects the number of members on the Board during the financial year.

b. Leadership team includes the Chief Executive and key management personnel who report to the Chief Executive and have the authority and responsibility for planning, directing, and controlling the activities of NZTA. Commentary on movement year on year is included in Appendix 5.

c. Includes remuneration of the leadership team while they were members of the leadership team.

d. The total number of key management personnel at balance date is 17 (2022/23: 21).

Board member remuneration

The total value of remuneration paid or payable to each board member during the year was as follows.

	Appointed	Resigned	Actual 2023/24 \$000	Actual 2022/23 \$000
Hon Simon Bridges (Chair)	March 2024		24	0
Cassandra Crowley* (Deputy Chair)	September 2019		56	45
David Smol	February 2019		41	36
Catherine Taylor	September 2019		42	39
Victoria Carter	September 2019		42	39
John Bridgman	July 2020		42	39
Ngarimu Blair	November 2021		39	36
Sir Brian Roche (Former Chair)	June 2019	January 2023	0	42
Patrick Reynolds	September 2019	December 2023	16	36
Tracey Martin	November 2021	April 2024	32	36
Dr. Paul Reynolds (Former Chair)	February 2023	December 2023	33	29
Total board member remuneration			367	377

* Cassandra Crowley was acting chair for the period December 2023 to March 2024.

No payments were made to committee members appointed by the Board who were not board members during the financial year.

NZTA has Directors and Officers Liability and Professional Indemnity Insurance cover in respect of the liability or costs of board members and employees. The Board also has insurance cover against personal accident and other travel-related risk for board members and employees where injury or loss occurs while on NZTA business.

No board members received compensation or other benefits in relation to cessation (2022/23: nil).

Employee remuneration

Total remuneration paid or payable	No. of staff 2023/24	No. of staff 2022/23
100,000-109,999	225	157
110,000-119,999	180	182
120,000-129,999	209	161
130,000-139,999	179	181
140,000-149,999	204	163
150,000-159,999	182	115
160,000-169,999	151	109
170,000-179,999	129	80
180,000-189,999	72	55
190,000-199,999	59	37
200,000-209,999	38	29

Total remuneration paid or payable	No. of staff 2023/24	No. of staff 2022/23
210,000-219,999	18	23
220,000-229,999	29	24
230,000-239,999	22	18
240,000-249,999	25	13
250,000-259,999	16	13
260,000-269,999	15	11
270,000-279,999	7	6
280,000-289,999	10	6
290,000-299,999	3	2
300,000-309,999	7	2
310,000-319,999	4	4
320,000-329,999	1	3
330,000-339,999	2	1
340,000-349,999	2	1
350,000-359,999	2	1
360,000-369,999	1	2
370,000-379,999	2	1
380,000-389,999	0	1
390,000-399,999	1	2
400,000-409,999	1	1
410,000-419,999	0	1
440,000-449,999	2	0
450,000-459,999	2	1
460,000-469,999	1	2
480,000-489,999	1	0
600,000-609,999	1	0
720,000-729,999	0	2
730,000-739,999	1	0
Total employees	1,804	1,410

The table above contains remuneration information solely on permanent or fixed-term employees of NZTA who have been paid more than \$100,000 in respect of the financial year in accordance with the requirements of the Crown Entities Act 2004. Contract personnel are not included.

For the 2023/24 NZTA provided permanent employees with life, critical illness and income protection insurance. The remuneration above includes the cost of this insurance benefit for the permanent employees.

During the year ended 30 June 2024, 40 (2022/23: 27) NZTA employees received compensation and other benefits in relation to cessation of \$2.2 million (2022/23: \$1.4 million). These costs are excluded from the remuneration table above.

8 | NZ Transport Agency Waka Kotahi operating expenses and payables

Operating expenses (included in the statement of comprehensive revenue and expense)

	Note	Actual 2023/24 \$M	Actual 2022/23 \$M
Commissions and transaction costs	a	104	83
Contractor and professional services		15	2
Information technology		56	52
Operating lease expense		15	13
Office and building management		12	8
Employee travel		4	6
Meetings and conferences		0	1
Fees to principal auditors for:			
- audit of financial statements		0.7	0.6
- other assurance services	b	0.1	0.1
Other operating expenses		1	3
NZ Transport Agency Waka Kotahi operating expenses		208	169

a. This category includes payments to agents for driver licensing services, motor vehicle registration and motor vehicle licensing services, personalised plates, card merchant fees and bulk postage transaction costs.

b. Other assurance services by KPMG included a review of the application of the Scrutiny Principle and secondment of staff into non-financial roles.

Explanation of major variances against budget

Operating expenses were \$208 million, \$32 million (13 percent) below budget of \$239 million mainly due to the savings and efficiency exercise for Public Service workforce spending.

Payables (included in the statement of financial position)

	Actual 2023/24 \$M	Actual 2022/23 \$M
Creditors	999	851
Income in advance	21	18
Goods and services tax payable*	0	22
Total NZ Transport Agency Waka Kotahi payables	1,020	891

* As at June 2024, NZTA had \$84 million GST receivable.

Short-term creditors and other payables are recorded at face value. Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. The carrying value of creditors and other payables approximates their fair value. All creditors are classified as current.

9 | Operating leases

Operating leases as lessee

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows.

	Actual 2023/24 \$M	Actual 2022/23 \$M
Not later than one year	28	20
Later than one year and not later than five years	87	50
Later than five years	43	38
Total non-cancellable operating leases*	158	108

*Majority of the increase in operating leases is due to new leases for safety cameras. NZTA is taking over the operation of safety cameras from New Zealand Police.

Significant operating leases are limited to buildings for office accommodation. An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

10 | Provisions

Movements for each class of provision (included in the statement of financial position) are as follows

	State highway - current \$M	Redundancy provision \$M	Clean car discount admin \$M	Onerous contracts - current \$M	Total \$M
Balance as at 1 July 2022	44	0	0	2	46
Additional provisions made	20	0	0	0	20
Amounts used	(11)	0	0	(2)	(13)
Unused amounts reversed	(27)	0	0	0	(27)
Balance as at 30 June 2023 / 1 July 2023	26	0	0	0	26
Additional provisions made	4	7	6	0	17
Amounts used	(21)	0	(3)	0	(24)
Unused amounts reversed	0	0	(3)	0	(3)
Balance as at 30 June 2024	9	7	0	0	16

The state highway provision relates to estimates for expected contractual claims, where it is probable that NZTA will be required to settle these claims. Actual costs may vary from the provision estimates.

Refer to note 13 for details on contingent liabilities.

Explanation of major variances against budget

Provisions were \$16 million, \$30 million (65 percent) below budget of \$46 million mainly due to state highway contractual claims for COVID-19 being finalised.

11 | Borrowings, financial instruments and financial risk management

NZTA had the following borrowings outstanding as at 30 June 2024.

Name	Total facility \$M	Nominal amount borrowed \$M	Actual 2023/24 \$M	Actual 2022/23 \$M	Interest rate	Final repayment date
Auckland Transport Package	375	354	336	326	The interest-free loan was discounted using government bond rates of 2.36% to 3.29%.	June 2027
Housing Infrastructure Fund	389	106	81	66	The interest-free loan was discounted using government bond rates of 0.50% to 4.67%.	June 2033
Total interest free borrowing			417	392		
Tauranga Eastern Link	107	107	107	107	\$87.0 million at fixed rates ranging from 4.99% to 5.14%. \$20.0 million at floating rates.	June 2050
Regulatory facility	95	60	64	63	Fixed rates ranging from 1.32% to 4.34%.	December 2032
COVID-19 NLTF borrowing facility	425	325	332	332	Fixed rates ranging from 1.10% to 1.18%.	June 2027
Short term facility	500	500	501	375	Floating rates.	Not applicable
2021-24 NLTP facility	2,000	2000	2,065	514	Fixed rate ranging from 3.63% to 5.10%	April 2032
Total borrowing			3,486	1,783		
Tolling funds held in trust			5	4		
Total borrowing and other liabilities			3,491	1,787		
Classified as follows:						
Current			372	129		
Non-current			3,119	1,658		
Total			3,491	1,787		

Borrowing is initially recognised at fair value plus transaction costs. After initial recognition, all borrowing is measured at amortised cost using the effective interest method.

Interest-free loan movements are as follows.

	Actual 2023/24 \$M	Actual 2022/23 \$M
Opening balance	392	364
Face value of loans issued	22	28
Fair value adjustment	(8)	(10)
Repayments	0	0
Amortised interest (at government bond rates)	11	10
Closing balance	417	392

Interest and finance costs are recognised as an expense in the financial year in which they are incurred.

Interest and finance costs are as follows.

	Actual 2023/24 \$M	Actual 2022/23 \$M
Interest on borrowings	87	30
Interest on public-private partnerships	189	117
Interest rate swap net payment	(12)	8
Discount on Debtor National Land Transport Fund - debt related	10	13
Amortisation of discount on borrowings	11	10
Ineffective portion of cash flow hedge	0	0
Total interest and finance costs	285	178

Financial instruments

The carrying amounts of financial assets and liabilities are categorised as follows.

	Category	Actual 2023/24 \$M	Actual 2022/23 \$M
Financial assets			
Cash and cash equivalents	A	559	222
Restricted cash	A	6	0
Debtor National Land Transport Fund and Debtor Crown	A	5,725	4,361
Other receivables and other assets	A	69	67
Derivative financial asset	C	27	28
Foreign exchange forward contracts asset	B	1	7
Total financial assets		6,387	4,685
Financial liabilities			
Payables	A	1,020	891
Borrowing and other liabilities	A	3,491	1,787
Public-private partnership liabilities	A	1,914	1,949
Derivative financial liability	C	69	75
Total financial liabilities		6,494	4,702

A: Measured at amortised cost

B: At fair value through profit or loss

C: Fair value through other comprehensive revenue and expense

The cash and non-cash movements for financial liabilities are shown below.

	Actual 2022/23 \$M	Cash inflows \$M	Cash outflows \$M	Non-cash \$M	Changes in fair value \$M	Other \$M	Actual 2023/24 \$M
Financial liabilities measured at amortised cost							
Borrowings	1,787	1,897	(250)	0	3	54	3,491
Public-private partnership liabilities	1,949	0	(241)	205	0	1	1,914
Financial liability at fair value through other comprehensive revenue and expense							
Derivative liabilities	75	0	1	0	(7)	0	69
Total	3,811	1,897	(490)	205	(4)	55	5,474

	Actual 2021/22 \$M	Cash inflows \$M	Cash outflows \$M	Non-cash \$M	Changes in fair value \$M	Other \$M	Actual 2022/23 \$M
Financial liabilities measured at amortised cost							
Borrowings	1,063	862	(170)	0	1	31	1,787
Public-private partnership liabilities	1,899	0	(131)	99	0	82	1,949
Financial liability at fair value through other comprehensive revenue and expense							
Derivative liabilities	131	0	(8)	0	(41)	(7)	75
Total	3,093	862	(309)	99	(40)	106	3,811

Financial risks

NZTA activities expose it to a variety of risks, including market risk, credit risk and liquidity risk. NZTA has policies to manage the risks associated with financial instruments and seeks to minimise exposure from these risks.

Market risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure of NZTA to the risk of changes in market rates relates primarily to interest rates on long-term debt obligations. This is managed by having loans that are at fixed interest rates. As at 30 June 2024, approximately 85 percent (2022/23: 78 percent) of loans are either interest free or on a fixed interest rate.

In addition, there are risks on future loans that will be required to support delivery of the NLTP with borrowing of up to \$3.1 billion. This risk is mitigated by the borrowing coming from the Crown and having an agreed methodology for the interest rate that applies under our facility agreements.

NZTA has entered into public-private partnership agreements for the construction of Transmission Gully and Pūhoi to Warkworth. The arrangements require that a quarterly unitary charge be paid to the contractors from the time the section of state highway becomes operational (or earlier as per note 5). The unitary charge includes payment for finance costs that the operators have provision to re-price periodically during the 25-year term. NZTA has entered into interest rate swap contracts to hedge the re-pricing of interest costs. The total amount of forecast payments exposed to interest rate risk is fully hedged.

Details of the interest rate swaps held with the New Zealand Debt Management Office are as follows.

Swap relates to	Notional value of interest rate swap \$M	Commencement date	Maturity date	Interest rate pay leg (fixed)	Interest rate receive leg	Fair value of liability/ (asset) \$M
Transmission Gully	808	February 2021	October 2043	5.58%	Floating, with periodic reset	69
Pūhoi to Warkworth	754	August 2023	August 2045	4.16%	Floating, with periodic reset	(27)
Total						42

The interest rate swaps are accounted for as derivative financial instruments.

Derivative financial instruments are initially recognised at fair value on the date at which a derivative contract is entered into and are subsequently re-measured to fair value at balance date. The fair value of interest rate swaps is determined using a valuation technique based on cash flows discounted to present value using current market interest rates.

The derivatives are considered level 2 on the fair value hierarchy. The fair value of the derivatives is estimated using inputs that are observable for the asset or liability either directly (as prices) or indirectly (derived from prices). Inputs for the valuation were derived from Bloomberg and are independently valued by Bancorp Treasury Services Limited on a six-monthly basis.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Generally, when market interest rates are below the fixed interest rates of the interest rate swap, then the interest rate swap will be in a liability position.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to surplus or deficit, except for the effective portion of derivatives designated in cash flow hedges, which is recognised in other comprehensive revenue and expense.

The hedge relationship is designated as a cash flow hedge, and NZTA formally designates and documents the hedge relationship as well as the risk management objective and strategy for undertaking the hedge. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine whether they have been highly effective throughout the financial reporting periods for which they were designated.

The table below shows the movement of the cash flow hedge reserve.

	Actual 2023/24 \$M	Actual 2022/23 \$M
Balance as at 1 July	20	(64)
Effective cash flow hedge	5	84
Cash flow hedge reserve	25	20

During the year, the total ineffective portion of the cash flow hedge reserve charged to surplus or deficit is nil (2022/23: nil).

The following table illustrates the sensitivity analysis, which is the potential effect on the surplus or deficit and other comprehensive revenue and expense for reasonably possible market movements, with all other variables held constant, based on financial instrument exposure at balance date.

	2023/24		2022/23	
	+1% \$M	-1% \$M	+1% \$M	-1% \$M
Effect on surplus or deficit				
Cash and cash equivalents	5.7	(5.7)	2.2	(2.2)
Effect on other comprehensive revenue and expense				
Derivative financial liability	63.6	(148.7)	70.4	(157.1)
Effect on surplus or deficit				
Borrowing	(5.2)	5.2	(0.2)	0.2

Foreign currency denominated transactions are not material. Therefore, the impact of exposure to **currency risk** is minimal.

Credit risk

Credit risk is the risk that a third party will default on its obligation to NZTA, causing NZTA to incur a loss.

In the normal course of business, NZTA is exposed to credit risk from cash and term deposits with banks, debtors and other receivables. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position.

NZTA holds all cash and term deposits with Westpac New Zealand Limited. As at 30 June 2024, Westpac had a Standard and Poor's credit rating of AA-. The largest debtor is the Crown, which has a Standard and Poor's credit rating of AA+.

NZTA is dependent upon funding from the National Land Transport Fund.

Liquidity risk

Liquidity risk is the risk that NZTA will encounter difficulty raising funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash reserves or access to funding.

NZTA manages liquidity risk by continuously monitoring forecast and actual cash flow requirements and maintaining funding facilities of \$250 million to manage seasonal variations in cash flow (fully draw down as at 30 June 2024) and \$250 million to manage unexpected and unfavourable variations in cash flow (fully drawn down as at 30 June 2024). NZTA has access to the facilities to support the NLTF and the regulatory function.

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

	Less than 1 year \$M	1-2 years \$M	2-5 years \$M	Over 5 years \$M
2023/24				
Payables	1,020	0	0	0
Borrowing	506	242	1,020	2,840
Derivative financial liability	(8)	5	35	12
Public-private partnership liabilities	132	291	764	2,851
Total	1,650	538	1,819	5,703
2022/23				
Payables	891	0	0	0
Borrowing	53	171	1,042	925
Derivative financial liability	(2)	(6)	25	46
Public-private partnership liabilities	198	286	749	2,929
Total	1,140	451	1,816	3,900

Explanation of major variances against budget

Cash and cash equivalents were \$565 million, \$515 million (1,030 percent) above budget of \$50 million. Additional cash was held to meet expected year end claims from suppliers and approved organisations.

Borrowing was \$3,491 million, \$195 million (6 percent) above budget of \$3,296 million due to draw down of the short-term facilities to meet seasonal fluctuations.

Derivative financial liability was net of \$41 million, \$45 million (53 percent) below budget of \$86 million due to movements in the fair value of the interest rate swap contracts entered into for the Transmission Gully and Pūhoi to Warkworth public-private partnership agreements. The fair value movements reflect market interest rates that have increased in the financial year.

12 | Regulatory equity accounts

Regulatory equity accounts

Regulatory equity accounts are notional accounts (sometimes known as memorandum accounts) that record the accumulated balance of surpluses and deficits incurred for third-party-funded regulatory outputs. These are for services that are intended to be fully recovered from third parties through fees, levies or charges. The balance of each memorandum account is intended to trend to zero over time. NZTA has grouped various fees, charges and appropriations into its memorandum regulatory equity accounts to group revenue and costs by summary product level.

Included is new revenue provided under section 9(1)(A) of the Land Transport Management Act and the transfer of surplus funds to be used to repay regulatory loans that provided interim funding for the operating deficit until the full implementation of the fees and funding review, which has now occurred.

As part of the fees and funding change approved in 2022/23, the combined deficit from the previous regulatory equity accounts was ringfenced from the new regulatory equity accounts and separately recorded as debt. Additional revenue collected from fee payers will then be used to repay the debt over time.

Total regulatory equity accounts movements

	Actual 2023/24 \$M	Actual 2022/23 \$M
Opening balance	0.0	(40.9)
Operating revenue	222.6	178.2
Revenue collected for debt repayment	10.4	0.0
Operating expenditure	232.9	184.5
Debt repayment	10.4	0.0
Net surplus/(deficit)	(10.3)	(6.3)
Closing balance	(10.3)	(47.2)
Transfer of balance to debt	0.0	47.2
Closing balance after transfer to debt	(10.3)	0.0

Ringfenced regulatory equity account debt

	Actual 2023/24 \$M	Actual 2022/23 \$M
Opening balance - ringfenced debt	(47.2)	0.0
Revenue collected for debt repayment	10.4	0.0
Transfer from regulatory equity accounts to debt	0.0	(47.2)
Closing balance - ringfenced debt	(36.8)	(47.2)

The regulatory equity accounts show a negative balance. This principally relates to the debt drawn down.

Breakdown of third-party account groupings

The below reflects the surplus/(deficit) of the memorandum accounts including the revenue collected for debt repayment.

	Note	Actual 2023/24 \$M	Actual 2022/23 \$M
Driver licensing and testing		(6.8)	0.0
Rail regulation		(0.2)	0.0
Road user charges collections		(2.3)	0.0
Transport licensing	a	(0.6)	0.0
Vehicle safety and certification	b	(0.4)	0.0
Total covered by fees and funding*		(10.3)	0.0

*A nil balance reflects transferring the accumulated deficits to a ring-fenced debt account.

a. Transport licensing activities include licensing of transport operators, dangerous goods, and over dimension permits.

b. Vehicle safety and certification activities include certification reviews (WoFs and CoFs), border inspections and motor vehicle licensing.

Other regulatory items covered by fees and funding

	Note	Actual 2023/24 \$M	Actual 2022/23 \$M
Rail		0	0
Tolling		8.2	13.4
Fuel excise duty refunds		0.0	0.0
Road user charges refunds		(0.5)	(0.5)
Road user charges investigations and enforcement		0.6	0.6
Community road safety programme		26.1	23.7
Total third-party equity groups		34.4	37.2

13 | Contingencies

Contingent liabilities as at 30 June 2024

Roading and other contract disputes

There are claims of \$220 million (2022/23: \$275 million) relating to a variety of roading and other contract disputes including contractual claims arising from property acquisitions and disposals. The claims figure is gross of any amounts paid on account that could potentially be returned.

The most material quantifiable contingent liability included above and related payments on account relates to Pūhoi to Warkworth where NZTA has received a claim relating to current and estimated future elements. The claim is in binding arbitration, which is expected to be completed in 2026.

In addition to the quantifiable legal disputes, on 25 September 2023, NZTA received a claim for cost and delay from the Transmission Gully PPP builder, relating to COVID-19 and a number of other matters. The claim does not include a specific claimed amount, however we expect this will be a material figure. There are also cross claims from the Transmission Gully PPP contractor against NZTA. NZTA's position remains that there are strong defences to the claims and we have made counter claims against both the PPP builder and contractor. In particular, that there is substantial work required on the road to meet the contractual conditions of the PPP agreement.

Apart from the above matters, there is continual dialogue between NZTA and its contractors over technical and commercial matters that may result in material dispute between the parties. As at 30 June 2024, NZTA has provided for certain contractual matters. Refer to note 10 provisions.

14 | Events after balance date

There were no significant events after balance date.

Supplementary information (unaudited)

This supplementary information contains additional disclosures to the financial statements and provides further information on the business.

This supplementary information does not form part of the NZTA audited financial statements.

In this section you will find:

- a summary of total NZTA expenditure
- reconciliation between NZTA funding inflows and National Land Transport Fund (NLTF) outflows
- information about performance by segment of the business
- clean vehicle discount scheme
- details of land transport management (road tolling scheme)
- details of regional fuel tax
- borrowing apportionment.

This information is consistent with and should be read in conjunction with the financial highlights from page 90 to 91 and the audited financial statements from page 92 to 130.

NZTA agency expenditure

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Employee costs	254	260	218
Operating expenses	208	239	169
Depreciation and amortisation expense	19	26	17
NZTA operating expenditure	481	525	404
NZTA expenditure recharged to projects*	(72)	(49)	(55)
NZTA expenditure allocated to the NLTP**	144	101	136
NZTA activities expenditure***	553	577	485

* Projects are funded by tolling, NLTF, Crown or regulatory fees and charges.

** Allocation is done through direct charges and overheads allowances, primarily towards capital projects.

*** NZTA agency expenditure excludes direct expenditure on NLTP activities such as road safety promotion, tackling unsafe speed, clean vehicle discount and the national ticketing solution.

Reconciliation between NZTA funding inflows and National Land Transport Fund outflows

	Actual 2023/24 \$M	Actual 2022/23 \$M
NZTA		
National Land Transport Fund Operating funding	5,068	4,511
National Land Transport Fund Capital funding	890	440
Total funding from the NLTF	5,958	4,951
Deduct:		
Repayment/(Borrowing) (shock/seasonal facilities)	(125)	(376)
Repayment/(Borrowing) 2021-24 NLTP facility	(1,497)	(302)
Repayment/(Borrowing) – public-private partnerships and related interest rate swap	45	57
State highway improvements – public-private partnerships non-appropriated movement	(6)	(21)
State highway improvements – other non-appropriated movement	(3)	(1)
Local road improvements – Housing Infrastructure Fund non-appropriated movement	(15)	(37)
Other National Land Transport Fund revenue	(2)	(11)
Total National Land Transport Fund (NLTP) outflows	4,355	4,259

Performance by segment of the business

The following tables provide detailed financial performance information for each of segment of NZTA. Segments area as follows:

- NZTA operations – contracted services and non-third-party fees and charges activities funded by Crown
- Tolling administration – tolling operations funded by tolling third-party fees
- Clean vehicle discount – clean vehicle discount scheme funded by Crown
- Clean car standard – clean car standard scheme funded by Crown
- Memorandum accounts – regulatory activities funded from fees and charges
- Land transport funding – activities funded from the National Land Transport Fund
- Specific projects funded by the Crown.

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Revenue			
NZTA operations	223	221	210
Tolling - administration	20	20	17
Clean vehicle discount	159	163	347
Clean car standard	13	12	11
Memorandum account - other fees and charges	233	237	178
Land transport funding	4,996	4,582	4,036
Specific projects funded by the Crown	362	670	696
Total revenue	6,006	5,905	5,495
Expenditure			
NZTA operations	220	207	201
Tolling - administration	26	23	14
Clean vehicle discount	159	163	347
Clean car standard	13	12	11
Memorandum account - other fees and charges	233	225	184
Land transport funding	5,122	4,569	4,035
Specific projects funded by the Crown	396	670	696
Total expenditure	6,169	5,869	5,488
Surplus/(deficit)			
NZTA operations	3	14	9
Tolling - administration	(6)	(3)	3
Clean vehicle discount	0	0	0
Clean car standard	0	0	0
Memorandum account - other fees and charges	0	12	(6)
Land transport funding*	(126)	13	1
Specific projects funded by the Crown*	(34)	0	0
Total surplus/(deficit)	(163)	36	7

*Includes revocations and write-offs of state highways.

Clean vehicle discount scheme

This supplementary information has been provided to fulfil the disclosure requirements under section 9A of the Land Transport Clean Vehicles Amendment Act 2022.

Below is the movement of the Crown clean vehicle discount memorandum account.

	Actual 2023/24 \$M	Actual 2022/23 \$M
Opening balance	0	10
Revenue		
Fees from high emission vehicles	103	169
Crown grant revenue*	56	167
Total revenue	159	336
Expenditure		
Clean vehicle rebates	154	342
Scheme administration	5	4
Project implementation	0	0
Total expenditure	159	346
Net surplus/(deficit)	0	(10)
Closing balance*	0	0

*The clean vehicle discount scheme was ended on 31 December 2023.

The table below shows NZTA's situation regarding the Crown grant.

	Actual life to date 2023/24 \$M	Actual life to date 2022/23 \$M
Crown grant revenue*	337	279
Life to date revenue received by NZTA from charges paid	299	196
Total revenue	636	475
Less: life to date rebates paid and administration costs	636	475
Total deficit funded by the Crown grant	0	0

*A \$401 million repayable Crown grant was provided to support the scheme. Following scheme closure the unused portion of \$64 million was returned to the Crown.

Land transport management (road tolling scheme)

This supplementary information has been provided to fulfil the disclosure requirements for the Northern Gateway, Tauranga Eastern Link and Takitimu Drive toll roads.

Tolling disclosures are presented in millions to one decimal point to provide more meaningful information to the users of the financial statements.

Toll road traffic volumes and revenue for the year ended 30 June 2024

	Toll revenue (portion designated for repayment of Crown debt)			Traffic volumes (number of vehicles)		
	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M	Actual* 2023/24 M	Budget* 2023/24 M	Actual* 2022/23 M
Northern Gateway toll road - light vehicles	11.7	9.9	9.1	8.1	6.8	6.5
Northern Gateway toll road - heavy vehicles	2.3	2.3	2.0	0.6	0.6	0.6
Tauranga Eastern Link toll road - light vehicles	4.3	4.6	4.1	3.7	3.8	3.7
Tauranga Eastern Link toll road - heavy vehicles	2.1	2.1	1.9	0.5	0.5	0.5
Takitimu Drive toll road - light vehicles	4.4	4.5	4.1	4.3	4.4	4.4
Takitimu Drive toll road - heavy vehicles**	2.2	3.2	2.9	0.8	0.8	0.8

*Light vehicle traffic volumes include a small amount of unidentifiable number plates and exempt vehicles.

** This heavy vehicle volume includes 230,771 trips that were treated as unable to be tolled, as the untolled alternate route was closed from 8th January 2024 to 15th April 2024.

The table below shows the breakdown between tolling revenues used to repay debt and to operating the tolling business.

Tolling revenues for the year ended 30 June 2024

	Tolling revenue used to repay debt		Tolling revenue used to operate the business		Total Tolling revenue	
	Actual 2023/24 \$M	Actual 2022/23 \$M	Actual 2023/24 \$M	Actual 2022/23 \$M	Actual 2023/24 \$M	Actual 2022/23 \$M
Northern Gateway toll road	14.1	11.1	6.9	5.0	21.0	16.1
Tauranga Eastern Link toll road	6.5	6.0	3.3	2.9	9.8	8.9
Takitimu Drive toll road	6.6	7.0	3.9	3.5	10.5	10.5
Total	27.2	24.1	14.1	11.4	41.3	35.5

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Debt and other financial obligations			
Tauranga Eastern Link toll road borrowing	107.0	107.0	107.0
Total	107.0	107.0	107.0
Toll revenue inflow to the National Land Transport Fund for repayment of debt			
Tauranga Eastern Link toll road	6.3	6.6	5.8
Takitimu Drive toll road	6.5	7.7	6.8
Total	12.8	14.3	12.6

NZTA does not hold any debt in relation to Takitimu Drive. NZTA paid \$65 million for the road to Tauranga City Council. NZTA is recovering this via notional interest from toll revenues.

NZTA does not include Northern Gateway tolling revenue in its financial statements. The tolling revenue is collected and passed to the Crown to repay the debt held by the Crown.

Currently, payments to the Crown road are on-hold until approximately June 2027 while we use the money to help finance the Tolling Back Office System.

Feasible, untolled alternative routes for the toll roads remain available to road users as follows;

- Northern gateway on State Highway 17 via Orewa.
- Tauranga Eastern Link on the Te Puke highway via Te Puke.
- Takitimu Drive via Cameron Road or Cambridge-Moffat Roads.

The table below shows the equity account movement for Tauranga Eastern Link debt repayment. If the equity account is in a surplus position (cumulative tolling revenue exceeds the cumulative interest on the \$107 million loan), then the surplus funds will be used to repay the Crown debt.

	Actual 2023/24 \$M	Actual 2022/23 \$M
Opening balance	1.2	0.6
Tolling revenue used to repay debt	6.4	6.0
Interest expenditure on \$107 million loan	5.7	5.4
Net surplus/(deficit)	0.7	0.6
Closing balance	1.9	1.2

Financial statements for NZTA road tolling operations

Statement of comprehensive revenue and expense for the year ended 30 June 2024

	Note	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Revenue				
Toll fees	a	20.4	19.2	16.9
Total revenue		20.4	19.2	16.9
Expenditure	b	25.6	19.6	14.7
Net surplus/(deficit)		(5.2)	(0.4)	2.2

a. Toll fees includes \$14.1 million of tolling revenue used to operate the business (2022/23: \$11.0 million) and \$6.2 million of customer toll payment notice revenue (2022/23: \$5.0 million). Toll fees excludes tolling revenue used to repay debt. The tolling revenue used to repay debt is included in the Northern Gateway, Tauranga East Link and Takitimu Drive information on the previous pages.

b. The expenditure includes financing of the Tolling Back Office System.

Statement of financial position as at 30 June 2024

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Assets			
Current assets	17.0	18.5	22.1
Non-current assets	7.1	7.1	5.6
Total assets	24.1	25.6	27.7
Liabilities	15.9	14.1	14.3
Net assets/equity	8.2	11.5	13.4

Statement of cash flows for the year ended 30 June 2024

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Net cash from operating activities	26.9	26.6	23.1
Net cash from financing activities	(25.9)	(25.9)	(23.4)
Net increase in cash and cash equivalents	1.0	0.7	(0.3)
Cash and cash equivalents at the beginning of the year	12.8	12.8	13.1
Cash and cash equivalents at the end of the year	13.8	13.5	12.8

NZTA tolling equity account

The table below shows the movement of the tolling administration equity account within retained funds in equity.

	Actual 2023/24 \$M	Actual 2022/23 \$M
Opening balance	13.4	11.2
Revenue	20.4	16.9
Expenditure	25.6	14.7
Net surplus/(deficit)	(5.2)	2.2
Closing balance	8.2	13.4

Tolling provision for doubtful debts

	Actual 2023/24 \$M	Actual 2022/23 \$M
Opening balance as at 1 July	2.4	2.1
Movement in doubtful debts provision	0.9	0.3
Closing balance as at 30 June	3.3	2.4

The tolling provision for doubtful debts is netted against the NZTA receivables balance in the statement of financial position.

Tolling bad debt write-off

	Actual 2023/24 \$M	Actual 2022/23 \$M
Bad debt write-off	2.0	1.5

Regional fuel tax

NZTA is mandated to administer and manage the collection of the regional fuel tax. Currently the only regional fuel tax is for Auckland. Proceeds are remitted to Auckland City Council, and NZTA is paid a fee for the services provided.

The Regional Fuel Tax scheme ended as at 30 June 2024 with final rebate payments to be made in the 2024/25 financial year.

This supplementary information has been provided to fulfil the disclosure requirements under section 65Y of Land Transport Management Act 2003.

Statement of comprehensive revenue and expense for the year ended 30 June 2024

	Actual 2023/24 \$M	Actual 2022/23 \$M
Revenue		
Regional fuel tax	157	159
Rebates	(7)	(7)
Crown funds retained	0	0
Interest received	0	0
Total revenue	150	152
Distributed to:		
Auckland City Council	145	151
Transport Agency administration fee	1	1
Rebate reserve top-up	4	0
Total distributions	150	152
Net surplus/(deficit)	0	0

Statement of financial position as at 30 June 2024

	Actual 2023/24 \$M	Actual 2022/23 \$M
Assets		
Cash and cash equivalents	17	17
Total assets	17	17
Liabilities		
Payables	11	15
Regional fuel tax rebate reserve	5	2
RFT advance funding operational costs	1	0
Total liabilities	17	17
Net assets/equity	0	0

Statement of cash flows for the year ended 30 June 2024

	Actual 2023/24 \$M	Actual 2022/23 \$M
Net cash from operating activities	0	0
Net (decrease)/increase in cash and cash equivalents	0	0
Cash and cash equivalents at the beginning of the year	17	17
Cash and cash equivalents at the end of the year	17	17

Borrowing apportionment

\$2 billion of the \$2 billion NLTP 2021-24 loan facility has been drawn down and funding has been apportioned across output classes as follows:

Output class	2021-24 NLTP facility \$M	Short-term borrowing (seasonal portion) \$M	Short-term borrowing (shock portion) \$M	Total
State highway improvements	45	30	30	105
Local road improvements	254	46	46	346
Public transport services	17	2	2	21
Public transport infrastructure	430	54	54	538
Walking and cycling improvements	257	37	37	331
State highway maintenance	342	43	43	428
Local road maintenance	522	20	20	562
Road to zero	133	18	18	169
Total apportionment	2,000	250	250	2,500

Drawdowns from the \$2 billion NLTP 2021-24 loan facility were initially apportioned based on the output class investment targets set by the Board with subsequent adjustments to account for actual spending to ensure output classes were not over-funded.

Further detail on the impact of the borrowing on the National Land Transport Fund is contained in the National Land Transport Fund financial statements.

This supplementary information does not form part of the NZTA audited financial statements.

Output class income and expenditure

Investment management

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Operating revenue			
Crown (Crash Analysis System)	1	1	1
Crown (Mode shift)	5	22	2
NLTF	63	100	65
Other	14	0	5
Total operating revenue	83	123	73
Operating expenses			
Transport Agency (Crash Analysis System)	1	0	1
Transport Agency (Ministerial services)	0	0	1
Transport Agency (Mode shift)	5	22	2
Funding to approved organisations	8	28	11
Transport planning	23	0	16
Sector training and research	5	0	3
Investment in the funding allocation system	41	73	39
Total operating expenses	83	123	73
Surplus/(deficit)	0	0	0

Revenue collection and administration

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Operating revenue			
Crown (administration of tax reduction)	0	0	3
Section 9(2) LTMA refund of fuel excise duty	4	4	4
Section 9(2) LTMA road user charges investigation	8	4	7
Section 9(2) LTMA road user charges refund	3	3	3
Fees and charges (tolling)	20	20	17
Fees and charges (road user charges)	24	30	13
Regional fuel tax administration	1	1	1
Section 9(1a) LTMA funding to support the regulatory function collections	2	0	0
Other (refund of fuel excise duty and road user charges)	1	0	1
Total operating revenue	63	62	49

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Operating expenses			
Refund of fuel excise duty	4	4	4
Regional fuel tax administration	1	1	1
Tolling	26	23	14
Road user charges investigation and enforcement	8	6	7
Road user charges refund	3	4	4
Road user charges collections	28	32	23
Total operating expenses	70	70	53
Surplus/(deficit)	(7)	(8)	(4)

State highway improvements

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Operating revenue			
NLTF	743	599	748
Crown (COVID-19 public-private partnerships funding)	19	1	18
Crown infrastructure partners	31	0	20
Crown (Major Crown Investment Projects)	(2)	25	0
Crown (Supporting Regions Programme)	0	1	1
NLTF (Public-private partnerships)	0	164	0
NLTF (Tolling)	13	14	13
Developer contributions	27	0	4
Interest and finance income	7	9	6
Other income	7	0	11
Total operating revenue	845	813	821
Operating expenses			
Depreciation and state highway write-offs	663	608	524
Other interest and finance costs	216	178	154
Interest on Tauranga Eastern Link borrowings	5	0	0
Crown (COVID-19 public-private partnerships funding)	19	1	78
Crown (COVID-19 Response and Recovery Fund)	7	0	0
Crown infrastructure partners	31	0	20
Crown (Major Crown Investment Projects)	36	25	0
Palmerston North Lease	1	0	0
Crown (Supporting Regions Programme)	0	1	1
Other expenses	34	0	40
Total operating expenses	1,012	813	817
Surplus/(deficit)	(167)	0	4

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Capital funding			
Crown (Major Crown Investment Projects)	606	1,014	478
Crown (Accelerated Regional Roding Programme)	29	35	0
Crown (Supporting Regions Programme)	25	31	24
Crown infrastructure partners funding utilised for investment	31	32	20
NLTF capital contribution	44	20	29
NLTF (2021-24 NLTP facility)	0	0	81
NLTF (public-private partnerships)	11	0	98
NLTF (public-private partnerships - interest rate swap movement)	(5)	0	(84)
North Island Weather Events minor resilience works	36	0	0
Depreciation funding utilised for investment in the state highway network	511	608	524
NLTF (state highway disposals)	11	33	13
Total capital funding	1,299	1,773	1,183
Capital expenditure			
Crown investment (Major Crown Investment Projects)	606	1,014	478
Crown (Accelerated Regional Roding Programme)	29	35	0
Crown (Supporting Regions Programme)	25	31	24
Crown infrastructure partners	31	32	20
Public-private partnerships	11	0	98
Public-private partnerships - interest rate swap movement*	(5)	0	(84)
North Island Weather Events minor resilience works	36	0	0
Capital investment	504	561	563
Transport Agency capitalised expenditure	89	100	88
Total capital expenditure	1,326	1,773	1,187
Net capital movement	(27)	0	(4)
Borrowing funding			
NLTF (public-private partnership quarterly unitary payment)	46	29	49
Total borrowing funding	46	29	49
Borrowing repayment			
Repayment public-private partnership quarterly unitary payment	46	29	49
Total borrowing repayment	46	29	49
Net borrowing	0	0	0
Total movement	(194)	0	0
Total operating and capital expenditure	1,644	1,978	1,460

* The movement in the public-private partnership interest rate swaps was due to yearly changes to market interest rates.

State highway maintenance

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Operating revenue			
Crown (Kaikōura earthquake response)	0	0	4
NLTF	893	712	986
NLTF (Emergency works)	30	30	0
NLTF (North Island weather events)	0	138	94
NLTF (2021-24 NLTP facility)	278	245	104
NLTF (rental and interest income)	27	20	27
Other revenue	58	0	67
Total operating revenue	1,286	1,145	1,282
Operating expenses			
Maintenance of the state highway network (Kaikōura earthquake response)	1	0	4
Depreciation on state highway renewals	306	247	300
Maintenance of the state highway network	806	810	886
Maintenance and operation of Transmission Gully and Pūhoi to Warkworth	17	16	8
Works funded by third party contributions	56	0	0
Transport Agency operating activities	87	66	80
Interest and finance costs	14	6	4
Total operating expenses	1,287	1,145	1,282
Surplus/(deficit)	(1)	0	0
Capital funding			
Crown (Kaikōura earthquake response)	0	0	(5)
NLTF	572	0	0
Depreciation funding utilised for investment in state highway renewals	306	247	251
Total capital funding	878	247	246
Capital expenditure			
Crown investment (Kaikōura earthquake response)	0	0	(5)
Capital investment	877	247	251
Total capital expenditure	877	247	246
Total movement	1	0	0
Total operating and capital expenditure	1,858	1,145	1,228

Walking and cycling improvements

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Operating revenue			
Crown (Mode shift)	56	275	12
NLTF	0	33	33
NLTF (2021-24 NLTP facility)	110	110	51
Total operating revenue	166	418	96
Operating expenses			
Funding to approved organisations (Mode shift)	56	275	12
Funding to approved organisations	90	129	71
Transport Agency operating activities	9	9	10
Interest and finance costs	11	5	3
Total operating expenses	166	418	96
Surplus/(deficit)	0	0	0
Capital funding			
Crown (Mode shift)	0	1	0
Crown (Ngauranga to Petone)	28	21	21
NLTF capital contribution	2	12	41
NLTF (2021-24 NLTP facility)	91	85	51
Total capital funding	121	119	113
Capital expenditure			
Capital investment (Mode shift)	0	1	0
Crown (Ngauranga to Petone)	28	21	21
Capital investment	93	97	92
Total capital expenditure	121	119	113
Net capital movement	0	0	0
Total movement	0	0	0
Total operating and capital expenditure	287	537	209

Public transport services

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Operating revenue			
Crown (half price fares)	0	0	134
Crown (SuperGold card)	38	36	34
Crown (Community Connect Programme)	15	110	3
Crown (Bus decarbonisation)	4	12	1
Crown (Mode shift)	16	10	1
Crown (Retaining and recruiting bus drivers)	16	39	3
Crown (Public transport subsidy)	54	0	141
NLTF	496	515	350
NLTF (2021-24 NLTP facility)	14	12	6
Total operating revenue	653	734	673
Operating expenses			
Crown (half price fares)	0	0	134
Crown (SuperGold card and administration)	37	36	34
Crown (Community Connect Programme)	68	110	3
Crown (Bus decarbonisation)	3	12	1
Crown (Mode shift)	16	10	1
Crown (Retaining and recruiting bus drivers)	15	39	3
Crown (Public transport subsidy)	0	0	141
Funding to approved organisations	514	527	356
Total operating expenses	653	734	673
Surplus/(deficit)	0	0	0

Public transport infrastructure

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Operating revenue			
Crown (Eastern busway project)	77	29	31
Crown (Mode shift)	33	48	1
Crown infrastructure partners (North western bus improvement)	3	0	27
NLTF	169	264	342
NLTF (2021-24 NLTP facility)	349	308	146
Other revenue	0	0	1
Total operating revenue	631	649	548
Operating expenses			
Funding to approved organisations	477	562	465
Funding to approved organisations (Eastern busway project)	77	29	31
Funding to approved organisations (Mode shift)	33	48	1
Crown infrastructure partners (Northwestern bus improvements)	3	0	27
Other operating expenses	20	0	10
Transport Agency operating activities	4	2	9
Interest and finance costs	17	8	5
Total operating expenses	631	649	548
Surplus/(deficit)	0	0	0
Capital funding			
Crown (Mode shift)	0	1	0
Crown infrastructure partners funding utilised for investment	3	0	27
NLTF capital contribution	21	19	58
Total capital funding	24	20	85
Capital expenditure			
Capital investment	21	19	58
Crown investment (Mode shift)	0	1	0
Capital investment (North western bus improvement)	3	0	27
Total capital expenditure	24	20	85
Net capital movement	0	0	0
Total operating and capital expenditure	653	669	606

Local road improvements

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Operating revenue			
NLTF	0	28	(5)
NLTF (Housing Infrastructure Fund)	14	50	37
NLTF (2021-24 NLTP facility)	185	167	125
Crown (Supporting Regions Programme)	(3)	0	11
Crown (Regional Resilience)	0	20	0
Interest and finance income	12	13	14
Total operating revenue	208	278	182
Operating expenses			
Funding to approved organisations	171	186	117
Funding to approved organisations (Housing Infrastructure Fund)	14	50	37
Funding to approved organisations (Supporting Regions Programme)	(3)	0	11
Funding to approved organisations (Regional Resilience)	0	20	0
Interest and finance costs	26	22	17
Total operating expenses	208	278	182
Surplus/(deficit)	0	0	0

Local road maintenance

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Operating revenue			
NLTF	406	419	825
NLTF (North Island weather events)	312	138	157
NLTF (Emergency works)	30	30	0
NLTF (2021-24 NLTP facility)	493	393	65
Total operating revenue	1,241	980	1,047
Operating expenses			
Funding to approved organisations	1,235	977	1,045
Interest and finance costs	6	3	2
Total operating expenses	1,241	980	1,047
Surplus/(deficit)	0	0	0

Coastal shipping

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Operating revenue			
NLTF	3	13	23
Total operating revenue	3	13	23
Operating expenses			
Funding to approved organisations	3	13	23
Total operating expenses	3	13	23
Surplus/(deficit)	0	0	0

Regulation of the rail transport system

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Operating revenue			
Crown (protection of core regulatory functions)	0	0	1
Fees and charges	3	4	2
Total operating revenue	3	4	3
Operating expenses			
Fees and charges funded activities	3	4	3
Total operating expenses	3	4	3
Surplus/(deficit)	0	0	0

Road to Zero

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Operating revenue			
NLTF	425	261	164
Community Road Safety Programme	11	8	10
Developers contributions	7	0	1
Total operating revenue	443	269	175
Operating expenses			
Community Road Safety Programme	8	8	7
Funding to approved organisations	158	123	133
Depreciation	228	0	0
Transport Agency operating activities	36	136	31
Interest and finance costs	5	2	1
Total operating expenses	435	269	172
Surplus/(deficit)	8	0	3
Capital funding			
NLTF capital contribution	0	229	154
NLTF (2021-24 NLTP facility)	107	103	48
Depreciation funding utilised for investment	228	0	0
Total capital funding	335	332	202
Capital expenditure			
Capital investment	340	332	202
Total capital expenditure	340	332	202
Net capital movement	(5)	0	0
Total movement	3	0	3
Total operating and capital expenditure	547	601	374

Drivers licensing and testing

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Operating revenue			
Crown (driver test subsidy and driver licensing stop orders)	0	1	1
Crown (drug and alcohol assessments)	0	1	0
Crown (Equitable access to driver licences)	4	7	1
Crown (ministerial advice and official correspondence)	1	1	1
Crown - Palmerston North building operating funding	0	0	1
Crown (Land transport regulatory services)	1	0	0
Fees and charges	60	41	68
Section 9(1a) LTMA funding to support the regulatory function	17	30	4
Other revenue	0	0	0
Total operating revenue	83	80	76
Operating expenses			
Drug and alcohol assessments	0	1	0
Equitable access to driver licences	4	7	1
Ministerial advice and official correspondence	0	1	1
Palmerston North building operating expenses	0	0	1
Fees and charges funded activities	82	64	64
Other	0	0	0
Total operating expenses	86	73	67
Surplus/(deficit)	(3)	8	9

Vehicle safety and certification

	Actual* 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Operating revenue			
Fees and charges	96	110	75
Section 9(1a) LTMA funding to support the regulatory function	10	1	0
Total operating revenue	106	111	75
Operating expenses			
Fees and charges funded activities	102	105	81
Total operating expenses	102	105	81
Surplus/(deficit)	4	6	(6)

*Changes to fees and charges occurred from 1 October 2023.

Regulation of commercial transport operators

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Operating revenue			
Fees and charges	19	22	13
Section 9(1a) LTMA funding to support the regulatory function	2	0	0
Total operating revenue	21	22	13
Operating expenses			
Fees and charges funded activities	18	21	12
Total operating expenses	18	21	12
Surplus/(deficit)	3	2	1

Low emission vehicles

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Operating revenue			
Crown (grant clean vehicle rebates)	56	0	167
Crown (clean vehicle discount fees)	103	155	175
Crown (clean vehicle discount administration)	0	8	5
Crown (clean car standard administration)	13	12	11
Crown (clean car upgrade)	0	0	1
Crown (social leasing scheme trial)	0	0	1
Total operating revenue	172	175	360
Operating expenses			
Clean vehicle discount rebates	159	158	342
Clean car standard	13	3	11
Clean car upgrade	0	0	1
Social leasing scheme trial	0	0	1
Transport Agency operating activities	0	14	5
Total operating expenses	172	175	360
Surplus/(deficit)	0	0	0
Capital funding and expenditure			
NLTF	2	1	11
Capital investment	2	1	11
Net capital movement	0	0	0
Total movement	0	0	0
Total operating and capital expenditure	172	175	360

Independent auditor's report

To the readers of NZ Transport Agency Waka Kotahi Financial statements and performance information for the year ended 30 June 2024

The Auditor-General is the auditor of NZ Transport Agency Waka Kotahi ("NZTA"). The Auditor-General has appointed me, Ed Loudon, using the staff and resources of KPMG, to carry out the audit of the financial statements and the performance information, of NZTA on his behalf.

Opinion

We have audited:

- the financial statements of NZTA on pages 92 to 130, that comprise the statement of financial position as at 30 June 2024, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information which reports against NZTA's statement of performance expectations on pages 28 to 86 and appropriations on pages 182 to 191 for the year ended 30 June 2024.

In our opinion:

- the financial statements of NZTA on pages:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2024; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity International Public Sector Accounting Standards; and
- the performance information for the year ended 30 June 2024:
 - presents fairly, in all material respects, for each class of reportable outputs:
 - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year;
 - presents fairly, in all material respects, for the appropriations what has been achieved with the appropriations; and
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 30 September 2024. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

Emphasis of matter – State Highway valuation

Without modifying our opinion, we draw your attention to Note 4 in the financial statements which describes the accounting policy, the valuation inputs and estimates made in determining the fair value of the State Highway network. The State Highway network is a significant asset of NZTA and changes in valuation inputs and estimates can have a material impact on the financial statements. Note 4 also provides a sensitivity analysis to highlight such impacts. We consider the disclosures about the valuation of the State Highway network to be adequate.

Emphasis of matter – Inherent uncertainties in the measurement of greenhouse gas emissions

NZTA has chosen to include two measures of greenhouse gas (GHG) emissions in its performance information. Without further modifying our opinion and considering the public interest in climate change related information, we draw attention to the narrative accompanying the following performance measures, which outlines the methodology for reporting those GHG emissions:

- ENV1 measure on page 63 of the annual report; and
- IPOE2 measure on page 64 of the annual report.

Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

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

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

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

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

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

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

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

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

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

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

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

financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause NZTA to cease to continue as a going concern.

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board responsible for the other information. The other information comprises the information included on 3 to 27, 28 to 91 (excluding system outcomes and results measures), 131 to 152, 164 to 181 and 192 to 201, but does not include the financial statements and the performance information, and our auditor's report thereon.

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

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

Independence

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

In addition to the audit we have carried out an other assurance-type engagement over the application of the Scrutiny Principle and seconded staff into non-financial roles, which are compatible with those independence requirements. Other than the audit and those engagements, we have no relationship with or interests in NZTA.



Ed Loudon

KPMG Wellington

On behalf of the Auditor-General

Wellington, New Zealand

Independent limited assurance report

Independent Limited Assurance Report to the Readers of the NZ Transport Agency Waka Kotahi Report '*Putting the Scrutiny Principle into Practice*' for the period ended 30 June 2024

Conclusion

Our limited assurance conclusion has been formed on the basis of the matters outlined in this report.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that, in all material respects, NZ Transport Agency Waka Kotahi ('NZTA') '*Putting the Scrutiny Principle into Practice*' report (the 'report') is not fairly presented, in that:

- the controls were not suitably designed to achieve the control objective specified in section 96(1)(d)(ii) of the Land Transport Management Act 2003 (the 'Act') being, NZTA giving, when making decisions in respect of land transport planning and funding under subpart 1 of Part 2 of the Act, the same level of scrutiny to its own proposed activities and combinations of activities as it would give to those proposed by approved organisations throughout the period 1 July 2023 to 30 June 2024;
- the description does not fairly present the systems and procedures as designed, throughout the period 1 July 2023 to 30 June 2024; and
- the controls, necessary to achieve the control objective, did not operate effectively as designed, throughout the period from 1 July 2023 to 30 June 2024.

Information subject to assurance

We have undertaken a limited assurance engagement on:

- the design of controls within the systems and procedures of NZTA, throughout the period 1 July 2023 to 30 June 2024, relevant to the control objective specified in section 96(1)(d)(ii) of the Act, that NZTA give, when making decisions in respect of land transport planning and funding under subpart 1 of Part 2 of the Act, the same level of scrutiny to its own proposed activities and combinations of activities as it would give to those proposed by approved organisations;
- the NZTA description of its systems and procedures at pages 160 to 162 (the 'description'); and
- the operating effectiveness of those controls.

The Auditor-General is the auditor of NZTA. The Auditor-General has appointed me, Ed Loudon, using the staff and resources of KPMG, to carry out this work on his behalf.

Criteria

An assurance engagement to report on the design, description and operating effectiveness of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the control objectives, the completeness, accuracy and method of presentation of the description of the systems and procedures and the operating effectiveness of controls throughout the period.

Standards we followed

We conducted our work in accordance with International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements other than audits or reviews of historical financial information* and Standard on Assurance Engagements 3150 *Assurance Engagements on Controls*. In accordance with those standards we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that the Statement is free from material misstatement, whether due to fraud or error; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance conclusion on the controls.

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

How to interpret limited assurance and material misstatement

A limited assurance engagement is restricted primarily to enquiries and other relevant procedures as described above.

Misstatements, including omissions, within the report are considered material if, individually or in the aggregate, they could reasonably be expected to influence the relevant decisions of the intended users taken on the basis of the report.

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objective may not be achieved and so fraud, error, or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the controls that we have assured operate, has not been assured and no opinion is expressed as to its design or operating effectiveness.

An assurance engagement on operating effectiveness of controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Directors' responsibility

The Directors of NZTA are responsible for:

- the implementation of systems and procedures that enable NZTA to give, when making decisions in respect of land transport planning and funding under subpart 1 of Part 2 of the Act, the same level of scrutiny to its own proposed activities and combinations of activities, as it would give to those proposed by other approved organisations;
- identifying the control objective;
- identifying the risks that threaten achievement of the control objective;
- designing controls to mitigate those risks, so that those risks will not prevent achievement of the identified control objective;
- preparing the description and report at page 160 to 162, including the completeness, accuracy and method of presentation of the description and report; and
- operating those controls effectively as designed throughout the period.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the NZTA report regarding the suitability of the design of controls to achieve the control objective, the presentation of the description of the systems and procedures and the operating effectiveness of the controls within the NZTA systems and procedures, based on our procedures.

Our independence and quality control

When carrying out the limited assurance engagement we complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (Including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board (NZAuASB) which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the External Reporting Board.

Our firm has also performed the annual statutory audit of NZTA, along with provision of non-assurance services in relation to secondment of staff into non-financial roles. Subject to certain restrictions, partners and employees of our firm may also deal with NZTA on normal terms within the ordinary course of trading activities of the business of NZTA. These matters have not impaired our independence as assurance providers of NZTA for this engagement. The firm has no other relationship with, or interest in, NZTA.



Ed Loudon

KPMG Wellington

On behalf of the Auditor-General

30 September 2024

Putting the scrutiny principle into practice

Report on the implementation of systems and procedures to give effect to the scrutiny principle

Legislative requirement and control objective

The Land Transport Management Act 2003 (section 96(1)(d)(ii)) states that NZTA must ensure that:

it gives, when making decisions in respect of land transport planning and funding,

...,the same level of scrutiny to its own proposed activities and combinations of activities as it would give to those proposed by approved organisations. NZTA refers to this requirement as the 'Scrutiny Principle'.

NZTA must, among other things, develop systems and procedures to give effect to this scrutiny principle and must report on its implementation of those systems and procedures in its annual report. This section meets that requirement.

Systems and procedures

NZTA has implemented systems and procedures to give effect to the scrutiny principle. The three sets of procedures to support compliance are⁹:

- operational procedures – to support individuals to apply the appropriate level of scrutiny when making decisions
- managerial procedures – to oversee the application of the scrutiny principle
- monitoring and reporting procedures – to confirm the operational procedures are followed and the scrutiny principle has been properly applied. The operational procedures enable staff and board members of NZTA to know when and how to comply with the principle in relation to individual decisions, including:
 - following the same procedure for similar types of activities
 - applying equivalent evaluation criteria
 - requiring an equivalent level of information
 - applying the same level of rigour to analysis

⁹ These procedures are set out in the NZTA website at Scrutiny and transparency policy | NZ Transport Agency Waka Kotahi (webpage, last updated February 2023). nzta.govt.nz/planning-and-investment/planning-and-investment-knowledge-base/archive/202124-nltp/202124-nltp-principles-and-policies/assessment/scrutiny-and-transparency-policy/

- applying the same level of tolerance to cost estimates
- having staff with equivalent seniority and experience involved with equivalent decisions.

The main system NZTA uses to manage the National Land Transport Programme is the web-based Transport Investment Online (TIO). TIO contains all the activities proposed for funding and sets out for all applicants (both approved organisations and NZTA for its own activities) the evidence supporting investment decisions. TIO records the decisions made by NZTA, including any conditions applied to funding. The system is transparent with approved organisations able to see the details of their proposals and NZTA recommendations and decisions and provides transparency of the operational aspects of decision making. TIO holds all relevant information and documentation including: cost estimates, confirmation and sign off from senior staff, minutes of committee and board minutes etc.

The Planning and Investment Knowledge Base (PIKB) is a web-based portal that sets out the policies, principles and processes for all investment in land transport from the National Land Transport Fund with rules applied in relation to assessing and evaluating all activities seeking funding.

Implementation of systems and procedures

To give effect to the requirement of the Act, within NZTA systems and procedures the following controls have been implemented and operated effectively throughout the year to 30 June 2024 across all funding applications:

- all funding applications are managed in TIO;
- all activities are assessed in relation to the Investment Prioritisation Method for the 2021-24 NLTP;
- all new funding applications are supported by a business case (or equivalent) and cost benefit analysis;
- a peer review is required for all improvement activity business cases with an expected implementation cost greater than \$15 million;
- all funding applications are assessed by investment advisors in relation to the same requirements whether the activity is proposed by NZTA or an approved organisation and reviewed by a Senior Manager before submitting through the decision-making process;
- a business case and funding decisions committee, also referred to as the Value Outcomes Scope (VOS) Committee, considers all significant funding applications, both from NZTA and approved organisations. The VOS Committee is active in ensuring that a consistent approach is applied to consideration of funding applications and recommendations for funding decisions in relation to activities of NZTA and approved organisations;
- funding decisions are made in accordance with a delegations policy approved by the NZTA Board. The amount and type of application determines the levels of approval that are required. All funding applications with an expected implementation cost exceeding \$50 million are approved by the NZTA Board.
- post approval reviews are conducted annually on a selection of investment approvals for approved organisations and NZTA to check that investment decisions meet the requirements of PIKB based on the evidence in TIO;
- internal monitoring and reporting on the length of time between funding applications and investment decisions enables tracking and identification of any variation.

The post approval review covering the annual period ending 30 June 2024 identified some inconsistencies in the documentation and recording of information supporting investment decisions. NZTA is satisfied that the matters identified have not had a material impact on the application of the Scrutiny Principle during the year to 30 June 2024. We have a continuous improvements programme underway aimed at addressing these issues to ensure that processes are completed correctly.

Additional information

NZTA publishes on its webpage minutes of all funding decisions made by the NZTA Board¹⁰ and lists all decisions delegated to NZTA staff¹¹ since 1 August 2008.¹² Both pages are updated regularly once the Board's decisions have been confirmed.

Insurance and indemnities

NZTA has directors and officers liability and professional indemnity insurance cover in respect of the liability or costs of board members and employees. The NZTA Board also has insurance cover against personal accident and other travel-related risk for board members and employees where injury or loss occurs while on NZTA business.

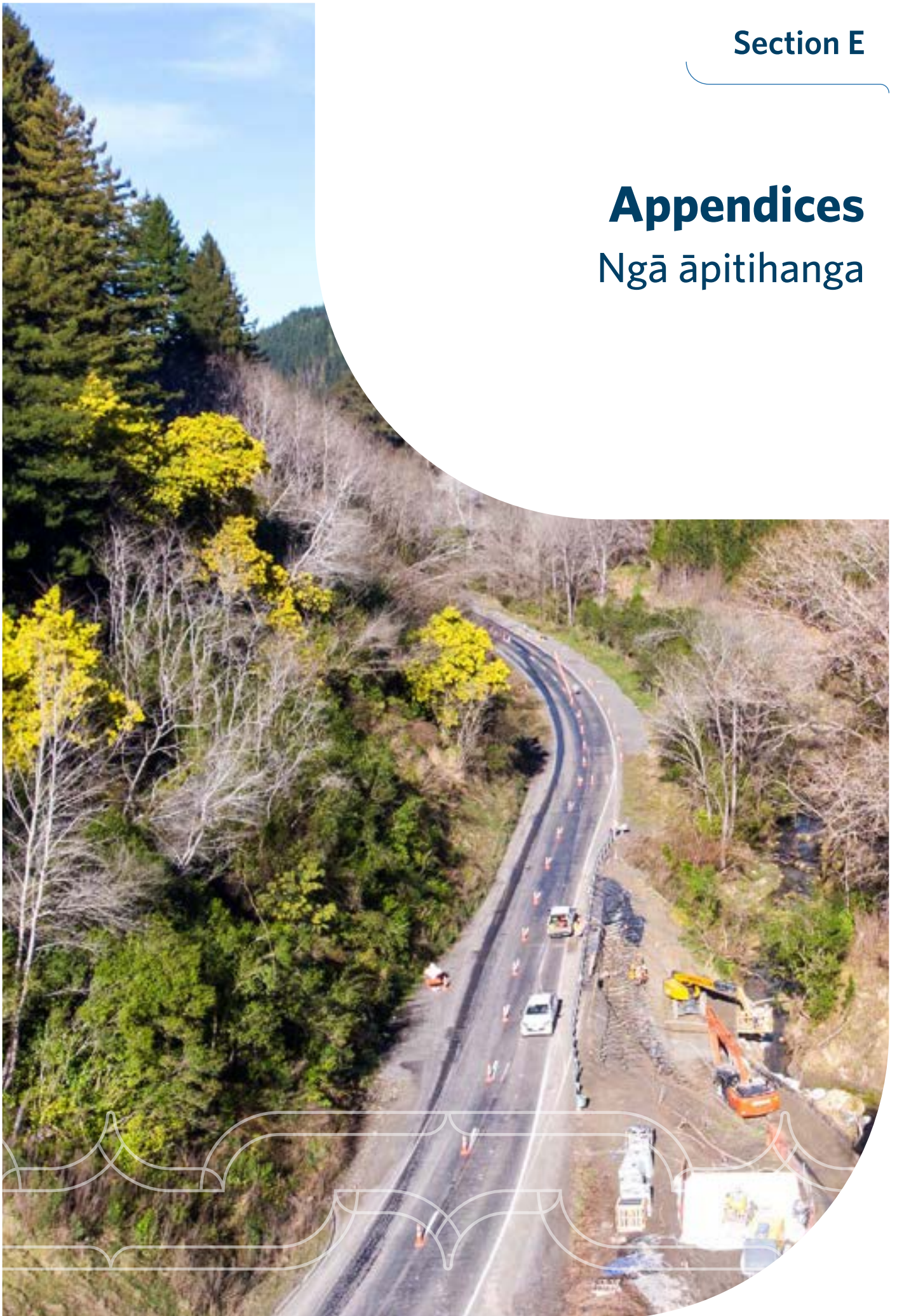
¹⁰ nzta.govt.nz/planning-and-investment/funding-and-investing/investment-decisions/board-decisions

¹¹ www.nzta.govt.nz/planning-and-investment

¹² The prescribed date in the Land Transport Management Act 2003 for reporting on these decisions is 1 October 2008

Appendices

Ngā āpitihanga



Appendix 1: Climate reporting (unaudited)

Carbon Neutral Government Programme reporting

Introduction

NZTA 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 Ministry for the Environment's webpage [About the Carbon Neutral Government Programme](#) (last updated 30 October 2023).

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, we group these emissions into corporate emissions (all scope 1 and 2, and some scope 3 emissions) and non-corporate emissions (other material scope 3 emissions)¹³ as set out in figure 19.

In line with the CNGP reporting guidance provided by Ministry for the Environment, the following sections set out:

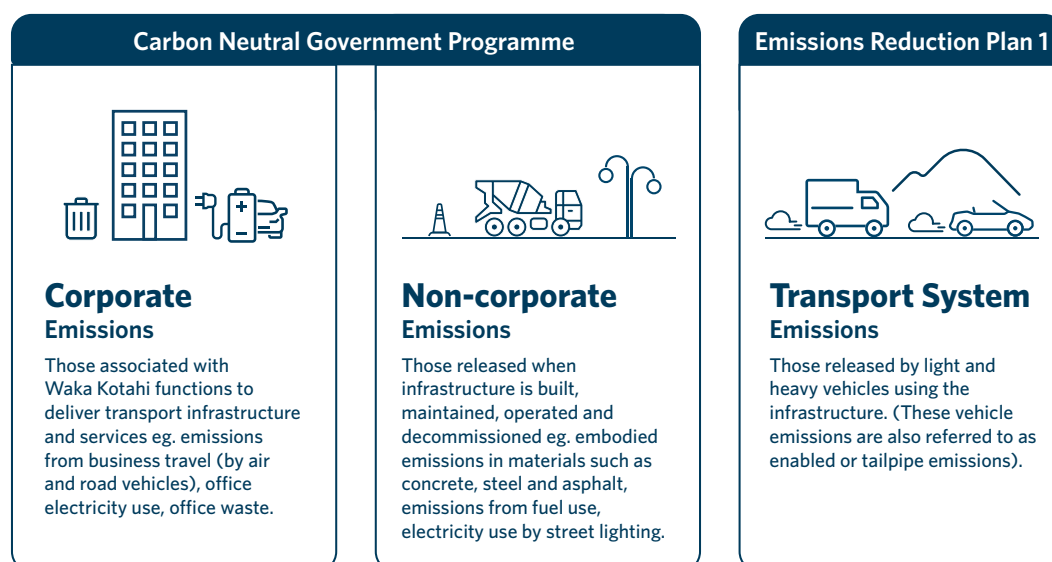
- our corporate and non-corporate emissions profiles for 2023/24
- a summary of progress toward our 2025 and 2030 gross emissions targets.

The CNGP reporting guidance also requires us to report on our FTE and total expenditure for the reporting period¹⁴. Please refer to pages 192 and 92 of the annual report for this information.

¹³ For the purposes of CNGP reporting, NZTA has established an 'operational control' emissions boundary which considers emissions from capital improvements and maintenance and operation activities directly commissioned, funded and delivered by NZTA.

¹⁴ Ministry for the Environment 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>, May 2023)

Figure 19 – NZTA CNGP and ERP1 emissions framework



Total greenhouse gas emissions

Our total greenhouse gas emissions are:

- Corporate emissions (mandatory and non-mandatory sources): 3,871 tonnes of carbon dioxide equivalent (tCO₂-e)
- Non-corporate emissions: 362,000 tonnes of carbon dioxide equivalent (tCO₂-e).

The following sections provide further information on our emissions.

Corporate emissions

We started reporting on corporate emissions in our 2018/19 annual report. Initially, these emissions included only emissions from staff travel and our vehicle fleet. In 2021, a new measure and reduction target were developed (IPOE2: NZTA 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, scope 2 and mandatory scope 3 emissions.¹⁵ For more detail on how the results for IPOE2 are calculated, see the explanatory notes¹⁶ on our website.

The 2023/24 target for IPOE2 was to reduce corporate emissions below 2347 tCO₂-e by 30 June 2024 (a 40 percent decrease from the 2019/20 baseline of 3619.17 tCO₂-e). As reported on page 64, the 2023/24 result for IPOE2 was 1876.84 tCO₂-e, and the target was achieved. This reflects our ongoing work to optimise our vehicle fleet through transition to EVs and changes in policy to support a reduction in domestic air travel, along with the use of more sustainable energy options at some of our corporate offices.

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

¹⁵ Mandatory scope 3 emissions are defined in the CNGP reporting guidance: Ministry for the Environment (2023) Carbon Neutral Government Programme: A guide to managing your greenhouse gas emissions – measuring, reporting, target-setting and reduction planning. <https://environment.govt.nz/publications/cngp-measuring-and-reporting-ghg-emissions>

¹⁶ NZ Transport Agency Waka Kotahi annual report and National Land Transport Fund annual report – main index. nzta.govt.nz/resources/annual-report-nzta

Table 5 - Mandatory corporate emissions

Scope	Source	2023/24 actual	2022/23 actual
Mandatory emissions			
Scope 1: Direct greenhouse gas 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 NZTA corporate fleet vehicles	249	306
Scope 2: Indirect greenhouse gas 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*	255	463
Scope 3: Other indirect greenhouse gas 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 Greenhouse Gas Protocol's Corporate Value Chain (Scope 3) Standard (see pages 31-32 of the CNGP reporting guidance).	Business travel – transport (air travel, taxi) *	1226	1294
	Freight transport (postage & courier)	28	18
	Electricity Transmission and distribution losses*	18	43
	Office waste to landfill*	14	12
	Rental vehicles and use of private vehicles	87	104
Total mandatory emissions		1877	2240

*Correction notice: The figures published in our 2022/23 annual report for scope 2 and 3 emissions were incorrect due to a transposition error, although the total figure was correct. The Electricity in offices row should have been 463, Business travel row should have been 1,294, the Freight transport row should have been 18, the Electricity transmission and distribution losses row should have been 43 and the Office waste to landfill row should have been 12. This version has the correct numbers.

Table 6 - Additional/non-mandatory scope 3 corporate emissions

Scope	Source	2023/24 actual	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	83	96
	Office water supply	5	4
	Office wastewater services	55	52
	Business travel – accommodation	109	110
	Staff commuting	1737	1347
	Paper recycling	1	2
	Electricity – EV chargers for NZTA fleet vehicles (public chargers)	5	6
Total mandatory emissions		1995	1617

Where a measure has been calculated based on a per capita or full-time equivalent basis, total NZTA permanent headcount has been used, excluding contingent (contractor and temporary) staff.

Non-corporate emissions

The CNGP reporting guidance requires each organisation to identify and report, to the extent possible, other material scope 3 emissions in its inventory. This is the second time 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 NZTA are those emissions associated with state highway infrastructure delivery and maintenance activities and operation of the state highway network, including emergency works.

These emissions are considered indirect as NZTA 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:** These are emissions embodied in construction materials (for example, concrete, steel and bitumen) and those arising from the construction activities (for example, transport of materials, use of machinery for earthworks and 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 the impact of a natural hazard on the network. Such works include the removal of debris deposited onto the network from slips or flooding events, repair of underslips and construction of retaining walls.

The non-corporate emissions for CNGP reporting purposes exclude emissions from light and heavy vehicles that use the state highway network. We refer to these vehicle emissions as enabled emissions and they are managed through the first Emissions Reduction Plan¹⁷.

¹⁷ The first Emissions Reduction Plan covers enabled emissions for 2022–2025 and will be replaced by the second plan, which will cover enabled emissions for 2026–2030. The second plan is expected to be published in 2024 and is likely to have a mix of policies and initiatives aimed at achieving the second emissions reduction budget, including the Emissions Trading Scheme, which is the government's main tool to reduce emissions.

Estimated non-corporate emissions in 2023/24

The scale and nature of NZTA 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 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, in addition to supplier provided fuel and electricity data. The results of the estimation are in table 7.

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 requires ongoing investment.

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 2023/24 (indicative)

Activity	Estimation basis		Indicative total emissions tCO ₂ -e FY 2023/24 actual	Uncertainty discussion
Capital improvements	Based on inflation adjusted published emissions intensity factors for New Zealand heavy and civil engineering construction (tCO ₂ -e/\$ output), applied to spend	\$1,367m 2023/24 expenditure	217,000	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		\$632m 2023/24 expenditure	100,000	
Maintenance & operations (M&O)	Estimation of material quantities from NZTA Road Assessment and Maintenance Management (RAMM plus supplier provided estimates for fuel/energy used		45,000	This estimate is considered to have medium uncertainty as it is based on the RAMM asset data but makes assumptions about individual material quantities.
Estimated total			362,000	

Progress toward 2025 and 2030 targets compared with base year

The 2022/23 financial year was our base year for non-corporate emissions. Further data is needed to better understand the emissions reduction potential associated with our non-corporate activities and for us to set reduction targets for these types of emissions. This is a significant activity for NZTA given the scale of emissions and the limited proven alternative materials available for infrastructure construction and maintenance.

NZTA 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 our statement of intent. We are implementing internal operational policies to drive continual improvement in efficiency of resources, waste and carbon in our projects, including whole-of-life carbon assessments. These policies include our Sustainability Rating Scheme Policy,¹⁸ Infrastructure Delivery Resource Efficiency Policy¹⁹ and a resource efficiency and waste minimisation key performance indicator measure for existing maintenance contracts.

Climate-related disclosure

The NZ Transport Agency (NZTA) considers climate change a strategic and operational risk that will continue to create significant pressure on asset management, investment decisions and funding requirements.

New Zealand faces risks related to the physical impacts of climate change (for example from specific acute events or impacts of sea-level rise) and risks related to the country's transition to a low-emission, climate-resilient future (such as fuel supply chain issues or increased costs of low carbon construction materials).

Over the past year we have been maturing our approach to understanding and managing climate risk. Although not mandatory for our organisation, we have been guided by the New Zealand External Reporting Board (XRB) Aotearoa New Zealand Climate Standards (NZCS), which are based on the international Task Force on Climate-related Financial Disclosures (TCFD) framework.

The task force's framework was 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. Reporting against the framework is guided by four themes: governance, strategy, risk management and metrics and targets.

Under the Climate Change Response Act 2002, the Minister of Climate Change or Climate Change Commission may ask NZTA to provide information on climate change adaptation. We responded to one request from the Minister under this legislation in 2023/24. We also voluntarily disclose our progress, at a high level, towards the four areas covered by the climate standards and the task force's framework, set out in the following sections.

¹⁸ NZ Transport Agency Waka Kotahi (2020) Sustainability Rating Scheme Policy (version 2), www.nzta.govt.nz/assets/resources/state-highway-control-manual/docs/sustainability-rating-scheme-policy-202009.pdf

¹⁹ NZ Transport Agency Waka Kotahi (2022) Resource Efficiency Policy for Infrastructure Delivery & Maintenance (version 1.1), <https://nzta.govt.nz/resources/resource-efficiency-policy-for-infrastructure-delivery-and-maintenance>

Governance

We have made improvements to ensure climate-related considerations are routinely presented to the Board and continue to refine our approach. After completing a detailed review of the climate enterprise top risk in July 2023, we're including an update on top climate risks in our quarterly risk report to our Risk and Assurance Committee and Board, along with our other 13 top enterprise risks.

Our executive leadership team is informed by the Future-focused Executive Subcommittee, which, among broader responsibilities, has oversight of climate related responsibilities and opportunities. The executive is also supported by a group of senior managers who coordinate climate related matters at an enterprise level and across our functions.

The Board and executive also have oversight and responsibility for funded projects that improve transport system resilience to climate impacts and for critical portfolio, project and programme risks which may include climate risks. Climate risks identified in projects must be appropriately mitigated and actively managed.

Strategy

Our statutory objectives require NZTA to undertake its functions in a way that contributes to an effective, efficient and safe land transport system in the public interest. Climate considerations are relevant to how we carry out our statutory functions and how we give effect to our statutory operating principle to demonstrate social and environmental responsibility in our work. What we must or can do depends on the context and the function we are undertaking. Different functions are subject to additional statutory requirements, including but not limited to, the Climate Change Response Act 2002, Resource Management Act 1991, Government Roadway Powers Act 1989, and Civil Defence Emergency Management Act 2002.

Our strategic direction, expressed in our statement of intent for 2024–28, includes a system outcome focused on environmental sustainability. This outcome includes a focus on climate change adaptation and reducing greenhouse gas emissions, including requirements on us set by the Carbon Neutral Government Programme.

Tiro Rangi, our climate adaptation plan, outlines foundational actions we are progressing to adapt the way we plan, invest in, design, deliver, operate and use the land transport system in response to the changing climate. Developing and implementing *Tiro Rangi* is an action for us in Aotearoa New Zealand's First National Adaptation Plan, *Urutau, ka taurikura: Kia tū pakari a Aotearoa i ngā huringa āhuarangi Adapt and thrive: Building a climate-resilient New Zealand* (Wellington: Ministry for the Environment. 2022).

Toitū te Taiao, our sustainability action plan, includes a focus on reducing transport system emissions. The government has indicated, through the Government Policy Statement on land transport 2024–2034 (GPS 2024) and the draft second Emissions Reduction Plan, that it is taking a different approach to reducing emissions, including transport emissions. Our role in reducing transport system emissions is guided by these policy settings and requirements.

Over the past year, we improved our understanding of the impact of climate-related risk on how we undertake our statutory functions. This will enable us to respond to future requirements.

We participated in developing the transport sector climate-related scenarios that were published in June 2024. These sector scenarios have been used to inform our initial work on developing entity-level climate scenarios and as input into the development of a consistent organisation-wide climate risk assessment methodology. The enterprise climate risk assessment will support us to make informed decisions that take account of climate-related risks and opportunities.

We have continued embedding climate adaptation into our strategic settings for system planning, spatial planning and investment. This included developing a strategic recovery framework to provide choices and guide decision-making when there is major, widespread or repeated damage to the transport network due to events such as Cyclone Gabrielle. The framework supports a long-term strategic approach to recovery. We also updated our Monetised Benefits and Costs Manual to account for the benefits of resilience improvements to better inform investment decision-making related to climate change adaptation. Both activities are a step toward integrating climate adaptation into NZTA decision-making.

We have started incorporating climate adaptation in Arataki, our 30-year plan, including by showing current and future extreme resilience issues on the state highway network on interactive maps, based on the National Resilience Assessment Tool. This tool provides a geospatial database of natural hazard risks on the state highway network (including geological, hydrological and other risks). The tool is being used to develop risk controls, identify further assessment needs, develop maintenance and improvement programmes, and inform business cases.

Risk management

We manage aspects of our climate-related risk under our enterprise risk framework and throughout our project and programme risk management. Climate resilience and natural and climate-related hazards are incorporated into decision-making for investment planning, procurement, and delivery of infrastructure and services. Our enterprise risk management framework also allows for the development of climate scenario-based risk assessments.

We are committed, over the longer term, to integrating identification and management of climate risk into our existing risk management approach, in alignment with the best practice guidance for NZCS and international standard ISO 14091.²⁰ In 2023/24, we began developing a good practice methodology for integrating climate risk assessment into our enterprise risk approach.

The Executive Leadership team maintains an enterprise top risk register, which is reviewed and updated quarterly. The top risks, key controls and actions, and risk ratings are reviewed and reported to the Board quarterly, and the 13 top risks are interrelated and create an overall risk profile.

Climate change (adaptation and emissions reduction) is an enterprise top risk rated critical (as at June 2024). This risk is owned by the Group General Manager System Leadership. The climate adaptation risk is articulated as ‘the risk that NZTA fails to evolve and adapt rapidly for a changing climate’. The emissions reduction aspect is expressed as the risk of NZTA not contributing sufficiently to transport emissions reduction targets.

Climate change is also a key driver for two other enterprise top risks:

- Resilience of critical infrastructure – our critical infrastructure and strategic assets²¹ are not resilient to physical threats (for example, natural hazards and malicious human-made activity), limiting their ability to fulfil their intended purpose (rated critical).
- Funding sustainability – our inability to efficiently plan longer-term investment and meet stakeholder expectations due to funding uncertainties (rated high).

This year foundational work was undertaken to develop draft enterprise climate risk scenarios and a proposed methodology to enable an enterprise climate risk assessment programme in the future. The methodology aligns with the best practise guidance for NZCS and ISO 14091²⁰ and ISO 31000.²² When in place, this methodology will enable more consistency in how we identify, assess and treat climate related risks and opportunities.

Risk definition	Key controls/actions	Residual risk rating
<p>Climate</p> <p>Adaptation: The risk that NZTA fails to evolve and adapt rapidly for a changing climate</p> <p>Mitigation: The risk of NZTA not contributing sufficiently to transport emissions reductions</p>	<ul style="list-style-type: none"> ▪ Oversight and governance through NZTA Risk and Assurance Committee and Future Focus Executive Subcommittee ▪ Enterprise Climate Scenarios and Risk Assessment foundations (phase 1) ▪ Climate Assessment of Transport Investment tool (CATI) ▪ Tiro Rangi ▪ Resilience and cyclone recovery programme ▪ Key tools and policies, including the Strategic Recovery Framework and Resilience Framework and National Resilience Assessment Tool. 	<p>Likelihood: Almost certain</p> <p>Consequence: Extreme</p> <p>Rating: Critical</p>

²⁰ ISO (2020) ISO 14091:2021 *Adaptation to climate change: Guidelines on vulnerability, impacts and risk assessment*, International Organization for Standardization.

²¹ Including the state highway network, Auckland Harbour Bridge and tunnels.

²² ISO (2018) *ISO 31000:2018 Risk management* (2nd ed), International Organization for Standardization.

Metrics and targets

Reporting on several measures and targets relevant to climate change is on pages x-x, including transport sector emissions and our corporate emissions. These measures are guided by our strategic direction and provide an indication of sector progress and our own efforts to reduce emissions (in line with the requirements of the Carbon Neutral Government Programme).

Next year we will mature our reporting and monitor our non-corporate carbon footprint, which includes emissions released when infrastructure is built, maintained, operated and decommissioned. Our aim for 2024/25 is to begin gathering data from our infrastructure supply chain to understand our bottom-up baseline before considering targets for future years. We are implementing a new digital carbon measurement tool, which will measure our corporate and non-corporate emissions. This tool is expected to be available by October 2024. Progressing in this area gives us the opportunity to reduce our climate risk impact over time.

More work is needed to ensure we have a comprehensive set of measures to understand the risks and opportunities unique to our organisation. In 2023/24, we focused on laying the foundations for this work by developing enterprise climate risk scenarios and a proposed methodology to enable an enterprise climate risk assessment.

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.

This appendix discusses the performance of our state highway assets and information and communication technology (ICT) assets.

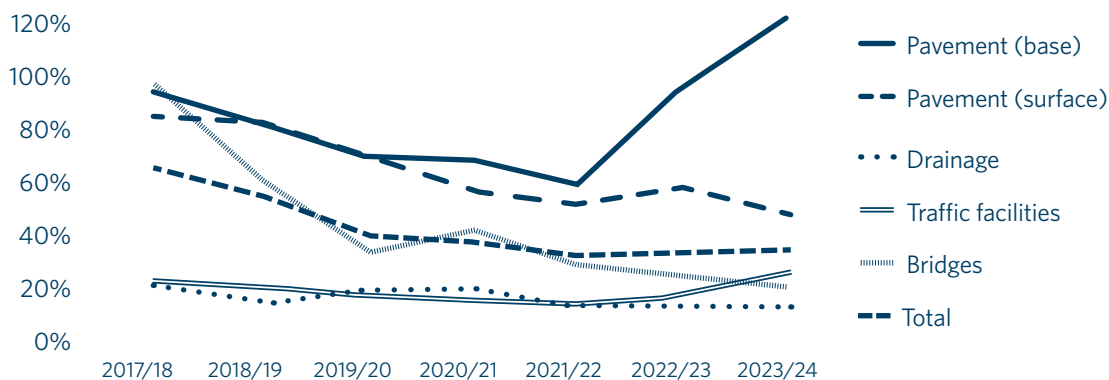
Performance of state highway assets

To monitor the status of our state highway assets we use the following four indicators (discussed below): the asset sustainability ratio, proportion of the state highway network that meets minimum asset condition requirements, number of bridges with restrictions rated as high priority, and proportion of unplanned road closures resolved within standard timeframes. For measure definitions and data sources, see the explanatory notes²³ on our website.

Asset sustainability ratio

The asset sustainability ratio assesses the relationship between expenditure on asset renewals relative to depreciation, where depreciation is considered a measure accounting for a decrease in the asset condition and monetary value of an asset due to use, wear and tear, or obsolescence.²⁴ It captures the extent to which assets are being renewed or replaced as they reach the end of their useful life and eventually wear out. For example, the 2023/24 ratio for pavement surfacing assets broadly implies that, given the rate at which the asset is wearing out (or depreciating), investment is at 48 percent of the level needed to sustain the asset base condition (see figure 20 and table 8). The ratio is an indicator of overinvestment or underinvestment but it does not follow that a low asset sustainability ratio for a fixed period is evidence of underinvestment.

Figure 20 – Asset sustainability ratio



²³ NZ Transport Agency Waka Kotahi annual report and National Land Transport Fund annual report – main index. nzta.govt.nz/resources/annual-report-nzta

²⁴ This excludes expenditure on activities creating new or additional assets and undertaking maintenance that are used by NZTA in the wider management of state highway infrastructure.

Table 8 – Asset sustainability ratio (%)

Scope	Target	2023/24 (provisional)	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18
Pavement (base)	Baseline to be set	122%	95%	60%	69%	70%	81%	95%
Pavement (surface)		48%	58%	52%	57%	69%	82%	85%
Drainage		13%	13%	14%	20%	19%	15%	23%
Traffic Facilities		25%	17%	15%	16%	17%	21%	23%
Bridges		20%	26%	30%	42%	35%	61%	95%

The significant increase in the asset sustainability ratio for pavement (base) is partly realised from substantial renewal expenditure on this asset type and a relief realised to the annual depreciation from the pavement lives review undertaken in 2022. This reflects the change in method for calculating pavement depth or value used in the state highway valuation. Ongoing refinement of this method is underway to further enhance the accuracy of the valuation of this asset type.

The past year has seen increased funding expensed on asset renewals (except for bridge assets), which appears to be arresting the declining trends in the asset sustainability ratio observed over the past decade. The declining trend in the ratio is, in part, due to the recent growth in asset stock and value arising from capital improvement programmes and indexation. Newer assets will have depreciation but no replacement spend for a significant period. Assets such as bridges, culverts (drainage), subways, tunnels and other structures can have longer lives and lower annualised renewal demands than the annual depreciation calculated on a straight-line financial profile. For example, for certain assets (such as the Auckland Harbour Bridge) implementing an ongoing maintenance programme can extend the asset’s useful life, delaying the need for renewal or replacement and slowing the rate of depreciation.

This means the asset sustainability ratios may not fully reflect the total investment in these asset types, as the ratios account for investment in only renewal and replacement and don’t account for investment in ongoing maintenance or investment in new or other assets that may reduce the wear on existing assets. For example, the low asset investment ratio for traffic facilities reflects the comparatively lower value of these assets and the lower amount invested in their renewal, without accounting for the comparatively higher investment in ongoing maintenance of this asset type.

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 35.

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 and were assessed during the year as high priority (that is, needs to be addressed). Short- or long-term restrictions are put in place on state highway bridges because of deteriorating condition, because of 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 NZTA website annually in October, although additional postings may be added during the year. 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 9 - Number of bridges with restrictions rated as high priority

Target: Maintaining or decreasing

2017	2018	2019	2020	2021	2022	2023
0	2	2	2	3	2	3*

Source: NZ Transport Agency Waka Kotahi (2024). Notification of weight and/or speed limits on state highway bridges 2023_24. Details can be found on the NZTA website at: nzta.govt.nz/roads-and-rail/bridges-and-structures/bridge-restrictions

*Includes two restrictions currently being mitigated through the implementation of temporary Bailey Bridges which enable continued network availability with no weight restrictions.

There has been steady progress on removing bridge restrictions in the last year. The replacement State Highway 3 Kopaki Rail Overbridge, which opened in May 2023, removed the previous bridge and associated weight restriction from the network.

The design of mitigation measures to address the weight restriction on the State Highway 50 Ngaruroro River Bridge (Fernhill, Hawke's Bay) is in progress. Physical works, once design is complete, are expected to be carried out in the current NLTP cycle.

Two Bailey bridges are in place to mitigate the loss of network connectivity following Cyclone Gabrielle, at the State Highway 2 Waikare River Bridge and the State Highway 35 Hikuwai #1 River Bridges. No weight restrictions are placed on either bridge and a 10km/h speed restriction is in place. Both Bailey bridges are temporary solutions to enable continued network availability while replacement bridges are progressed at both locations.

Proportion of unplanned road closures resolved within standard timeframes

See the results and commentary for RES1 on page 44.

Performance of information and communication technology assets

This section provides information on the performance of our information asset management systems, including our critical ICT systems.

ICT asset performance measures

We have 5 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 (23) 9.²⁵

We use these measures to assess performance of our critical systems.²⁶ 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).

Over the past year we've reviewed our systems through the Digital Systems Assessment project. This enabled us to identify and review our most critical systems. As a result, the list above may change in 2024/25 to align with the critical systems identified by the Digital Systems Assessment project.

Table 10 shows how we are performing against our ICT asset performance measures for our critical systems. We saw notable improvement in percentage uptime and the total number of high priority incidents (P1 and P2) over the last year, with a small decrease in the number of P1 incidents and a more significant decrease in the number of P2 incidents. This improvement is a result of continued emphasis on accurately analysing the impact of incidents when they are first logged and ensuring they are categorised correctly, as well as a focus on upgrading critical systems to increase availability and stability. We also enhanced release procedures and system testing activities, which means that when systems upgrades are undertaken, they are delivered using more controlled and consistent processes.

²⁵ Cabinet Office (2023) Investment management and asset performance in departments and other entities (Cabinet Circular CO (23) 9), dpmc.govt.nz/sites/default/files/2023-09/co-23-09-investment-management-asset-performance.pdf

²⁶ 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: nzta.govt.nz/resources/annual-report-nzta

Table 10 – ICT asset performance for critical systems

System name	Availability		Condition					
	Percentage up-time (%) ^A		Priority 1 outage time ^B		Priority 1 incidents		Priority 2 incidents	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
ITS Network	99.95%	99.57%	4:40	37:08	1	5	3	12
DYNAC	100.00%	99.99%	0:00	0:40	0	2	4	9
SCATS	100.00%	99.98%	0:00	2:11	0	2	8	7
DLR and Landata ^C	99.79%	100.00%	4:32	0:00	5	0	10	7
FLIR	100.00%	99.90%	0:00	9:07	0	3	5	11
AIP	99.59%	99.79%	9:06	5:00	5	2	0	0
NIEMS	100.00%	99.99%	0:00	0:40	0	1	0	2
TRIES	99.97%	99.97%	2:27	2:33	2	2	6	11
Total			20h 45m	57h 19m	13	17	36	59

^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

In the last year, we continued to address additional technology system risks through our Technology Remediation Programme. This programme ensures systems are up to date, supported and secure and have built-in redundancy. Table 11 describes the extent to which our critical systems are fit for purpose and the remediation work under way for each system.

Table 11 – Extent to which critical systems are fit for purpose and remediation work underway

System name	Is the system fit for purpose? ^A
ITS Network	A project is under way to upgrade this network. Go-live started in February 2024.
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 Latitude	Fit for purpose. An upgrade has been delivered to Lyttleton Tunnel and the Wellington Transport Operations Centre. Auckland Transport Operations Centre upgrade is currently underway.
AIP	Meets business needs but its functionality is included in a broader review of NZTA's enterprise resource planning platform (ERP).
NIEMS	Meets core requirements for Wellington Transport Operations Centre and Christchurch City Council but is not an integrated national event and incident management solution. A review is planned for 2024/25 to determine future direction, gather requirements and understand what steps need to be taken when funding becomes available.
TRIES	This is a legacy bespoke system for transport incidents. A review is planned for 2024/25 to determine future direction, gather requirements and understand what steps need to be taken when funding becomes available.

^A A Landata 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 (unaudited)

The performance assessments are based on achievements against annual milestones under the 2023/24 statement of performance expectations (SPE). A four-rating scale was used for the assessment:

Achieved	All milestones fully achieved
Good progress made, but not achieved	At least 67% of milestones achieved
Progress made, but not achieved	At least 33% of milestones achieved
Not achieved	No SPE milestones were achieved

Project	2023/24 SPE milestone	2023/24 result	Commentary
SH1 Whangārei to Port Marsden Highway Safety	Community engagement started. 30% of design works completed.	Achieved	Milestones were achieved. The project is being reviewed in the context of broader corridor outcomes and strategic priorities under GPS 2024. As a consequence, the project is currently on hold.
Ara Tūhono: Pūhoi-Warkworth	Road open to traffic. Deferred works to achieve 'Full Works Completion' completed. Public-private partnership (PPP) operating phase started.	Achieved	The road opened in June 2023 and is operating well. Full Works Completion was achieved in May 2024 and the PPP operating phase has started. Our PPP partners, Northern Express Group, financed, designed and constructed the motorway, and will maintain the road for the next 24 years. The road provides a safe and direct route supporting tourism, improving access and freight movement, and reducing travel times. It has improved network resilience as an alternative route to the old SH1.
O Mahurangi Penlink	Consenting for outline plan of works, additional earthworks and wetlands completed. Detailed design completed. Main construction works started.	Achieved	Consenting was completed, with the approval given for the outline plan of works, additional earthworks and wetlands. Detailed design has been completed and main construction works have started.

Project	2023/24 SPE milestone	2023/24 result	Commentary
Auckland Network Optimisation	The Strand [draft detailed design] and north bound Princes Street on-ramps completed. Detailed designs completed for Bombay Interchange, northbound Silverdale Bus Lane and Royal Road active mode improvements. Option identified for Auckland Transport Operations Centre's new real time network monitoring system and new planned events management system.	Achieved	The north bound Princes Street on-ramps were completed in November 2023. The draft detailed design for The Strand has been completed and is under review. The detailed designs for Royal Road active mode improvements, Bombay Interchange and Silverdale Bus Lane were completed. Construction on Royal Road started in June 2024 and construction on Bombay Interchange is scheduled to start in August/September 2024. The solution for Auckland Transport Operations Centre's new real time network monitoring system and new planned events management system have been identified and the solution agreed.
Waitematā Harbour Connections	Indicative business case endorsed by the NZTA Board. Procurement for the detailed business case completed.	Good progress made, but not achieved	The draft indicative business case was completed in October 2023. Guidance was sought from the Government due to an affordability risk related to the emerging preferred option. We are waiting for direction on next steps from Government.
Supporting Growth Alliance (Auckland)	Detailed business case completed. Notice of requirements for Warkworth, Pukekohe, North and Takanini lodged. Route protection designation for Airport to Botany and Northwest confirmed.	Achieved	All detailed business cases were completed. Notice of Requirements for Warkworth, Pukekohe, North and Takanini were lodged. Route protection designation for Airport to Botany and Northwest were both confirmed.
South Auckland Package	Detailed business case approved by Joint Ministers. Stage 2B pre-implementation contract awarded for Waihoehoe Road and SH22 (Drury) upgrades. Waihoehoe Road and SH22 (Drury) upgrades section 18 notices (to commence property purchases) issued to landowners. Consents for Waihoehoe Road upgrade lodged.	Good progress made, but not achieved	Joint Ministers approved the detailed business case for Waihoehoe Road and SH22 (Drury) upgrades. The stage 2B pre-implementation contract was awarded for Waihoehoe Road and SH22 (Drury) upgrades in August 2023. For Waihoehoe Road, all but one Section 18 notice (to start property purchases) has been issued. Section 18 notices are not being issued for SH22 (Drury) as we are acquiring property through a willing buyer-seller process. Lodgement of consents for Waihoehoe Road has been delayed and is now scheduled for October.
Baypark to Bayfair Link Upgrade	Project completed and road open to traffic.	Good progress made, but not achieved	Project completion has not been achieved but is expected in September 2024. SH2 opened to traffic in October 2023 following completion of the SH2/SH29A Te Maunga interchange.
Takitimu North Link Stage 1	Cambridge Road Bridge completed. Wairoa Road Bridge completed.	Achieved	Cambridge Road Bridge and Wairoa Road Bridge were completed and open to traffic in April 2024. The bridges enable the planned 4-lane expressway and shared path to be built underneath.

Project	2023/24 SPE milestone	2023/24 result	Commentary
SH29 Tauriko West Enabling Works	All consents approved. Property acquisition completed. Construction started.	Good progress made, but not achieved	All consents were approved, and enabling works began in March 2024. Property acquisition is well underway and expected to be completed in October 2024.
Te Ara o Te Ata: Mt Messenger Bypass	Cableway to provide access to the site operational. Tunnel construction started. Bulk earthworks started. Pest management enabling activities completed (for example fencing, track cutting, trap installation and ecological preservation).	Good progress made, but not achieved	The cableway was commissioned in April 2023 and is fully operational. Litigation related to property acquisition continues to delay the start of construction in the north. Bulk earthworks started in the south and are now 15% complete. Due to ground conditions encountered at the portal, tunnel construction will now start in quarter 1 of 2024/25. Pest management is fully underway, with opportunities to improve access being negotiated with surrounding landowners.
Te Ahu a Turanga: Manawatū Tararua Highway	Bulk earthworks completed. Pavement basecourse and surfacing works started.	Achieved	Bulk earthworks were completed, with over 6.5 million cubic meters moved. Pavement basecourse and surfacing works started in early 2024. Construction on major structures and pavement continues.
Ōtaki to North of Levin	Consent decisions received. Procurement of alliances started and completed. Interim Project Alliance Agreements signed. Detailed design started.	Good progress made, but not achieved	Two alliances have been procured, and the Interim Project Alliance Agreements started in May 2024. Interim consent decision from the Environment Court was received and we are currently working on the conditions set. Final consent decision is expected before the end of 2024. Detailed design work is now scheduled to start in September 2024.
SH2 Melling Efficiency and Safety Improvements	Detailed design completed. Property acquisition completed. Construction started.	Progress made, but not achieved	Detailed design has not started due to affordability issues delaying the programme. Initiatives to address the funding gap are being worked through. Enabling works started and we expect main works to begin in early 2025. Property acquisition has not been completed but is progressing well.
Te Ara Tupua: Ngā Ūranga ki Pito-One	Offshore habitats for coastal birds completed. Seawall construction started. Design completed. KoroKoro Stream Bridge construction started.	Achieved	Offshore habitats were completed in December 2023. Detailed design was also completed, and seawall construction is underway. KoroKoro Stream Bridge has been removed from the scope and will no longer be delivered as part of the project.
Public Transport Futures Mass Rapid Transit (Christchurch)	Work on the detailed business case started.	Achieved	Work on the detailed business case started with the initiation of the technical scoping.

Significant capital project stopped in response to government direction

Significant capital project	Commentary
Let's Get Wellington Moving Transformational Programme (Mass Rapid Transit, Basin Reserve, Mt Victoria Tunnel) (Business case phase)	The Government directed to dissolve the Let's Get Wellington Moving Transformational Programme. Work on the detailed business case started with options assessment. Work on the Mass Rapid Transit was stopped, and the Basin Reserve and the Mt Victoria Tunnel projects are being progressed as Roads of National Significance.

Appendix 4: Vote Transport appropriation measures

We are required to provide year-end performance information on appropriations NZTA 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 2023/24.

Non-departmental output expenses

Ref	Appropriation and measure name	Result status	2023/24 Budget standard	2023/24 Actual	2022/23 Actual
Clean car standard – operation					
CCS1	Proportion of vehicle imports with CO ₂ and importer information, allowing robust measurement against national CO ₂ targets ¹	Achieved	100%	100%	New measure
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	Percentage of programme completed in Northland, Coromandel and East Coast (measured annually) ²	Not achieved	100%	70%	100%
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	2.6 working days	2.1 working days
LIC1	Number of drug or alcohol assessments funded	Achieved	700 or less ³	368	347
LIC2	Number of older driver licences subsidised	Achieved	116,889 or less ³	107,750	103,586
MIN1	Proportion of requests completed within specified timeframes – Ministerial correspondence	Achieved	95% or greater	99.9%	100%
MIN2	Proportion of requests completed within specified timeframes – Parliamentary questions	Not achieved	100%	99.1%	100%
MIN3	Proportion of requests completed within specified timeframes – Official Information Act requests	Not achieved	100%	99.5%	99.8%
CPO1	Number of community provider organisations who have accessed a Community Driver Testing Officer (CDTO) or Driver Testing Officer (DTO) for dedicated Class 1 practical tests for students ⁴	Achieved	26 or greater ⁵	33	New for 2023/24

Ref	Appropriation and measure name	Result status	2023/24 Budget standard	2023/24 Actual	2022/23 Actual
CPO2	Number of testing days that community provider organisations have booked for Class 1 practical dedicated student bookings ⁶	Achieved	600 or greater ⁵	1,411	New for 2023/24
REA1	Number of advisors supporting community driver training, education and testing ⁷	Achieved	11 or greater ⁵	11	New for 2023/24
National Land Transport Programme Additional Crown Funding (2021-2024)					
NLTP-AC1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	Achieved	100%	100%	100%
Public transport bus decarbonisation					
ZEV1	Increase in the number of zero-emission vehicles deployed into the public transport fleet, measured annually	Achieved	Increasing from prior year	13 buses ⁸	0 buses ⁸
EUB1	Reduction in the number of Euro III and below buses deployed in the public transport fleet	Achieved	Decreasing from prior year	214 buses	307 buses
Retaining and recruiting bus drivers					
RBD1	Proportion of scheduled bus service trips not operated ⁹	Achieved	Less than 13%	3.9%	11.4%
Road user charges investigation and enforcement					
REV1	Proportion of unpaid road user charges identified through investigations and assessments that are collected ¹⁰	Achieved	65% or greater	79%	81%
Road user charges refunds					
RUC1	Average number of days to process road user charges refund applications	Achieved	20 working days or less	5 working days	10 working days
Waka Kotahi regulatory functions PLA					
WRF1	Number of regulatory guidelines and standards (non-legislative) reviewed and/or updated ¹¹	Achieved	20 or greater	30	New for 2023/24
WRF2	The regulatory policy work programme is delivered as agreed with the Ministry of Transport ¹¹	Achieved	Achieved	Achieved	New for 2023/24

Non-departmental other expenses

Ref	Appropriation and measure name	Result status	2023/24 Budget standard	2023/24 Actual	2022/23 Actual
Bad debt provision - Land transport revenue collected by Waka Kotahi New Zealand Transport Agency					
BDP1	Proportion of bad debt for road user charges against forecast revenue	Not achieved	0.45% or less ¹²	0.74%	0.67%
Clean Vehicle Standard - issue of credits					
CVS1	Credits issued in accordance with Clean Vehicle Standard regulations	Achieved	100%	100%	New for 2023/24

Eastern Busway project

EBP1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	Achieved	Achieved	Achieved	New for 2023/24
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Non-departmental capital expenditure

Ref	Appropriation and measure name	Result status	2023/24 Budget standard	2023/24 Actual	2022/23 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	Achieved	90% or greater	93%	86%
Clean car standard – capital					
CCS-C1	Systems and internal capability are implemented to commence policy with importers of vehicles by late 2022	Exempted ¹³	Exempted ¹³	Exempted ¹³	Achieved
Housing Infrastructure Fund loans 2023–2028					
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 ^{14 15}	Achieved	80% or greater	81%	71%
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					
NPP1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet ¹⁶	Achieved	Achieved	Achieved	New for 2023/24
NLTF borrowing facility for short-term advances					
NLTF1	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%
Regional state highways					
RSH1	Proportion of Waka Kotahi NZ Transport Agency Regional Investment Opportunities (RIO) activities delivered to agreed budget and timeframes ¹⁷	Achieved	80% or greater	92%	53.7%
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	2023/24 Budget standard	2023/24 Actual	2022/23 Actual
Capital investment package – operating					
Overarching measure					
CIPO0	Reporting on an annual basis	Achieved	Achieved	Achieved	Achieved
Non-departmental output expenses – operating costs					
CIPO1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet ¹⁸	Achieved	100%	100%	100%
Non-departmental other expenses – third party projects					
CIPO2	Proportion of NZ Transport Agency projects under the Capital Investment Package that will result in third party asset ownership delivered to agreed budget and timeframes ¹⁹	Achieved	80% or greater	Not applicable ²⁰	Not applicable
Community Connect Programme					
Overarching measure					
CCP0	Reporting on an annual basis	Achieved	Achieved	Achieved	New for 2023/24
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	Achieved	Achieved	Achieved	Not implemented
Non-departmental other expenses – Community Connect programme – public transport concessions					
CCP2	Number of boardings using Community Connect concessions	Achieved	Increasing	51.3 million	Not implemented
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 ¹⁸	Achieved	100%	100%	Achieved
Non-departmental other expenses – Total Mobility services concessions					
CCP4	Number of trips using Total Mobility concessions	Achieved	Greater than baseline (1,564,000 trips)	2,600,000	New for 2023/24
COVID-19 – NLTF funding for cost pressures and revenue shocks					
Overarching measure					
CPRSO	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	Achieved	100%	100%	New for 2023/24
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%

Ref	Appropriation and measure name	Result status	2023/24 Budget standard	2023/24 Actual	2022/23 Actual
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%
Improving resilience of the roading network					
Overarching measure					
IRO	Reporting on an annual basis	Achieved	Achieved	Achieved	New for 2023/24
Non-departmental output expenses - improving resilience of the roading network - operating costs					
IR1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	Achieved	100%	100%	New for 2023/24
Non-departmental other expenses - improving resilience of the roading network - local roads					
IR2	Local Road Project Pipeline Established for 24/25 ²¹	Not achieved	Achieved	Not achieved	New for 2023/24
Non-departmental capital expenditure - improving resilience of the roading network - state highways					
IR3	Percentage of programme completed for state highways (measured annually) ²¹	Achieved	80%	80%	New for 2023/24
Modeshift - planning, infrastructure, services, and activities					
Overarching measure					
MSOC0	Reporting on an annual basis	Achieved	Achieved	Achieved	New for 2023/24
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%	100%
MSOC2	National light Vehicle Kilometres Travelled (VKT) reduction plan and programme that is aligned to the national VKT reduction target for light vehicles in the Emissions Reduction Plan and the sub-national VKT reduction targets to be set is approved and published by 30 June 2024	Not achieved ²²	Achieved	Not achieved	New for 2023/24
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 ²³	100%	100%	100%
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 ²²	Achieved	Not achieved	New for 2023/24
MSTP3	Kilometres of cycle ways delivered ²⁴	Not achieved	50 kilometres	19 kilometres	New for 2023/24
MSTP4	Number of new or upgraded bus stops ²⁴	Not achieved	500	76	New for 2023/24

Ref	Appropriation and measure name	Result status	2023/24 Budget standard	2023/24 Actual	2022/23 Actual
MSTP5	Kilometres of bus priority lanes ²⁴	Not achieved	5 kilometres	1.5 kilometres	New for 2023/24
MSTP6	Number of suburbs that received walking and improvement projects ²⁴	Not achieved	30 suburbs	20 suburbs	New for 2023/24
MSTP7	Number of schools benefiting from safety improvements ²⁴	Not achieved	50 schools	34 schools	New for 2023/24
Non-departmental capital expenditure - mode shift - funding for crown assets					
MSTP8	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet ²⁵	Achieved	100%	100%	New for 2023/24
North Island Weather Events - Road Response and Reinstatement²⁵					
Overarching measure					
NIWE0	Reporting on an annual basis	Achieved	Achieved	Achieved	New for 2023/24
Non-departmental output Expenses - local road recovery costs					
NIWE1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	Achieved	100%	100%	New for 2023/24
Non-departmental output expenses - local road response costs					
NIWE2	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet ²⁷	Achieved	100%	100%	New for 2023/24
Non-departmental capital expenditure - equity injection to NZTA					
NIWE4	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	Achieved	100%	100%	New for 2023/24
Non-departmental capital expenditure - minor resilience works					
NIWE7	Transactions are carried out in line with agreed outcomes (Bailey Bridges)	Achieved	100%	100%	New for 2023/24
NIWE5	Percentage of minor resilience works completed (measured annually)	Not achieved	100%	60%	New for 2023/24
Non-departmental capital expenditure - state highway recovery costs - capital					
NIWE6	Percentage of programme completed for state highways (measured annually)	Achieved	100%	100%	New for 2023/24
Reinstatement of the South Island transport corridors²⁸					
Overarching measure					
KAIK0	Reporting on an annual basis	Achieved	Achieved	Achieved	New for 2023/24
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%

Ref	Appropriation and measure name	Result status	2023/24 Budget standard	2023/24 Actual	2022/23 Actual
SuperGold Card enhanced public transport concessions scheme					
Overarching measure					
SG0	Reporting on an annual basis	Achieved	Achieved	Achieved	New for 2023/24
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 ¹⁴	Achieved	100%	100%	100%
Non-departmental other expenses - public transport concessions for cardholders					
SG2	Number of boardings using SuperGold concessions	Achieved	12-15 million	12.9 million	11.5 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	Not applicable	20 working days or less	No claims made	No claims made
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	9 working days	7 working days
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 ²²	Achieved	80% or greater ⁵	86%	60%

- ¹ The budget standard was increased in the 2023/24 Supplementary Estimates to reflect the expected performance for the year.
 - ² Measure updated to more accurately reflect and capture the outputs intended to be achieved by the appropriation.
 - ³ The result is dependent on the number of applications received by Waka Kotahi.
 - ⁴ Results are dependent on the number of applications received. Measure description has been updated from the previous 'Number of community provider organisations who can make group bookings for Class 1 practical tests on the same day'. Standard increased from 7 to 26 to reflect the change in calculation.
 - ⁵ 'or greater' has been added to make the required direction clearer
 - ⁶ 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. Measure description has been updated from the previous 'Number of testing days that community provider organisations can book for Class 1 practical tests on the same day'. Standard has increased from 30 to 600 to reflect the change in calculation.
 - ⁷ Measure description has been updated from the previous 'Number of regional expert advisors supporting community driver training, and mentoring programmes (expected to be consistent across years)'. The target has been updated from 7 to now include three educational advisors and a Testing admin.
 - ⁸ As of 30 June 2024, there were 399 zero-emissions (ZEB) buses in the national fleet. In the 2023/24 financial year, the actual number of zero-emissions (ZEB) buses delivered was 159, with 13 funded by this appropriation. The rest were funded by 'regular' revenue streams (NLTF and local share). Previously, we reported the "total" zero-emissions (ZEB) buses in the national fleet, but we have now updated the 2023/24 figure to reflect the "actual" number of buses delivered and funded by this appropriation. In 2022/23, no buses were delivered under this appropriation and funds were used for set-up and admin costs related to Bus Decarbonisation. The corrections to our impact data provides a more accurate representation of the total number of zero emission buses funded by this appropriation.
 - ⁹ This budget standard was updated to reflect the 2022/23 year end result.
 - ¹⁰ The budget standard has changed from 65% to "65% or greater" to make the required direction clearer.
 - ¹¹ The budget standard for this should be setting the baseline. Changes to the performance measure were confirmed after Estimates and the target has now been set to reflect the intended output in this area.
 - ¹² During 2023/24, there was unappropriated expenditure of \$0.9 million in the bad debts provision appropriation. This was as a result of a change in measurement approach for this appropriation from bad debts written off to a movement in the provision for doubtful debts.
 - ¹³ An exemption was granted as the appropriation is one from which resources will be provided to a person or entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity under s15D(2)(b)(iii) of the Public Finance Act, and the amount of this annual appropriation for non-departmental capital expenditure is less than \$15 million.
 - ¹⁴ This measure is also a performance measure for the National Land Transport Programme PLA appropriation (State Highway Improvements).
 - ¹⁵ The scope, budget standard, and methodology for this measure were changed and approved in the Supplementary Estimates of Appropriations 2023/24 for Vote Transport.
 - ¹⁶ This measure is consistent with the measure used in previous years and has been added as funding was provided during the year.
 - ¹⁷ The measure wording has been changed to be clearer on 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 impacted by 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.
 - ¹⁸ The budget standard has been changed to align with similar measures and to be a more accurate representation.
 - ¹⁹ The new measure description reflects the expectations in the new Delegation Letter to the NZTA Board on NZUP and responds to the planned NZUP branding change. The new target reflects the changed programme approach and that some projects will be slowed or paused, new measurement methodology and over-programming.
 - ²⁰ No asset was scheduled for transfer to third parties this year.
 - ²¹ New measure is developed to accurately reflect and capture the outputs intended by this appropriation.
 - ²² In December 2023, the new government instructed all work on the VKT programme to conclude, and the programme has been closed.
 - ²³ During 2023/24, there was unappropriated expenditure of \$9.2 million in the Mode-shift Transport Choices Programme appropriation. This is a three-year appropriation, ending in 2024/25. Across the three years, the forecast expenditure is expected to be under the appropriation limit in total.
 - ²⁴ This measure has been created to report against Transport Choices activities funded under this appropriation.
 - ²⁵ This new measure was developed to accurately reflect and capture the outputs intended by this appropriation.
 - ²⁶ These measures are new as this is a new appropriation in 2023/24.
 - ²⁷ The total Local Roads NIWE response appropriation available for 2023/24 was \$224.6 million and \$220.6 million was claimed by councils for response works. Although not all of the appropriation was drawn down, but all the funding was utilised for its purposes as stated on the terms and conditions agreed with Cabinet.
 - ²⁸ New funding in 2023/24 was provided so a new performance measure has been set.
- * NZUP was known as NZ Upgrade Programme in the SPE 23/24 but is now known as Major Crown Investment Projects

The following results are also reported under the output class section of the annual report on pages 65–86.

Non-departmental output expenses

Ref	Appropriation and measure name	Result status	2023/24 Budget standard	2023/24 Actual	2022/23 Actual
National Land Transport Programme PLA					
Investment management					
IM1	Proportion of total cost of managing the investment funding allocation system to National Land Transport Programme expenditure	Achieved	1.1% or less	0.86%	0.83%
Local road improvements					
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	30%	66%
State highway improvements					
SHI1	Proportion of state highway improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes ¹	Achieved	80% or greater ²	81%	71%
Local road maintenance					
LRM3	Local road maintenance cost per lane kilometre delivered ²	Not achieved	\$3,800–\$4,700	\$5,020	\$4,627
State highway maintenance					
SHM3	State highway maintenance cost per lane kilometre delivered	Not achieved	\$28,000–\$36,000	\$39,894	\$31,505
Public transport services and public transport infrastructure					
PTS1	Number of boardings on public transport services (bus, train and ferry)	Achieved	Greater than 129 million	154 million	129 million
PTI1	Punctuality of metro rail services that depart no more than 1 minute early or 5 minutes late ³	Not achieved	95%	85%	82%
Walking and cycling improvements					
WCI1	Proportion of cycleways, pathways and shared paths delivered against plan ⁴	Achieved	80%	65%	Result not available
Rail network					
RN2	Freight travel time reliability	Not achieved	90%	89%	83%
RN1	Amount of freight carried by rail ²	Not achieved	4,050 million or greater net tonne kilometres of freight	3,482 million net tonne kms	3,928 million net tonne kms

Ref	Appropriation and measure name	Result status	2023/24 Budget standard	2023/24 Actual	2022/23 Actual
Coastal shipping					
CS1	Coastal shipping activities delivered and funded in accordance with contractual terms ⁵	Not achieved	Achieved	Not achieved	Not achieved
Road to Zero					
RTZ7	Kilometres of high-risk roads addressed through speed management	Not achieved	3,500 km or greater	1,983 km	New for 2023/24
RTZ8	Kilometres of the network treated with new median barriers	Not achieved	400 km or greater	181 km	New for 2023/24

Non-departmental capital expenditure

Ref	Appropriation and measure name	Result status	2023/24 Budget standard	2023/24 Actual	2022/23 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 ⁶	Achieved	80% or greater ²	81%	71%

¹ This is also a performance measure for the National Land Transport Programme Capital PLA appropriation.

² The scope, budget standard, and methodology for this measure were changed and approved in the Supplementary Estimates of Appropriations 2023/24 for Vote Transport.

³ Baseline data gathering has been completed and with the evidence, the performance indicator has been set as 95%.

⁴ Baseline data gathering has been completed and with the evidence, the performance indicator has been set as 80%.

⁵ 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.

⁶ This is also a performance measure for the National Land Transport Programme PLA appropriation (State Highway Improvements).

Appendix 5: Our people (unaudited)

This section summarises our workforce at the end of 2023/24 (that is, at 30 June 2024) and describes the actions we took in 2023/24 to continue to meet our commitment to be a good employer.

Our workforce

As at 30 June 2024, we had 2769 permanent employees (5.2 percent more than the previous year) and 2720.5 full-time equivalents (FTEs). The increase reflects the additional capacity and capability needed to meet growth in our expanded delivery programme.

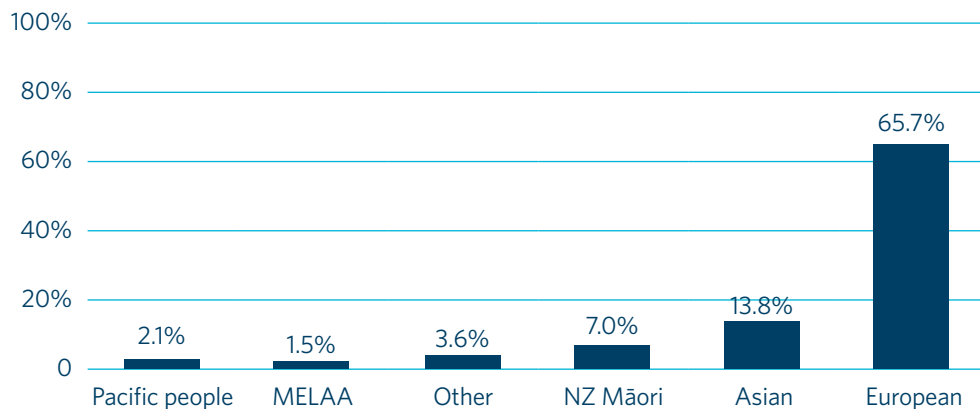
Annual voluntary turnover of permanent employees decreased 4.2 percentage points (from 14.2 percent as at 30 June 2023 to 10.0 percent as at 30 June 2024).

As at 30 June 2024, we employed 108 people on fixed-term agreements (3.8 percent of our employees). Our use of fixed-term agreements varies throughout the year depending on the programmes underway.

Ethnicity profile

As at 30 June 2024, almost two-thirds of our permanent employees identified as European and 7.0 percent as Māori (see figure 21).

Figure 21 – Ethnic groups with which permanent staff identify (self-identified, staff can self-identify with more than one group), as at 30 June 2024



Note: MELAA = Middle Eastern, Latin American and African.

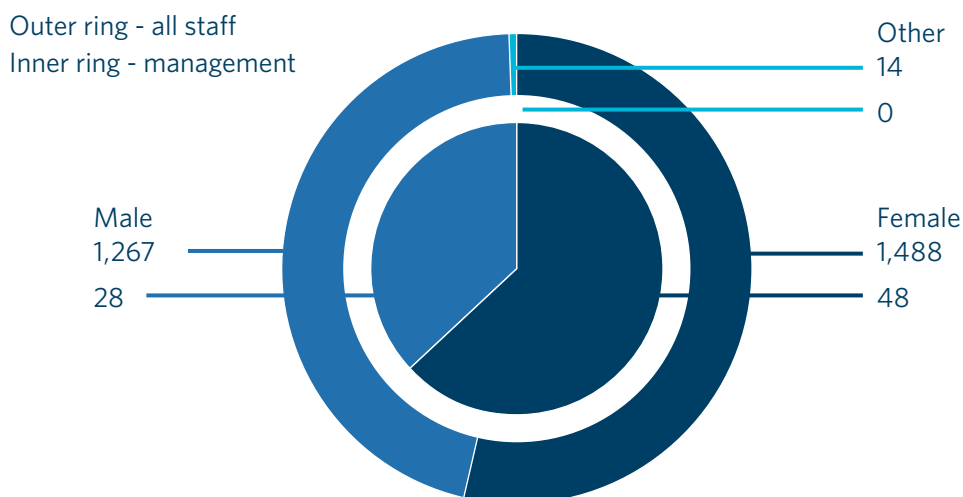
Gender profile

We have more female (1488; 54 percent) than male (1267; 46 percent) permanent employees. Fourteen people identified as gender diverse or did not declare a gender. See figure 22.

More of our permanent senior managers (tiers 1 to 3) were female (48) than male (28).

Part-time employees (people employed less than 40 hours per week) made up 6.8 percent of our permanent workforce. More females (9.4 percent) in our permanent workforce work part time than males (3.6 percent). Part-time arrangements are one of the flexible working options available under our flexible working policy.

Figure 22 - Gender profile of permanent staff, as at 30 June 2024



Closing the gender pay gap

We have a pay equity policy: women and men receive the same pay for jobs that are different but of equal value. The gap between average pay for male and female employees decreased 0.8 percentage points from 30 June 2023 to 18.2 percent as at 30 June 2024. The gap reflects female employees being over-represented in lower job bands and under-represented in higher job bands. For example, 59 percent of people identifying as female are in band 16 or higher, compared with 85 percent of people identifying as male. The gender pay gap by band is shown in table 12.

Table 12 - Gender pay gap by band, as at date

Band	Average gender pay gap (%)
Band 11	-1.7
Band 12	-1.5
Band 13	-2.1
Band 14	-2.4
Band 15	-0.7
Band 16	0.6
Band 17	1.5
Band 18	1.2
Band 19	0.2
Band 20	-4.6

* A negative value means the average pay for female employees is higher than the average pay for male employees

Promoting diversity and inclusion

We continue to progress the 6 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.

Our work has included:

- improving our cultural competence through a variety of opportunities such as Te Ao Māori and Te Reo Māori learning, the Wall Walk, welcoming new starters with mihi whakatau (welcome ceremony), ensuring our meeting rooms have karakia clearly displayed and introducing a role of Chief Advisor Te Ao Māori and Tikanga
- continuing to eliminate bias in all aspects of our employee experience through education and guidance
- publishing our Second Kia Toipoto Pay Gap Action Plan (available at nzta.govt.nz/resources/kia-toipoto-pay-gaps-action-plan/)
- supporting employee led networks – Wāhine, Te Rangitāmiro Māori, Lālanga Moana Pasifika, Neurodiversity and Pride
- providing a variety of learning experiences
- continuing to build our capability to deliver accessible communication and ensuring we meet our requirements under the Plain Language Act 2022
- promoting the use of pronouns in email signatures to help build respectful and inclusive relationships for everyone and help normalise the use of preferred pronouns.

Our diversity and inclusion score reflects how our people view our efforts to create a diverse and inclusive workplace. It decreased over the last year from 8.0 to 7.9 out of a possible 10 reflecting that there is more we need to do more to ensure all our people feel valued, heard, and empowered.

Our commitments to being a good employer

We are creating a strategy-led, fit-for-the-future, people-centred organisation. We are committed to being fair and transparent and having a workplace where our people are energised and able to perform at their best. 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 our organisation and how we engage externally with iwi, partners, stakeholders and communities.

We recognise, respect and value differences and are committed to providing equal employment opportunities for all because this creates better outcomes for our people and New Zealand. We strive to address barriers to diversity and inclusion and actively engage with our people and their unions when we develop people policies and initiate change.

The following showcases some of the broad range of policies, programmes and activities that demonstrate our continued commitment to being a good employer as defined by Te Kāhui Tika Tangata Human Rights Commission

Functional element: Leadership, accountability and culture

Our main people policies and practices

Culture and leadership is one of our 4 kāhui whetū – strategic priorities. Developing our culture and leadership is an ongoing activity and we know that leadership capability is a significant lever as leaders have the most impact on employee’s day-to-day experience.

As part of our ongoing commitment, we:

- have set clear leadership expectations
- have strengthened accountability through a shared people leader goal, goal-setting performance cycles and development planning alongside coaching and feedback
- are supporting our leaders to grow through resources and opportunities such as:
 - Pā Harakeke which articulates the capability areas our leaders must have and build on.
 - The Accelerate Leadership Programme which explores 6 facets of leadership; courageous, strategic, people, team, adaptive and inclusive leadership
 - a leadership suite with essential knowledge, processes, mind sets and conversations and facilitated peer-learning
 - a 360-degree feedback tool so leaders can better understand their impact and identify strengths and development opportunities
 - opportunities to connect with senior leaders.

Our employee engagement and satisfaction survey tells us we are going in the right direction. Our people feeling supported by their leaders. The 3 key elements contributing to this driver are:

- 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, merit-based progression and active succession planning enable us to provide equal employment opportunities, eliminate bias, address barriers and support our people’s growth. We grow our people through merit-based progression, active succession planning, identifying talent and identifying and addressing barriers to participation and progression.

We use creative solutions to search for and source talent, ensuring our recruitment collateral uses inclusive language and features employees from diverse backgrounds. We are also an accredited employer with Immigration New Zealand.

We ensure our people feel engaged, included and supported from day one through our induction programme Whiria te Ngākau (weave the heart). This programme speaks to the importance of binding our work to our hearts and infusing our actions with purpose, meaning and passion.

Programmes such as our Emerging Professionals graduate programme, our Project Management Academy and our work with TupuToa and TupuTai help us identify and engage with emerging talent, increase the diversity of our graduate pipelines and build a more inclusive workforce with the right skills.

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. Our work includes:

- being an accredited Institute of Professional Engineers New Zealand professional development partner
- providing opportunities such as project work, acting in other roles, secondments, mentoring and coaching, and online and face-to-face learning
- continuing to develop insights to support capability mapping, talent management, succession planning and progression and developing frameworks to support this work
- encouraging regular employee-people leader development conversations throughout the year and offering user-choice exit interview options.

Functional element: Flexibility and work design

Our main people policies and practices

Our flexible working guidelines highlight the scope of flexible options available to our people beyond a hybrid office-work from home arrangement. Examples include part-time work, variable start and finish times, remote working, job-sharing, condensed working weeks and various leave options. These options help create a more diverse, equitable and inclusive workplace and enable our people and leaders to discuss and agree on the best working arrangement for the person, team and organisation. Our Tapatahi engagement result aligned to flexible working is 8.7. We remain in the top 25 percent of the government sector.

Strengthening our ways of working (behaviours and practices) is ongoing to ensure flexible working supports individual, team and organisation performance and wellbeing. We encourage our people to maintain their wellbeing by taking annual leave in the year it is accrued and managing their hours.

Functional element: Remuneration, recognition and conditions

Our main people policies and practices

We base our remuneration policies and frameworks on the principle that pay reflects the market and performance. We conduct an annual remuneration review, including comparing our remuneration ranges to public sector and other organisations' market data. We endeavour to make our job evaluation and remuneration practices transparent, equitable and gender neutral.

We encourage recognition and use a variety of ways to celebrate success and recognise people publicly and privately.

In April 2024, with the support of our union partners, we successfully moved to communicating remuneration based on Total Base Pay. It makes things less confusing, easier to understand, and easier to explain and brought us in line with how other organisations reflect pay.

Remuneration paid to the NZTA Leadership team increased \$590,000 compared with 2022/23. The increased remuneration reflects the 0.62 FTE increase in the Leadership team as well as Leadership team turnover and the associated temporary arrangements.

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 sensitive events reporting tool makes it easier for people to report concerns early and confidentially, enabling earlier intervention 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 our Health, Safety and Wellbeing Strategy, maturing and simplifying our approach and systems to move beyond compliance to a culture that shows we care. Our work is supported by an outside in perspective from a SafePlus assessment, which started late in the year.

Specific work included addressing our 5 critical Health, Safety and Wellbeing risks (harmful interactions, roadside work, construction work, driving, and mental health or psychological harm) and working closely with our construction industry partners to improve health and safety practices and outcomes for contractors and traffic management providers.

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 NZTA Board is the governing body of NZTA with authority to exercise its powers and perform its functions. All decisions relating to NZTA 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 NZTA:

- 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:

1. government and ministerial relationships
2. health and safety
3. people and culture
4. strategy and performance
5. significant decisions
6. 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 and the Executive Leadership team are charged with the day-to-day leadership and management of NZTA. 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

NZTA 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 and chief of staff.

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.

Fourteen key strategic financial and non-financial risks are owned by executive and senior leadership and fall into 3 categories (delivery, enabler, and external risks) - see table 13

Table 13 - Strategic financial and non-financial risks by category

Risk category	Strategic financial and non-financial risks
Delivery	<ul style="list-style-type: none">▪ Resilience of critical infrastructure▪ Programmes - complex capex infrastructure▪ Road safety outcomes▪ Programmes of change▪ Regulatory
Enabler	<ul style="list-style-type: none">▪ People safety▪ People▪ Funding sustainability▪ Fraud▪ Technological systems▪ Strategic stakeholder and partner relationships
External	<ul style="list-style-type: none">▪ Cyber and information security▪ Climate change▪ Trust and confidence

Board committees

The board has four standing committees: the Risk and Assurance, Investment and Delivery, Regulatory, and People, Culture and Safety Committees. Their membership is shown in table 14.

Table 14 – Board and committee attendance for the year to 30 June 2024

	Members (as at 30 June 2024)
Risk and Assurance Committee	<ul style="list-style-type: none"> ▪ Cassandra Crowley (Chair) ▪ Victoria Carter
Regulatory Committee	<ul style="list-style-type: none"> ▪ Catherine Taylor (Chair) ▪ David Smol ▪ Ngarimu Blair
Investment and Delivery Committee	<ul style="list-style-type: none"> ▪ John Bridgman (Chair) ▪ Cassandra Crowley
People, Culture and Safety Committee	<ul style="list-style-type: none"> ▪ Victoria Carter (Chair) ▪ Catherine Taylor ▪ Ngarimu Blair

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. During the year, the Board utilised two ad-hoc committees: the Public-Private Partnership Sub-committee and the Efficiency and Effectiveness Board Sub-committee.

Attendance at Board and Committee meetings

Table 15 shows attendances at scheduled and special board meetings and standing board committee meetings. Committee attendances identify attendance by committee members. Board members who are not committee members also attend committee meetings (those attendances are not shown in the table).

During the year, 3 Board members resigned and the Hon Simon Bridges was appointed as Board chair. The table shows attendance relative to the number of meetings held while a Board member.

In addition to the meetings noted in table 15, the Board held 9 workshops on various topics throughout the year and a Board strategy day.

Table 15 - Board and committee attendance for the year to 30 June 2024

	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	10	2	5	8	7	5
Hon. Simon Bridges ^A	4/4*	1/1				
Cassandra Crowley ^B	10/10*	2/2	5/5*		7/7	
Catherine Taylor	9/10	2/2		7/8*		4/5
David Smol ^C	7/10	2/2	1/1*	7/8		
John Bridgman	10/10	2/2			7/7*	
Ngarimu Blair	8/10	0/2		8/8		4/5
Victoria Carter	10/10	2/2	5/5			5/5*
Hon. Tracey Martin ^D	7/8	1/2	4/4		5/6	
Dr Paul Reynolds ^E	4/4*	1/1				
Patrick Reynolds ^F	4/4	1/1		4/4	3/3	

* Indicates Board or committee chair.

^A Appointed Board chair from 11 March 2024.

^B Appointed Acting Board chair from December 2023 to March 2024.

^C Appointed Acting Risk and Assurance Committee chair from December 2023 to March 2024.

^D Resigned with effect from 30 April 2024.

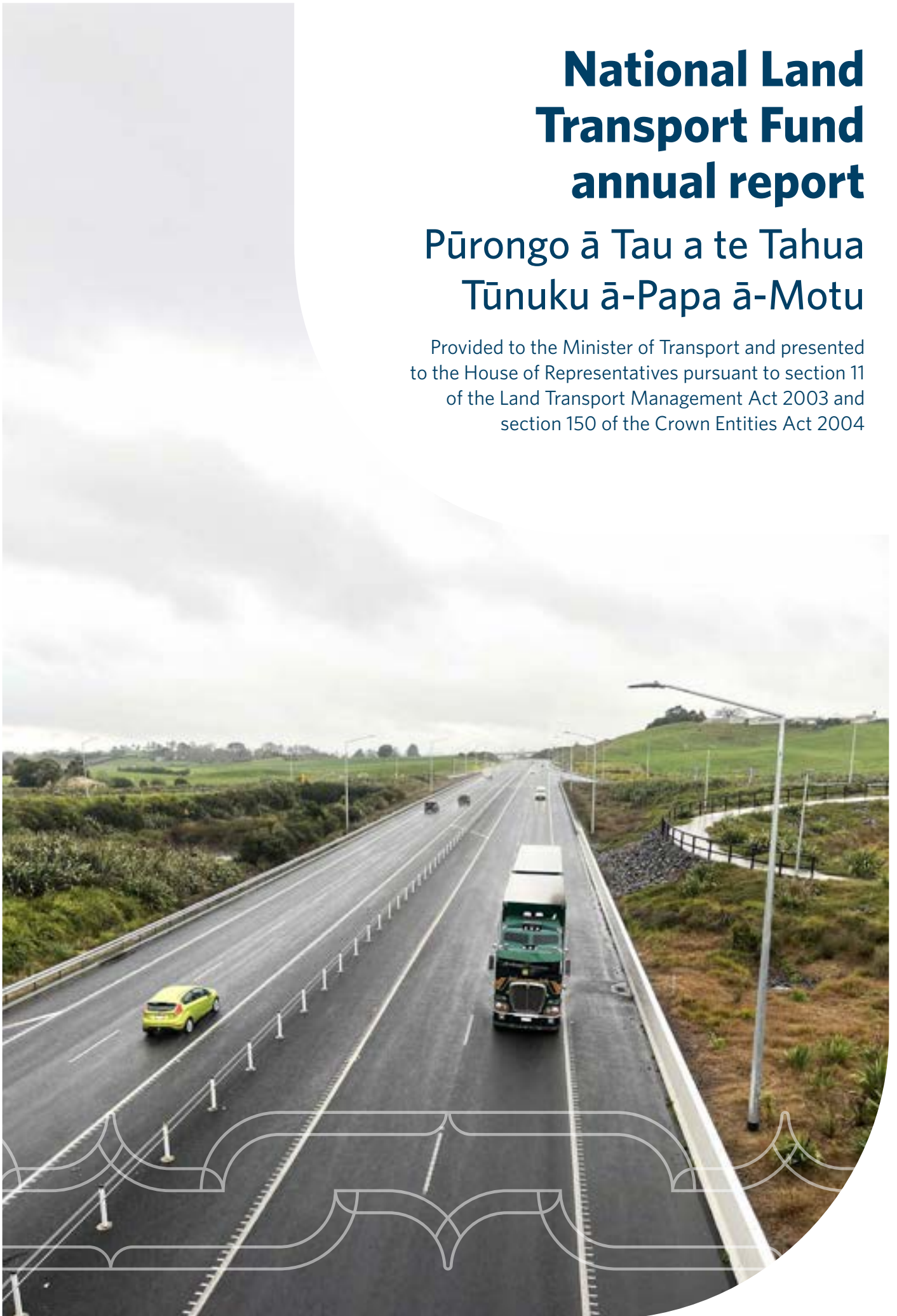
^E Board chair until resigned with effect from 6 December 2023.

^F Resigned with effect from 6 December 2023.

National Land Transport Fund annual report

Pūrongo ā Tau a te Tahua Tūnuku ā-Papa ā-Motu

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



Contents

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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.

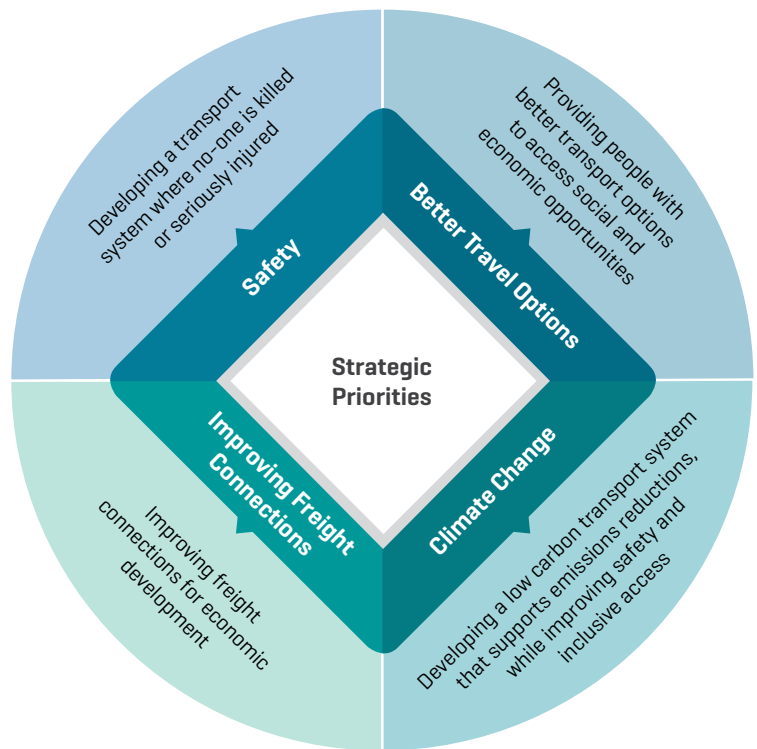


Figure 1 – Strategic direction of the GPS 2021

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

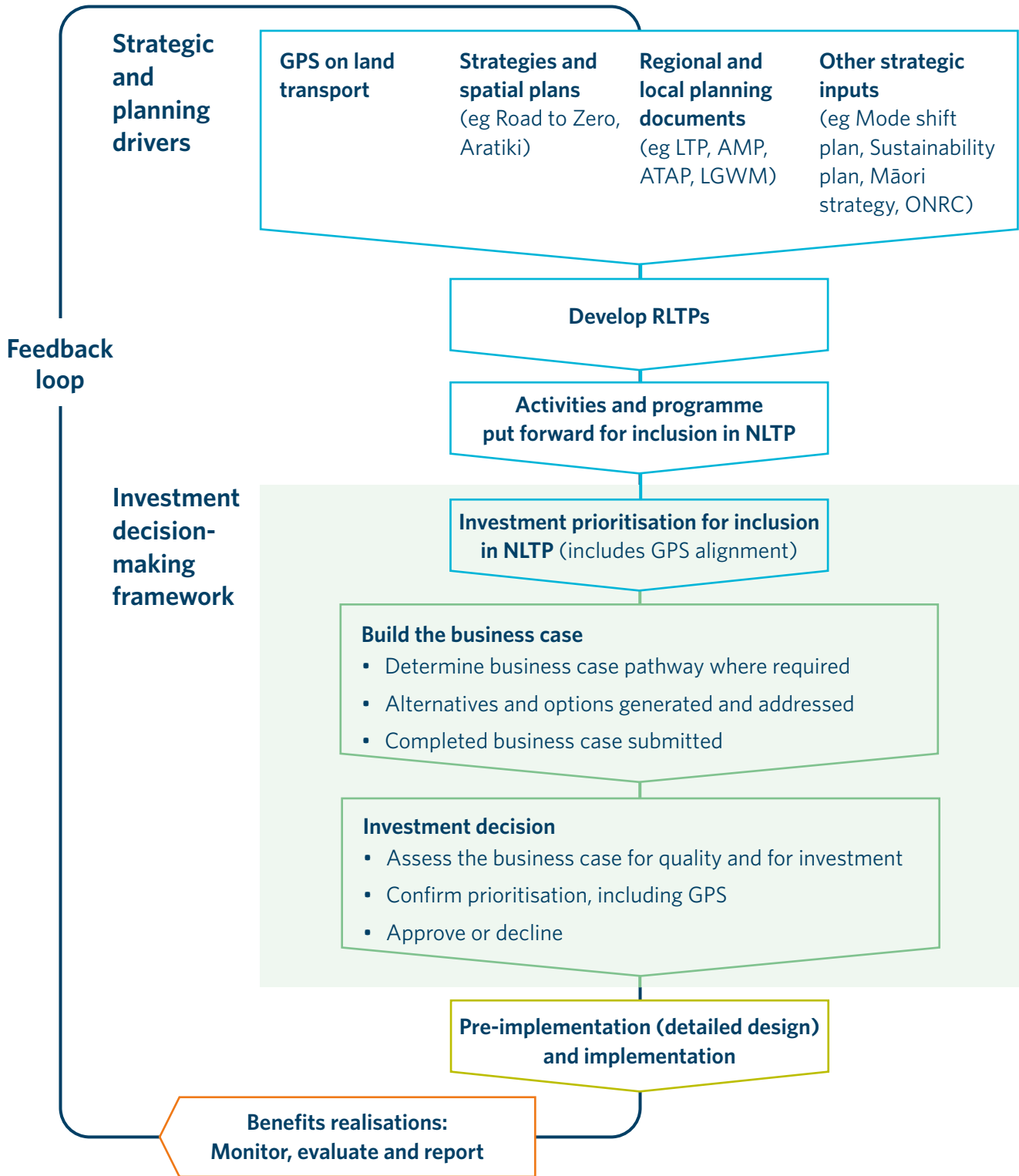
For each activity proposed for inclusion in the NLTP, a business case is developed, and options are identified and assessed. A preferred solution is put forward for an investment decision. The NZTA Board makes significant investment decisions, while under the delegation rules, managers within NZTA make 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

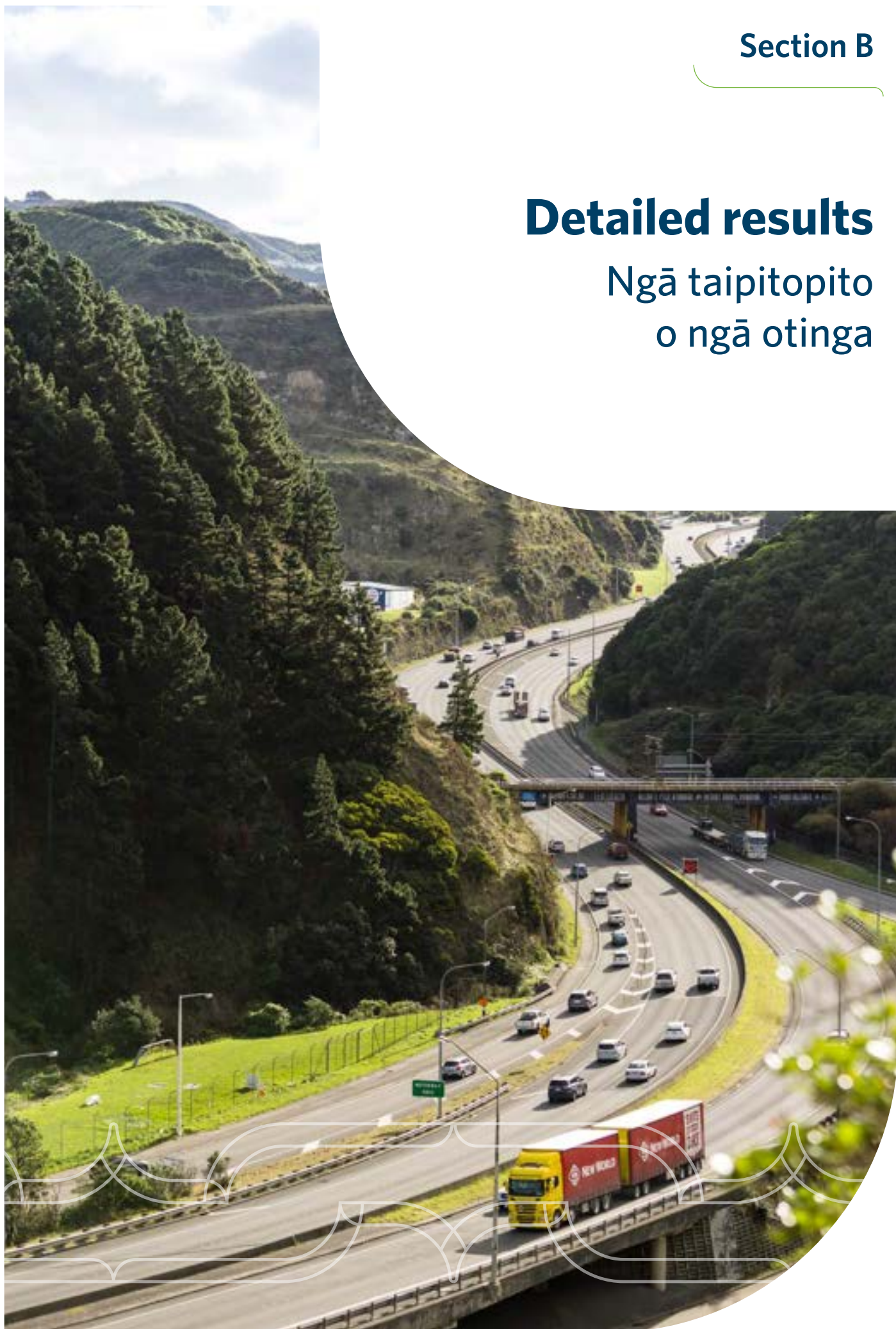
Figure 2 – NZTA investment decision-making framework



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.

Detailed results

Ngā taipitopito
o ngā otinga

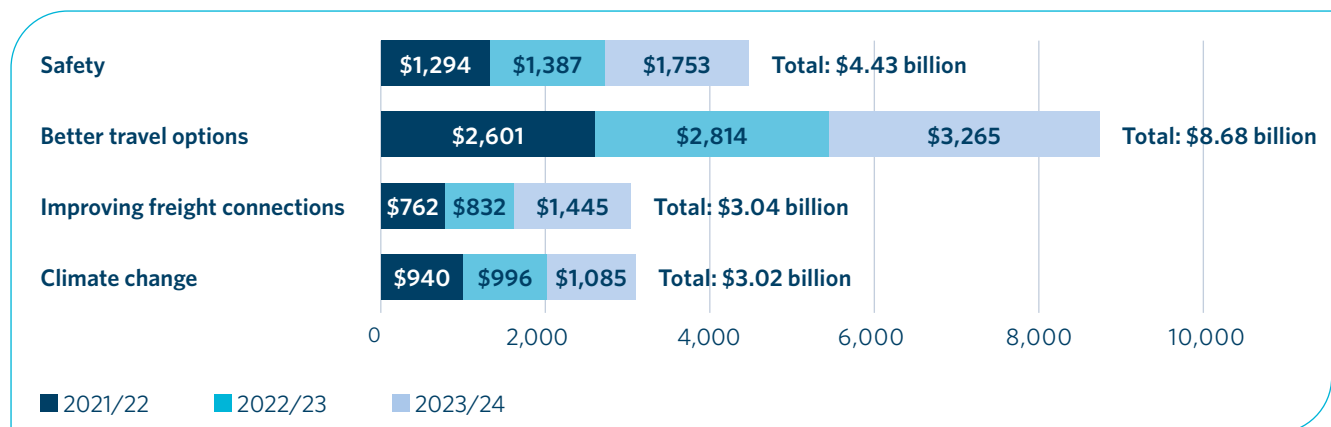


Delivering on the Government Policy Statement on land transport 2021

The 2021-24 NLTP planned to invest \$24.3 billion across the strategic priorities of GPS 2021, including \$15.6 billion from the NLTF.

Over the 2021-24 NLTP, \$19.2 billion was invested in the NLTP, including \$15 billion from the NLTF. Over 2023/24, the final year of the 2021-24 NLTP, \$7.5 billion was invested across the strategic priorities of GPS 2021, including \$5.9 billion of the NLTF. Figure 3 shows how much of the total NLTP spend over the 3-year period was invested in each GPS 2021 priority.

Figure 3 – Investment toward GPS 2021 strategic priorities for the 2021-24 NLTP



For more detail on how the NLTF was used across activity classes, see Use of the National Land Transport Fund on page 223.

The following sections describe what the land transport system invested in and delivered to achieve the results and objectives of GPS 2021, including a subset of GPS 2021 measure results.

Regional summary

Each year, NZTA publishes a summary of what's been done in each region over the last 12 months and the investment across activity classes. For details, see nzta.govt.nz/assets/resources/2021-24/2023-24-national-land-transport-fund-annual-report-regional-summaries.pdf

Progress toward GPS results

Better travel options



- **Summary of significant capital project delivery**
 - Focus on Roads of National Significance and Roads of Regional Significance highlights as applicable
- **Public transport output class measures**
 - PTS1: Number of boardings on urban public transport services
 - PTS2: Reliability of public transport services
 - PTI1: Punctuality of metro rail services
- **State highway & local road improvements output class measures**
 - SHI1: Proportion of state highway improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes
 - LRI1: Proportion of local road improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes

Improved freight connections



- **MRFN1: Interpeak predictability of travel times on priority freight routes**
- **KiwiRail-delivered output class measures**
 - RN1: Amount of freight carried by rail
 - RN2: Freight travel time reliability

Safety



- **Deaths and serious injuries**
 - SAFE1: Number of deaths and serious injuries
 - SRUC1: Number of deaths and serious injuries associated with behavioural risk factors
- **New Zealand Police-delivered output class measures**
 - RTZ3: Number of intersections treated with primary Safe System treatments
 - RTZ4: Number of passive breath tests conducted
 - RTZ5: Number of hours mobile cameras are deployed
 - RTZ8: Kilometres of the network treated with new median barriers

Climate change



- **Maintenance & resilience**
 - MEET2 (SHM2): Proportion of the state highway network that meets minimum asset condition requirements
 - RES1: Unplanned road closures resolved within standard timeframes
 - NIWE6: Percentage of programme completed for state highways (measured annually)
 - SHM1: Proportion of state highway maintenance activities delivered to agreed programme
 - LRM1: Proportion of the local road maintenance activities funded by the National Land Transport Fund delivered to plan (be clear that is delivered by councils)
 - LRM2: Proportion of travel on smooth roads (be clear that is delivered by councils)
- **Emissions**
 - ENV1: Greenhouse gas emissions from the land transport system (but reframe and provide detail on changing context and targets, eg ETS, ERP2)

Value for money (GPS 2024)



- **IM1:** Proportion of total cost of managing the investment funding allocation system to National Land Transport Programme expenditure
- **SHM3:** State highway maintenance cost per lane kilometre delivered
- **LRM3:** Local road maintenance cost per lane kilometre delivered (be clear that is delivered by councils)

Safety

What we invested

A total of \$4.43 billion was invested in activities with safety-related benefits during the 2021-24 NLTP period. In 2023/24, this included \$1.45 billion from the NLTF, including \$633.5 million invested in the Road to Zero activity class, \$250.4 million in state highway maintenance and \$184.4 million in local road maintenance.

What was delivered

NZTA invested in New Zealand Police delivery of the Road Safety Partnership Programme 2021-24.

- NZTA signed an updated memorandum of understanding with New Zealand Police in July 2023 reinforcing the commitment to work together to achieve **joint sector outcomes** including delivering road safety initiatives, operating an efficient and effective safe road system, and providing effective regulation, enforcement and road policing services.
- As part of the commitment to provide effective road policing services, NZTA funds New Zealand Police activities aimed at improving road safety such as reducing drug and alcohol impairment among drivers. New Zealand Police conducted over 3.58 million **breath tests** in 2023/24, the highest number in a decade. This reflects New Zealand Police's revised approach to breath testing, which balances conducting a high number of tests with targeting specific risk times and locations.
- Mobile safe speed cameras were operated by New Zealand Police for 63,054 hours in 2023/24, which was below the target of 80,000 hours set by the Road Safety Partnership Programme 2021-24. The transition of mobile cameras from New Zealand Police to NZTA affected the delivery of hours, partly due to the difficulty of retaining and recruiting traffic camera operators. Despite not achieving the target in 2023/24, the number of mobile camera operating hours has steadily increased through delivery of the 2021-24 programme, up from 58,406 in 2021/22.
- A new schedule to the memorandum of understanding was signed, making it easier for NZTA to **share CCTV footage with New Zealand Police**. Police can now request footage online and receive it electronically, rather than needing to visit a Transport Operations Centre in person. It also means all 12 police regions have equal access to footage, and it is easier and quicker for NZTA to respond to information requests.

NZTA invested in and delivered initiatives to encourage safer road user behaviour.

- During 2023/24, preparations to transfer existing safety cameras from New Zealand Police were completed and the first **NZTA-run safety camera** was installed. The rate and pace of the safety camera network expansion has been adjusted to reflect the ambition of GPS 2024, with safety camera enforcement beginning in July 2024 and the first New Zealand Police safety camera on track to transfer to NZTA in August 2024.
- NZTA delivered 951km of **speed limit changes** on local roads (28% of the top 10% of highest risk roads) and 1,032km on state highways (15% of the top 10% of highest risk roads). GPS 2024 has a material impact on NZTA's ability to reach Speed and Infrastructure Programme targets that align to the direction of GPS 2021. The Minister of Transport released the Setting of Speed Limits Rule 2024 (the draft Speed Rule) for public consultation on 13 June 2024 which, once finalised, will replace the current Setting of Speed Limits 2022 rule.
- NZTA partnered with the Accident Compensation Corporation on a **safety campaign** targeting male open-road motorcyclists aged 45 to 64, one of the most at-risk groups for death or serious injury on New Zealand roads. The campaign used real riders and told their stories in documentary style, aiming to connect people with shared experiences and motivate riders to better manage the risks of every ride.

NZTA invested in and delivered infrastructure improvements to make the network safer.

- In 2023/24, 181km of **median barriers** and **Primary Safe System treatments** (such as roundabouts and raised safety platforms) on 132 intersections were completed. Median barriers were prioritised over other safe system treatments due to the long-term benefits they provide. To address delays and increase efficiency of the safety work programme, high-risk intersections were treated alongside median barrier works and median barriers were included in the state highway maintenance programme.
- NZTA continued to invest in and work with partners to make the land transport network safer by making **safety infrastructure improvements** through delivery of our significant capital projects. In 2023/24 this included:
 - completing a new roundabout on **State Highway 51 Napier to Hastings**, making it safer for people turning onto the state highway. Routine state highway maintenance, such as resurfacing, was also completed while safety improvements were made to reduce disruption on road users
 - opening an alternative route to the busy road freight link **State Highway 88 Dunedin to Port Chalmers** for pedestrians and cyclists in August 2023 to improve safety for all road users
 - responding to community calls for safety improvements on the **State Highway 1 Cambridge to Piarere** Road of National Significance, by completing the first turnaround bay, starting construction on a roundabout at the intersection of SH1 and SH29, and installing a flexible median barrier between Keeley's Reserve and Moana Roa Road
 - through the **State Highway 2 Wairarapa** improvements project, completing road reconstruction on the northbound side of the road in Carterton, maintenance on SH2 Chapel Street in Masterton and new white line markings on roundabouts.

Better travel options and improving freight connections

What we invested

A total of \$8.68 billion was invested in activities delivering better travel options during the 2021–24 NLTP period. In 2023/24, this included \$2.39 billion from the NLTF, including \$337.7 million invested in the public transport services activity class, \$625.9 million in state highway maintenance and \$460.9 million in local road maintenance.

A total of \$3.04 billion was invested in activities improving freight connections during the 2021–24 NLTP period. In 2023/24, this included \$1.27 billion from the NLTF, including \$391.9 million in the rail network activity class, \$316.1 million in state highway improvements, as well as \$250.4 million in state highway maintenance and \$184.4 million in local road maintenance.

What was delivered

NZTA worked with partners to progress significant capital projects that help connect people and freight quickly and safely, and support economic growth.

- The **Ara Tūhono – Pūhoi to Warkworth** motorway opened in June 2023 while non-critical works and quality assurance tests were completed during 2023/24. The road provides a safe, resilient and direct route that supports tourism, improves connections between Auckland and Northland, boosts the economic potential of the Northland region and reduces travel times. It is the second New Zealand motorway to be constructed under a public–private partnership, and as part of the operating phase will be maintained by Northern Express Group for the next 24 years.
- Construction started on **State Highway 29 Tauriko West Enabling Works**, a \$264 million investment in the western Bay of Plenty that NZTA and Tauranga City Council are delivering together. It's expected that up to 2,400 of the 4,000 new homes planned for Tauriko West will be enabled through these works. All consents were approved and enabling works began in March 2024. Property acquisition is well underway and expected to be completed in October 2024.
- As part of **Takitimu North Link Stage 1**, Cambridge Road and Wairoa Road Bridges opened to traffic in April 2024, meaning the planned 4-lane expressway and shared path can be built underneath. This new infrastructure will connect Tauranga and Te Puna, improve safety and resilience, and give communities better access to places for earning, learning and participating in society. GPS 2024 identifies stage 2, Te Puna to Ōmokoroa, as a Road of National Significance.
- See appendix 3 of the NZTA annual report for more detail on progress for all significant capital projects.

NZTA invested in maintenance and improvements to improve reliability and resilience of the state highway and local road network.

- The overall **condition of the state highway network** has been declining over recent years. To improve condition, NZTA needs to maintain roads that are in better condition while also fixing those in poor condition. NZTA has developed a 10-year programme to gradually increase the level of rehabilitation, alongside other renewal activities, to reach an acceptable level of service across the whole state highway network by 2033. Delivery of this programme will be subject to funding over the next 3 NLTPs.

- In 2023/24, 82% of planned **local road maintenance** activities funded by the NLTF were delivered to plan. Local road maintenance and renewal activities continued to be affected by resource shortages, emergency works and rising costs. These rising costs, due to higher than forecast inflation and industry cost increases, also meant the cost per lane delivered for local road maintenance increased to \$5,020 over the last year. Unfinished activities will be deferred and delivered as part of the 2024–27 NLTP. Increased maintenance and resilience is a priority in GPS 2024, with funding focused on resealing, rehabilitation and drainage maintenance works on both state highways and local roads.
- During 2023/24, **unplanned road closures** were resolved within standard timeframes for 64% of weather events and 89% of other events (such as crashes). To improve this performance, NZTA signed an updated memorandum of understanding on incident management with New Zealand Police, Fire and Emergency New Zealand, St John Ambulance and Wellington Free Ambulance. The memorandum sets clear expectations on how incidents will be managed to ensure New Zealand’s roading networks are not closed or restricted for longer than necessary for each party to carry out its functions.

NZTA invested in local government and KiwiRail delivery of public transport services.

- NZTA continued to co-invest with approved organisations in bus, ferry and rail **public transport services**. Boardings on urban public transport services increased to 154 million in 2023/24 due to reduced cancellations, increased service levels and discounted fares through the Community Connect initiative funded by the Climate Emergency Response Fund. Addressing workforce shortfalls helped to increase reliability of urban rail, bus and ferry services during the year.
- To make public transport services more accessible, NZTA worked in partnership with 13 public transport authorities to progress the **National Ticketing Solution**. During 2023/24, NZTA began testing and started work on establishing the ticketing and payments function. Although the budget and timelines for this project are challenging, implementation is planned to start in Timaru in December 2024, followed by Greater Christchurch in 2025.

NZTA invested in local government and KiwiRail delivery of major public transport projects that will provide people with more choice, improve reliability and help reduce travel times, congestion and emissions.

- In June 2024, the signalling systems for the **City Rail Link** were successfully integrated into the wider network, the new overhead electric lines between Papakura and Pukekohe powered up and implementation of signalling updates began at Morningside, Newmarket, Quay Park, Waitematā (Britomart) and Penrose. KiwiRail also carried out rail network rebuild work between Papakura and Pukekohe, Middlemore station upgrades and work on the new western power feed to improve resilience of the rail network.
- Construction has started on the **Eastern Busway** to add 7km of new bus routes and 12km of safe and separate cycle routes and walkways. This long-term project is part of the Southwest Gateway programme and is expected to improve access to Auckland CBD by enabling buses to run every 4 minutes during peak hours.
- Nearly 4,000 people completed a survey about their travel experiences and needs through the first phase of community engagement on **Northwest Rapid Transit** in August to September 2023. The community supported a rapid transit solution that is delivered quickly to reduce congestion and provide better transport options. NZTA is continuing to work with local government partners and engage with the community to identify next steps.

- NZTA are working with KiwiRail, Auckland Transport and mana whenua to deliver several projects to provide growing South Auckland communities with more travel options. As part of the **South Auckland Package**, joint Ministers approved the detailed business case for the State Highway 22 Drury and Waihoehoe Road upgrades which will provide access to the new Drury Railway Station, Ngākōroa Railway Station and planned housing developments.

NZTA invested in and monitored KiwiRail's delivery the first Rail Network Investment Programme, aimed at achieving a reliable, resilient and safe rail network.

- Through NZTA's investment in the final year of the Rail Network Investment Plan 2021-24 (RNIP), KiwiRail built on the delivery momentum established over the duration of the 3-year programme. In particular, delivery outputs for track renewals have increased year-on-year and individual targets for rerail, re-sleepering, and relay have all been exceeded.
- Significant work has also been delivered in the Auckland and Wellington metro networks (both funded within the RNIP and from other sources). However, further investment is required to lift the network to the desired state and deliver the desired levels of reliability to customers.

Climate change

What we invested

A total of \$3.02 billion was invested in activities delivering climate change benefits during the 2021-24 NLTP period. In 2023/24, this included \$791.0 million from the NLTF, including \$117.7 million in the public transport services activity class, \$170.9 million in public transport infrastructure, \$106.2 million in state highway maintenance and \$92.2 million in local road maintenance.

What was delivered

NZTA continued to invest in and deliver recovery works in response to the North Island weather events.

- Auckland, Northland, Waikato, Coromandel, Bay of Plenty, Tairāwhiti and Hawke's Bay regions and the Tararua district suffered extensive and devastating damage from significant weather events in 2023. The focus over the last year has been on ongoing recovery work to return the state highway network to how it was before the weather events. Budget 2024 confirmed \$609.25 million of direct Crown funding to complete the **state highway recovery**.
- **State Highway 1 Brynderwyn Hills** was reopened at the end of June 2024, following a 4-month closure to complete critical recovery and maintenance works in response to the significant damage caused by the North Island weather events. Repair works and ensuring the availability and safety of detour routes during the closure period were a joint effort between NZTA and our Northland partners, including the Northern Transport Alliance. To protect the future resilience of this crucial connection, GPS 2024 prioritises development of an alternative route as a Road of National Significance.
- NZTA completed **Resilience Strategic Response business cases** for Whangārei to Dome Valley, Coromandel Hauraki, Tairāwhiti Wairoa and Hawke's Bay that identified short, medium and long-term prevention-based interventions to maintain and improve the resilience of the state highway network. Local government, iwi, suppliers and central government partners provided input, covering topics such as how people use the transport network, what they need from it and how it can be future-proofed.
- In Tairāwhiti and Hawke's Bay, NZTA partnered with KiwiRail, Downer, Fulton Hogan and Higgins to form the **Transport Rebuild East Coast alliance** which is delivering an ongoing recovery programme to remediate hundreds of slips, underslips, retaining walls and bridges.

NZTA invested in delivery of significant capital projects that improve the resilience of the network to severe weather events.

- **Te Ahu a Turanga: Manawatū Tararua Highway** is a new highway being built over the Ruahine Range to provide a safe, resilient and efficient route between Woodville and Ashhurst that connects to the local network. The new highway replaces the old State Highway 3 Manawatū Gorge route following a large slip in 2017 and ongoing instability that closed the road indefinitely. Bulk earthworks have been completed and construction started on major structures in 2023/24.
- As part of the **O Mahurangi – Penlink** project, main construction for a new 7km highway between Whangaparāoa Road and State Highway 1 started in October 2023 following completion of consenting and approval of the outline plan of works, additional earthworks and wetlands. This Road of Regional Significance supports economic growth and productivity and will reduce congestion, improve safety and support housing development.

NZTA invested in activities aimed at reducing transport sector emissions, in line with the National Adaptation Plan and Emissions Reduction Plan.

- Emissions from the land transport system continued to increase in 2023/24, but remain below the 2019 baseline.
- NZTA's investment in major public transport projects help to reduce emissions from the transport sector. In 2023/24, this included the **Lower North Island Integrated Mobility** project which started procurement following approval of the business case in November 2023. The project is a partnership between Metlink, Horizons Regional Council and KiwiRail to deliver 18 new low-emission hybrid trains and infrastructure improvements to ensure service continuity on the Wairarapa and Manawatū lines.
- NZTA invested the NLTF in activities aimed at reducing **transport sector emissions** including supporting more efficient freight movement and increasing uptake of electric vehicles.
- Implementation of National Adaptation Plan and Emissions Reduction Plan initiatives was also funded by the Climate Emergency Response Fund. See page 49 of the NZTA annual report for more information on Climate Emergency Response Fund initiatives.

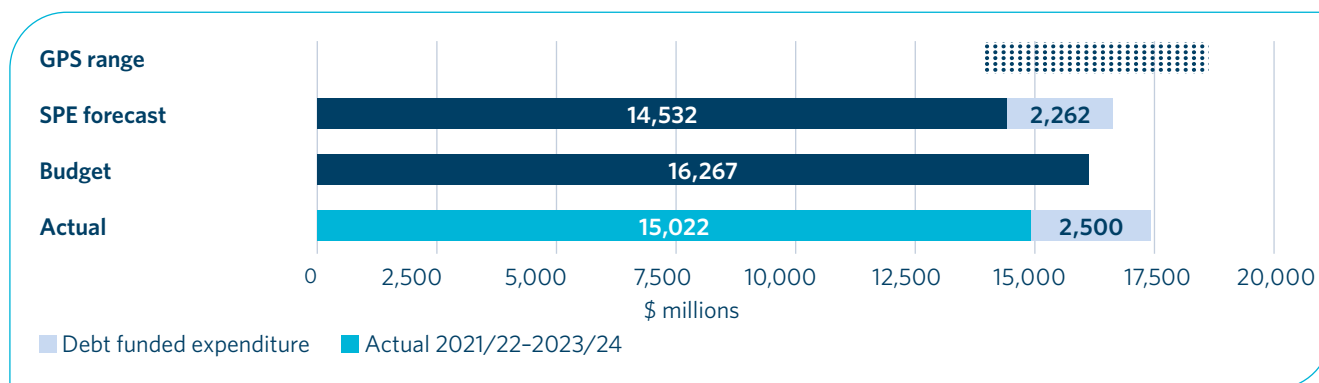
Use of the National Land Transport Fund

Revenue for the NLTF during the 2021-24 NLTP was eight percent higher than forecast in the published programme mainly due to additional Crown funding provided for North Island weather events.

At the end of the 2021-24 NLTP, overall NLTF spend across all activity classes was eight percent above budget. This was largely due to higher spend on emergency works due to North Island weather events.

The actual investments from the NLTF compared with the planned level of funds allocated in the 2021-24 NLTP are shown in the tables in the next sections. These tables do not account for NLTP funds contributed by local authorities or other sources, including Crown grants.

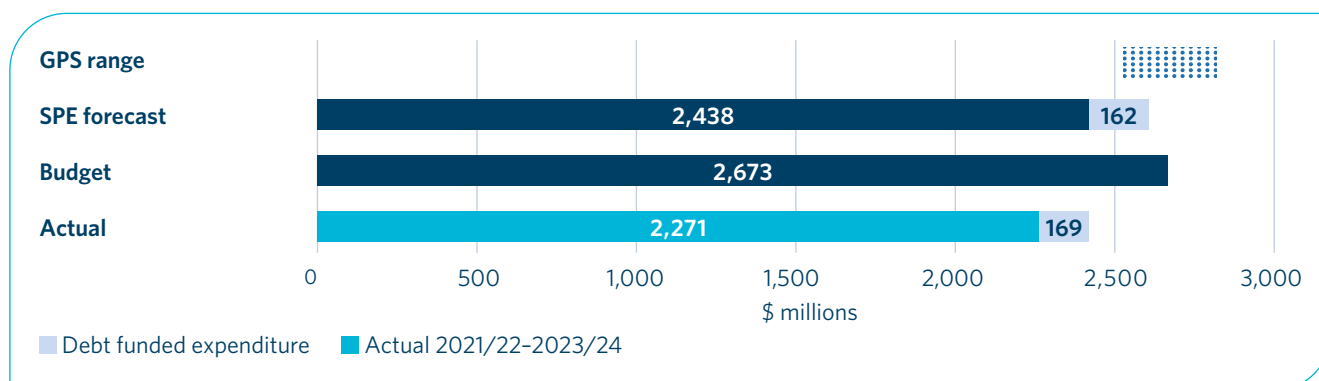
Overall use of the National Land Transport Fund



At the end of the third and final year of the 2021-24 NLTP, overall National Land Transport Fund spend across all activity classes is above the budget. This was mainly due to higher spend on emergency works due to North Island weather events. The budget represents the three-year investment target set by the Board at the start of the 2021-24 National Land Transport Programme while the actual represents the current spend for the 2021-24 National Land Transport Programme.

Road to Zero

Expenditure



Road to Zero expenditure was \$233 million (nine percent) below budget at the end of the 2021-24 National Land Transport Programme. This was mainly driven by slower delivery across the speed and infrastructure programme and delays in safety camera system implementation. Road to zero includes spend on road safety promotion, system management, speed and safety infrastructure works for both local roads and state highways.

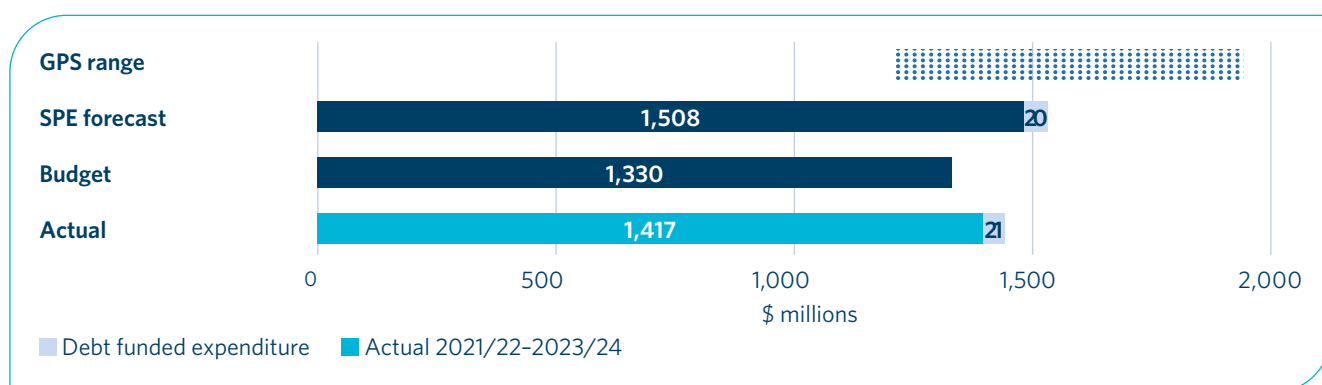
Performance measures

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
RTZ3	Number of intersections treated with Primary Safe System treatments	Not achieved	≥500	132	Not available
	We treated 132 intersections with Primary Safe System treatments in the Speed and Infrastructure Programme, including a mix of roundabouts, raised safety platforms, and left in left out treatments. Multiple factors affected our ability to treat more intersections, including the North Island weather events in 2023, which required resources to be reallocated to response and recovery. Changes in government direction saw us move away from delivering raised safety platforms.				
RTZ4 Reflects New Zealand Police delivery	Number of passive breath tests conducted	Achieved	≥3 million	3.6 million	2.6 million
RTZ5 Reflects New Zealand Police delivery	Number of hours mobile cameras are deployed	Not achieved	≥80,000	63,054	61,028
	Mobile safe speed cameras operated 63,054 hours in 2023/24, which was below the target of 80,000 hours set under the Road Safety Partnership Programme (RSPP). New Zealand Police gradually increased the total number of mobile camera operating hours during the Road Safety Partnership Programme 2021-24 from 58,406 in 2021/22 to 63,054 in 2023/24. The transition of mobile cameras from New Zealand Police to NZTA affected the delivery of hours, due to, for example, difficulty in retaining and recruiting traffic camera operators during the transition.				
RTZ6	Proportion of road safety advertising campaigns that meet or exceed their agreed success criteria	Achieved	≥86%	94%	88%
RTZ7	Kilometres of high-risk roads addressed through speed management	Not achieved	≥3,500	1,983	New measure
	We delivered 951km of speed change on local roads by June 2024, which represents 28% of the top 10% of high risk roads. On state highways we delivered 1,032km of speed change, equating to 15% of the top 10% of high risk roads. Changes in government direction have required this work to be re-aligned, including to appropriately consider the proposed changes in the draft Setting of Speed Limits Rule 2024.				
RTZ8	Kilometres of the network treated with new median barriers	Not achieved	≥400	181	New measure

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
	<p>The overall target for state highway and local road delivery was not achieved due to lower state highway delivery than initially planned and local government funding constraints. On the state highway network, it took longer than anticipated over the two years to gain the necessary momentum to achieve the original target. This was largely due to the time necessary to fully appreciate local site conditions, working with communities to gain local insights and then to prepare final design solutions ready for implementation. Upon realising that the original target was unlikely to be achieved, a dedicated median barrier acceleration programme was developed with a reduced forecast and a focus on efficient delivery. Efforts to accelerate delivery ultimately resulted in state highways exceeding the revised forecast. While the local roads component was comparatively much smaller, local government could not contribute funding due to financial constraints and the lack of local share meant almost no median barriers were delivered on the local road network in 2023/24.</p>				

Public transport services

Expenditure



Public transport services expenditure was \$108 million (eight percent) above budget at the end of the 2021–24 National Land Transport Programme. This mainly relates to the additional support the Crown has provided to councils to compensate for lower farebox revenue and a period of half price fares.

Performance measures

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
PTS1	Number of boardings on urban public transport services (bus, train and ferry) ^{A B}	Achieved	>129 million	154 million	129 million
PTS2	Reliability of urban rail, bus and ferry services ^C	Achieved	>83%	89%	83%

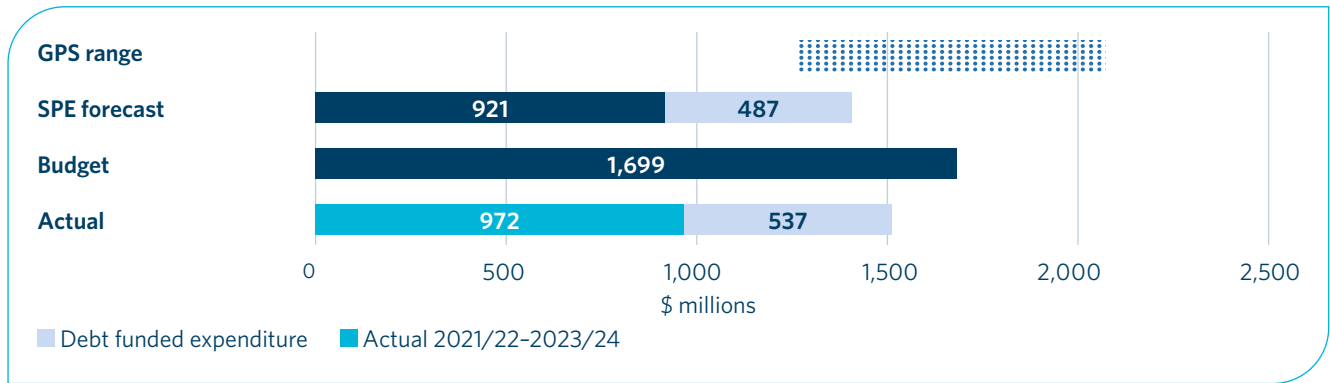
^A This is also an appropriation measure in Vote Transport (see appendix 4).

^B This is also a performance measure for the public transport infrastructure output class.

^C Service trips are considered 'completed in full' when the trips departed the origin on time and arrived at the destination. 'On time' is between 59 seconds before and 4 minutes and 59 seconds after the scheduled departure time.

Public transport infrastructure

Expenditure



Public transport infrastructure expenditure was \$190 million (11 percent) below budget at the end of the 2021-24 National Land Transport Programme. This is due to work ceasing on Let’s Get Wellington Moving projects following a change in Government priorities and slower than planned spend on the National Ticketing Solution.

Performance measures

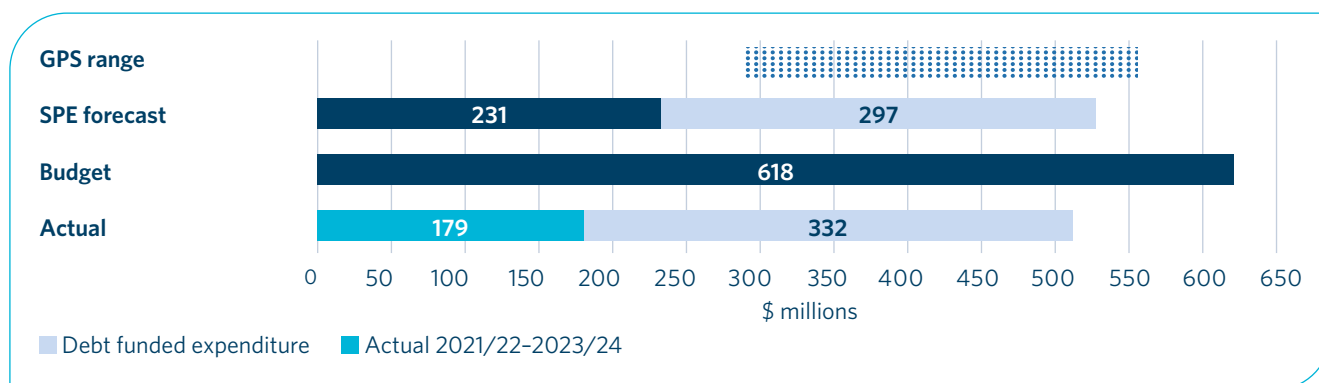
Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
PT11	Punctuality of metro rail services	Not achieved	≥95% ^A	85%	82%

PT11 measures the percentage of metro rail services in Auckland and Wellington that depart no more than 1 minute early or 5 minutes late. Punctuality in both areas was affected by significant infrastructure works being carried out on both metro networks. This resulted in temporary speed restrictions that had a significant impact on the punctuality of services. We continue to monitor the delivery of relevant projects.

^A The target was updated after the SPE was published. The 2023/24 SPE target was maintaining or increasing.

Walking and cycling improvements

Expenditure



Walking and cycling expenditure was \$107 million (17 percent) below budget at the end of the 2021-24 National Land Transport Programme. This mainly relates to project deferrals as impacted Councils responded to the demands of extreme weather events.

Performance measures

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
WCI1	Proportion of cycleways, pathways and shared paths delivered against funded ^A	Not achieved	80%	65%	Not available
	A total of 55.5km of cycleways, pathways and shared paths were planned to be delivered this year. Seventeen out of 27 projects were delivered during 2023/24 representing 36.2km (65%) delivered and opened to the public. These included the shared path in Bunnythorpe, Richmond cycle lanes, Mangawhai shared path, and Petone to Melling walking cycling link. Project delivery was impacted for a variety of reasons. Weather events and redesigns caused delays in construction. Some projects were paused due to changing priorities for councils.				
WCI2	Average national change in cyclist counts ^{B C}	Achieved	Increasing	5.4% growth	Not available
	Nationally, on average, cyclist counts increased by 5.4% compared to 2022/23. Growth in cyclists counted is due to a range of factors including increased investment in safe cycling infrastructure and speed environments that are more attractive for safer cycling. Tasman region (14%) and Nelson region (13%) had the highest growth, followed by Wellington region (9%), Auckland region (7%), and Canterbury region (6%). Regions with declines in cycling counts were Marlborough region (-10%), Manawatū-Whanganui region (-1%), Northland region (-1%), and Southland region (-1%).				
WCI3	Average national change in pedestrian counts ^{B C}	Achieved	Increasing	18.5% growth	Not available
	Nationally, on average, pedestrian counts increased by 18.5% compared to 2022/23. Growth in pedestrians counted is due to a range of factors including increased investment in safer and more attractive urban environments including slower speed areas. The regions with highest growth rate were Nelson region (36%), Auckland region (28%), and Manawatū-Whanganui region (26%). Only two regions' saw declines from last year, Northland region (-9%) and Southland region (-3%).				

^A This is also an appropriation measure in Vote Transport (see appendix 4).

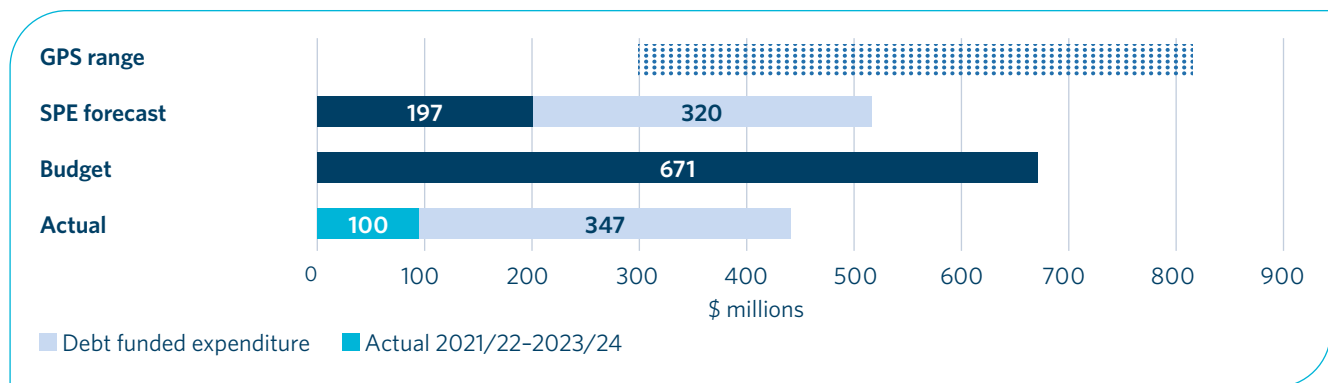
^B The methodology and descriptions for WCI2 and WCI3 have been updated and the measure names differ from what was published in our statement of performance expectations for 2023/24. This is the first year we've been able to reliably ingest this large dataset from councils. We are measuring changes in walking and cycling using automated counters across 15 regions, using data from those sites where we have had counters in place for at least 2 consecutive years. We use these counts to assess the

impact our activity is having on uptake of walking and cycling. Because regions have varying numbers of sites with counters, on both higher and lower volume routes, the number of cyclists and pedestrians counted does not reflect the number of cyclists or pedestrians in that region. We calculated the change in pedestrian and cyclist counts between 2022/23 and 2023/24 for each region. The rate of change from each region was averaged, weighted by population, to give the average national change in pedestrian and cyclist counts. The result is heavily influenced by the regions containing cities with large populations.

^c Several count sites have not been used to provide data for the measure as a result of large spikes in data that appeared inconsistent with the underlying trend, or where gaps in the data meant the results were not directly comparable. The count sites disaggregate the road users into cyclists and pedestrians. E-scooters are included in the pedestrian count, except a few sites which can count e-scooters separately. This isn't considered to influence the results significantly because of the low numbers of e-scooters relative to pedestrians and the relatively stable numbers of e-scooters.

Local road improvements

Expenditure



Local road improvements expenditure was \$224 million (33 percent) below budget at the end of the 2021-24 National Land Transport Programme. This mainly relates to delays in and reprioritisation of council roading projects, partly caused by extreme weather events.

Performance measures

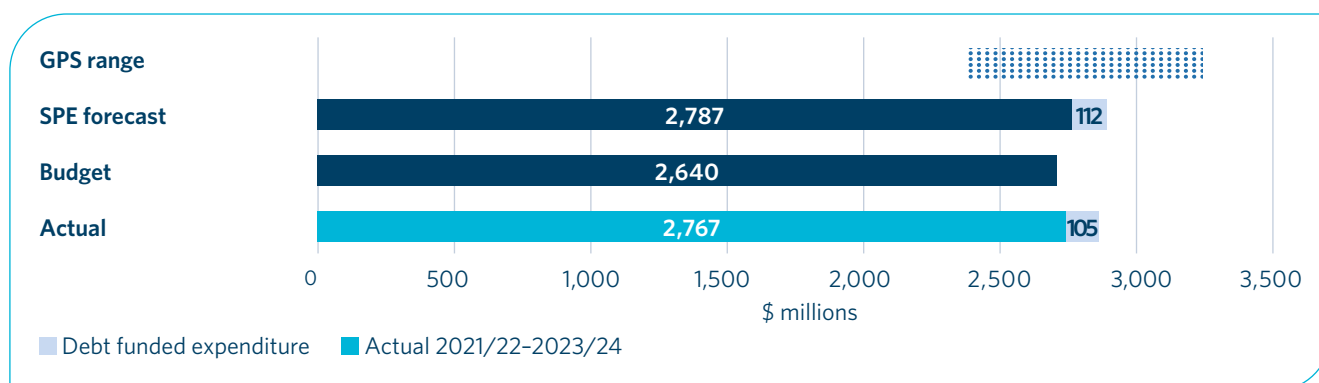
Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
LRI1	Proportion of local road improvement activities funded by the National Land Transport Fund delivered to agreed and timeframes ^A	Not achieved	≥80%	30%	60% ^B
<p>Phases of projects not being completed as planned was mainly due to the availability of funding from local government. Spend was reprioritised to respond to weather events and changing government direction also impacted on delivery. However, not all councils were affected in the same way. Several phases of projects also required cost and scope adjustments, which led to delays while options were evaluated.</p> <p>There will be an increased focus on monitoring of projects to ensure early identification and resolution of issues, to support delivery to plan.</p>					

^A This is also an appropriation measure in Vote Transport (see appendix 4). In our statement of performance expectations for 2024/25, we removed 'standards' from the measure description to better reflect what is being measured. The measure description and methodology were updated accordingly to match the change, and the results for both 2023/24 and 2022/23 have been recalculated using the new measure description and methodology.

^B This result published in 2022/23 report was 66%, using the old measure description.

State highway improvements

Expenditure



State highway improvements expenditure was \$232 million (nine percent) above budget at the end of the 2021–24 National Land Transport Programme. This is mainly due to COVID related cost escalation and contract variations on existing large projects.

Performance measures

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
SHI1	Proportion of state highway improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes ^{A B}	Achieved	≥80% ^C	81%	71%

^A This is also an appropriation measure in Vote Transport (see appendix 4).

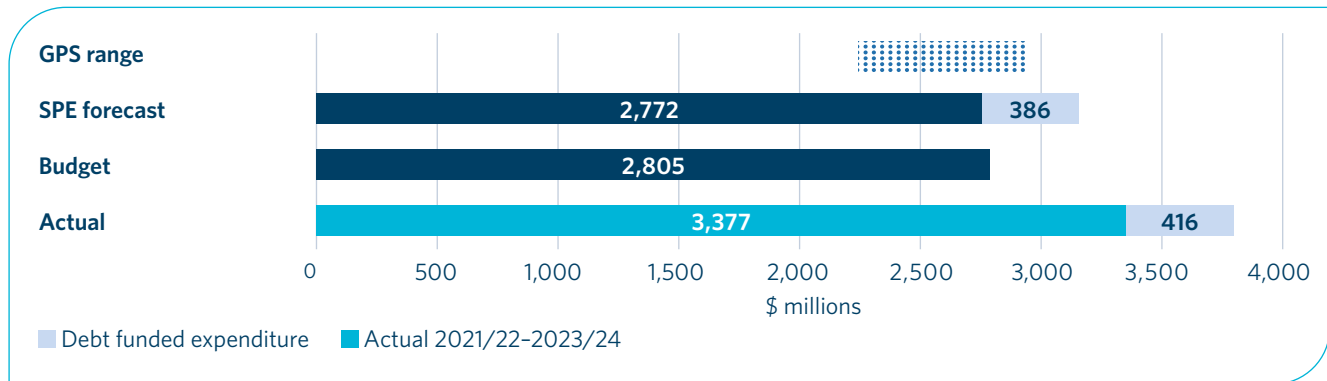
^B For SHI1, the standards and timeframes that are assessed against include milestones and budget and delivery of property acquisition programmes against time, budget and quality standards. Further detail on how performance against these measures is calculated can be found in the technical notes on our website⁴.

^C The target, scope and methodology for this measure was changed this year to align with the change made in the appropriation measure in the Vote Transport Estimates of Appropriation Supplementary 2023/24. The change significantly increased the number of activities and projects assessed and included progress delivery, which provided a more accurate reflection of delivery performance. Without the change, the result would have been 58%.

⁴ NZ Transport Agency Waka Kotahi annual report and National Land Transport Fund annual report – main index. nzta.govt.nz/resources/annual-report-nzta

State highway maintenance

Expenditure



State highway maintenance expenditure was \$988 million (35 percent) above budget at the end of the 2021–24 National Land Transport Programme. This was mainly due to higher spend on emergency works due to North Island weather events and higher spend on the planned maintenance programme.

Performance measures

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
SHM1	Proportion of state highway maintenance activities delivered to agreed programme	Not achieved	≥90%	76%	72%
<p>We successfully delivered our resurfacing programmes with 95% delivered to the agreed programme, but didn't achieve targets for other programme activities. Emergency works-related projects (excluding those associated with the North Island weather events in 2023) didn't meet forecast end dates. The inclusion of emergency works in this measure continues to impact our ability to achieve the target.</p>					
SHM2	REFER TO MEET2 ^A				
SHM3	State highway maintenance cost per lane kilometre delivered ^B	Not achieved	\$25,000 – \$36,000	\$39,894	\$31,505
<p>The increase of state highway maintenance cost per lane kilometre delivered reflects industry cost increases. During the renegotiation and contract extension work with our suppliers, cost across all activities increased.</p> <p>We're transitioning to a Portfolio, Programme and Project Management (P3M) best practice model for project delivery and moving into the Integrated Delivery Model^C. This is designed to improve how we monitor, report, and manage costs.</p>					
SHM4	REFER TO RES1				

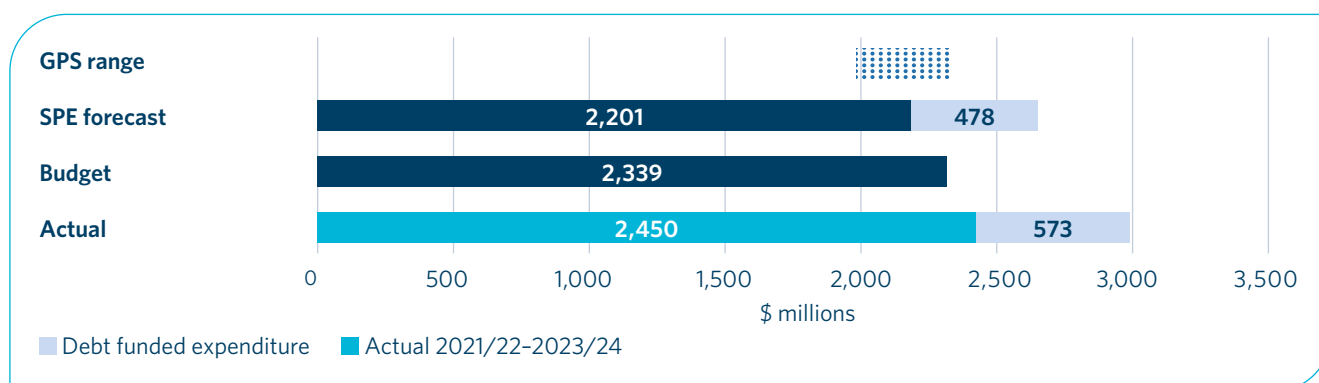
^A This is also a measure for our system outcome meeting current and future needs (see page 35).

^B This is also an appropriation measure in Vote Transport (see appendix 4).

^C The Integrated Delivery Model (IDM) is the new delivery model for road maintenance on our state highway network. The model aims to drive better value for money outcomes across the country, while also improving network condition. The IDM ensures NZTA gives effect to the State Highway Asset Management Plan (SHAMP), which outlines how maintenance, operations, and improvements together provide services to road users, so they have safe and accessible roads to travel on. The IDM will replace the Network Outcomes Contracts (NOC) that have been in place since 2014.

Local road maintenance

Expenditure



Local road maintenance expenditure was \$684 million (29 percent) above budget at the end of the 2021-24 National Land Transport Programme. This mainly relates to higher emergency works spend, mainly due to North Island weather events.

Performance measures

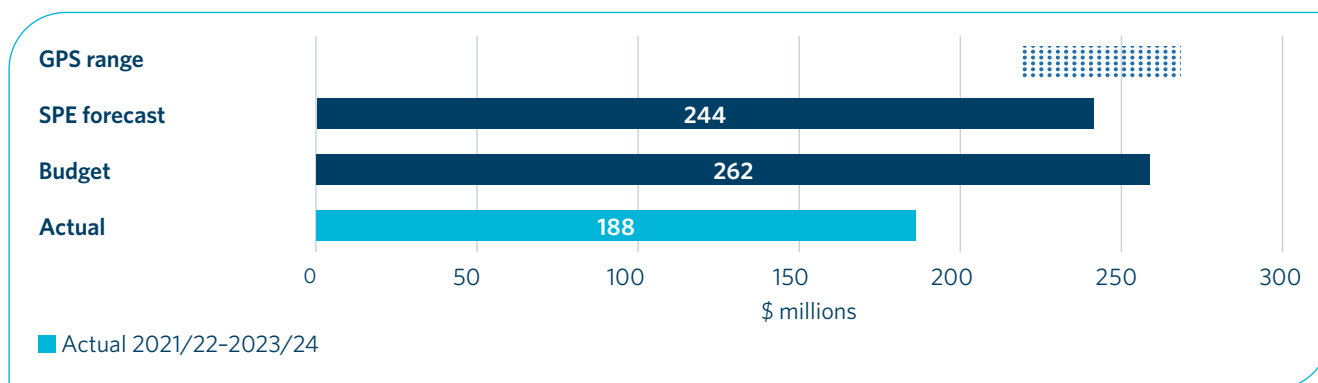
Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
LRM1	Proportion of the local road maintenance activities funded by the National Land Transport Fund delivered to plan ^A	Not achieved	≥90%	82%	82%
	<p>Councils' delivery of maintenance and renewal activities continued to be adversely affected by the redirection of resources to emergency works, resource shortages and rising costs. The North Island weather events in early 2023 had a huge and continued impact on the Northland, Auckland, Gisborne, and Hawke's Bay regions. The response and recovery works associated with these events carried on into 2023/24, diverting resources away from planned renewals. Additionally, resource shortages affected councils' delivery in terms of both timelines and costs.</p> <p>Unfinished activities have been deferred to 2024/25, which is also the start of the 2024-2027 NLTP. Allowance has been made in the local road pothole prevention activity class to facilitate the deferred works and the overall cost increase.</p>				
LRM2	Proportion of travel on smooth roads	Not achieved	≥86%	85%	86%
	<p>The year's result was slightly lower than the target, reflecting the reduced delivery of road resurfacing and rehabilitation works across the network. This was due to the redirection of resources to emergency works, resource shortages and rising costs.</p> <p>Increased maintenance and resilience is a strategic priority in GPS 2024. Through the local road pothole prevention activity class, road resealing, road rehabilitation and drainage maintenance have been prioritised.</p>				
LRM3	Local road maintenance cost per lane kilometre delivered ^B	Not achieved	\$3,800-\$4,700	\$5,020	\$4,627
	<p>The cost of delivering maintenance and renewals activities was adversely affected by higher than forecast inflation over recent years, industry cost increases, resource shortages and extreme weather events. Unfinished activities have been deferred to 2024/25, which is also the start of the 2024-2027 NLTP. We've made allowance in the local road pothole prevention activity class to facilitate the deferred works and the overall cost increase.</p>				

^A This measure compares the delivery of sealed pavement and resurfacing and rehabilitation, unsealed road metalling and rehabilitation and drainage renewals by approved organisations against forecast works and budget. See the performance measure technical notes for further detail at: nzta.govt.nz/resources/annual-report-nzta

^B This is also an appropriation measure in Vote Transport (see appendix 4).

Investment management

Expenditure



Investment and management expenditure was \$74 million (28 percent) below budget at the end of the 2021–24 National Land Transport Programme. This is mainly due to operational cost savings in the programme management of the National Land Transport Programme and lower transport planning spend.

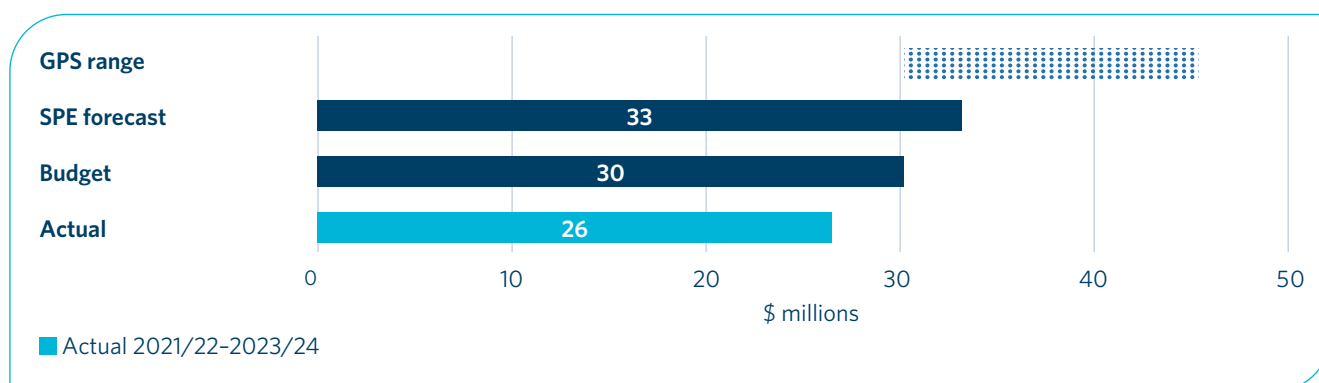
Performance measures

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
IM1	Proportion of total cost of managing the investment funding allocation system to National Land Transport Programme expenditure ^A	Achieved	≤1.1%	0.86%	0.83%

^A This is also an appropriation measure in Vote Transport (see appendix 4).

Coastal shipping

Expenditure



Coastal shipping expenditure was \$4 million (13 percent) below budget at the end of the 2021-24 National Land Transport Programme. This was mainly due to one supplier being unable to deliver its proposal as agreed.

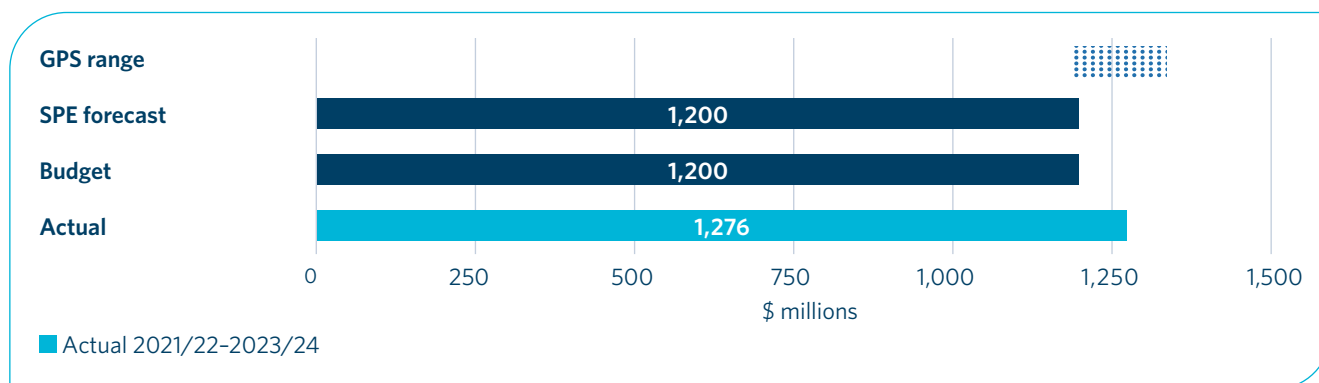
Performance measures

Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
CS1	Coastal shipping activities delivered and funded in accordance with contractual terms ^A	Not achieved	Achieved	Not achieved	Not achieved
<p>Three of the 4 coastal shipping suppliers have new vessels in operation. One supplier is no longer proceeding with their proposal due to complexities with the detailed design for its new vessel. As a result, not all activities were delivered in accordance with contractual terms.</p>					

^A This is also an appropriation measure in Vote Transport (see appendix 4).

Rail network

Expenditure



Rail network expenditure (funded by the National Land Transport Fund) was \$76 million (six percent) above budget at the end of the 2021–24 National Land Transport Programme. This reflects additional expenditure to reinstate the rail network following the North Island weather events. Additional Crown funding was provided for weather events recovery after the setting of the Budget. KiwiRail was materially on budget for the rest of the Crown and NLTF funded rail network investment programme.

Performance measures

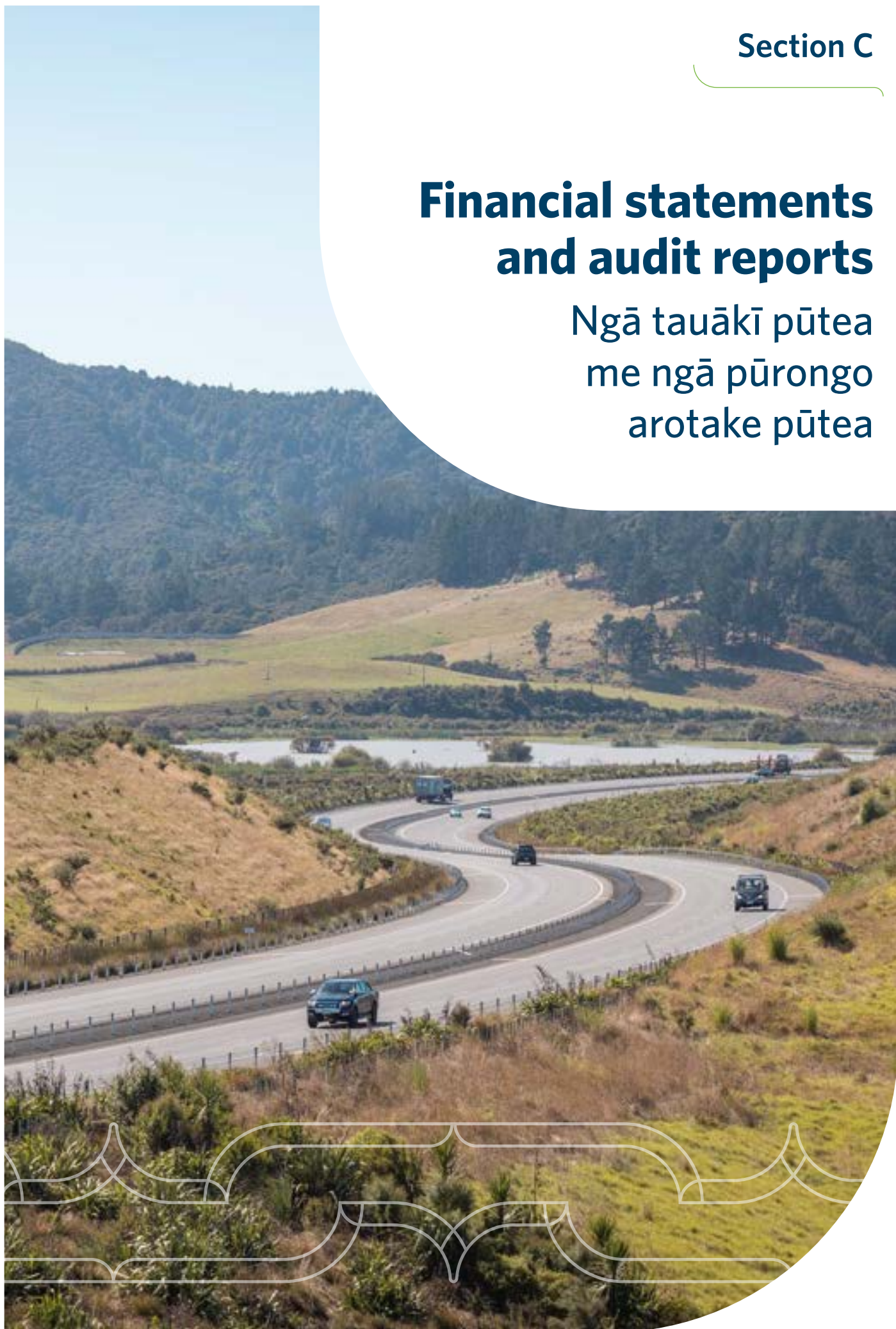
Reference	Measure	Status	Target	2023/24 actual	2022/23 actual
RN1 Delivered by KiwiRail	Amount of freight carried by rail ^{AB}	Not achieved	≥4,050 million net tonne km	3,482 million net tonne km	3,928 million net tonne km
	The total tonnage of rail freight declined by 16.7%. This decline has largely been driven by recessionary factors and noted across the road and rail sector, port import volumes and commented on by the ANZ Truckometer. We continue to work with KiwiRail as they deliver their infrastructure programme and improve the reliability and condition of the freight network.				
RN2 Delivered by KiwiRail	Freight travel time reliability ^B	Not achieved	≥90%	89%	83%
	The volume of current maintenance and renewal work had a significant impact on network availability and freight travel time reliability. We continued to monitor this indicator via KiwiRail quarterly reporting.				

^A The scope, budget standard, and methodology for this measure were changed and approved in the Supplementary Estimates of Appropriations 2023/24 for Vote Transport.

^B This is also an appropriation measure in Vote Transport (see appendix 4).

Financial statements and audit reports

Ngā tauākī pūtea
me ngā pūrongo
arotake pūtea



Statement of responsibility

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

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

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

In the Board's opinion, these financial statements and statement of performance fairly reflect the financial position and operations of the National Land Transport Fund for the year ended 30 June 2024.

Signed on behalf of the Board:

Countersigned by:



Simon Bridges
NZTA Board Chair
30 September 2024



Nicole Rosie
Chief Executive
30 September 2024



Cassandra Crowley
Chair of the Risk and Assurance Committee
30 September 2024



Howard Cattermole
Chief Financial Officer
30 September 2024

Financial statements

Statement of comprehensive revenue and expense for the year ended 30 June 2024

	Note	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Revenue inflows*				
Land transport revenue	3	3,985	4,060	4,338
Crown emergency works		1,105	336	250
Crown Public Transport operating shortfall		0	0	140
Clean Car Standard revenue		146	36	56
Funding from the Crown - Rail Network Investment Programme		417	326	312
Management of Crown land		38	53	39
Tolling revenue		13	14	13
Interest revenue		7	5	5
Total revenue inflows	2	5,711	4,830	5,153
Outflows				
National Land Transport Programme (NLTP)		4,355	3,820	4,260
Road Policing Programme		433	426	415
Rail Network Investment Programme		610	534	455
Clean Car Standard expense		140	36	54
Fuel excise duty/road user charges administration		11	11	14
Forecasting and strategy		3	3	5
Total outflows	2	5,552	4,830	5,203
Surplus/(deficit) from current National Land Transport Fund (NLTF) balance		159	0	(50)
Fair value gain on long-term payables		10	13	13
NLTP expenditure to be funded long-term		(1,601)	(1,418)	(680)
Finance charges		(11)	(11)	(10)
Surplus/(deficit) to be funded from future NLTF revenue	2	(1,602)	(1,416)	(677)
Surplus/(deficit)		(1,443)	(1,416)	(727)

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

Statement of financial position as at 30 June 2024

	Note	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Assets				
Cash and cash equivalents	7	50	0	49
Receivables	3/7	707	480	613
Total assets		757	480	662
Liabilities				
Payables	4/7	5,712	5,576	4,185
Provisions	5	65	36	54
Total liabilities		5,777	5,612	4,239
Net assets		(5,020)	(5,132)	(3,577)
General funds		(5,020)	(5,132)	(3,577)
General funds closing balance *	8	(5,020)	(5,132)	(3,577)

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

Statement of changes in general funds balance for the year ended 30 June 2024

	Note	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
General funds opening balance				
General funds - current		133	0	183
General funds - long-term		(3,710)	(3,716)	(3,033)
Total general funds opening balance		(3,577)	(3,716)	(2,850)
Changes in general funds balance				
Surplus/(deficit) from current NLTF balance		159	0	(50)
Surplus/(deficit) to be funded from future NLTF revenue		(1,602)	(1,416)	(677)
Total changes in general funds balance		(1,443)	(1,416)	(727)
General funds closing balance				
General funds - current	8	292	0	133
General funds - long-term	8	(5,312)	(5,132)	(3,710)
Total general funds closing balance *		(5,020)	(5,132)	(3,577)

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

Statement of cashflows for the year ended 30 June 2024

Note	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Cash flows from operating activities			
Receipts from land transport revenue	5,488	4,777	4,939
Payments to suppliers	(5,487)	(4,777)	(4,988)
Net cash from operating activities	1	0	(49)
Net increase/(decrease) in amounts held by the Crown			
Amounts held by the Crown at the beginning of the year	49	0	98
Amounts held by the Crown at the end of the year *	50	0	49

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

Reconciliation of net surplus/(deficit) to net cash for the year ended 30 June 2024

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Net surplus/(deficit) after tax	(1,443)	(1,416)	(727)
Add/(less) movements in working capital items:			
(Increase)/decrease in receivables and prepayments	(94)	133	(192)
Increase/(decrease) in payables	1,538	1,283	870
Net movements in working capital items	1,444	1,416	678
Net cash from operating activities	1	0	(49)

Notes to the financial statements

1 | Entity information

Reporting entity

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

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

The NLTF is used to manage the funding of the:

- National Land Transport Programme (NLTP) for:
 - activities delivered by approved organisations such as councils
 - state highway, public transport; coastal shipping and walking and cycling activities
 - other NZTA activities, such as transport planning and sector research.
- New Zealand Police Road Policing Programme
- Rail Network Investment Programme
- Ministry of Transport (MOT) for forecasting and strategy
- Collection of road user charges and refunds on fuel excise duty and road user charges
- The Clean Car Standard.

NLTF cash funds are held as part of total Crown funds. The MOT is responsible for authorising payments from NLTF and administering appropriations.

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

The NLTF does not have any employees.

The financial statements for the NLTF are for the year ended 30 June 2024 and were approved by the Board on 30 September 2024.

Basis of preparation

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

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

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

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

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

Budget figures

The budget figures are derived from the NZTA *Statement of performance expectations 2023/24* as approved by the Board on 20 June 2023. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are materially consistent with those adopted by the board in preparing these financial statements. The budget figures are not audited.

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

Taxes

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

The NLTF is a notional entity, so is exempt from the payment of income tax.

Accounting for Clean Car Standard

The Clean Car Standard (CCS) is a Crown Scheme which became effective on 1 January 2023. Cars that are imported with a CO₂ level above the CCS standard pay a charge, while cars that are imported with a CO₂ level below the CCS standard receive a credit. The credit can be used by importers to offset a current charge, kept (for a period of time) to offset future charges, or sold to another importer. The net charges are returned to the Crown and then can be drawn down into the NLTF for use in green projects.

The charges are recorded as revenue and debtors where they haven't been collected. The credits are recorded as expenses and provision for credits where they haven't been used. The basis for recording the credits as a provision and not a creditor is that they can be used to offset future charges, however, there is not certainty of if and when they may be used. If there are more credits than charges, there is a judgement required as to whether there is sufficient certainty as to record a provision or whether the amount is recorded as a contingent liability.

Accounting standards issued and not yet effective

The NLTF financial statements have adopted all accounting standards, amendments and interpretations to existing standards that have been published and are mandatory from 1 July 2023. There are no issued, but not yet effective standards as at 30 June 2024 that NZTA considers would have a material impact on the financial statements.

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

	Actual 2023/24 \$M	Actual 2022/23 \$M	Actual 2021/22 \$M
Revenue inflows			
Land transport revenue	3,985	4,338	4,166
Funding from the Crown - Rail Network Investment Programme	417	312	180
Management of Crown land	38	39	75
Clean Car Standard	146	56	0
Crown emergency works*	1,105	250	0
Crown Public Transport operating shortfall	0	140	0
Tolling revenue	13	13	12
Interest revenue	7	5	3
Total revenue inflows	5,711	5,153	4,436
Outflows			
NLTP	4,355	4,260	3,813
Road Policing Programme	433	415	394
Rail Network Investment Programme	610	455	287
Fuel excise duty/road user charges administration	11	14	12
Clean Car Standard	140	54	0
Forecasting and strategy	3	5	4
Total outflows	5,552	5,203	4,510
Surplus/(deficit) from current National Land Transport Fund (NLTF) balance	159	(50)	(74)
Fair value gain on long-term payables	10	13	8
NLTP expenditure to be funded long-term	(1,601)	(680)	131
Finance charges	(11)	(10)	(9)
Deficit to be funded from future NLTF revenue	(1,602)	(677)	130
Surplus/(deficit)	(1,443)	(727)	56

* Crown emergency works revenue includes North Island weather events and emergency works cost pressure.

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

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

Revenue inflows

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

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

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

Outflows

The NLTF accounts for the flow of funds to:

- NZTA – for the funding of the NLTP, and administration of fuel excise duty and road user charges and administering the Clean Car Standard
- New Zealand Police – which provides the Road Policing Programme
- MOT – for forecasting and strategy
- KiwiRail – for the Rail Network Improvement Programme.

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

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

Explanations of major variances against budget

Revenue inflows

Land transport revenue was \$3,985 million, close to the budget of \$4,060 million.

Outflows

NLTP was \$4,355 million, \$535 million (14 percent) above the budget of \$3,820 million. This was mainly due to additional expenditure provided by crown funding for the North Island Weather Events spend primarily in the state highway maintenance and local road maintenance output classes.

NLTP expenditure to be funded long term was (\$1,601) million, \$183 million (13 percent) above the budget of (\$1,418) million. This was mainly due to draw down of the short-term facilities to meet seasonal fluctuations.

3 | Land transport revenue and receivables

	Actual 2023/24 \$M	Actual 2022/23 \$M
Revenue		
Road user charges	1,888	1,444
Fuel excise duty	2,005	1,364
Motor vehicle registration and annual licensing fees	233	237
Temporary tax reduction Crown revenue - road user charges	0	713
Temporary tax reduction Crown revenue - fuel excise duty	0	697
Track user charges	18	15
Total revenue	4,144	4,470
Less refunds		
Road user charges	67	44
Fuel excise duty	72	72
Motor vehicle registration and annual licensing fees	1	1
Other	0	0
Total refunds	140	117
Less bad debt write-off	14	15
Movement in provision for doubtful debts	5	0
Total bad and doubtful debts	19	15
Total land transport revenue	3,985	4,338

As per the Land Transport Management Act 2003, a payment is made for maritime search and rescue activities from fuel excise duty before the duty becomes land transport revenue. This payment was \$37.6 million (2022/23: \$33.1 million). A payment is also made for regulatory services. This payment was \$31.4 million (2022/23: \$3.9 million).

The total net land transport revenue is as follows:

	Actual 2023/24 \$M	Actual 2022/23 \$M
Road user charges*	1,802	2,098
Fuel excise duty*	1,933	1,989
Motor vehicle registration and annual licensing fees	232	236
Track user charges	18	15
Total net land transport revenue	3,985	4,338

* including temporary tax reduction Crown revenue for 2022/23

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

Receivables (included in the statement of financial position)

	Actual 2023/24 \$M	Actual 2022/23 \$M
Debtors – fuel excise duty	363	232
Debtors – Crown temporary tax reduction	0	110
Debtors – motor vehicle register/road user charges	68	80
Debtors – Rail Network Investment Programme	15	17
Debtors – track user charges	4	4
Debtors – Clean Car Standard (importers)	65	56
Debtors – Clean Car Standard (Crown)	6	0
Debtors – emergency work	224	7
Debtors – public transport shortfall	0	140
Provision for doubtful debt	(38)	(33)
Total receivables	707	613

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

Provision for doubtful debt

The provision for doubtful debt relates primarily to road user charges, the ECLs are \$38 million (2022/23: \$33 million). The NLTF applies the simplified approach and recognises lifetime ECLs for these debtors. Lifetime ECLs recognise all possible default events over the expected life of the receivable. ECLs are calculated in two groups, motor vehicle register debtors and road user charges debtors, to reflect the differences in collection and default rate history.

Estimation techniques and assumptions used in calculating the lifetime ECLs did not change during 2023/24.

The movement in ECLs for the year are shown below.

Lifetime ECL – debtors – road user charges

	Actual 2023/24 \$M	Actual 2022/23 \$M
Opening balance as at 1 July	33	33
Less bad debts write-off	(14)	(15)
Increase in doubtful debts	19	15
Closing balance as at 30 June	38	33

Receivables are written-off when they are deemed uncollectable. The total receivables written-off during the year amounted to \$14 million (2022/23: \$15 million). Of the receivables written-off none were still subject to enforcement activities.

Receivables

Debtor balances relating to fuel excise duty, the Rail Network Investment Programme and track user charges are short term and due from other government agencies (such as government departments and Crown entities). There is no indication that these debtors are impaired as at 30 June 2024 (30 June 2023: nil).

4 | Payables

	Actual 2023/24 \$M	Actual 2022/23 \$M
Current payable to NZTA – current balance	147	302
Current payable to KiwiRail	27	26
Current payable to NZTA – to be funded from future revenue	400	154
Current payable to NZTA – Crown funded (emergency works)	225	146
Non-current payable to NZTA – to be funded from future revenue	4,913	3,557
Total payables	5,712	4,185

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

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

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

Current payable to NZTA – Crown funded – to be funded from the Crown and normally settled by the end of the following month. Therefore, the carrying value approximates fair value.

Non-current payable to NZTA – to be funded from future revenue – is a mixture of interest and non-interest-bearing advances that will be settled between one year and 30 years. Non-interest bearing non-current payables are discounted to present value as at 30 June 2024.

5 | Provisions

	Actual 2023/24 \$M	Actual 2022/23 \$M
Provision for Clean Car Standard credits	65	54
Total provisions	65	54

Refer to note 1 for the background and accounting policy on the Clean Car Standard (CCS). The provision for CCS credits relates to credits held by car importers which may be used to offset future charges. At 30 June 2024, there were \$65 million of charges in debtors so the provision has been set to \$65 million on the basis that the credits may be used to fully offset these charges. At June 2024, there were \$257 million of credits held by importers. This means that there are \$192 million of additional credits which are not expected to be able to be used to offset charges and therefore not recorded as a provision. A contingent liability for those additional credits has been disclosed in recognition of the possibility that future changes in import behaviour or scheme settings could see those credits be utilised before they expire.

Refer to Note 10 Contingencies for further information.

6 | Planned outflows

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

	Actual 2023/24 \$M	Actual 2022/23 \$M
Not later than one year	2,146	5,025
Later than one year and not later than five years	2,987	3,024
Later than five years	5,524	5,857
Total planned outflows	10,657	13,906

7 | Financial instruments and financial risk management

Financial instruments

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

	Actual 2023/24 \$M	Actual 2022/23 \$M
Financial assets measured at amortised cost		
Cash and cash equivalents	50	49
Receivables	707	613
Total financial assets measured at amortised cost	757	662
Financial liabilities measured at amortised cost		
Payables	5,712	4,185
Total financial liabilities measured at amortised cost	5,712	4,185

Financial risks

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

Market risk

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

Interest rate swaps are held by NZTA to mitigate risks associated with interest rate fluctuations for the underlying debt instruments relating to the public-private partnerships, details of which are in the NZTA financial statements.

Credit risk

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

Credit quality of financial assets

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

Liquidity risk

Management of liquidity risk

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

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

Refer to note 6 for future outflows of NLTF. The Board considers the NLTF revenue forecast when planning the NLTP to maintain the liquidity of the NLTF is maintained.

Refer to note 8 for general funds and capital management of the NLTF.

Contractual maturity analysis of financial liabilities

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

	Less than 1 year \$M	1-2 years \$M	2-5 years \$M	Over 5 years \$M
2023/24 Contractual cash flows	1,028	538	1,818	5,703
2022/23 Contractual cash flows	724	451	1,817	3,900

The Government Policy Statement (GPS) proposes additional revenue sources including new loan facilities as well as changes to repayment dates for some of the loan facilities.

8 | General funds and capital management

	Actual 2023/24 \$M	Actual 2022/23 \$M
General funds – current	292	133
Total general funds – current	292	133
National land transport programme to be funded long-term		
Auckland Transport Package	(354)	(354)
Housing Infrastructure Fund	(111)	(98)
Public-private partnerships*	(1,957)	(1,992)
NLTF borrowing facility for short-term advances	(500)	(375)
COVID-19 NLTF borrowing facility	(325)	(325)
Tauranga Eastern Link	(107)	(107)
NLTP 2021–24 loan	(2,001)	(504)
Fair value changes in financial instruments	43	45
Total general funds – long term	(5,312)	(3,710)
Total general funds closing balance	(5,020)	(3,577)

* Included related interest rate swaps.

The NLTF has a negative general funds balance due to programmes that were accelerated with debt funding sourced from the Crown or through public-private partnerships. The funding received has been recognised as long-term payables that are due up to 20 years from balance date.

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

- The NLTF's liquidity is actively managed.
- The NLTF has a positive cash balance of \$50 million as at 30 June 2024 (30 June 2023: \$49 million).
- The NLTF's forecasts demonstrate its ability to repay its obligations when they fall due for a period of at least one year from the date of these financial statements.
- The NLTF's main revenue source is land transport revenue, which is forecast with inputs from other government departments. Land transport revenue and crown sources for the funding and financing of the NLTP is forecast to be sufficient to meet all committed future outgoings.
- The NLTF has the option to slow expenditure on the NLTP.
- The NLTF has a short-term borrowing facility of \$250 million to cover revenue or expenditure shocks or to use the short-term borrowing facility of \$250 million to meet seasonal cash-flow cycles.
- The Crown has previously taken action to help deliver on the NLTP including additional funding, financing and proposed increases to fuel taxes and motor vehicle registration. NZTA has a letter of support from Minister of Finance and Minister of Transport to give the board confidence that the future cashflows will be sufficient to meet debt repayments.
- In 2024, the Crown confirmed financing up to \$3.1 billion and a \$3.1 billion capital grant to support the delivery of the 2024–27 NLTP due to the investment gap between the NLTP and forecast land transport revenue. An additional \$1.0 billion capital contingency has also been confirmed.

- A debt management framework is used to determine a sustainable and efficient level of future liabilities. The framework is based on the expected level of fund inflows and forward commitments and comprises measures and target operating ranges to guide decision making.

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

Capital management

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

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

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

9 | Related party transactions

The NLTF is a wholly owned entity of the Crown.

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

10 | Contingencies

The NLTF has \$192 million of contingent liabilities (June 2023: \$84 million).

The \$192 million of contingent liabilities relates to the Clean Car Standard (CCS). Refer to note 1 for the background and accounting policy on CCS. At June 2024, there were \$257 million of credits held by importers. Of this total, \$65 million is recorded as a provision on the basis that the credits may be used to offset \$65 million of current charges (shown in debtors). The remaining \$192 million of credits are recorded as a contingent liability. Our view is that, under the current policy settings of the scheme, it is more probable that not that the \$192 million of credits will not be used to offset future charges. This is based on our view that the current import trends (with more imported cars receiving credits than incurring charges) will not sufficiently reverse to enable use of the current level of credits. The full amount is recorded as a contingent liability.

In addition, the NLTF may have exposure to those contingent liabilities of NZTA arising from the delivery of the NLTP.

11 | Events after the balance date

There are no material post balance date events requiring disclosure.

Statement of performance

Output class funding to NZTA

	Actual 2023/24 \$M	Budget 2023/24 \$M	Actual 2022/23 \$M
Investment management	63	100	65
Public transport services	498	515	491
Public transport infrastructure	192	282	399
Walking and cycling improvements	1	44	74
Local road improvements	0	37	(5)
Local road maintenance	748	587	982
State highway improvements	900	851	856
State highway maintenance	1,524	901	1,057
Road to Zero	426	490	317
Coastal shipping	3	13	23
Funding to NZTA - current	4,355	3,820	4,259
Road policing programme	433	426	415
Rail network investment programme	610	534	455
Total output class funding	5,398	4,780	5,129
Output class funding (long-term)			
Local road improvements - Housing Infrastructure Fund	15	40	37
State highway improvements - public-private partnerships	6	(66)	21
State highway improvements - repayment for public-private partnerships	(45)	(29)	(57)
NLTF borrowing facility for shock/seasonal costs	125	45	376
NLTP 2021-24 loan	1,497	1,434	302
Accrued interest (general)	0	0	0
Fair value changes in financial instruments to surplus or deficit	3	(6)	1
Total output class funding (long-term)	1,601	1,418	680

The output class funding (current) above is net of borrowing used to finance activities NZTA carries out. The use of the NLTP 2021-24 loan is additional spend to the total output class funding (current) of \$1,497 million above.

The output class funding (long-term) reflects the expenditure on public-private partnerships, the Housing Infrastructure Fund and fair value changes of financial instruments, and expenditure that is financed by borrowing facilities.

Where borrowing facilities are used to fund expenditure, rather than a specific project, the debt is apportioned across activity classes. This effectively is a change between current expenditure and long-term expenditure. Drawdowns from the \$2 billion NLTP 2021-24 loan facility were initially apportioned based on the output class investment targets set by the Board with subsequent adjustments to account for actual spending to ensure output classes were not over-funded. Breakdown for 2023/24 is as follows.

	NLTF funding \$M	NLTP 2021- 24 Loan \$M	Short-term borrowing \$M	Total \$M
Investment management	63	0	0	63
Public transport services	498	13	1	512
Public transport infrastructure	192	321	27	540
Walking and cycling improvements	1	183	19	203
Local road improvements	0	160	23	183
Local road maintenance	748	482	10	1,240
State highway improvements	900	(15)	15	900
State highway maintenance	1,524	256	21	1,801
Road to Zero	426	97	9	532
Coastal shipping	3	0	0	3
Total	4,355	1,497	125	5,977

For explanations of major variances against budget see the Use of the NLTF graphs on page 223, the graphs include both the output class funding (current) and use of the NLTP 2021-24 loan.

Independent auditor's report

To the readers of National Land Transport Fund's Financial statements and performance information For the year ended 30 June 2024

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

Opinion

We have audited:

- the financial statements of the NLTF on pages 237-250, that comprise the statement of financial position as at 30 June 2024, the statement of comprehensive revenue and expense, statement of changes in general funds balance and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the service delivery and investment performance measures included in the performance information of the NLTF on pages 223-234.

In our opinion:

- the financial statements of the NLTF:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2024; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity International Public Sector Accounting Standards; and
- the service delivery and investment performance measures included in the performance information for the year ended 30 June 2024:
 - presents fairly, in all material respects, for each class of reportable outputs:
 - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
 - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 30 September 2024. This is the date at which our opinion is expressed.

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

Basis for our opinion

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 206–236 (excluding system outcomes and results measures), pages 251–252 but does not include the financial statements and the performance information, and our auditor’s report thereon.

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

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

Independence

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

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



Ed Loudon

KPMG Wellington

On behalf of the Auditor-General

Wellington, New Zealand

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The Official Information Act 1982 (OIA) is an important tool and safeguard in New Zealand's democracy. NZ Transport Agency Waka Kotahi is committed to transparency of government and the principles of freedom and availability of information under the OIA. We make the official information we hold as a government agency available to the public, unless there is good reason to withhold it. Making our official information available to the public enables more effective participation in our country's democracy, promotes accountability, enhances respect for the law and promotes the good government of New Zealand. Equally, withholding information is important when it is in the public interest to protect the information or the information is commercially sensitive or necessary to protect personal privacy. If we withhold any information, we state the grounds under the OIA on which we are relying.



If you have further queries,
call our contact centre on
0800 699 000 or write to us:

NZ Transport Agency Waka Kotahi
Private Bag 6995
Wellington 6141

This publication is also available on
our website at www.nzta.govt.nz

