



# Waka Kotahi NZ Transport Agency Performance Report

Quarter 1 2022/23

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# WAKA KOTAHI PERFORMANCE REPORT: Q1 2022/23

This report provides an update on our progress at the end of quarter one (30 September 2022) toward the Te kāpehu | Our compass, which is our strategic direction set out in the Waka Kotahi Statement of intent 2021–26 (SOI) and Statement of performance expectations 2022/23 (SPE). It summarises our achievements under these system outcomes, alongside enterprise risks, challenges and financial performance for the quarter.

## Te kāpehu | Our compass: system outcomes

Safe	ensuring no one is killed or seriously injured when using or working on the transport system
Environmentally sustainable	reducing harm to and improving the environment with a focus on reducing greenhouse gas emissions
Effectively and efficiently moving people and freight	ensuring networks are available and reliable at consistent levels of service with a focus on increasing the uptake of efficient, cost effective, low carbon transport options
Meeting current and future needs	ensuring we have access to the people, funding and systems we need

## Progress toward system outcomes

### Highlights

#### Safe

**Road to Zero.** To achieve Vision Zero, we're working with the Ministry of Transport and our local partners to implement Road to Zero. The 12-month rolling total of deaths and serious injuries has increased slightly from 2,598 in quarter four 2021/22 to 2,655 this quarter. We have begun work to understand the drivers of recent increases in DSIs and will provide an update in future reports. The development of fatal and serious injury trends in road traffic can be due to:

- systematic road safety management (eg improving the safety of road infrastructure, aligning more of the network to safe and appropriate speeds, improving vehicle safety, developing regulation and legislation, improving road user choices)
- external factors that are not affected by systematic road safety management, but which affect the road transport system, such as economic changes, traffic increases, demographic changes, weather variations and COVID-19 lockdowns
- random variation, which can be as high as 10% depending on crash data sample size. This quarter's result is within this variation compared with our annual target.

Our focus is on systematic road safety management. As outlined in this report, our rate of system-wide improvements is below where we need to be to see a step-change in road safety performance.

**Transfer of safety cameras.** There has been significant progress made this quarter with the implementation of the safety camera management system and the transfer of functions from New Zealand Police. Planned independent quality assurance reviews, tied to the business case cycle, have been completed and their recommendations are being addressed. Further planned quality assurance programme activities will be completed as the business case progresses. Six permanent safety camera roles have been appointed, marking the beginning of establishing safety camera functions within Waka Kotahi.

**Sustainable regulatory funding.** Waka Kotahi is providing Cabinet with final recommendations for a revised regulatory funding and fees regime. The recommended changes are intended to create a more sustainable funding model, which is essential to Waka Kotahi being able to meet the cost of providing high-quality regulatory services. Our regulatory function plays an important role to improve safety and reduce the risk of harm in land transport.

## Effectively and efficiently moving people and freight

**Rapid transit progress.** The Auckland Rapid Transit Plan and various business cases for rapid transit projects are progressing as planned. Alliance partners to progress business case work on the Auckland Light Rail and Waitemata Harbour Crossing projects have been confirmed. Preferred options for Let's Get Wellington Moving have been confirmed by the government and the draft indicative business case has been completed. This indicative business case was approved in early Q2.

**National Ticketing Solution (NTS).** Significant progress was made over the quarter on participation agreements with the public transport authorities, which have now been signed. The contract with the preferred supplier for delivery of the ticketing solution was signed in mid-October and the programme has moved to implementation phase with the programme team being stood up. Design workshops have commenced with Cubic, the ticket solution provider, and work is being advanced on a possible early Eurocard Mastercard Visa solution for Auckland Transport to support public transport growth objectives. The new governance board for the NTS will be in place at the beginning of December.

**Improving connections and movement of freight.** We continue to implement our freight action plan to improve connections and the movement of freight across the land transport system, while reducing emissions in line with Emissions Reduction Plan (ERP) targets.

## Environmentally sustainable

**Delivery of CERF funded, ERP and CNGP activities.** Significant progress has been made including in establishing CERF (Climate Emergency Response Fund) work programmes, preparing to develop an integrated work programme for ERP, CERF and CNGP (Carbon Neutral Government Programme) activities, and establishing corporate emissions reduction objectives in our Corporate Sustainability Plan. Funding for the CERF initiatives that Waka Kotahi is responsible for is being managed through funding agreements with the Ministry of Transport (MoT). The funding agreements are yet to be finalised which could impact on meeting delivery expectations and deadlines.

In the wider climate change setting, there are activities that have been assigned to Waka Kotahi through the Emissions Reduction Plan that are unfunded. Waka Kotahi is assessing these requirements and will advise MoT of options for delivering these.

In preparation for CNGP, a resource efficiency policy was ratified in the 2021/22 financial year and we are working to embed the requirements into contract manuals and exploring options to update existing contracts. The final part of the CNGP planning to be agreed is an embodied emissions reduction pathway. This is a negotiated agreement between the Ministry for the Environment and Waka Kotahi for a reduction timeline on emissions from our investment and construction of infrastructure activities. It will include measurement and targets for a phased reduction to comply with CNGP.

**VKT reduction planning.** This year we plan to publish a national light vehicle kilometres travelled (VKT) reduction plan aligned to the national light VKT reduction target in the ERP. Resource has been secured to develop this plan and an evidence base will be developed. We are partnering with councils, iwi/Māori and community representatives to achieve the VKT reduction plan. This quarter, we have provided evidence and investment signals to local government through the 2024–27 National Land Transport Programme (NLTP) development process and are supporting councils with relevant planning processes.

**Clean Vehicle Discount Scheme.** Operational improvements continue to be made to the scheme, which was implemented in April 2022 and overall, the scheme is functioning well.

## Meeting current and future needs

**Long-term revenue review.** To meet the government's ambitions, land transport investment and policy changes will require much higher funding to the NLTF or via separate funding mechanisms. Final advice from the Long-term Revenue Review is due to Ministers in November.

**Improving road user charges compliance monitoring, debt collection and recovery.** In Waka Kotahi's funding request to support the delivery and improvement of RUC compliance activities, we forecast anticipated effort against joint roadside operations, weight-based assessments, and significant investigations. For all of these we are either exceeding or on track to meet our targets. We forecasted 10 significant investigations and in Q1, we completed 25 RUC operator reviews and investigations of various degrees of complexity and invoiced over \$100k on hubodometer fraud.

**Value for money.** Waka Kotahi has agreed a scope and provided a significant amount of data to the Ministry of Transport to support a value for money review of our operational expenditure. A steering committee has been established.

**Bilingual signage.** Waka Kotahi has progressed work on further changes to the Traffic Control Devices Rule to enable the use of te reo Māori on traffic signs (subject to Ministerial approval and public consultation). Waikato University is currently undertaking research on bilingual designs for stop/go/slow paddles, school patrol and stop, and give way signs.

## Challenges

**Cost pressures.** The NLTP remains under considerable financial pressure due to the number of committed projects and cost pressures in the sector. Inflationary pressures have also increased the costs of most of our activities and affected project budgets. Temporary reductions in fuel excise duty and road user charges announced in March 2022 in response to inflation have further affected NLTF revenue. Waka Kotahi continues to focus efforts on our cost estimation practices, technical assurance and the ability to identify and act on early warnings. It is expected that the addition of the Commercial Delivery function will drive a fundamental shift in our practices.

**Effects of climate change.** The impact of recent significant weather events has exacerbated the deterioration of the condition of the state highway asset. While we are moving out of the storm season, there is the risk of future weather events delaying progress on significant capital projects.

**COVID-19 impacts.** Resourcing remains a critical risk given high demand for people, plant and materials at all stages of the infrastructure lifecycle combined with a tight labour market, supply chain constraints, COVID-19-related disruption and large forward infrastructure programmes in New Zealand and Australia. There are disputes about prolongation claims due to the impact of COVID-19, which are causing risks to projects. Infrastructure work has slowed over the winter months due to illness and COVID-19 impacting staff levels.

## Organisational capability

**Digital progress.** Progress this quarter to address our critical digital capability risks included completing work on the website firewall protection and the exiting from the Unisys Data Centre. The ongoing security uplift programme has increased controls relating to malicious interference through the implementations of the malware free networks and Phishing Disruption Service provided by the National Cyber for Security Centre. We also continue to invest in building our capability to respond to security incidents such as possible foreign interference and future national protest activity.

Further refinement of the Waka Kotahi Digital Strategy has focused on a Digital Hub designed for users of Aotearoa New Zealand's transport network. This Digital Hub will provide secure personalised digital services through either a Waka Kotahi branded app or via partner digital services (eg Auckland Transport's My AT). Detailed customer discovery work to uncover customer needs and pain points on this Hub has been completed and the feedback was very positive.

Supply chains and resourcing remain a challenge and we are actively managing the prioritisation of projects and resource allocation to make sure that our greatest priorities can be adequately resourced.

**Talent attraction and retention.** We continue to see a slow decline in our turnover rate from a high of 18.7% at the end of April, to 16.8% at the end of Q1. While we are hopeful that this is an early indication of turnover stabilisation, we continue to manage a high number of recruitment requisitions for both employee and contingent workers.

Resources are expected to increase with the low emission vehicle resourcing requirements and recruitment to support change initiatives across the organisation. The volume of roles under recruitment in combination with a tight employment market continues to put pressure on Waka Kotahi.

The annual remuneration round for Waka Kotahi concluded in August, which enabled us to position people's pay in a more competitive range of pay and address critical pay gaps that we haven't managed to do as part of our 'scarce skills' or 'critical talent' reviews. In addition, the CE Recognition fund was made available to provide one off payments for people who have gone above and beyond as further recognition of the great mahi happening across our business.

# Non-financial performance summary

## Significant activities

We are on track to deliver 12 of our 15 significant activities by year-end, three activities have been identified as not on track, but likely to be complete by year-end. See appendix A for further details.

## Performance measures

Six of 12 reportable strategic measures are on track to meet year-end targets. Five are not on track to meet year-end targets. However, two are expected to recover as the year progresses and achieve year-end targets.

Nine of 14 reportable output measures are on track to meet year-end targets, with four not on track to meet year-end targets. We expect two to recover and reach their year-end targets. Measures not on track this quarter are detailed in appendix B.

Two measures are not able to be reported this quarter, one is pending assessment by the Treasury and the other relies on external data that is not available this quarter.

Type of measure	On track	Not on track but likely to recover	Not on track and unlikely to recover	Unable to report in this quarter
Strategic measures	6 (50%)	2 (17%)	3 (25%)	1 (8%)
Output class measures	9 (65%)	2 (14%)	2 (14%)	1 (7%)
<b>Total</b>	<b>15 (58%)</b>	<b>4 (15%)</b>	<b>5 (19%)</b>	<b>2 (8%)</b>

## Capital projects

**Progress:** Nine of 17 significant capital projects are on track to deliver their annual milestones, comprising eight projects from the National Land Transport Programme (NLTP) and one from the NZ Upgrade Programme (NZUP). The remaining eight projects are not on track to meet their annual SPE milestones, but seven of them are likely to recover and reach the targets. Appendix C details on the significant capital projects not on track against year-end milestones.

Type of projects	On track	Not on track but likely to recover	Not on track and unlikely to recover
National Land Transport Programme	8 (62%)	4 (31%)	1 (8%)
New Zealand Upgrade Programme	1 (25%)	3 (75%)	0 (0%)
<b>Total</b>	<b>9 (53%)</b>	<b>7 (41%)</b>	<b>1 (6%)</b>









**Highlights:** Delivery highlights this quarter include the following project milestones:

- The last span of Bayfair bridge beams has been placed, stormwater in the 'canyon' completed, and work on Te Maunga 4th Leg Ramp commenced for the Baypark to Bayfair link upgrade.
- Te Ahu a Turanga: Manawatū Tararua Highway had its Bridge 1 Nutcracker Farm underpass construction completed as scheduled and 3.7 million cubic metres of earthworks undertaken as at end of Q1.
- Te Ara o Te Ata: Mt Messenger Bypass has commenced cableway establishment works including access and vegetation clearance. Agreements with Ngāti Tama were settled unconditionally, including ceremonial transfer of ancestral lands.
- Structural asphalt construction of Peka Peka to Otaki Expressway was completed ahead of schedule.
- Business cases for SH1 Whangārei to Port Marsden Highway and Otaki to North of Levin were both completed and endorsed by the Waka Kotahi Board.

**Supporting Regions Programme:** The programme is about 70% of the way through its delivery with 9 projects completed and 13 ongoing. A number of projects have experienced delays as previously signalled. Programme cost is within funding allocation and most individual projects are also within their allocations. There are a few projects that came in under or over budget, which is being managed through budget transfers between projects. However there is a timing/certainty risk as financial delegation sits outside Waka Kotahi and, depending on value, can sit with the Ministry of Transport and/or joint Ministers.

## Financial summary

Six of the eight key financial items are on track or favourable to trend for Q1. The two off track measures are: NLTF revenue, which is 7% below budget and NLTP activity classes with 1 of 11 not aligned to GPS funding ranges.

 <p><b>\$254 million</b></p> <p><b>National Land Transport Fund cash balance</b> We have drawn down \$150 million of the revolving facility to manage short term cashflow in addition to the earlier drawdown of \$200 million from the NLTP support facility. We are looking to repay the \$150 million in the near future.</p>	 <p><b>\$87.3 million</b> Below budget</p> <p><b>National Land Transport Fund revenue</b> September revenue is \$10.8 million (3%) above budget. Year-to-date revenue is 7% below budget. Revenue can be lumpy, but it is concerning we are so far behind budget already. The impact on the fund will be financed by the borrowing facilities, but there is very little headroom. Continuation of the trend would mean we exhaust our debt facilities. The latest NLTF revenue forecast (OBU) is \$60 million lower than the previous forecast (BEFU).</p>
 <p><b>\$63 million</b> Below budget</p> <p><b>NLTP/Crown expenditure</b> NLTF funded expenditure is \$85 million (8%) above budget. The budget is not evenly phased and reflected lower spend in July and August. Crown funded expenditure is \$22 million (20%) above budget, mainly from COVID-19 fund claims.</p>	 <p><b>1 of 11</b> Not on track</p> <p><b>NLTP activity classes</b> Investment targets as per the September Board meeting have been revised. Expenditure in all activity classes is expected to be within the GPS range, although state highway and local road maintenance is at the top of their activity classes.</p>
 <p><b>OP-EX \$3 million</b> Below budget</p> <p><b>Waka Kotah operational revenue and expenditure</b> Operational expenditure is 3% below budget. This is mainly due to lower spend on business initiatives and lower commissions paid to agents.</p>	 <p><b>\$2.7 million</b> Better than budget</p> <p><b>Memorandum accounts</b> The combined memorandum account deficit is \$43.5 million, 6% favourable against budget, mainly due to lower expenditure, in particular lower commissions and project spend (fees and funding).</p>
 <p><b>All ratios in range</b></p> <p><b>Debt management</b> All debt management ratios are within the agreed operating ranges.</p>	 <p><b>\$3,253.9 million</b></p> <p><b>Long-term liabilities</b> The total long-term funding liability is \$3,253.9 million, incorporating specific loan packages, public-private partnership (PPP) commitments and the derivative financial liabilities. We are compliant with all loan conditions.</p>



## National Land Transport Fund revenue

**National Land Transport Fund (NLTF)** revenue is \$87.3 million (7%) below budget year to date. This is primarily driven by lower FED and RUC, including the Crown reimbursement for the tax reduction, being 6% below budget. FED and RUC can be lumpy, but it is concerning we are so far behind budget already. The impact on the NLTF will be financed by the borrowing facilities, but there is very little headroom. The draft revenue forecast for the October baseline update (OBU) shows a further \$60 million decline to \$650 million below the revenue forecast at the time the NLTP was set.

- **Total FED and RUC** is \$69.6 million (6%) below budget.
- **Motor vehicle registration and licensing (MVR & Lic)** is \$10.1 million (14%) below budget.
- **Crown funding (RNIP)** is \$9.5 million (13% below budget). This reflects lower spend from KiwiRail.
- **Other revenue** is \$1.9million (9%) above budget.

The following table is the monthly revenue, compared with the 2022/23 budget and 2021/22 actuals.

### SUMMARY

**\$87.3m**  
below budget

FED is 29% below budget

RUC is 31% below budget

MVR & Lic is 14% below budget

Crown funded RNIP is 13% below budget

	MONTH				YEAR TO DATE				FULL YEAR	
	Actual	Budget	Variance	Var	Actual	Budget	Variance	Var	Forecast <sup>1</sup>	Budget
	\$m	\$m	\$m	%	\$m	\$m	\$m	%	\$m	\$m
Fuel Excise Duty	137.5	163.2	(25.7)	(16%)	346.5	490.4	(143.9)	(29%)	1,550.7	1,859.3
Road user charges	104.6	144.5	(39.9)	(28%)	312.0	455.3	(143.3)	(31%)	1,577.4	1,853.4
Crown Temp Tax Reduct.	138.3	52.9	85.4	161%	376.2	158.6	217.6	137%	800.0	370.0
<b>Total FED and RUC</b>	<b>380.4</b>	<b>360.6</b>	<b>19.8</b>	<b>5%</b>	<b>1,034.7</b>	<b>1,104.3</b>	<b>(69.6)</b>	<b>(6%)</b>	<b>3,928.1</b>	<b>4,082.7</b>
MV registration & Lic.	20.1	20.1	0.0	0%	63.8	73.9	(10.1)	(14%)	234.2	234.2
Crown Funding (RNIP)	21.6	23.6	(2.0)	(8%)	61.5	71.0	(9.5)	(13%)	300.4	300.4
Other revenue	2.6	9.6	(7.0)	(73%)	22.5	20.6	1.9	9%	66.4	66.4
<b>Total NLTF revenue</b>	<b>424.7</b>	<b>413.9</b>	<b>10.8</b>	<b>3%</b>	<b>1,182.5</b>	<b>1,269.8</b>	<b>(87.3)</b>	<b>(7%)</b>	<b>4,529.1</b>	<b>4,683.7</b>

<sup>1</sup> Revenue forecast is based on the draft Budget Economic and Fiscal Update (BEFU) of April 2022.

## National Land Transport Programme (funded from the NLTF and Crown-funded expenditure)

NLTF expenditure is \$85 million (8%) below budget<sup>2</sup> mainly due to budget phasing in public transport services.

	2022/23 YEAR TO DATE				2022/23 FULL YEAR		2021-24 NLTP INVESTMENT TARGET		GPS RANGES	
	Actual	Budget	Variance		Forecast	Budget	CURRENT	ORIGINAL	Lower	Upper
	\$m	\$m	\$m	%	\$m	\$m	\$m	\$m	\$m	\$m
State highway improvements	195	216	21	10%	937	937	2,680	2,640	2,400	3,250
Local road improvements	16	23	7	30%	19	19	511	671	300	810
Walking and cycling improvements	36	37	1	4%	98	98	543	618	290	550
State highway maintenance	170	188	18	10%	831	831	2,805	2,805	2,260	2,805
Local road maintenance	98	114	16	14%	703	703	2,339	2,339	2,000	2,340
Public transport services	106	162	56	35%	449	449	1,441	1,330	1,220	1,930
Public transport infrastructure	86	85	(1)	(1%)	272	272	1,600	1,699	1,270	2,080
Road to Zero	174	177	3	2%	861	861	2,595	2,673	2,530	2,830
Coastal shipping	5	12	6	53%	27	27	30	30	30	45
Investment management	13	16	2	14%	89	89	250	262	220	270
Rail	83	37	(45)	(121%)	467	467	1,200	1,200	1,194	1,344
<b>NLTP approved expenditure</b>	<b>982</b>	<b>1,067</b>	<b>85</b>	<b>8%</b>	<b>4,752</b>	<b>4,752</b>	<b>15,994</b>	<b>16,267</b>	<b>13,714</b>	<b>18,254</b>
Housing Infrastructure Fund (LRI)	4	4	0	0%	44	44	308	308		
<b>NLTF funded expenditure</b>	<b>986</b>	<b>1,071</b>	<b>85</b>	<b>8%</b>	<b>4,796</b>	<b>4,796</b>	<b>16,302</b>	<b>16,575</b>		
Crown Infrastructure Partners	12	4	(8)	(205%)	22	22	106	106		
Kaikoura earthquake response	0	1	0	49%	4	4	7	7		
SuperGold card	0	0	0	0%	31	31	93	93		
COVID-19 R&R Fund	13	3	(10)	(319%)	3	3	127	99		
NZ Upgrade Programme	96	91	(5)	(5%)	606	606	2,176	2,541		
Supporting Regions Programme	11	11	(0)	(2%)	58	58	158	161		
Climate Emergency Resp. Fund	0	0	0	0%	138	138	438	438		
<b>Crown funded expenditure</b>	<b>132</b>	<b>110</b>	<b>(22)</b>	<b>(20%)</b>	<b>863</b>	<b>863</b>	<b>3,105</b>	<b>3,445</b>		
<b>NLTP &amp; Crown expenditure</b>	<b>1,118</b>	<b>1,181</b>	<b>63</b>	<b>5%</b>	<b>5,659</b>	<b>5,659</b>	<b>19,407</b>	<b>20,020</b>		

<sup>2</sup> SPE budget was set before the \$2 billion debt facility was signalled by the Government and pre-COVID-19. Three-year budget reflects the published 2021-24 NLTP.

## Risk and assurance summary

### Enterprise risk update

The quarterly review of the key strategic risks has been completed and a summary is in appendix D. The overall risk profile of the organisation remains stable with assessed risk levels risk levels remaining unchanged.

### Assurance activity in Q1

#### *Internal audits*

Two internal audit reports have been finalised in quarter 1:

- The consent approval conditions compliance audit tested the robustness of the processes in place to capture, manage and monitor compliance with the RMA consent conditions. The audit resulted in *Not Effective* overall rating. This is mainly due to the inconsistent use of the system that is used to record consent condition management.
- The RUC review consists of two phases, phase 1 – controls design review (which is reported in this Q1) and phase 2 – controls effectiveness testing. The RUC temporary reduction review (phase 1) was rated *Partially Effective*. The RUC temporary reduction scheme review phase 2 will commence at the end of October 2022, the results of which are expected to be reported in Q2.




All recommendations have been accepted with management responses and action plans agreed.




#### *Investment audits*

Three investment procedural audits of approved organisations (AOs) were finalised in Q1.

Two out of the 3 AOs audited in Q1 have maintained the audit ratings from the previous investment audit. One AO reduced their overall rating due to the partial non-compliance with Waka Kotahi procurement manual relating to record keeping. Management responses to the findings and audit recommendations have been agreed with the AOs. Progress against the audit recommendations will be monitored by the Waka Kotahi investment advisors and will be verified by the audit and assurance team at subsequent audits.

## Appendix A: Significant activities not on track




Significant activity	Status	Progress update
Progress implementation of the safety camera management system, including the transfer of functions from New Zealand Police.		The scale and complexity of this programme has led to delays. The major reasons for delays are resolving commercial agreements for core IT systems, and high-level designs and the first phase of the implementation taking longer than expected. The Treasury has recently made recommendations on the detailed business case which has led to further delays. In response to these delays, the programme has adopted Agile work practices to accelerate design activities and provide better visibility of progress. Gateway recommendations have now been addressed and the detailed business case is on track to be approved by the Waka Kotahi Board in December 2022.
Complete a review of value for money of Waka Kotahi operational spend.		We are working together with MoT to progress this work and delays are occurring due to resource constraints. It was agreed with MoT that key resource will work on-site at Waka Kotahi's Chews Lane office from 25 October.
Identify bilingual traffic signs for consultation.		Public consultation was delayed until October on direction from the Minister's office, to allow the Minister to have further discussions with Cabinet ministers. We remain on track to have the final Land Transport Rule Traffic Control Device change ready early February 2023 as indicated to the Minister in the briefing provided in August 2022.

Key:  Forecast to be achieved / Achieved at year-end  Currently not on track, but likely to recover  Not on track and unlikely to recover




## Appendix B: Performance measures not on track

### Strategic measures not on track as at 30 September 2022

In the previous financial year our strategic measure's targets were set to be achieved by 2026, we have now set annual targets for these measures to be able to provide a more accurate status against their performance.

Measure name	Target (by 30 June 2023)	Result	Status (vs. target)	Quarterly trend (Q1 2021/22 to Q1 2022/23)	Cause and response
<b>RES1 (SHM4) The proportion of unplanned road closures resolved within standard timeframes</b>	Weather events ≥ 50% Other events ≥ 90%	Weather events 51% Other events 86%			<p>We are experiencing more road closures due to significant weather events and they are taking longer on average to reopen. In Q1 this year we had 156 closures, with only 96 in Q1 the year before. On average a road was closed for 23.24 hours compared to 15.34 hours the year before.</p> <p>Crashes made up 74% of other events this quarter. Numerous factors in attending and managing crashes may cause standard timeframes to be exceeded eg weather conditions, injury status, emergency services requirements, vehicles involved.</p> <p>We expect to improve on previous years as agreements with our external partners becomes more embedded in practice to open roads as soon as safely possible.</p>
<b>SAFE1 Deaths and serious injuries</b>	2,418	2,655			<p>DSIs for the 12 months to end of September continue to track slightly above the target trajectory. In a similar performance to the last quarter, despite a high-level of activity and investment of time and effort by all road safety partners, we remain behind on all the DSI-contributing work programmes.</p>
<b>SAFE2 Significant incident frequency rate</b>	Below 9.0 <sup>3</sup>	10.37			<p>We received higher significant near misses reported in August and September. We usually receive 4 to 9 significant near misses reported by contractors per month. However, there were 13 and 14 near misses reported in August and September respectively. A safety improvement plan has been developed with each business group to remediate identified risks. Alongside this, increased site visits and verifications to engage positively with our business partners and contractors will bring this result down.</p>

<sup>3</sup> Prior to this financial year the target for this measure was a downward trend, which is why actuals above 9 were rated green.

Key:  Forecast to be achieved / Achieved at year-end  Currently not on track, but likely to recover  Not on track and unlikely to recover

Measure name	Target (by 30 June 2023)	Result	Status (vs. target)	Quarterly trend (Q1 2021/22 to Q1 2022/23)	Cause and response
STI2 Number of head-on, run-off-road and intersection deaths and serious injuries	Below 1,671	2,274		<p>2,090 1,758 2,006 2,026 2,274</p> <p>Q1 Q2 Q3 Q4 Q1</p>	The slow pace of delivery of safety infrastructure and speed management in the first 2 years of the Road to Zero Action Plan is the main reason for this trend. As delivery increases, we expect these numbers to start to reduce.
SV1 Number of deaths and serious injuries involving a vehicle with a low safety rating	Below 767	804		<p>794 782 728 832 804</p> <p>Q1 Q2 Q3 Q4 Q1</p>	The results and trend of this measure remains below its target to be achieving its result by year end. Success relies on seeing significant progress in increasing the safety performance of the vehicle fleet, which in turn depends on progress being made in developing new standards.

### Output class measures not on track as at 30 September 2022

Measure name	Target (by 30 June 2023)	Result	Status (vs. target)	Quarterly trend (Q1 2021/22 to Q1 2022/23)	Cause and response
REV2 Average number of days to process road user charges, fuel excise duty and regional fuel tax refund applications	≤ 20 working days	32		<p>14.1 14.9 17.2 20.0 32.0</p> <p>Q1 Q2 Q3 Q4 Q1</p>	<p>An overnight decrease in fuel excise duty on 14 March resulted in an additional 12,000 claims to process, which impacted our ability to achieve this target.</p> <p>As the reduction happened during the middle of a quarter, each claim had to be entered at the two rates (full price, and reduced price).</p> <p>As we exit the reduction on 31 January 2023, it's likely we will have to enter each claim twice, resulting in an increasing amount of on-hand refunds, although we are currently training additional staff for that period. We expect to meet the target at year end.</p>
RTZ1 Length of the network treated with reduced speed limits	≥ 500km	150km		<p>31 107 165 165 150</p> <p>Q1 Q2 Q3 Q4 Q1</p> <p><i>yearly cumulative result</i></p>	<p>The new Setting of Speed Limits Rule came into force in May 2022 and requires Waka Kotahi to produce speed management plans (SMP) that outline proposed speed limit changes. As we adjust to the new approach, we are only able to progress speed reviews that have already completed consultation ahead of our first SMP being approved, which is likely to be in the last two quarters of the year. The forecast 202km of corridors (15 projects) for this financial year are those corridors that can be delivered under the old rule.</p>





















Key: Forecast to be achieved / Achieved at year-end Currently not on track, but likely to recover Not on track and unlikely to recover




Measure name	Target (by 30 June 2023)	Result	Status (vs. target)	Quarterly trend (Q1 2021/22 to Q1 2022/23)	Cause and response
<b>RTZ4 Number of passive breath tests and breath screening tests conducted</b> <small>(reflects NZ Police delivery)</small>	≥ 3,000,000	Unable to report		<p>yearly cumulative result</p>	<p>This measure is unable to be reported as New Zealand Police are partway through changing from one counting regime to another. Police have implemented a centralised platform to allow data to be regularly downloaded from Dräger 7510 devices. This will enable more current data to be used to monitor performance.</p> <p>The cumulative yearly figures indicate an upward trend, but there remain delays in downloading data and calibration and we do not have an accurate indicator of activity over the quarter. Despite these issues, passive breath testing numbers are expected to increase over the coming months as high-volume checkpoints become more viable.</p>
<b>RTZ5 Number of hours mobile cameras are deployed</b> <small>(reflects NZ Police delivery)</small>	≥ 80,000	13,490	○	<p>yearly cumulative result</p>	<p>Speed camera activity will not achieve the desired level, with the effects of older technology still impacting deployment. This reduction in capacity has had a negative impact on achieving speed camera deployment hours. However, the Mobile Camera Replacement Programme started replacing old mobile cameras with a newer, more reliable model in March 2022, and restored operational capacity to optimum levels in June 2022.</p>
<b>RTZ6 Proportion of road safety advertising campaigns that meet or exceed their agreed success criteria</b>	≥ 86%	83%	○		<p>This measure captures campaigns for drink-driving, speeding, speed limits, distraction, seatbelts, motorcycling and vehicle safety, measuring a range of different types of success criteria. The campaigns that failed to meet their individual success criteria were for drink-driving and motorcycling. This result does not reflect the prioritisation of other issues during this period, in particular speeding and speed limits. Also, more significantly, it excludes the Road to Zero Public Information and Awareness Campaign, which has been the highest priority during this reporting period. We are working to improve this measure in the future.</p>

Key: ○ Forecast to be achieved / Achieved at year-end ○ Currently not on track, but likely to recover ○ Not on track and unlikely to recover

## Appendix C: Significant capital projects not on track against SPE milestones






### National Land Transport Programme




Significant capital project	SPE status	Time	Budget	Risk	Progress update
<b>Ara Tūhono: Pūhoi-Warkworth</b>					All concrete bridges were completed, and northern roundabout traffic has been switched. The Southern Zone pavement has been delayed by approximately two months due to remediation of slips from rain events in July 2022. Waka Kotahi managed budget is currently sufficient but not enough to cover the increased costs from the delays (noting the construction is funded privately as part of the public-private partnership contractual arrangements). The most significant risk is the finalisation of the contractor/builder's cost and prolongation claim for the impact of COVID-19.
<b>Northern Corridor Improvements</b>					The SH18 westbound onramp was opened as planned. Previous delays to the schedule and further delays could affect achievement of the annual milestones. Actions to mitigate further delays are underway, including ensuring critical resource levels are maintained to complete the work on time, fortnightly management reviews of progress against programme, and close monitoring of quality assurance metrics to identify any trends that may require interventions.
<b>SH29 Tauriko West Enabling Works</b>					Land acquisition has commenced, and the Redwood Lane roundabout consent has been lodged. Design is behind programme by four weeks due to COVID-19, winter illness of staff, and consultant staff changes. Project costs are within funding allocation, and a healthy contingency and risk allocation is maintained. Tauranga City Council (TCC), as partner to this project, are financing their share via a complex funding stack. We are working with TCC and their partners to help ensure that funding is in place to enable physical works to be tendered in 2023.
<b>Transmission Gully</b>					Resurfacing of SH59 at Linden has been completed as planned. Financial impacts of the 2021 COVID-19 disruptions have not been agreed. If that is not the case, any settlement agreed will have an adverse impact on the project budget.
<b>Public Transport Futures Mass Rapid Transit</b>					The shortlist of mode selection has been completed. The technical work for the mass rapid transit (MRT) indicative business case is expected to be completed by the end of Q2. Public engagement on the Greater Christchurch Spatial Plan, MRT and other associated programmes is planned for early 2023, with Board approval planned for Q2 of 2023. A price level adjustment is being prepared for additional costs associated with the proposed engagement process and additional technical work.

Key:  On track  Currently not on track, but likely to recover  Not on track and unlikely to recover



## New Zealand Upgrade Programme – Transport

Significant capital project	SPE status	Time	Budget	Risk	Progress update
<b>SH1 Whangārei to Port Marsden Highway</b>					A detailed business case was completed and endorsed by the Waka Kotahi Board in August 2022 to proceed to the joint Ministers for approval. Although expenditure is within budget, there is uncertainty on availability of funds beyond the detailed business case phase. Funding remains a significant risk due to the cost estimates of the wider Northland Package exceeding current programme allocation. Ministers will consider decisions on funding availability in Q2.
<b>South Auckland Package</b>					A baseline schedule for completing the business case will be developed to allow for the consideration of new Mill Road options that prioritise public transport, which may delay completion of the business case until Q4. Initial concept designs for the SH22 Upgrade and Waihoehoe Road Upgrade projects were completed in Q1, and baseline schedules will be developed in Q2. Expenditure was less than forecast due to delays to develop the procurement approach and to prepare interim Stage 2a design contracts. Forecast remains within budget, but there is a cost pressure risk to package spending against the allocation. Multiple project interfaces within the package and with external projects create a risk of gaps, design rework and reputational impact. Package works are being coordinated with other projects delivered by Waka Kotahi, KiwiRail and private developers.
<b>Otaki to North of Levin</b>					A detailed business case was completed and endorsed by the Waka Kotahi Board in September 2022, with estimates above allocated funding. Ministers are considering the business case, project and programme cost pressures and funding. Key risks relate to the timing of the approval of the detailed business case and required funding. Achievement of the annual milestones is dependent on Ministers' consideration of project and programme cost pressures, options and decisions in Q2.

Key:  On track  Currently not on track, but likely to recover  Not on track and unlikely to recover

## Appendix D: Key strategic risks – quarterly summary

Risk category	Risk description	Risk level	Trend
<b>Programme management &amp; governance</b>	Inadequate/poor delivery of complex transport services programmes (ATAP, LGWM, NLTP, NZUP)	Extreme	↔
<b>Health, safety &amp; wellbeing</b>	Suppliers/contractors working for Waka Kotahi experiences a significant health/safety incident	Extreme	↔
<b>Road safety outcomes</b>	Waka Kotahi does not deliver/achieve its contribution to the 2030 target reduction in deaths and serious injuries	Extreme	↔
<b>Critical assets</b>	Failure of critical Infrastructure	Extreme	↔
<b>Cyber &amp; information security</b>	Malicious cyber activity – systems or information are unavailable, corrupted or inappropriately released	Extreme	↔
<b>People, capability &amp; capacity</b>	Inability to attract and retain staff with expert capability	Extreme	↔
<b>Sustainable funding</b>	Unsustainable/ insufficient funding both short and long term	Extreme	↔
<b>Climate change</b>	Inadequate response to climate change	Extreme	↔
<b>Programme management &amp; governance</b>	Inadequate/poor delivery of complex non-infrastructure programmes, eg National Ticketing Solution, safety cameras, Clear Car Upgrade, CERF, Road to Zero	Extreme	↔
<b>Stakeholders &amp; partner relationships</b>	Stakeholders and partner relationship breakdown	High	↔
<b>Technology systems</b>	Technology systems may stop performing, in part or whole, and may not be recoverable for extended periods	High	↔
<b>Regulatory</b>	Inadequate direction, systems, processes, oversight or enforcement to perform regulatory function effectively	High	↔
<b>Prioritisation</b>	Difficulty pivoting the business towards new functions/ purposes/challenges (eg mode shift, safety cameras, climate change response) while maintaining some legacy work	High	↔

KEY:  No change in risk profile  Trending down  Trending up