



# NZ Transport Agency Waka Kotahi Performance Report

Quarter 2 2023/24

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# NZ TRANSPORT AGENCY PERFORMANCE REPORT: Q2 2023/24

This report provides an update on our progress toward the commitments set out in our statement of performance expectations (SPE) 2023/24 as at the end of quarter 2 2023/24 (31 December 2023).<sup>1</sup> Our SPE is updated every year and provides an annual view of how we'll deliver on our strategic direction Te kāpehu | Our compass, as set out in the NZ Transport Agency Waka Kotahi (NZTA) statement of intent 2021–26.

## Progress toward system outcomes

### Safe

*ensuring no one is killed or seriously injured when using or working on the transport system*

**Making the transport system safer:** We continued to work with the Ministry of Transport (MoT), New Zealand Police and our local partners to reduce deaths and serious injuries on the land transport network.

The rolling 12-month total of deaths and serious injuries (DSIs) was 2,759 in Q2, which remains above the projected trajectory required to achieve the target set under the Road to Zero strategy of a 40% reduction in DSIs by 2030. DSIs occurring where the speed limit does not align with the safe and appropriate speed, and DSIs in head-on, run-off-road and intersection crashes remain above target. Changes in government direction have affected our ability to deliver speed management in line with the expectations and targets set out in our SPE.

Additionally, median barrier installation on state highways and local roads has been delayed due to the time needed for community engagement, property purchase and consents and weather events in some regions.

We have seen a decline in DSIs from crashes involving vehicles with low safety ratings or associated with behavioural risk factors (use of alcohol and other drugs and the impact of driver fatigue and distraction) from December 2022 onwards.

We continue to develop a State Highway Speed Management Plan for 2024–27 that responds to government direction, with consultation planned for early 2024. We also plan to accelerate installation of median barriers, prioritising those that can be efficiently installed on both state and local roads, and integrating median barrier treatments with the maintenance programme, which are expected to reduce DSIs caused by common crash types.

The number of hours mobile cameras are deployed (delivered by New Zealand Police) is below its quarter 2 target and is unlikely to improve its result to achieve the target by year-end. New Zealand Police have had issues with aging equipment and recruitment for operators.

Under the Safety Camera System Programme we installed the first average speed/point to point cameras which enable us to collect data on this corridor and we have recruited staff to process offences. Data from the first 8 new safety cameras shows a reduction in driving speeds.

We continue to work with MoT and New Zealand Police to partner with Māori and implement new initiatives that improve road safety outcomes for Māori. Two pilot regions have actively participated in regional road safety forums and transport alliance groups, which New Zealand Police sit on. We continue to look for opportunities to collaborate with other government agencies that are working with Māori to leverage resources and learnings that can contribute to Māori-centric road safety and wellbeing initiatives.

The significant incident frequency rate continued to reduce this quarter. There were fewer significant incidents involving contractors, providing an early indication that additional measures, such as proactive engagement with contractors/partners, are effective.

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<sup>1</sup> Available at [www.nzta.govt.nz/spe](http://www.nzta.govt.nz/spe)

## Environmentally sustainable

*reducing harm to and improving the environment with a focus on reducing greenhouse gas emissions*

**Adapting the land transport system to be more resilient to climate change:** This quarter we finalised the Strategic Recovery Framework to support a long-term strategic approach to recovery from the North Island weather events. We are participating in development of transport sector climate-related scenarios, due to be completed early 2024, that will inform risk assessment, strategy and decision making on climate change. We are also updating the database of climate change and natural hazard risks to the state highway network. This will provide a geospatial database of all current hydrological and geological risks and an initial screening process for vulnerable areas likely to be impacted by climate change.

**Reducing emissions from the land transport system:** Audited non-corporate emissions results (carbon associated with building, maintaining and operating the transport network) and an interim carbon reduction plan were reported to the Ministry for the Environment (MfE) this quarter in line with our newly signed memorandum of understanding (MoU). The interim reduction plan is being developed over Q3 and Q4 to form the basis for a more detailed plan in 2024/25. A contract for a digital solution to track and report emissions is anticipated to be signed in Q3 and implemented in Q4.

## 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*

**Keeping communities connected in response to severe weather events:** We continue to deliver state highway response and recovery works associated with severe weather events. We are now broadening from response and recovery to also include rebuild. SH25A in the Coromandel was re-opened in time for the holiday period. We are working closely with The Treasury and MoT to ensure appropriate funding is accessible to NZTA and local authorities.

To improve results for *RES1 (SHM4): The proportion of unplanned road closures resolved within standard timeframes*, we have started embedding an updated memorandum of understanding on incident management between NZTA, New Zealand Police, Fire and Emergency NZ, St John Ambulance and Wellington Free Ambulance. The MoU adopts the philosophy that New Zealand's roading networks will not be closed or restricted for any longer than is necessary for each party to carry out its functions and duties, to reduce the time that roads are closed following an incident.

**Encouraging mode shift:** Our user experience score for public transport and active modes is above year-end target at the end of the quarter, sitting at 57% for public transport and 69% for active modes. We are working with our partners to make public transport easier and more accessible through the National Ticketing Solution (NTS). We developed some of the features required for a nationwide solution, which are now ready for testing. We worked with Environment Canterbury to map our requirements and identify what configuration changes are necessary to implement the NTS in Canterbury. We continue to progress design activities with Greater Wellington and other regional councils.

**Improving freight networks:** We continue to implement our freight action plan to improve connections and the movement of freight across the country, while reducing emissions in line with Emissions Reduction Plan (ERP) targets. We will refresh the plan to align with the revised Government Policy Statement on land transport (GPS) in 2024.

**Investing in infrastructure to improve transport outcomes:** We continue to work with our partners to progress delivery of rapid transit in Auckland. The detailed business case for Te Ara Hauāuru Northwest Rapid Transit and indicative business case for the Waitematā Harbour Connections project in Auckland commenced, and 23 notices of requirement for investigating and planning around the urban growth of the Auckland region were lodged by NZTA and Auckland Transport with Auckland Council for future strategic transport networks.

NZTA and partners have been assessing potential improvements to efficiency and effectiveness of corridors for Auckland as a result of hospital expansion and Kainga Ora housing development. A review of the corridor plan of South Taranaki was undertaken and completed. A business case to investigate the form and function of SH5 between Napier and Taupo to improve safety, resilience and efficiency for all traffic with an emphasis on freight, was endorsed in September 2023. It was aligned with the Resilient Strategic Response for Hawke's Bay. Further work is required on Corridor Management Plans at a national level in line with any changes in the GPS 2024.

## Meeting current and future needs

*ensuring we have access to the people, funding and systems we need*

**Delivering within a sustainable funding system:** Our current funding system is constrained due to the combined impact of past under-investment in asset management, inflationary pressures on costs and more frequent extreme weather events.

We are working with The Treasury and MoT to implement the recommendations of the Land Transport Revenue Review, with the direction from the GPS 2024 review to guide the approach to sustainable funding. We are also working on tolling and alternative funding sources for the strategic roading projects that have been signalled by the new government.

**Managing the road network asset:** This quarter we developed life cycle asset management plans for all state highway infrastructure for further development during 2023/24. We also developed a draft state highway strategy for achieving a safe, sustainable and resilient network. We continue to support road controlling authorities to implement the Asset Management Data Standard.

**Providing high quality regulatory services:** Our regulatory activities are guided by Tū Ake, Tū Māia, our regulatory strategy, refreshed in 2022/23. Twelve of our 14 quarterly regulatory measures, covering compliance monitoring activities and responding to non-compliance, are on track to meet their targets. We are not on track to deliver *DLT2 – Proportion of practical tests taken within 30 working days of booking* due to the removal of the re-sit fees for driver tests putting significant demand on rebooking and, in turn, the wait times. A 2-week cooldown on rebooking has been put in place to relieve pressure on the wait times. *RTS1 – Proportion of non-compliance actions for rail participants that are progressed within acceptable timeframes* is also not on track this quarter due to 6 out of the 7 remedial actions not being submitted to NZTA within the timeframes. While the deadlines to NZTA were missed, all remedial actions were actioned correctly.

This financial year we received \$29.8 million from debt collection and recovery for road user charges (RUC). Following the launch last quarter of our targeted email reminder campaign for vehicles on a RUC type that are commonly non-compliant, in quarter 2 we saw an increase in compliance from these vehicles.

**Providing a safe and secure channel for customers to self-serve and interact with NZTA:** The NZTA Application (Consumer Hub) is a mobile app in development that will provide a single place for customers to interact with NZTA. The beta version of the app is being tested by an internal user group. We expect to release a beta version of the app to the New Zealand public in 2024.

**Partnering and engaging with Māori:** Our Māori Road Safety Outcomes team are working with iwi Māori to hear more about the challenges they face, initially focusing on 2 rohe: Te Tairāwhiti and Te Tai Tokerau.

We completed public consultation on a package of bilingual signs and presented final recommendations to the previous Associate Minister of Transport for approval at the end of August 2023. The new Minister of Transport has been informed that a decision is ready to be taken on bilingual signs.

# Non-financial performance summary

## Performance measures

**System outcome measures:** Six of 14 system outcome measures are on track to meet their year-end targets. Highlights in the quarter included:

- an increased user experience score for public transport and active modes
- continued decline in DSIs associated with behavioural risk factors (use of alcohol and other drugs and the impact of driver fatigue and distraction)
- exceeding the target for the percentage of regulatory activity that conforms to key decision-making criteria
- achieving an Infrastructure Sustainability rating for all Infrastructure Sustainability Council-registered projects.

Six of 14 system outcome measures are not on track to meet year-end targets, 5 of which are not expected to recover by year-end. Appendix A provides detailed information on these measures.

**Output class measures:** Fourteen of 19 output class measures are on track to meet year-end targets, 13 of which are regulatory output class measures. This represents a significant lift in regulatory performance since the regulatory failure in 2018.

Five of 19 output class measures are not on track to meet year-end targets and are not expected to recover by year-end. Appendix A provides detailed information on these measures.

*Table 1 – Performance measure ratings at Q2*

Type of measures	On track to meet target	Not on track but likely to recover	Not on track and unlikely to recover	Unable to report this quarter
System outcome measures	6 (43%)	1 (7%)	5 (36%)	2 (14%)
Output class measures	14 (74%)	0 (0%)	5 (26%)	0 (0%)
<b>Total</b>	<b>20 (60%)</b>	<b>1 (3%)</b>	<b>10 (30%)</b>	<b>2 (6%)</b>

## Significant activities

At the end of quarter 2, 17 of 24 significant activities were on track to deliver their year-end milestones. Achievements included:

- establishing a new efficiency and effectiveness programme
- developing a suite of lifecycle asset management plans for state highway assets
- continuing to deliver state highway response and recovery works associated with severe weather events
- getting features of the National Ticketing Solution ready for nationwide testing.

Of the remaining 7 activities, 5 are likely to recover by year-end.

Three activities were stopped in response to government direction. Appendix B provides more information on significant activities.

*Table 2 – Significant activity ratings at Q2*

Type of activities	On track to be delivered	Not on track but likely to recover	Not on track and unlikely to recover	Stopped in response to government direction
Significant activities	17 (71%)	5 (21%)	2 (8%)	3

## Significant capital projects

Eight of 16 significant capital projects are on track to deliver their annual SPE milestones. We have made significant progress across a number of projects despite the challenging operating environment we continue to work in. Milestones achieved during this quarter include:

- opening the Pito-one to Melling section of Te Ara Tupua cycleway and the SH25A Taparahi bridge
- completing the SH30/33 Te Ngae Junction safety improvements, the SH2 Waipawa safety crossing project, and the repairs on SH60 Tākaka Hill and SH6 Rai Saddle
- completing bulk earthworks of 6 million cubic metres on Te Ahu a Turanga Manawatū Tararua highway, putting it close to achieving the extended bulk earthworks target of 6.3 million cubic metres
- commencing sealing of Tangarakau Gorge (SH43 Forgotten World Highway)
- commencing of works for SH1/SH29 Piarere intersection improvements
- consulting for Te Ara Hauāuru – North-western Rapid Transit, with nearly 4,000 people completing the survey and 93% expressing support for rapid transit in the northwest
- resolving Ōtaki to North of Levin consenting issues, following the Environment Court hearing in November 2023 and continuous engagement. The Environment Court decision is anticipated in early 2024
- establishing the Transport Recovery East Coast (TREC), Alliance on the East Coast works are underway at several sites, expected to reach 20 prior to Christmas, with a number of sites going through final design or completion of documentation prior to physical works commencing.

Of the remaining 9 projects, 4 are likely to recover by year-end. There is considerable pressure in delivering committed projects due to limited internal resource and supplier capacity. This is expected to intensify as physical works on New Zealand Upgrade Programme projects, cyclone recovery and Crown-funded resilience projects scale up, and the renewals programme work increases for the coming construction season. Appendix C provides more information on projects that are off track.

The Let's Get Wellington Moving Transformational Programme has been stopped due to the new government's direction.









*Table 3 – Significant capital project ratings at Q2 2023/24*

Type of projects	On track to meet milestones	Not on track but likely to recover	Not on track and unlikely to recover	Stopped in response to government direction
Significant capital projects	8 (50%)	4 (25%)	4 (25%)	1



# Financial performance summary

Four of eight key financial items are on track for six months ended 31 December 2023.

 <p><b>\$510 million</b></p> <p><b>National Land Transport Fund cash balance</b> The balance reflects the current funds available to manage our short-term cash flows.</p>	 <p><b>\$154 million below budget</b></p> <p><b>National Land Transport Fund net revenue</b> Year-to-date revenue is 8% below budget. At a total revenue level, lower NLTF revenue is offset by Crown NIWE funding. However, given the “ringfenced” nature of NIWE funding, lower underlying land transport revenue is a concern.</p>
 <p><b>\$77 million below budget</b></p> <p><b>National Land Transport Programme and crown-funded expenditure</b> NLTF funded expenditure is \$202 million (7%) above budget mainly from state highways, and local road maintenance. Crown funded expenditure is \$279 million (34%) below budget, mainly from the NZ Upgrade Programme and Climate Emergency Response Fund activities.</p>	 <p><b>5 of 11 not on track</b></p> <p><b>National Land Transport Programme activity classes</b> On current forecasts, activity classes at risk of exceeding their investment targets are:</p> <ul style="list-style-type: none"> <li>• State Highway improvements</li> <li>• State Highway maintenance</li> <li>• Local road maintenance</li> <li>• Coastal shipping is unlikely to meet the bottom of the range</li> <li>• Road to Zero is at risk of being under the bottom of the range</li> </ul>
 <p><b>Operating expenditure \$12.4 million above budget</b></p> <p><b>Operational revenue and expenditure</b> Operational expenditure is ahead of budget year to date. The full year position is very tight. Trends will make it very difficult to meet savings targets.</p>	 <p><b>Memorandum accounts</b> The estimated combined memorandum accounts balance is -\$61m excluding Section 9(1a) funding. Including notional Section 9(1a) revenue (subject to Ministry approval) the balance would be -\$47m. The balances are subject to change once the impacts of the fees and funding review are applied, this work is in progress.</p>
 <p><b>One ratio out of range</b></p> <p><b>Debt management</b> Two debt management ratios are within the agreed operating ranges. The annual debt servicing cost / annual discretionary expenditure ratio for the \$12m to June 24 is forecast to be ca. 50% vs. normal operating range of &lt;33%. This is driven by a higher reliance on borrowings in the final year of the NLTP and increased expenditure.</p>	 <p><b>\$4,612.4 million total liability</b></p> <p><b>Long-term liabilities</b> The total long-term funding liability incorporates specific loan packages, public-private partnership commitments and the derivative financial liabilities. We are compliant with all loan conditions.</p>

**Key:**  On track       At risk       Action required  
 Improving trend       Neutral trend       Reducing trend

## National Land Transport Fund net revenue

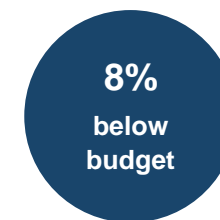
**National Land Transport Fund (NLTF) revenue** is \$86 million (4%) below budget. This is primarily driven by lower than budgeted fuel excise duty and road user charges.

- Total FED and RUC is \$141 million (7%) below budget.
- Other NLTF Revenue is \$12 million (32%) below budget.
- Crown funding is \$240 million (74%) above budget.

The following table is the monthly revenue.

Crown budget bids will increase revenue by \$694 million over the NLTP period. On top of this, there is \$40 million for KiwiRail<sup>2</sup>.

### Summary



NLTF Revenue \$154m below budget

	MONTH		YEAR TO DATE				FULL YEAR		NLTP 2021–24	
	Actual \$m	Budget \$m	Actual \$m	Budget \$m	Variance \$m	Var %	Forecast \$m	Budget \$m	Forecast \$m	Budget \$m
Fuel excise duty	181	145	903	946	(43)	(5%)	1,832	1,905	4,859	6,645
Road user charges	140	166	845	943	(98)	(10%)	1,868	1,901	5,059	5,956
Crown temp tax reduct.	0	0	0	0	0	0%	0	0	1,795	0
<b>Total FED and RUC</b>	<b>321</b>	<b>311</b>	<b>1,748</b>	<b>1,889</b>	<b>(141)</b>	<b>(7%)</b>	<b>3,700</b>	<b>3,806</b>	<b>11,713</b>	<b>12,601</b>
MV registration & Lic	18	17	119	119	(1)	(0%)	232	233	702	686
Other revenue	5	6	24	36	(12)	(32%)	70	72	218	0
Less disbursements <sup>3</sup>	(1)	(1)	(7)	(6)	(1)	12%	(47)	(14)	(82)	(120)
<b>NLTF revenue</b>	<b>343</b>	<b>333</b>	<b>1,884</b>	<b>2,038</b>	<b>(154)</b>	<b>(8%)</b>	<b>3,955</b>	<b>4,097</b>	<b>12,551</b>	<b>13,167</b>
Crown Funding NIWE/PT <sup>4</sup>	43	26	390	149	241	162%	897	336	1,287	0
Crown Funding (RNIP)	24	29	173	174	(1)	(1%)	344	347	858	834
Crown revenue	67	55	563	323	240	74%	1,241	683	2,145	834
<b>Total NLTF net revenue</b>	<b>410</b>	<b>388</b>	<b>2,447</b>	<b>2,361</b>	<b>86</b>	<b>4%</b>	<b>5,196</b>	<b>4,780</b>	<b>14,695</b>	<b>14,001</b>

<sup>2</sup> \$40 million relates to NIWE. With a further \$160 million tagged contingency.

<sup>3</sup> Disbursements relate to FED/RUC administration, forecasting and strategy, and Waka Kotahi regulatory function (section 9(1a) and 9(2)).

<sup>4</sup> Crown funding for NIWE recovery.

## National Land Transport Programme

(Funded from the National Land Transport Fund and Crown-funded expenditure)

**National Land Transport Fund (NLTF) expenditure** is \$202 million (7%) above budget. High outgoings on state highways, walking and cycling improvements, and local road maintenance, is offset by lower spending in all other output classes. Emergency works costs and cost escalation is placing a high funding demand on road maintenance

**Specific Crown-funded projects expenditure** expenditure is \$279 million (34%) below budget. Spending on the NZ Upgrade Programme and Climate Emergency Response Fund (CERF) projects was lower than budgeted, noting that some CERF related approvals are on hold given the new government and likelihood of policy change.

	2023/24 YEAR TO DATE				2023/24 FULL YEAR		NLTP 2021–24	
	Actual	Budget	Variance		Forecast	Budget	Forecast	Budget <sup>5</sup>
	\$m	\$m	\$m	%	\$m	\$m	\$m	\$m
State Highway improvements	573	380	(193)	(51%)	934	907	2,905	2,640
Local road improvements	63	74	11	15%	178	204	440	671
Walking and cycling improvements	93	85	(8)	(9%)	221	238	530	618
State Highway maintenance	566	512	(54)	(11%)	1,519	1,146	3,510	2,805
Local road maintenance	473	388	(85)	(22%)	1,082	981	2,865	2,339
Public transport services	227	241	14	6%	382	527	1,310	1,330
Public transport infrastructure	216	222	6	3%	669	590	1,560	1,699
Road to Zero	424	474	50	11%	1,001	1,019	2,475	2,673
Coastal shipping	0	7	7	100%	7	13	30	30
Investment management	28	50	22	44%	105	100	230	262
Rail	248	267	19	7%	473	534	1,215	1,200
<b>NLTP approved expenditure</b>	<b>546</b>	<b>437</b>	<b>2,911</b>	<b>2,700</b>	<b>(211)</b>	<b>(8%)</b>	<b>6,571</b>	<b>6,259</b>
Housing Infrastructure Fund (LRI) <sup>6</sup>	1	3	9	18	9	50%	40	40
<b>NLTF funded expenditure</b>	<b>547</b>	<b>440</b>	<b>2,920</b>	<b>2,718</b>	<b>(202)</b>	<b>(7%)</b>	<b>6,611</b>	<b>6,299</b>

<sup>5</sup> The original budget set at the start of the NLTP 2021-24 period.

<sup>6</sup> The three-year Housing Infrastructure Fund forecast has been reduced from \$308 million to \$186 million to reflect a lower level of expected spend from councils.

	2023/24 YEAR TO DATE				2023/24 FULL YEAR		NLTP 2021–24	
	Actual	Budget	Variance		Forecast	Budget	Forecast	Budget <sup>5</sup>
	\$m	\$m	\$m	%	\$m	\$m	\$m	\$m
Crown Infrastructure Partners	23	13	(10)	(77%)	32	32	161	127
Kaikoura earthquake response	2	0	(2)	(100%)	0	0	1	5
SuperGold card	35	36	1	3%	36	36	100	98
COVID-19 fund (PT farebox)	8	0	(8)	(100%)	1	1	146	44
NZ Upgrade Programme	299	499	200	40%	1,038	1,038	1,842	2,584
Supporting Regions Programme	14	15	1	7%	32	32	141	201
Climate Emergency Resp. Fund	82	190	108	57%	478	478	501	616
Ngauranga to Petone	19	8	(11)	(138%)	21	21	42	21
Eastern Busway	43	10	(33)	(330%)	29	29	60	29
Regional resilience	0	22	22	100%	55	55	55	55
Retaining/recruiting bus drivers	5	16	11	69%	39	39	39	39
<b>Crown funded expenditure</b>	<b>530</b>	<b>809</b>	<b>279</b>	<b>34%</b>	<b>1,761</b>	<b>1,761</b>	3,088	3,820
<b>NLTP &amp; Crown expenditure</b>	<b>3,450</b>	<b>3,527</b>	<b>77</b>	<b>2%</b>	<b>8,372</b>	<b>8,060</b>	20,344	20,394

## Enterprise top risks (subject to GPS 2024)

NZTA undertakes regular review of its top risks. The enterprise top risks are risks that may significantly impact the ability to achieve our strategic objectives, outcomes, and commitments. They include both strategic and top operational risks that are made up of potential opportunities and challenges.

As of January 2024, five risks relating to health, safety, and wellbeing; failure of critical infrastructure; cyber and information security; sustainable funding; climate have been rated critical. Eight risks have been rated as high. These risks will be reviewed following the issue of the GPS 2024 and through the continuous quarterly cycle of monitoring.

The summary of the enterprise top risks as assessed in Q2 2023 is below.







Top risks (January 2024)	Description	Risk rating
<b>Health, Safety &amp; Wellbeing (HSW)</b>	The risk of health, safety, or wellbeing harm (injury, illness, or potential loss of life) to staff or contractors, leading to consequences including beyond the immediate harm and workplace.	<b>Critical</b>
<b>Failure of critical infrastructure</b> <i>(under review)</i>	Failure to protect critical infrastructure with climate change, potential sabotage, or unforeseen accidents. <i>(Critical assets defined as Structures, Pavements, Drainage, Tunnels &amp; their systems, Information technology and Transport Operating Centre (TOC) Systems).</i>	<b>Critical</b>
<b>Cyber and Information security</b>	NZTA or its third parties' data or technology are inappropriately accessed, manipulated, or damaged from cybersecurity threats or vulnerabilities.	<b>Critical</b>
<b>Sustainable funding</b> <i>(under review)</i>	There is insufficient funding to meet ministerial and stakeholder expectations in short and long term.	<b>Critical</b>
<b>Climate emergency</b> <i>(under review)</i>	<i>Mitigation</i> The risk of NZTA not contributing sufficiently to transport emission reduction targets. <i>Adaptation</i> The risk that NZTA fails to evolve & adapt rapidly for a changing climate.	<b>Critical</b>
<b>Regulatory</b> <i>(under review)</i>	Inadequate direction, systems, processes, oversight, or enforcement to perform regulatory function effectively	<b>High</b>
<b>Programmes- complex capex/ infrastructure</b> <i>(under review)</i>	Inadequate/poor delivery of complex capex programme/infrastructure projects (eg New Zealand Upgrade Programme, Auckland Harbour crossing, Eastern Busway)	<b>High</b>
<b>Road Safety Outcomes</b> <i>(under review)</i>	NZTA does not deliver/achieve its contribution to the 2030 target reduction in deaths and serious injuries	<b>High</b>
<b>Strategic stakeholders and partner relationships</b> <i>(under review)</i>	We do not effectively manage our relationships with key stakeholders and partners	<b>High</b>
<b>Technology systems</b>	NZTA's critical technology systems are unable to support the delivery of our performance objectives.	<b>High</b>

Top risks (January 2024)	Description	Risk rating
<b>Fraud</b>	Risk of fraud, corruption or other unethical behaviour perpetrated against NZTA.	High
<b>Trust &amp; confidence</b>	Ability of NZTA to maintain trust & confidence and license to operate with the public, stakeholders and Government in order to deliver our role in the transport system.	High
<b>Programmes of change</b>	The risk that NZTA programmes of change (internal and external) do not realise intended benefits or support delivery of enterprise objectives.	High

## Appendix A: Performance measures

### System outcome measures

Measures on track to achieve the year-end target

Measure name	Target (30 June 2024)	Result	Status (vs. target)
<b>DEL4</b> Quality of regulatory activity – Percentage of regulatory activity that conforms to key decision-making criteria	>85%	97.2%	
<b>ENV2</b> Proportion of the light vehicle fleet that are low/no carbon vehicles	>0.59%	2.35%	
<b>IPOE1</b> The percentage of projects that are undergoing an Infrastructure Sustainability Council (ISC) rating are progressing on track to achieve an Infrastructure Sustainability (IS) rating	Maintain or increase from baseline	All (100%) ISC registered projects are 'on track' to achieve an ISC sustainability rating scheme	
<b>MOVE2</b> User experience of transport network by mode	Public transport ≥54% Active modes ≥62%	Public transport ≥57% Active modes ≥69%	
<b>SRUC1</b> Number of deaths and serious injuries associated with behavioural risk factors	<632	513	
<b>SV1</b> Number of deaths and serious injuries involving a vehicle with a low safety rating	<745	641	

Measures not on track or unable to report

Measure name	Target (30 June 2024)	Result	Status (vs. target)	Quarterly trend (Q2 2022/23 to Q2 2023/24)	Cause and response												
<b>ST11</b> Number of deaths and serious injuries where the speed limit does not align with the safe and appropriate speed	<1,130	1,727		<table border="1"> <tr><th>Quarter</th><td>Q2</td><td>Q3</td><td>Q4</td><td>Q1</td><td>Q2</td></tr> <tr><th>Value</th><td>1,593</td><td>1,617</td><td>1,562</td><td>1,668</td><td>1,727</td></tr> </table>	Quarter	Q2	Q3	Q4	Q1	Q2	Value	1,593	1,617	1,562	1,668	1,727	While speed limits have been reduced on many local roads, over 80% of the network has speed limits higher than the safe and appropriate speed. The State Highway Speed Programme was reset by the previous government, and we await the new government's direction on setting of speed limits.
Quarter	Q2	Q3	Q4	Q1	Q2												
Value	1,593	1,617	1,562	1,668	1,727												
<b>SAFE1</b> Deaths and serious injuries	<2,306	2,759		<table border="1"> <tr><th>Quarter</th><td>Q2</td><td>Q3</td><td>Q4</td><td>Q1</td><td>Q2</td></tr> <tr><th>Value</th><td>2,807</td><td>2,876</td><td>2,894</td><td>2,891</td><td>2,759</td></tr> </table>	Quarter	Q2	Q3	Q4	Q1	Q2	Value	2,807	2,876	2,894	2,891	2,759	Deaths and serious injuries (DSIs) for the first two quarters of 2023/24 were 10% lower than the prior 6 months but remain above the projected trajectory required to achieve the target set in the Road to Zero strategy.
Quarter	Q2	Q3	Q4	Q1	Q2												
Value	2,807	2,876	2,894	2,891	2,759												
<b>SAFE2</b> Significant incident frequency rate (SIFR) <sup>7</sup>	>10.0	12.54		<table border="1"> <tr><th>Quarter</th><td>Q2</td><td>Q3</td><td>Q4</td><td>Q1</td><td>Q2</td></tr> <tr><th>Value</th><td>10.87</td><td>12.62</td><td>13.96</td><td>13.88</td><td>12.54</td></tr> </table>	Quarter	Q2	Q3	Q4	Q1	Q2	Value	10.87	12.62	13.96	13.88	12.54	<p>SIFR continued to reduce this quarter. There were fewer significant incidents involving contractors, providing an early indication that additional measures, such as proactive engagement with contractors/partners, are effective.</p> <p>The safety prioritisation tool was rolled out to help our partners/contractors in managing their health, safety and wellbeing (HS&amp;W) risks in Q2. This will increase visibility of our partner's and contractor's health and safety performance and enable us to provide tailored support for their HS&amp;W risks.</p>
Quarter	Q2	Q3	Q4	Q1	Q2												
Value	10.87	12.62	13.96	13.88	12.54												
<b>ST12</b> Number of head-on, run-off-road and intersection deaths and serious injuries	<1,585	1,923		<table border="1"> <tr><th>Quarter</th><td>Q2</td><td>Q3</td><td>Q4</td><td>Q1</td><td>Q2</td></tr> <tr><th>Value</th><td>1,953</td><td>2,030</td><td>2,030</td><td>2,018</td><td>1,923</td></tr> </table>	Quarter	Q2	Q3	Q4	Q1	Q2	Value	1,953	2,030	2,030	2,018	1,923	The delivery of safety infrastructure over the past 12 months is starting to be reflected in the improving results.
Quarter	Q2	Q3	Q4	Q1	Q2												
Value	1,953	2,030	2,030	2,018	1,923												

<sup>7</sup> Q2 2022/23 changed from 10.67 to 10.87 (due to changes to historical data).



Measure name	Target (30 June 2024)	Result	Status (vs. target)	Quarterly trend (Q2 2022/23 to Q2 2023/24)	Cause and response																		
<b>RES1 (SHM4)</b> The proportion of unplanned road closures resolved within standard timeframes <sup>8</sup>	<b>Weather events ≥50% Other events ≥90%</b>	<b>Weather events 55% Other events 88%</b>		<table border="1"> <caption>Quarterly trend for RES1</caption> <thead> <tr> <th>Quarter</th> <th>Weather events (%)</th> <th>Other events (%)</th> </tr> </thead> <tbody> <tr> <td>Q2</td> <td>55%</td> <td>84%</td> </tr> <tr> <td>Q3</td> <td>51%</td> <td>85%</td> </tr> <tr> <td>Q4</td> <td>53%</td> <td>86%</td> </tr> <tr> <td>Q1</td> <td>56%</td> <td>86%</td> </tr> <tr> <td>Q2</td> <td>55%</td> <td>88%</td> </tr> </tbody> </table>	Quarter	Weather events (%)	Other events (%)	Q2	55%	84%	Q3	51%	85%	Q4	53%	86%	Q1	56%	86%	Q2	55%	88%	<p>Target was met for weather related closures with good performance this quarter contributing to the 12-month rolling average. Closures caused by non-weather events did not meet target, but the rolling average result has improved from last quarter. Road crashes remain the predominant cause of these closures.</p> <p>To improve this performance, over recent years we have implemented a monthly reporting structure that provides regional managers oversight into the performance of unplanned closures in their regions. Last year, we also updated our Memorandum of Understanding with the NZ Police, Fire and Emergency NZ, St John and Wellington Free Ambulance. This update sets our clear expectations for incident management ensuring all parties work to not close or restrict roads for any longer than it is necessary.</p>
Quarter	Weather events (%)	Other events (%)																					
Q2	55%	84%																					
Q3	51%	85%																					
Q4	53%	86%																					
Q1	56%	86%																					
Q2	55%	88%																					
<b>DEL3</b> Ease of transacting with Waka Kotahi (based on the Waka Kotahi customer journey monitor survey) <sup>9</sup>	<b>≥63%</b>	<b>61%</b>		<table border="1"> <caption>Quarterly trend for DEL3</caption> <thead> <tr> <th>Quarter</th> <th>Score (%)</th> </tr> </thead> <tbody> <tr> <td>Q2</td> <td>62%</td> </tr> <tr> <td>Q3</td> <td>62%</td> </tr> <tr> <td>Q4</td> <td>62%</td> </tr> <tr> <td>Q1</td> <td>61%</td> </tr> <tr> <td>Q2</td> <td>61%</td> </tr> </tbody> </table>	Quarter	Score (%)	Q2	62%	Q3	62%	Q4	62%	Q1	61%	Q2	61%	<p>The overall user experience score was slightly below target and has continued to decrease since Q1 2022/23.</p> <p>The customer effort score for paying a toll and road user charges (RUC) is contributing to the decrease, where scores have reduced slightly compared to December 2022. Scores for paying a road toll are down 3% (from 71% to 69%) and buying RUC is down 3% (from 74% to 71%).</p> <p>General feedback from the survey indicates that customers have experienced some difficulty in navigating the website, which includes the purchasing of RUC and toll trips. Remembering to purchase RUC and toll trips is another common theme and we will explore how customers can manage these types of transactions more efficiently and effectively, along with a review of our communication approach, which includes improvements to our customer facing website.</p>						
Quarter	Score (%)																						
Q2	62%																						
Q3	62%																						
Q4	62%																						
Q1	61%																						
Q2	61%																						
<b>MRFN1</b> Interpeak predictability of travel times on priority freight routes	<b>≥93%</b>	<b>Unable to report</b>		Target not achieved by year end 2022/23 (75%)	We are still finalising the support contract with the service provider, which will allow us to report this data. We expect to be able to report on this data in Q3.																		









<sup>8</sup> Q3 2022/23 weather events has been revised from 52% to 51%.







<sup>9</sup> The reported Q2 2022/23 result has been revised from 63% to 62% (due to a rounding error).

Measure name	Target (30 June 2024)	Result	Status (vs. target)	Quarterly trend (Q2 2022/23 to Q2 2023/24)	Cause and response
<b>DEL2</b> Waka Kotahi investor confidence rating (ICR) – (rating scale from A to E, with an A signalling high performance)	<b>Above 'C' rating</b>	<b>Unable to report</b>		N/A	Cabinet has approved the discontinuation of the Investor Confidence Rating scheme. New investment assurance mechanisms are in place including the quarterly investment report and The Treasury risk profile assessment process. We will consider whether a replacement for this measure is needed for 2024/25.


## Output class measures


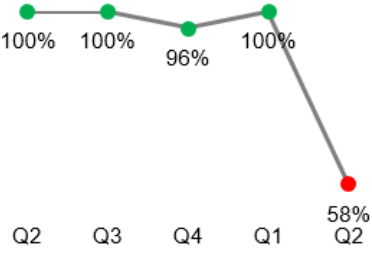

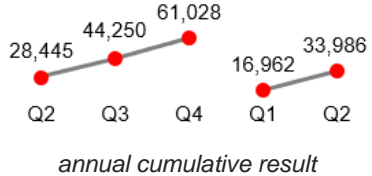


*Measures on track to achieve year-end target*

Measure name	Target (30 June 2024)	Result	Status (vs. target)
<b>CTO1</b> Proportion of non-compliance actions for commercial operators that are progressed within acceptable timeframes	95%	100%	
<b>CTO2</b> Number of compliance monitoring activities completed for commercial transport service licence holders and commercial drivers (classes 2-5)	3,400	2,669	
<b>CTO3</b> Proportion of transport service licenses and permitting applications completed within the specified timeframes	95%	95%	
<b>DLT1</b> Proportion of non-compliance actions for driver licence course providers and testing officers that are progressed within acceptable timeframes	95%	100%	
<b>DLT3</b> Number of compliance monitoring activities for driver licensing and testing course providers	50	120	
<b>REV2</b> Proportion of refunds processed within 20 days	85%	100%	
<b>REV3</b> Number of road user charges compliance monitoring activities completed for all road users	90	123	
<b>RTS2</b> Number of compliance monitoring activities completed for rail licence holders	50	25	

Measure name	Target (30 June 2024)	Result	Status (vs. target)
<b>RTS3</b> Proportion of ordinary safety assessments completed for rail licence holders within specified timeframes	95%	100%	
<b>RTZ4</b> Number of passive breath tests conducted	3,000,000	1,783,683	
<b>RTZ6</b> Proportion of road safety advertising campaigns that meet or exceed their agreed success criteria	86%	88%	
<b>VSC1</b> Proportion of non-compliance actions for vehicle inspecting organisations, vehicle certifiers and vehicle inspectors that are progressed within acceptable timeframes	95%	100%	
<b>VSC2</b> Number of compliance monitoring activities completed for inspecting organisations and vehicle inspectors	3,500	2,428	
<b>IM1</b> Proportion of total cost of managing the investment funding allocation system to National Land Transport Programme expenditure	≤1.1%	0.86%	






*Measures not on track to achieve year-end target*








Measure name	Target (30 June 2024)	Result	Status (vs. target)	Quarterly trend (Q2 2022/23 to Q2 2023/24)	Cause and response
<b>RTZ7</b> Kilometres of high-risk roads addressed through speed management	≥3,500km	1,913km		New measure	The State Highway Speed Programme was reset by the previous government's direction and is awaiting direction from the new government.






<b>RTS1</b> Proportion of non-compliance actions for rail participants that are progressed within acceptable timeframes	<b>95%</b>	<b>58%</b>			<p>Seven remedial actions were completed, 6 of those were not submitted to NZTA within the timeframes causing a significant drop in the 12-month rolling average. While the deadline was missed, all necessary information was provided shortly afterwards and the substantive compliance work had been done.</p> <p>This result is unusual for this measure, and this should at this stage be treated as an outlier.</p>
<b>RTZ5</b> Number of hours mobile cameras are deployed (reflecting NZ Police delivery)	<b>≥80,000</b>	<b>33,986</b>		 <p><i>annual cumulative result</i></p>	<p>This result has been impacted by equipment issues and recruitment and retention of Traffic Camera Operators as the Safety Camera Programme transitions to NZTA. This remains the responsibility of NZ Police.</p> <p>NZTA is working with NZ Police to ensure equipment can maintain its deployment hours until the transition is complete.</p>
<b>CS1</b> Coastal shipping activities delivered and funded in accordance with contractual terms	<b>Achieved</b>	<b>1 of 4 suppliers behind schedule</b>		<b>Target not achieved by year end 2022/23</b>	<p>One of the four coastal shipping suppliers is no longer proceeding with their proposal and therefore not all activities will be delivered in accordance with contractual terms.</p>
<b>DLT2</b> Proportion of practical tests taken within 30 working days of booking	<b>&gt;84%</b>	<b>85%</b>		<b>New measure</b>	<p>While the quarterly result has been achieved, the sharp decline from 91% in Q1 is expected to continue due to the removal of re-sit fees for driver tests on 1 October 2023. Since then, demand for driver testing has risen and wait times for testing have significantly increased nationally.</p> <p>In response, ongoing monitoring of driver licensing demand was established, AA and VTNZ have identified and implemented several operational solutions to address increased demand, a 10-day stand-down period following two failed theory tests on the same day was implemented, and longer-term operational policy solutions have been prepared for consideration. These longer-term options will be sent to the Minister of Transport in Q3.</p>

## Appendix B: Significant activities





Significant activities where performance is on track

Significant activity	Status	Progress update
<b>1.2</b> Investigate a harm prevention approach to target known road safety and compliance risks and support best practice for work-related safety on the road.		For the new road safety organisation the co-design has been completed and was successful with all the participants supportive of moving forward. NZTA is now working through the procurement design process for the new entity. The Road Freight Safety Partnership continues with more associations expressing interest in joining.
<b>1.4</b> Work with the Ministry of Transport and New Zealand Police to partner with Māori and implement initiatives that improve road safety outcomes for Māori.		We continue to work with MoT and New Zealand Police to partner with Māori on new initiatives that improve Māori road safety outcomes. Both pilot regions have actively participated in regional road safety forums and transport alliance groups, which New Zealand Police sit on. We continue to look for opportunities to collaborate with other government agencies that are working with Māori to leverage resources and learnings that can contribute to Māori-centric road safety and wellbeing initiatives.
<b>2.4</b> 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.		Work has continued throughout the quarter with all milestones being met. A summary options paper has been completed and we expect to be able to report on the outcomes of this paper in Q3.
<b>3.1</b> 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.		NZTA and partners have been assessing potential improvements to efficiency and effectiveness of corridors for Auckland as a result of hospital expansion and Kainga Ora housing development. A review of the corridor plan of South Taranaki was undertaken and completed. A business case to investigate the form and function of SH5 between Napier and Taupo to improve safety, resilience and efficiency for all traffic with an emphasis on freight, was endorsed in September 2023. It was aligned with the Resilient Strategic Response for Hawke's Bay. Further work is required on Corridor Management Plans at a national level in line with any changes in the GPS 2024.
<b>3.2</b> 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.		We continue to work with our partners to progress delivery of rapid transit in Auckland. The detailed business case for Te Ara Hauāuru Northwest Rapid Transit and indicative business case for the Waitemata Harbour Connections project in Auckland commenced, and 23 notices of requirement for investigating and planning around the urban growth of the Auckland region were lodged by NZTA and Auckland Transport with Auckland Council for future strategic transport networks.




Significant activity	Status	Progress update
<p><b>3.3</b> 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.</p>		<p>We are working with our partners to make public transport easier and more accessible through the National Ticketing Solution (NTS). We developed some of the features required for a nationwide solution, which are now ready for testing. We worked with Environment Canterbury to map our requirements and identify what configuration changes are necessary to implement the NTS in the Canterbury region. We continue to progress design activities with Greater Wellington and other regional councils.</p>
<p><b>3.4</b> 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.</p>		<p>While this work is progressing as planned, it will likely need to be refreshed to align with GPS 2024.</p>
<p><b>3.5</b> 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.</p>		<p>We continue to deliver state highway response and recovery works associated with severe weather events. We are now broadening from response and recovery to also include rebuild. SH25A in the Coromandel was re-opened in time for the holiday period. We are working closely with The Treasury and MoT to ensure appropriate funding is accessible to NZTA and local authorities.</p>
<p><b>4.1</b> 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.</p>		<p>We are working with the Treasury and MoT to implement the recommendations of the Land Transport Revenue Review, with the direction from the GPS 2024 review to guide the approach to sustainable funding. We are also working on tolling and alternative funding sources for the strategic roading projects that have been signalled by the new government.</p>
<p><b>4.2</b> Implement a Board approved programme to provide assurance that value for money is being delivered across Waka Kotahi activities.</p>		<p>A new efficiency and effectiveness programme has been established to determine further savings in operational expenditure. Specific targets for savings in 2023/24 and 2024/25 were confirmed in late January.</p>
<p><b>4.3</b> Continue to implement measures to increase capability and capacity in compliance monitoring, debt collection and recovery for road user charges.</p>		<p>This financial year we received \$29.8 million from debt collection and recovery for road user charges (RUC). Following the launch last quarter of our targeted email reminder campaign for vehicles on a RUC type that are commonly non-compliant, in quarter 2 we saw an increase in compliance from these RUC type vehicles.</p>
<p><b>4.4</b> Develop life cycle asset management plans for all infrastructure types and release the pavement and drainage plans in 2023/24</p>		<p>We have developed a suite of Lifecycle Asset Management Plans (LAMPs) for highway assets. LAMPs provide a number of key shifts for the way NZTA manages its assets. Most notably, a single method for condition rating assets and storage of condition data. Work has begun to improve this condition data across certain assets and suppliers have been involved with this work already. Suppliers have been provided the condition rating methods from some of the LAMPs.</p>

Significant activity	Status	Progress update
<p><b>4.5</b> Release a state highway strategy and an associated action plan that sets out those activities required to achieve a safe, sustainable and resilient network</p>		<p>The state highway strategy has been renamed the State Highway Plan. Work is currently underway and meeting all milestones.</p>
<p><b>4.6</b> Continue to support road controlling authorities, implementation of the Asset Management Data Standard with road controlling authorities by completing tranches 2 and 3 of the implementation plan.</p>		<p>Porirua City Council and Queenstown Lakes District Council have completed their implementations of the new data standard.</p>
<p><b>4.7</b> 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.</p>		<p>The NZTA Application (Consumer Hub) is a mobile app in development that will provide a single place for customers to interact with NZTA. The beta version of the app is being tested by an internal user group. We expect to release a beta version of the app to the New Zealand public in 2024.</p>
<p><b>4.8</b> 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.</p>		<p>A new people dashboard has been developed that will continue to be developed over time to provide relevant insights in support of our key strategic people drivers.</p>
<p><b>4.9</b> Define the culture and leadership we want at Waka Kotahi, that aligns with our kāhui whetū.</p>		<p>We have defined the desired culture and leadership for NZTA and are drafting a culture roadmap.</p>

Significant activities that are not on track to meet year-end milestone

Significant activity	Status	Progress update
<p><b>1.1</b> 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.</p>		<p>In late 2022 it became clear that NZTA would not achieve its median barrier installation target of 400km by end of June 2024. Delivery was delayed due to the time needed for community engagement as well as property purchase and consents. Weather events have further contributed to delays as contractors have prioritised network rebuild in some regions. We are on track to deliver 170km of median barrier by June 2024.</p> <p>An acceleration programme saw new work commence on several corridors. Some work was planned in conjunction with maintenance activities to further accelerate delivery and reduce both cost and disruption on the network.</p> <p>The Speed and Schools Programmes awaits the certification of the 11 Northland/Auckland corridors and the Interim Speed Management Plan (ISMP) to continue delivery. We continue to progress designs and digital enablement for the content of the ISMP as well as support the development of the full speed management plan.</p>
<p><b>4.10</b> Install the first package of bilingual traffic signs on the roading network.</p>		<p>NZTA and the Ministry of Transport presented final recommendations to the then Associate Minister of Transport for approval at the end of August 2023 on a proposed transport rule change to enable a package of bilingual signs. The Associate Minister did not take a decision before the election. Information has been included in the Briefing to the Incoming Minister indicating that a decision can be taken on a proposed package of bilingual signs.</p>
<p><b>1.3</b> 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.</p>		<p>The new government has signalled that it does not support the previous government's Road to Zero strategy and wants to take a different approach. This is likely to influence this activity. The change in government and subsequent announcement of a change to setting of the Speed Limits Rule has meant a pause in the announcement of an Interim State Highway Speed Management certification.</p> <p>We have increased vehicle safety by promoting awareness of updated Rightcar safety ratings the summer maintenance programme and made road safety communications for over Christmas and New Year period.</p>
<p><b>1.5</b> Progress expansion of the safety camera network and conclude preparations to transfer existing safety cameras from New Zealand Police.</p>		<p>Of the 51 safety camera sites planned for 2023/24, 24 have been constructed. The remaining 27 sites have been identified, but construction timeframes are tight and will be subject to government investment priorities.</p> <p>The Minister of Transport is being briefed on expansion plans and we anticipate direction on relevant government priorities through GPS 2024. Construction planning will continue while this briefing is ongoing. We are mitigating risks to programme delivery through an incremental approach to enforcement</p>















<p><b>2.5</b> Fulfil non-corporate emissions commitments under the memorandum of understanding (MOU) with the Ministry for the Environment on Carbon Neutral Government Programme activities.</p>		<p>The audited non-corporate emissions results (carbon associated with building, maintaining and operating the transport network) and an interim carbon reduction plan were reported to MfE this quarter in line with the memorandum of understanding. The interim carbon reduction plan will form the basis for a more detailed plan in 2024.</p> <p>A proportion of non-corporate emissions are 'hard to abate', such as embodied emissions from concrete, steel and bitumen and there are currently limited affordable and commercially viable alternatives available. This makes setting credible reduction targets extremely challenging.</p> <p>A contract for a digital solution that will allow us to track and report emissions is anticipated to be signed in Q3 and be implemented for use in Q4. We are developing a detailed carbon reduction plan and reduction targets over Q3 and Q4.</p>
<p><b>2.6</b> Embed climate adaptation into our strategic settings for system planning, spatial planning, and investment.</p>		<p>Adaptation planning and embedding adaptation into strategic settings and system planning requires a climate risk assessment. NZTA is participating in transport sector climate-related scenarios that will inform risk assessment, strategy and decision making on climate change. The scenarios are due to be completed in early 2024 as part of Tiro Rangi – our climate adaptation plan. The repeal of the Strategic Planning Act has also created uncertainty about how spatial planning will be coordinated between central and local government to enable climate change adaptation. The risk assessment work, which will support our long-term thinking, is also behind schedule.</p>
<p><b>2.7</b> Update the database of risks to the state highway network from climate change and other natural hazard impacts.</p>		<p>Data has been received from most regions with only two missing. There has been some delays due to ongoing negotiations ensuring value for money.</p>









***Significant activities stopped in response to government direction***

Significant activity	Progress update
<p><b>2.1</b> 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.</p>	<p>The previous government reduced the scope of the programme and after the election the new government decided to stop any further investment into the programme. NZTA will maintain support for the remaining projects in the programme and support the unsuccessful projects to their next stage.</p>
<p><b>2.2</b> Publish a national light vehicle kilometres travelled (VKT) reduction plan that aligns with the national light VKT reduction target in the ERP.</p>	<p>In December 2023 the new government instructed all work on the VKT programme to conclude and the programme will now be closed.</p>
<p><b>2.3</b> 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.</p>	<p>In December 2023 the new government instructed all work on the VKT programme to conclude and the programme will now be closed.</p>

















## Appendix C: Significant capital projects

















### Key





















SPE PROGRESS (likelihood of achieving the SPE annual milestones)		SCHEDULE (achievement of Q2 milestones)	FORECAST (forecast against approved funding)	PROJECT RISK (high-level risks to flag to Board & Minister)
	Highly likely, and there are no significant risks in achieving the milestones.	 On schedule	 On budget	 Low
	There are challenges, but still likely to be achieved.	 Delayed <3 months	 5-10% variance	 Moderate
	Unlikely to be achieved.	 Delayed >3 months	 >10% variance	 High/Critical


Significant capital project <sup>10</sup>	SPE annual milestones	SPE progress	Schedule	Forecast	Project Risk	Progress update
<b>Ara Tūhono: Pūhoi–Warkworth</b> (Implementation phase)	Road open to traffic (achieved). Deferred works to achieve 'Full Works Completion' completed. Public–private partnership (PPP) operating phase started.					The road was opened mid-June 2023, is operating well, and has received positive user feedback. However, deferred works and resolution of snagging defects are behind schedule, and final works completion is likely to be in Q3.
<b>O Mahurangi Penlink</b> (Implementation phase)	Consenting for outline plan of works, additional earthworks and wetlands completed. Detailed design completed. Main construction works started (achieved).					Main construction works commenced including enabling works on Weiti River Bridge.

<sup>10</sup> The project phase of some projects has been changed since SPE 2023/24 was published.

Significant capital project <sup>10</sup>	SPE annual milestones	SPE progress	Schedule	Forecast	Project Risk	Progress update
<b>Auckland Network Optimisation</b> (Pre-implementation phase)	The Strand and north bound Princes Street on-ramps completed. Detailed designs completed for Bombay Interchange ( <i>achieved</i> ), 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.					<p>The detailed design for the Bombay Interchange was completed and procurement for Bombay Interchange physical works have commenced.</p> <p>Criteria evaluation and short listing of products for the real time network monitoring system were also completed, and scheduling for the new planned events management system has commenced.</p> <p>There is a risk of cost-escalation as project design and implementation costs have exceeded original estimates.</p>
<b>Waitematā Harbour Connections</b> (Business case phase)	Indicative business case endorsed by the Waka Kotahi Board. Procurement for the detailed business case completed.					Investment quality assurance on the final draft indicative business case was completed. We are currently seeking government direction before proceeding with the recommended option and funding mechanisms.
<b>Supporting Growth Alliance (Auckland)</b> (Pre-implementation phase)	Detailed business case completed ( <i>achieved</i> ). Notice of requirements for Warkworth, Pukekohe, North and Takanini lodged ( <i>achieved</i> ). Route protection designation for Airport to Botany and Northwest confirmed.					Route protection Notices of Requirements were lodged with Auckland Council for Pukekohe, North and Takaanini projects. We are on track to achieve the annual milestone.
<b>South Auckland Package</b> (Business case phase   Pre-implementation phase)	Detailed business case approved by Joint Ministers ( <i>achieved</i> ). Stage 2B pre-implementation contract awarded for Waihoehoe Road and SH22 (Drury) upgrades ( <i>achieved</i> ). Waihoehoe Road and SH22 (Drury) upgrades section 18 notices (to commence property purchases) issued to landowners. Consents for Waihoehoe Road upgrade lodged.					<p>Submission notices to Waihoehoe Road landowners (to commence property purchases) has been further delayed. It is likely that consents for Waihoehoe Road will not be lodged by June 2024 to allow for more certainty around the detailed design phase and potential costs.</p> <p>Property acquisition remains the primary risk for the two projects.</p>

Significant capital project <sup>10</sup>	SPE annual milestones	SPE progress	Schedule	Forecast	Project Risk	Progress update
<b>Baypark to Bayfair Link Upgrade</b> (Implementation phase)	Project completed and road open to traffic.					SH2 below Te Maunga interchange (Canyon) was completed and the road is now open to traffic. The MGI roundabout was also completed with traffic lights fully operational. Paving works are still to be completed, as well as the installation of wire rope median barriers. These are expected to be achieved in 2023/24 Q3. As contingencies have been used, there is a risk that total cost will exceed budget if cost fluctuation indices increase or if there are any unforeseen contractor claims.
<b>Takitimu North Link Stage 1</b> (Implementation phase)	Cambridge Road Bridge completed. Wairoa Road Bridge completed.					We are assessing the impacts of delays in property acquisition, archaeological work, construction due to COVID-19 and weather-related delays to the programme. We anticipate a revised cost and an updated project completion date in mid-2024.
<b>SH29 Tauriko West Enabling Works</b> (pre-implementation phase)	SPE annual milestones: All consents approved ( <i>achieved</i> ). Property acquisition completed. Construction started.					The consenting has been completed, however the contract award has been slightly delayed as tenderers requested more time to prepare submissions.  There is an ongoing review of the viability of the urban growth area as a result of flood modelling that indicated potential significant reduction in developable land. Commencement of construction is dependent on the review and on funding being confirmed by the Tauranga City Council.
<b>Te Ara o Te Ata: Mt Messenger Bypass</b> (Implementation phase)	Cableway to provide access to the site operational ( <i>achieved</i> ). Tunnel construction started. Bulk earthworks started. Pest management enabling activities completed (for example fencing, track cutting, trap installation and ecological preservation).					The project's budget is forecasting well above its allocation. In response a refined budget is under review and a price level adjustment will be presented to the Waka Kotahi Board in early 2024.  Property acquisition continues to be a significant risk. The Environment Court Public Works Act hearing has commenced.

Significant capital project <sup>10</sup>	SPE annual milestones	SPE progress	Schedule	Forecast	Project Risk	Progress update
<b>Te Ahu a Turanga: Manawatū Tararua Highway</b> (Implementation phase)	Bulk earthworks completed ( <i>achieved</i> ). Pavement basecourse and surfacing works started.					Beam installation at Bridge 3 has been completed and the bridge deck is starting to be formed. Work on the Mangamanaia Stream bridge is progressing well with all concrete beams in place with bridge deck construction to commence. Minor Structures bridges 5 and 10 have also been completed. A price level adjustment will be requested early in 2024. A number of items associated with increased construction costs are being worked through including potential variations and significant cost escalation.
<b>Ōtaki to North of Levin</b> (Pre-implementation phase/Implementation phase)	Consent decisions received. Procurement of alliances started and completed. Interim Project Alliance Agreements signed. Detailed design started.					The Environment Court Hearing has commenced. Procurement of the Alliances also commenced and preferred proponents confirmed. Property remains a critical risk to the project.
<b>SH2 Melling Efficiency and Safety Improvements</b> (Implementation phase)	Detailed design completed. Property acquisition completed. Construction started.					The current proposal is not affordable. The Interim Project Alliance Agreement completion for December 2023 has been extended to take advantage of the opportunities identified in the independent challenge workshops and to focus work on affordability. The detailed design and construction start date are now expected in early 2024/25, which means the annual milestones will not be achieved.
<b>Te Ara Tupua: Ngā Ūranga ki Pito-One</b> (Implementation phase)	Offshore habitats for coastal birds completed ( <i>achieved</i> ). Seawall construction started. Design completed. KoroKoro Stream Bridge construction started.					The Second Offshore habitat Tahī was completed, and Hutt City Council Bay 6 was opened to the public. The Integrated Clubs Building has not been made operational due to delays in artworks but expected to be open end of February 2024. Forecast escalation shows additional funding is required for the project.
<b>Public Transport Futures Mass Rapid Transit (Christchurch)</b> (Business case phase)	Work on the detailed business case started.					The indicative business case addendum phase technical work is well underway. There is a risk that funding for the detailed business case (DBC) is not approved. There are also proposed changes to the land use planning system that may impact on the benefits of the project which are largely derived from land use intensification. It is unlikely that work on the DBC will start by the end of the financial year.

Significant capital project <sup>10</sup>	SPE annual milestones	SPE progress	Schedule	Forecast	Project Risk	Progress update
<b>SH1 Whangārei to Port Marsden Highway</b> (Pre-implementation phase)	Community engagement started. 30% of design works completed.		n/a	n/a	n/a	This project is on hold and will be reviewed in the context of the broader corridor outcomes outlined in the new draft GPS 2024.

### Significant capital projects stopped in response to government direction

Significant capital project	Commentary
<b>Let's Get Wellington Moving Transformational Programme (Mass Rapid Transit, Basin Reserve, Mt Victoria Tunnel)</b> (Business case phase)	Following recent government direction, the Let's Get Wellington Moving Transformational Programme is being closed. Work on the Mass Rapid Transit was stopped, and the Basin Reserve upgrade and Mt Victoria Tunnel project is being moved back into NZTA for work to continue in line with government priorities. The detailed business case is being rescoped to reflect these changes.