



Waka Kotahi NZ Transport Agency Performance Report

Quarter 3 2022/23

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WAKA KOTAHI PERFORMANCE REPORT: Q3 2022/23

This report provides an update on our progress at the end of quarter three (31 March 2023) 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 Te Manatū Waka - Ministry of Transport (MoT), NZ Police and our local partners to implement Road to Zero. The 12-month rolling total of deaths and serious injuries (DSIs) has continued to increase this quarter (to 2,876) and remains above the projected trajectory required to achieve the Road to Zero target of a 40% reduction in DSIs by 2030.

Waka Kotahi has prepared an Interim Speed Management Plan (ISMP) that outlines proposed speed management changes, required under the new Setting of Speed Limits Rule that came into force in May 2022. The ISMP is being reviewed to take into account Cabinet's recent direction to target the most dangerous one percent of state highways. The full speed management plan, which will apply Cabinet's direction, is expected to be complete by Q4 2024.

NZ Police activity funded by the National Land Transport Fund included conducting 2 million breath screening tests so far this financial year. While unlikely to meet the annual target of 3 million tests, this has surpassed last year's 1.6 million tests. The number of hours that mobile safety cameras were deployed has increased quarter on quarter this financial year but remains below the level required to achieve the year-end target. A visualisation of this increase can be seen in Appendix A.

Safety camera management: We have completed Stage 1 of the delivery approach with construction of nine cameras in Tāmaki Makaurau, ready for NZ Police enforcement from July 2023. Proposed sites for the first 51 cameras due to be constructed by Q4 2023/24 have been endorsed by the Safety Camera System Programme steering group. A report on the Mobile Phone and Seatbelt Detection Trial conducted in Q1 and Q2 of 2022/23 is ready for publication, and we continue to work with MoT on enabling legislation. A trial of trailer-mounted safety cameras will start in Q4 at sites where slower speed limits are required due to road works. The Road Safety Bill that includes enabling legislation for average speed cameras, automation of enforcement and electronic service of notices is on track to be passed before Q2 2023/24.

Sustainable regulatory funding: This quarter, Cabinet approved the proposed changes to Waka Kotahi regulatory funding, fees and charges. The Ministry of Transport will lead the amendment of regulations required for the implementation of the changes. These are expected to be in place from October 2023 and Waka Kotahi will continue to support the Ministry to achieve this date. We will work with impacted teams within Waka Kotahi, and with agents and certifiers, to ensure the required changes to systems and processes are in place for go-live.

Environmentally sustainable

Integrated work programme for CERF funded, ERP, and CNGP activities: We are establishing an integrated view of CERF funded, ERP, CNGP and NAP accountabilities. In March 2023 we completed an alignment between our work programme and the Ministry's Decarbonising Transport Action Plan. A prototype dashboard for the work programme is under development and the first iteration is expected to be delivered in Q4 2022/23. Work across ERP, including the CERF funded activities, and across CNGP and NAP continues to be delivered across the business.

VKT reduction planning: We shared the initial first draft of the national light vehicle kilometres travelled (VKT) reduction plan with the Minister of Transport in April 2023. We are partnering with councils, iwi/Māori and community representatives to achieve the VKT reduction plan. The expression of interest process to fund planning of programmes has been undertaken with the engagement with Tier 1 councils, and funding agreements will be progressed in May 2023.

Transport Choices package: All funding agreements are now in place with Councils to deliver the Transport Choices programme (early investment to reduce reliance on cars and support mode shift to walking, cycling and public transport).

Clean Vehicle Discount Scheme: The scheme is fully operational with proper resourcing in place. We are meeting our target turnaround time of 20 business days for processing requests (at 31 March this was 12 business days).

Resource efficiency policy: We have set our resource efficiency policy data collection and supplier reporting requirements in professional services proforma manual (SM030), state highway construction contract proforma manual (SM031), and operational policy and specifications. These requirements are starting to be used in new contracts, and further work is required to ensure they are being appropriately included in all new contracts.

Effectively and efficiently moving people and freight

Improving connections and movement of freight: We are revising the freight action plan in light of the Ministry of Transport's Freight and Supply Chain Strategy consultation.

Reassess and update land transport corridor plans: We continue to review corridor plans, including evaluating the State Highways Investment Proposal (SHIP), against the GPS 2021 climate change outcome and assess the current programme of activities against emission reduction targets. We have also undertaken functional reviews on some active projects to ensure they are managed consistently with the plans.

National Ticketing Solution (NTS): After signing the participation agreement in Q2 2022/23, work continues to establish the ticketing and payments function as part of the overall design work being for the National Ticketing Solution.

Rapid transit projects: The Auckland Rapid Transit Plan is due to be approved by the Waka Kotahi Board in Q1 2023/24, once input from Auckland Light Rail, the Auckland Rail programme business case and the Waitemata Harbour Connections indicative business case is finalised. The Christchurch mass rapid transit indicative business case is expected to be endorsed by the board in mid-2023. The Let's Get Wellington Moving indicative business case was completed in Q2 2022/23.

Meeting current and future needs

Value for money review of operational spend: A review of operational cost trends has been completed by the Ministry with the support of Waka Kotahi. A draft report is expected to be received from the Ministry in early May.

Improving road user charges (RUC) compliance monitoring, debt collection and recovery: We have added additional resources to our revenue compliance and debt management function over the past 18 months. The added capability and capacity have provided us with significant insight into non-compliance with RUC. We are developing a work programme to address these insights.

Bilingual signage: Waka Kotahi produced a consultation document on a proposed suite of bilingual traffic signs in September 2022. The Associate Transport Minister has been given delegations in relation to this initiative and will be briefed by officials on progress to date.

Challenges

Effects of climate change: North Island weather events in Q3 caused widespread damage across multiple regions. Our recovery and rebuild work requires dedicated resources to bring communities back together, recover with resilience, and reshape the future.

Cost pressures: Capital programmes are under considerable financial pressure due to the number of committed projects, reduced revenue projections and cost pressures in the sector. Inflationary pressures have also increased the costs of most of our activities and affected project budgets.

Resource constraints: Resourcing remains a critical risk to capital projects given the 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 capital programmes. This has been exacerbated by resourcing demand for emergency and recovery works that have significantly increased in scale. We are working to balance the need and public expectation to respond quickly to such events, while safely delivering complex solutions in challenging environments.

Organisational capability

Digital progress: We continue to strengthen our digital maturity. Over the quarter we have made improvements to our technical capabilities and practices. There have been noted improvements in 25% of the mandatory standards within the last 12 months, with an associated compliance programme to address the gaps. Work continues on our ITS network implementation with planning for the first pilot sites underway. The new Service management tool has started to address our legacy process and tooling requirements.

The Consumer Hub app designed for users of our transport network is progressing with functionality being improved. This app will provide secure personalised digital services to Waka Kotahi users. We are planning to do a limited trial in Q1 2023/24 before its public launch.

Talent attraction and retention: We continue to see a decline in our turnover rate from a high of 18.7% (30 April 2022) to 15.1% (at 31 March 2023) and it appears to be steadily decreasing to pre-COVID-19 levels.

We continue to recruit a high volume of employees, predominantly in our Transport Services group and in groups that have experienced significant change as a result of organisational restructuring, effective February 2023. We anticipate this trend to continue as it has in the past 12 months in response to recent extreme weather events and as we resource our key programmes and new initiatives.

Non-financial performance summary

Performance measures

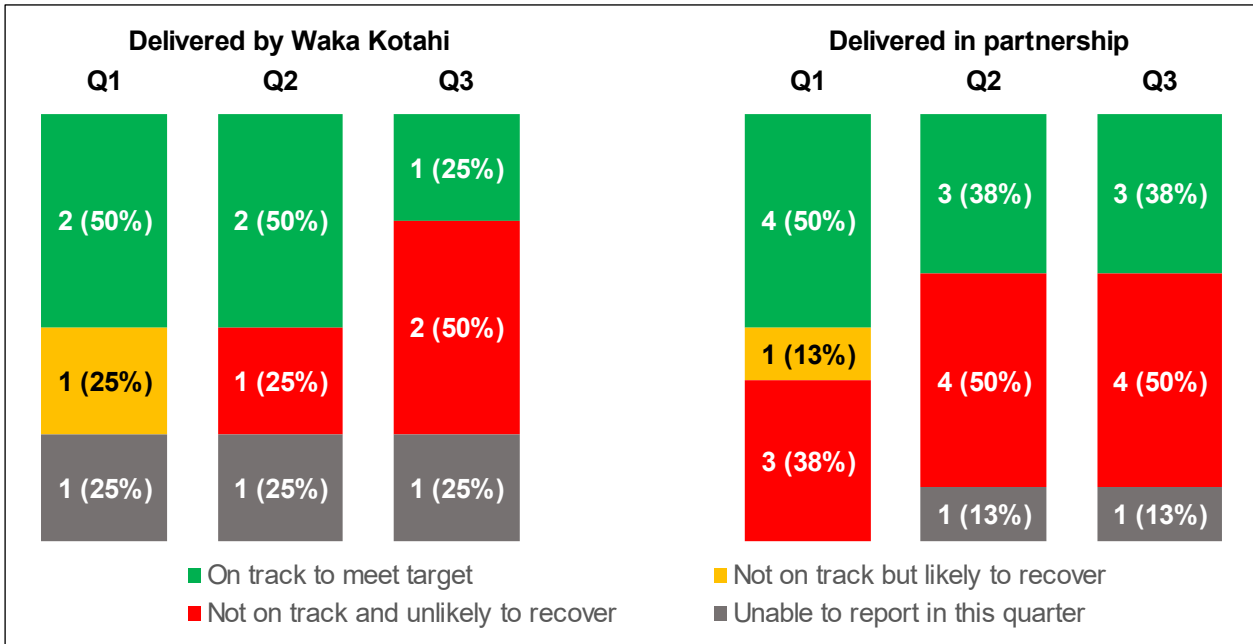
System outcome measures: Four of 12 quarterly measures are on track to meet year-end targets. Six measures are not on track and unlikely to recover by year end, including two delivered by Waka Kotahi and four delivered in partnership with the sector. Two measures remain unable to be reported this quarter, with one expected to be reconciled by year end.

Table 1 – System outcome measure ratings at Q3 2022/23

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 in this quarter
Delivered by Waka Kotahi	1 (25%)	0 (0%)	2 (50%)	1 (25%)
Delivered in partnership	3 (38%)	0 (0%)	4 (50%)	1 (13%)
Total	4 (33%)	0 (0%)	6 (50%)	2 (17%)

Compared to last quarter, one measure has changed from on track to not on track and unlikely to recover. Ratings for the other measures remain the same as last quarter.

Figure 1 – System outcome measure ratings over FY 2022/23



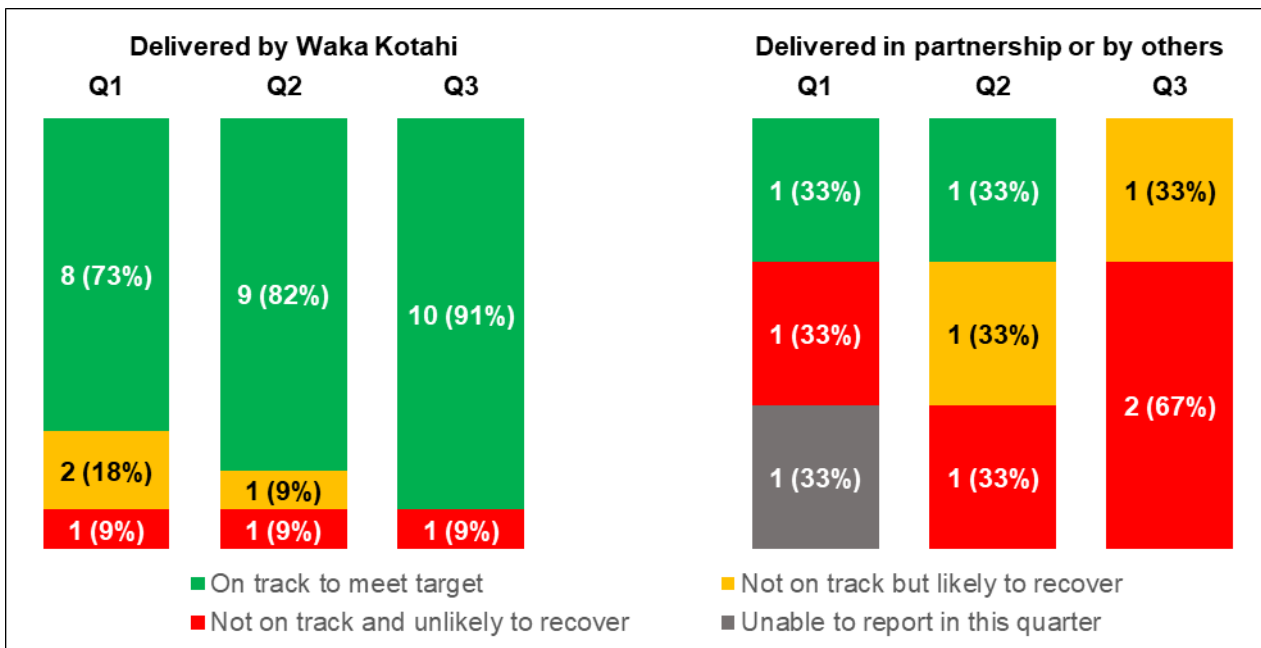
Output class measures: 10 of 14 quarterly measures are on track to meet year-end targets. Four measures are not on track – one expected to recover by year end and three unlikely to recover.

Table 2 – Output class measure ratings at Q3 2022/23

Type of measures	On track to meet target	Not on track but likely to recover	Not on track and unlikely to recover
Delivered by Waka Kotahi	10 (91%)	0 (0%)	1 (9%)
Delivered in partnership or by others ¹	0 (0%)	1 (33%)	2 (67%)
Total	10 (71%)	1 (7%)	3 (21%)

Compared to last quarter, an increase of one measure is not on track and unlikely to meet year-end target.

Figure 2 – Output class measure ratings over FY 2022/23



Performance measures not on track or unable to be reported this quarter are detailed in appendix A.

¹ Some output classes fund other government agencies to deliver the activities and performance measures relate to that delivery.

Significant activities

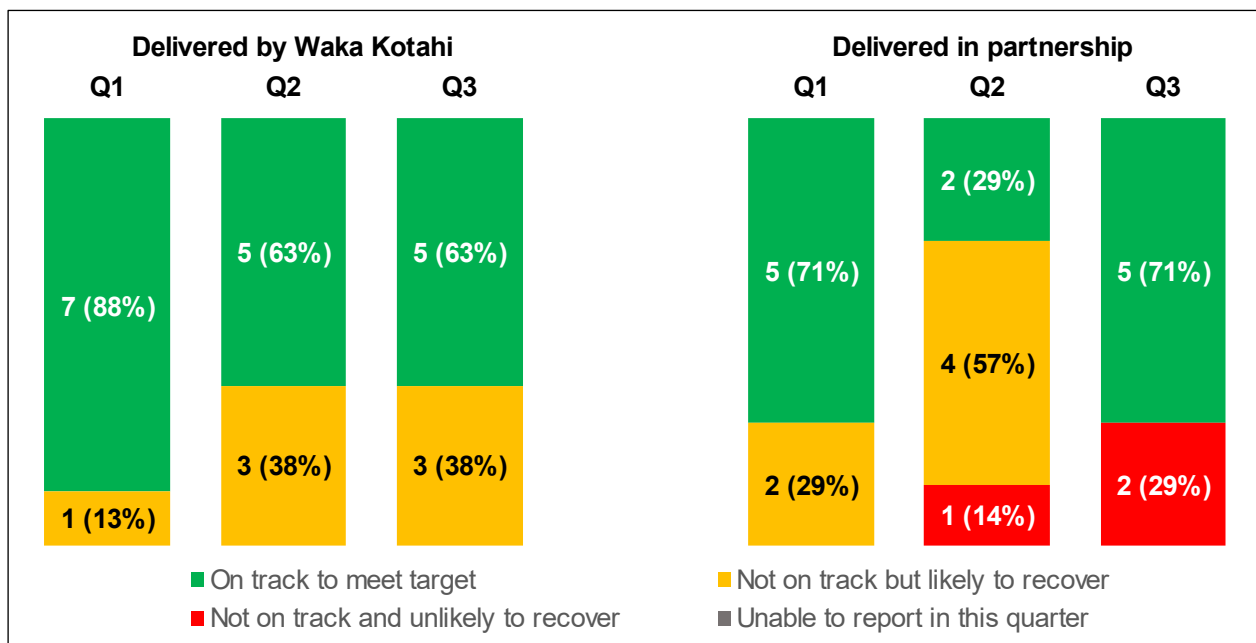
10 of our 15 significant activities are on track to be delivered by year end. Five activities have been identified as not on track – three delivered by Waka Kotahi are likely to meet target by year end, and two delivered in partnership are unlikely to recover by year end.

Table 3 – Significant activity ratings at Q3 2022/23

Type of activities	On track to meet target	Not on track but likely to recover	Not on track and unlikely to recover
Delivered by Waka Kotahi	5 (63%)	3 (38%)	0 (0%)
Delivered in partnership	5 (71%)	0 (0%)	2 (29%)
Total	10 (67%)	3 (20%)	2 (13%)

Compared to last quarter, three activities are back on track this quarter and expected to meet year-end targets. Two activities remain not on track, where both are unlikely to recover by year end (an increase of one on last quarter).

Figure 3 – Significant activity ratings over FY 2022/23



Appendix B details the significant activities not on track.

Capital projects

Highlights: We have made significant progress across a number of our major projects and continue to work in a challenging operating environment. Milestones achieved during the quarter include:

- opening of Auckland's Western Ring Route following the completion of the SH1 to SH18 link and underpass, delivered as part of the Northern Corridor Improvements
- identifying five scenarios to cross Waitematā Harbour and how to get around the North Shore
- holding a successful 'Walk the Highway' event along the 12km corridor of Te Ahu a Turanga: Manawatū Tararua Highway attended by more than 1,000 people
- holding a successful Te Hura a Tai event with iwi mana whenua to celebrate the official opening of the new Tāwharau Pods as part of the Ngā Ūranga ki Pito-One walking and cycling project
- commencing construction on the Aotea roundabout as part of Let's Get Wellington Moving.

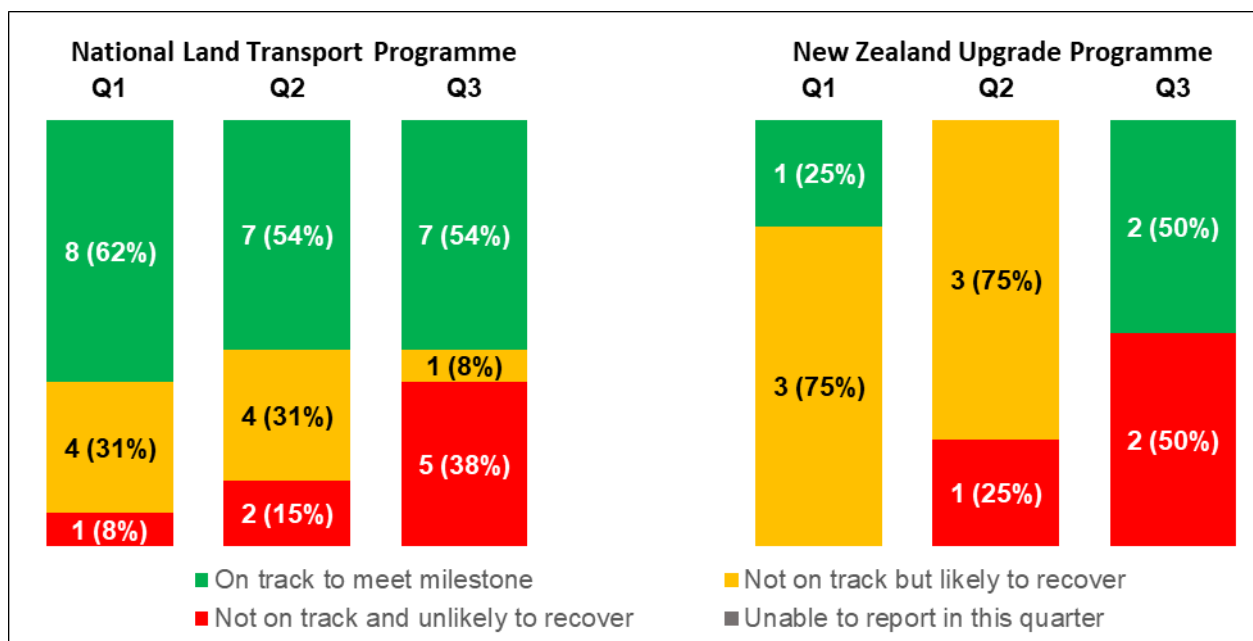
Significant capital projects progress: Nine of 17 significant capital projects are on track to deliver their annual SPE milestones, comprising seven projects delivered under the National Land Transport Programme and two under the New Zealand Upgrade Programme. The remaining eight projects are not on track to meet their annual milestones, with seven of them unlikely to recover by year end.

Table 4 – Significant capital project ratings at Q3 2022/23

Type of projects	On track to meet milestone	Not on track but likely to recover	Not on track and unlikely to recover
National Land Transport Programme	7 (54%)	1 (8%)	5 (38%)
New Zealand Upgrade Programme	2 (50%)	0 (0%)	2 (50%)
Total	9 (53%)	1 (6%)	7 (41%)

Compared to previous quarters, more projects under the National Land Transport Programme are not on track in Q3. For New Zealand Upgrade Programme, two projects are back on track and expect to meet their annual milestones, but the remaining two projects are unlikely to recover by year end.

Figure 4 – Significant capital project ratings over FY 2022/23











Appendix C details the significant capital projects not on track against milestones.

Supporting Regions Programme: Two projects were completed in Q3 (West Coast Single Lane Bridge Safety Improvements and SH6/SH8B Cromwell Intersection Safety Improvements), which brings the total number of completed projects to 12 out of 22 in the programme. Several projects continue to experience delays, primarily due to significant weather events over the last two years, COVID-19, and delays for consenting, approvals, and property acquisition.

Following a reassessment of the cost to complete the programme, we are forecasting insufficient funds to complete all projects at their current estimated cost. This is due to two projects which have had significant changes in their forecasts. Alternative funding sources and scope changes are being investigated. Other projects that come in under and over budget are being managed through budget transfers between projects.

Financial performance summary

Five of eight key financial items are on track for nine months ended 31 March 2023. NLTF underlying net revenue, NLTP activity classes, and Memorandum accounts are at risk.

 <p>National Land Transport Fund cash balance The balance reflects the current funds available to manage our short-term cash flows.</p> <p>\$292 million</p>	 <p>National Land Transport Fund underlying net revenue Year-to-date revenue is 3% below budget. The trend of lower revenue to budget is largely driven by lower vehicle kilometres travelled. Note the actuals + budget do not reflect the gross up¹ required from the budget.</p> <p>\$103.1 million below budget</p>
 <p>National Land Transport Programme expenditure NLTF funded expenditure is \$257 million (6%) below budget mainly in State Highway Improvements, Road to Zero, and rail network investment. Crown funded expenditure is \$31 million (7%) below budget, mainly from the NZ Upgrade Programme. The expenditure does not reflect the gross up² from the recent budget bids.</p> <p>\$288 million below budget</p>	 <p>National Land Transport Programme activity classes On current forecasts, activity classes at risk of exceeding their investment targets are:</p> <ul style="list-style-type: none"> • State Highway improvements • State Highway maintenance • Local road maintenance <p>1 of 11 not on track</p>
 <p>Operational revenue and expenditure Operational expenditure is \$8.8 million below forecast. Lower business initiatives are offsetting high personnel cost spend. Some contingency is likely to be required to remain within forecast/budget.</p> <p>Operating expenditure \$8.8 million below forecast</p>	 <p>Memorandum accounts The combined memorandum account deficit is \$48.1 million, 20% favourable against forecast, due to better than forecast revenue. A Crown loan is funding the deficit, of which \$60 million is currently drawn down (\$35 million remains available).</p> <p>\$12.1 million better than forecast</p>
 <p>Debt management All debt management ratios are within the agreed operating ranges.</p> <p>All ratios in range</p>	 <p>Long-term liabilities The total long-term funding liability is \$3,441.5 million, incorporating specific loan packages, public-private partnership (PPP) commitments and the derivative financial liabilities. We are compliant with all loan conditions.</p> <p>\$3,441.5 million total liability</p>

² With the budget putting money into the NLTF then both revenue and expenditure will be higher for most of the budget bids, this is slightly distortionary. The net effect from the budget bids is that the NLTF is better off by \$131m, with public transport authority's better off by \$69m. In addition, the NLTF and approved organisations will have some resilience works funded (outside of the North Island weather events impacted areas).

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 \$103.1 million (3%) below budget. This is primarily driven by total FED and RUC being 2% below budget, which includes Crown reimbursement for the tax reduction.

The latest (March Baseline Update) revenue forecast shows full year total NLTF revenue is forecast to be \$83.8 million below budget and approximately \$510 million below the revenue forecast at the time the NLTP was set.

- Total FED and RUC is \$48.2 million (2%) below budget.
- Motor vehicle registration and licensing (MVR & Lic) is \$3.3 million (2%) below budget.
- Crown funding (RNIP) is \$49.0 million (22%) below budget. This reflects the lower spend from KiwiRail.
- Other revenue is \$1.6 million (3%) below budget.

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

Budget bids will increase the revenue by \$725 million³.

Summary



Total FED & RUC is 2% below the budget.

MVR & Lic is 2% below budget.

Crown funded RNIP is 22% below budget.

	MONTH				YEAR TO DATE				FULL YEAR	
	Actual \$m	Budget \$m	Variance \$m	Var %	Actual \$m	Budget \$m	Variance \$m	Var %	Forecast \$m	Budget \$m
Fuel excise duty	165.8	171.6	(5.8)	(3%)	1,010.4	1,410.3	(399.9)	(28%)	1,241.5	1,859.3
Road user charges	116.5	176.3	(59.8)	(34%)	1,022.5	1,396.4	(373.9)	(27%)	1,277.8	1,853.4
Crown temp tax reduct.	161.4	0.0	161.4	0%	1,095.6	370.0	725.6	196%	1,449.1	370.0
Total FED and RUC	443.7	347.9	95.8	28%	3,128.5	3,176.7	(48.2)	(2%)	3,968.4	4,082.7
MV registration & Lic	19.9	16.2	3.7	23%	176.6	179.9	(3.3)	(2%)	234.8	234.2
Crown funding (RNIP)	23.0	27.7	(4.7)	(17%)	176.3	225.3	(49.0)	(22%)	349.2	300.4
Other revenue	5.4	5.4	0.0	0%	48.1	49.7	(1.6)	(3%)	54.0	66.4
Less disbursements ⁴	(1.5)	(1.4)	(0.1)	7%	(13.7)	(12.7)	(1.0)	8%	(23.5)	(17.0)
Total NLTF net revenue	490.5	395.8	94.7	24%	3,515.8	3,618.9	(103.1)	(3%)	4,582.9	4,666.7

³ Made up of \$140m public transport, 60m emergency works, and 250m+275m North Island weather events.

⁴ Disbursements relate to FED/RUC administration, forecasting and strategy, and Waka Kotahi regulatory function [section 9(1a) and 9(2)].

National Land Transport Programme

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

National Land Transport Fund (NLTF) expenditure is \$257 million (6%) below budget. This result is from lower spending in State Highway Improvements, Road to Zero and Rail. Spend in March was \$567 million against a budget of \$528 million, \$39 million above budget. This is partially driven by the North Island weather events activity. The \$250 million (+\$275 million) will flow into the NLTF so will show as NLTP spend. Activity class ranges will be exceeded and may require adjustment upwards. Similarly, public transport (PT) services spend will increase by \$69 million being the approved organisations' share of the PT budget allocation of \$140 million. The NLTF benefits by the remaining \$71 million.

Specific Crown-funded projects expenditure is \$31 million (7%) below budget. Spending on the NZ Upgrade and Supporting Regions programmes are below budget to date.

	2022/23 YEAR TO DATE				2022/23 FULL YEAR		NLTP 2021-24		INVESTMENT TARGETS ⁵	
	Actual	Budget	Variance		Forecast	Budget	Forecast	Budget ⁶	Lower	Upper
	\$m	\$m	\$m	%	\$m	\$m	\$m	\$m	\$m	\$m
State Highway improvements	708	802	94	12%	859	978	2,739	2,640	2,530	2,640
Local road improvements	86	108	22	20%	152	200	506	671	485	525
Walking and cycling improvements	119	147	28	19%	165	233	539	618	515	550
State Highway maintenance	837	775	(62)	(8%)	1,211	984	3,157	2,805	2,260	2,940
Local road maintenance	577	517	(60)	(12%)	938	774	2,656	2,339	2,000	2,340
Public transport services	343	379	36	10%	498	484	1,444	1,330	1,370	1,480
Public transport infrastructure	360	312	(49)	(16%)	522	467	1,504	1,699	1,520	1,640
Road to Zero	550	667	117	18%	843	934	2,535	2,673	2,530	2,660
Coastal shipping	17	26	9	35%	14	27	30	30	30	45
Investment management	47	57	11	18%	91	89	250	262	220	270
Rail	247	351	104	30%	439	467	1,200	1,200	1,194	1,344

⁵ The investment targets are as revised in September 2022.

⁶ The original budget set at the start of the NLTP period.

	2022/23 YEAR TO DATE				2022/23 FULL YEAR		NLTP 2021-24		INVESTMENT TARGETS ⁵	
	Actual \$m	Budget \$m	Variance \$m	%	Forecast \$m	Budget \$m	Forecast \$m	Budget ⁶ \$m	Lower \$m	Upper \$m
NLTP approved expenditure	3,891	4,141	250	6%	5,732	5,637	16,560	16,267	14,654	16,434
Housing Infrastructure Fund (LRI) ⁷	18	25	7	27%	44	44	186	308	0	0
NLTF funded expenditure	3,909	4,166	257	6%	5,776	5,681	16,746	16,575	14,654	16,434
Crown Infrastructure Partners	31	14	(17)	(126%)	22	22	106	106		
Kaikoura earthquake response ⁸	(2)	3	5	182%	4	4	7	7		
SuperGold card	33	29	(4)	(13%)	31	31	93	93		
COVID-19 fund (PT farebox)	13	3	(10)	(347%)	3	3	127	99		
NZ Upgrade Programme	322	365	43	12%	606	606	2,176	2,541		
Supporting Regions Programme	29	43	14	33%	58	58	158	161		
Climate Emergency Resp. Fund	0	0	0	0%	138	138	438	438		
Crown funded expenditure	426	457	31	7%	863	863	3,105	3,445		
NLTP & Crown expenditure	4,335	4,623	288	6%	6,639	6,544	19,851	20,020		

⁷ 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.

⁸ A cost share allocation review by BondCM has resulted in an increase allocation share to KiwiRail and a credit to Waka Kotahi.

Enterprise top risks

We have undertaken our regular review of the top strategic risks in Q3. There has been no significant change to the risk profile or assessed risk level of the risks this quarter. Four risks have been rated as extreme/critical – sustainable funding; health, safety, and wellbeing; failure of critical infrastructure; and cyber and information security. Seven risks have been rated as high, while the assessment of three risks is still underway.

A quarterly review summary of the enterprise top risks is below.


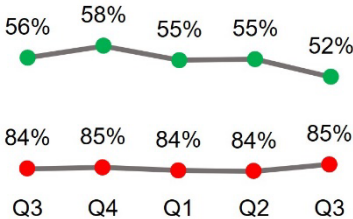

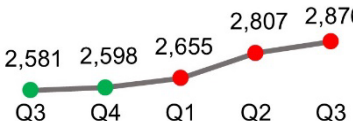

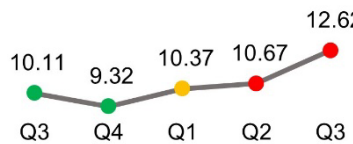
Risk	Description	Risk rating
Sustainable funding	There is insufficient funding to meet ministerial and stakeholder expectations in short and long term.	Extreme/ Critical
Health, safety, and wellbeing	The risk of health, safety, or wellbeing harm (injury, illness, or potential loss of life) to staff or contractors, leading to consequences including beyond the immediate harm and workplace.	Extreme/ Critical
Failure of critical infrastructure	Failure to protect critical infrastructure with climate change, potential sabotage, or unforeseen accidents. (Critical assets defined as structures, pavements, drainage, tunnels & their systems, information technology and Transport Operating Centre systems).	Extreme/ Critical
Cyber and information security	The risk that Waka Kotahi or its third parties' data or technology are inappropriately accessed, manipulated, or damaged from cybersecurity threats or vulnerabilities.	Extreme/ Critical
Regulatory	Inadequate direction, systems, processes, oversight, or enforcement to perform regulatory function effectively.	High
Programmes – complex capex/infrastructure	Inadequate/poor delivery of complex capex programme or infrastructure projects (eg New Zealand Upgrade Programme, Auckland Harbour Crossing, Let's Get Wellington Moving, Eastern Busway).	High
Road safety outcomes	Waka Kotahi does not deliver/achieve its contribution to the 2030 target reduction in deaths and serious injuries.	High
Strategic stakeholders and partner relationships	We do not effectively manage our relationships with key stakeholders and partners.	High
Technology systems	Waka Kotahi's technology systems are not fit for purpose to support the delivery of our performance objectives.	High
Change/transition risk	Inadequate meeting of expectations and delivery/performance – ineffective prioritisation of work.	High
Fraud/theft by third parties	Heightened risk of fraud/theft by third parties in this recessionary environment.	High
Climate change	Difficulty responding to uncertain and changing requirements.	Assessment to be completed

Risk	Description	Risk rating
Programmes – non infrastructure	Inadequate / poor delivery of complex non-infrastructure programmes – eg National Ticketing Solution, Safety Camera System, Clean Car Upgrade, Climate Emergency Response Fund Programme, Tolling Systems Replacement, Congestion Charging, eRUC (electronic road user charges).	Assessment to be completed
Changing political landscape	Ability of Waka Kotahi to pivot through change and maintain social license, trust and confidence and deliver with polarity of opinions – our role in the transport system.	Assessment to be completed

Appendix A: Performance measures not on track or unable to report

System outcome measures not on track or unable to report as at 31 March 2023


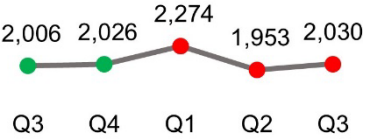

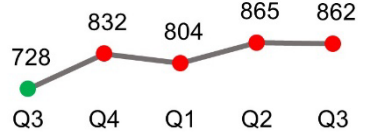

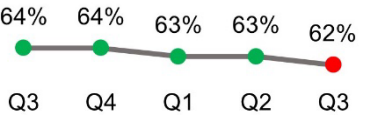
In the previous financial year, targets for our system outcome measure were set to be achieved by 2026. We have now set annual targets to track performance.

Measure name	Target (30 June 2023)	Result	Status (vs. target)	Quarterly trend (Q3 2021/22 to Q3 2022/23) ⁹	Cause and response
RES1 (SHM4) The proportion of unplanned road closures resolved within standard timeframes ¹⁰	Weather events ≥ 50% Other events ≥ 90%	Weather events 51.5% Other events 85.4%			Weather event results for this quarter are skewed by Cyclone Gabrielle, Cyclone Hale and the Auckland Anniversary weekend flooding. A total of 213 weather related road closures were recorded, compared to 74 in Q3 last year. Despite this, the year-to-date result is above target. The result for other events is below target but higher than Q1 and Q2. However, it is too early to confirm this is an improving trend.
SAFE1 Deaths and serious injuries	2,418	2,876			Deaths and serious injuries (DSIs) for this rolling 12-month period are slightly higher than the previous quarter and remain above the projected trajectory line required to achieve the Road to Zero target of a 40% reduction in DSIs by 2030.
SAFE2 Significant incident frequency rate	Below 9.0	12.62			<p>Significant incident frequency rate increased to 12.62 in Q3 with higher incident reporting from contractors, especially on serious near misses. Actions taken include summer holiday campaigns on road worker harm reduction, encouraging treating crews with respect, and driving safely through roadworks. In addition, we have started implementing safety improvement plans for various business groups to remediate identified risks.</p> <p>Our new health, safety and wellbeing operation model focuses on managing critical risks (construction operations, roadside safety) which will contribute to reducing incident severity in the medium and long term.</p> <p>We have improved the functionality of our contractor reporting system and published new user guidance to improve understanding of how to conduct reporting in the system. We have implemented a data verification process that increases data accuracy.</p>

⁹ Prior to this financial year the targets are set to be achieved by 2026, where the quarterly statuses in last financial year were rated against.



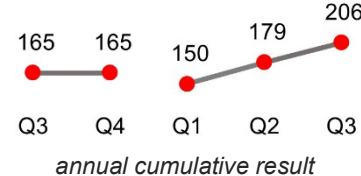

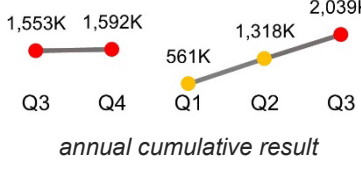

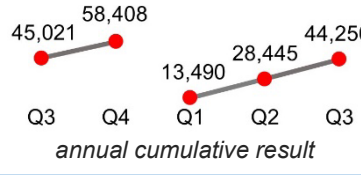
¹⁰ The results for Q1 2022/23 have been revised – weather events changed from 51.3% to 55%; other events changed from 85.7% to 84%.

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

Measure name	Target (30 June 2023)	Result	Status (vs. target)	Quarterly trend (Q3 2021/22 to Q3 2022/23) ⁹	Cause and response
ST12 Number of head-on, run-off-road and intersection deaths and serious injuries	Below 1,671	2,030		 <p>2,006 2,026 2,274 1,953 2,030 Q3 Q4 Q1 Q2 Q3</p>	The result remains above the projected trajectory line required to achieve the Road to Zero target. A sustained increase in the pace of delivery of infrastructure and speed management is required to get it back on track.
SV1 Number of deaths and serious injuries involving a vehicle with a low safety rating	Below 767	862		 <p>728 832 804 865 862 Q3 Q4 Q1 Q2 Q3</p>	Progress toward this target remains slow. While we are seeing an increase in low safety-rated vehicles exiting the fleet, it is not occurring quickly enough. It requires progress introducing new safety standards for vehicles entering the fleet as well.
DEL3 Service quality (ease of transacting with Waka Kotahi)	≥ 63%	62%		 <p>64% 64% 63% 63% 62% Q3 Q4 Q1 Q2 Q3</p>	The result has declined slightly from 64% in Q3 2021/22 to 62% in Q3 2022/23. This result has seen fluctuation between 61% and 64% over a three-year timeframe.
DEL2 Investment performance [Waka Kotahi investor confidence rating (ICR)]	> C rating	Unable to report in this quarter			The rating hasn't been assessed due to the Treasury's reset of the ICR approach. Interim agreed actions are being progressed such as the implementation of Portfolio Framework, Treasury Risk Profile Assessments, and the Quarterly Investment Report.
ST11 Number of DSIs where the speed limit does not align with the safe and appropriate speed	< 1,233	Unable to report in this quarter			Data for the Auckland region is still not available, as noted last quarter. This will be reconciled in the next quarter.






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Output class measures not on track as at 31 March 2023

Measure name	Target (30 June 2023)	Result	Status (vs. target)	Quarterly trend (Q3 2021/22 to Q3 2022/23)	Cause and response
CS1 Coastal shipping activities delivered and funded in accordance with contractual terms	Achieved	2 of the 4 coastal shipping suppliers are behind schedule		Status was 'on track' in Q1 and Q2 2022/23	There were some delays to the purchase and build of new vessels, although the three-year target where all vessels are in service is expected to be met in the 2021–24 NLTP period.
RTZ1 Length of the network treated with reduced speed limits	≥ 500km	206km		 <p>165 165 150 179 206 Q3 Q4 Q1 Q2 Q3 annual cumulative result</p>	Waka Kotahi has prepared an Interim Speed Management Plan (ISMP) that outlines proposed speed management changes, required under the new Setting of Speed Limits Rule that came into force in May 2022. The ISMP is being reviewed to take into account Cabinet's recent direction to target the most dangerous one percent of state highways. The full speed management plan, which will apply Cabinet's direction, is expected to be complete by Q4 2024.
RTZ4 Number of passive breath tests and breath screening tests conducted (reflecting NZ Police delivery)	≥ 3,000,000	1,317,623		 <p>1,553K 1,592K 561K 1,318K 2,039K Q3 Q4 Q1 Q2 Q3 annual cumulative result</p>	<p>NZ Police are on track to conduct around 2.5 million breath screening tests this financial year. Although below target, this would be a significant increase compared to last year's 1.6 million tests in total.</p> <p>Q2 is usually NZ Police's busiest quarter for breath tests, with the festive season at the end of the quarter. A total of 365,859 tests were conducted in December 2022 alone. In Q3 staff numbers are generally down with annual leave and focus is given to other areas of road policing (restraints, speed, distraction).</p> <p>The only district achieving the number of breath tests required in Q3 was Waikato. The national target of 3 million will only be achieved through a consistent focus and leadership from all district managers.</p>
RTZ5 Number of hours mobile cameras are deployed (reflecting NZ Police delivery)	≥ 80,000	28,445		 <p>45,021 58,408 13,490 28,445 44,250 Q3 Q4 Q1 Q2 Q3 annual cumulative result</p>	<p>NZ Police expect to complete 66,700 hours this financial year. Police are offering additional resource to districts to improve on their results.</p> <p>Northland, Auckland, Counties Manukau, Tasman and Southern police districts achieved the desired activity level (6,666 hours per month) during Q3. Northland has met the desired activity level for the first time this financial year.</p>

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Appendix B: Significant activities not on track

Significant activity	Status	Progress update
1.1 Progress implementation of the safety camera management system, including the transfer of functions from New Zealand Police.		Work on enforcement (safety notices and infringements) will not start until Stage 3 at the end of November 2023. Stage 3 is at risk due to uncertainty about having a back-office offence processing system in place. The risks are being actively managed and contingency plans are in progress, including exploring alternative solutions.
2.1 Embed our resource efficiency policy data collection and supplier reporting requirements into new contracts and continue negotiations for existing contracts to prepare for the Carbon Neutral Government Programme (CNGP) requirements.		The requirements have been set in professional services proforma manual (SM030), state highway construction contract proforma manual (SM031), and operational policy and specifications, and are starting to be used in new contracts. Further work is required to ensure these requirements are being appropriately included in all new contracts. Considerations of the mechanism to embed the requirements in existing contracts are ongoing.
3.2 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.		We continue to review the corridor plans, including evaluating the State Highways Investment Proposal (SHIP) against the GPS 2021 climate outcome. Review of legacy projects was completed last quarter. We have also undertaken functional reviews on some active projects to ensure they are managed consistently with the plans. There is work underway to assess the current programme of activities against emission reduction targets, but not as co-ordinated as reviewing the corridor plans. We need to prioritise our resources through the review of current work programme and the development of our forward programme through Arataki (30-year view of the land transport system) and SHIP.
4.1 Complete a review of value for money of Waka Kotahi operational spend.		A review of operational cost trends has been completed by the Ministry with the support of Waka Kotahi. A draft report is expected to be received from the Ministry in early May.
4.3 Identify bilingual traffic signs for consultation.		Waka Kotahi produced a consultation document on a proposed suite of bilingual traffic signs in September 2022. We await ministerial approval for public release and have briefed the Associate Transport Minister who has been delegated responsibility for this initiative.





Key:  On track  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
Auckland Network Optimisation					Scoping for the Technology, Innovation and Behaviour Change projects has now begun for the programme. People resourcing for the programme continues to be a challenge, however, recruitment is underway and resourcing is increasing. External consultation for The Strand project is ongoing and feedback has been positive. Construction will commence next financial year.
Ara Tūhono: Pūhoi–Warkworth					Work on the remaining road furnishings has commenced and substantial progress has been achieved against all Q3 milestones including installation of signs and barriers and pavement surfacing. Some annual milestones (completion of pavement works and Intelligent Transport Systems integration testing) are still likely to be achieved by June 2023, but planting and fence works and practical completion are unlikely to be achieved. The 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).
SH29 Tauriko West Enabling Works					The Q3 milestone, the release of the request for tender, was achieved in March 2023. Delays in processing consents by Tauranga City Council (TCC) mean that final approvals will not be obtained until the next financial year. Awarding the construction contract is also now expected in August 2023. The project is tracking within its funding allocation. There is a risk that programme delivery could be impacted as TCC are yet to confirm the capital stack due to challenges with their funding partners.
Baypark to Bayfair Link Upgrade					The project was not able to recover from the delays in the previous quarter and has slipped further in Q3 due to COVID-19, resourcing (labour and materials) and weather challenges. Most of the annual milestones are expected to be achieved by June 2023, including completion of the bridge structure, traffic switch onto Bridge 1 Maunganui Girven intersection (MGI) Flyover, and completion and opening of the MGI roundabout, but the schedule is tight. Completion of the Te Maunga interchange has been pushed to August 2023. A price level adjustment to cover cost escalation and unexpected minor variations has been approved.
Transmission Gully					The Q3 milestone has not been met due to delayed mobilisation of the sub-contractor to complete the remaining SH58 Pauatahanui interchange works. This work is now expected to be completed in Q4. The Q2 milestones (resolution of the safety concerns at the SH1/SH59 southbound merge at Linden and removal of the temporary speed limit) were further delayed but will be resolved in Q4 with a recommendation and action to remove the temporary speed limit and not to proceed with the third lane extension. The builder has advised that pavement repairs and other remaining construction works are likely to extend until at least mid-2024. Practical completion will not be achieved by June 2023. With the motorway open, the most significant risk is contractor/builder claims, including existing claims and possible claims for future seismic or storm events that may occur.

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

Significant capital project	SPE status	Time	Budget	Risk	Progress update
Christchurch Public Transport Futures Mass Rapid Transit					The draft indicative business case (IBC) has been completed. Waka Kotahi Board endorsement of the IBC will be sought in mid-2023. Public engagement has been completed with over 7,000 responses, with overall feedback supportive. There is a risk that the annual milestones will not be fully achieved due to tight timeframes.

New Zealand Upgrade Programme – Transport

Significant capital project	SPE status	Time	Budget	Risk	Progress update
South Auckland Package					<p>Completion of the draft South Auckland detailed business case has been delayed to June 2023 and will be presented to the Waka Kotahi Board and the Joint Ministers in July 2023. The annual milestones will not be achieved. Development of land requirement plans is on track for completion in Q4 for Waihoehoe Rd and SH22, which will allow property purchase to commence.</p> <p>Forecast expenditure leading up to the scheduled approval of the detailed business case is on track, which will confirm the final budget requirement for the preferred options within the package.</p> <p>Property purchase remains a high risk for the two Drury projects due to opposition to the proposed alignment of the Waihoehoe Rd bridge and changes in the urban land use classification of areas adjacent to SH22 which can result in significant property costs increases. Completion of the land requirement plans will confirm changes to cost estimates.</p>
Queenstown Package					The Q3 milestones (reconciliation and agreement of target outturn cost) have not been achieved due to pricing differences and unaffordability. A revised cost proposal, reconciliation of proposal and Waka Kotahi acceptance of the proposal is not expected until the next financial year. The annual milestone (commencing the construction works) will not be achieved. Resource consent approvals and property acquisitions remain a high risk in relation to programme deliverables. Opportunities for a reprioritised scope are being explored.

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