

NZ Transport Agency Waka Kotahi statement of intent **2024-2028** and statement of performance expectations **2024/25**

Ngā takunetanga a
Waka Kotahi **2024-2028**
me te tauākī wawata
mahi **2024/25**



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More information

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Introduction from our chair and chief executive

He kupu whakataki nā tō mātou upoko me te tumu whakarae

The Government policy statement on land transport (GPS) has been released, setting a different direction for New Zealand's land transport system over the next 10 years. GPS 2024 reintroduces economic growth and productivity as priorities for land transport expenditure and focuses on maintaining the road network and making sure people and freight can get where they need to go, quickly and safely.

This change in direction coincides with the need to refresh our statement of intent (SOI). This SOI outlines our strategic direction for the next 4 years, with our statement of performance expectations (SPE) setting our priorities in the first year of giving effect to GPS 2024 and the 2024–27 National Land Transport Programme.

In this time of change, our vision of a land transport system connecting people, products and places for a thriving New Zealand continues to guide us.

We want a land transport network that meets current and future needs, effectively and efficiently moves people and freight, is safe and environmentally sustainable. We've updated our performance framework to reflect changes in our strategic and operating environment and revised our measures so we can demonstrate progress toward our system outcomes.

New Zealand's land transport system is under increased pressure, and the needs of the network are changing. The network is being used more and by heavier vehicles, there's been a significant increase in the frequency and severity of extreme weather events, and people and freight are moving in new and different ways. Alongside these factors, the gap between projected funding and the investment required for a well-maintained, reliable and resilient network continues to grow. We have a clear direction to deliver a better transport network for New Zealanders at pace, with the new Roads of National Significance programme at the heart of this transformation.

In response, we need to change how we work and where we focus our investment.

Establishing a sustainable funding model will be critical for us to meet the government's expectations, particularly around improving road network condition and tackling urban congestion. Over the coming year, we'll look at alternative funding arrangements and delivery models, focus on driving performance and efficiency through our investments, and continue to progress the findings of the Land Transport Revenue Review.

We will focus on delivery of our core transport network and regulatory roles well to achieve a better customer experience for New Zealanders. We will establish a manageable work programme that balances our statutory roles and responsibilities with delivering the expectations of the government, including showing value for money for the taxpayer and government investment.

We're implementing ways to be more efficient and effective across our organisation. Our operating budget for 2024/25 is reduced and is driven by expectations for delivering cost savings, including the requirement to reduce National Land Transport Fund overheads by 7.5% alongside our own target of 7.5% savings across other corporate activities.

Continuing to accelerate the use of technology, innovative transport solutions and information systems is a priority. Through projects such as those to deliver the National Ticketing Solution and our new mobile app, we will make interacting with the transport system easier and quicker for our customers.

We cannot achieve the change New Zealand's transport system needs alone. Working with our partners and stakeholders, supply chain, local government and Māori will continue to be a focus. We will need to continue to be flexible in our response to the evolving context. Not all government direction has been developed at the time of preparing these documents and we await direction on some areas of our work. If needed, we will update our SOI and SPE in response to changes in our operating environment.

Lastly, we'd like to recognise NZTA people and partners who will support the delivery of the programme set out in the SOI and SPE. We also acknowledge Dr Paul Reynolds for his contributions as NZTA Board chair and thank Cassandra Crowley, who stepped in as acting board chair in early 2024.



Simon Bridges

Board Chair

26 June 2024



Nicole Rosie

Chief Executive

26 June 2024

NZ Transport Agency Waka Kotahi statement of intent 2024-2028

Ngā takunetanga a
Waka Kotahi 2024-2028



Who we are and what we do

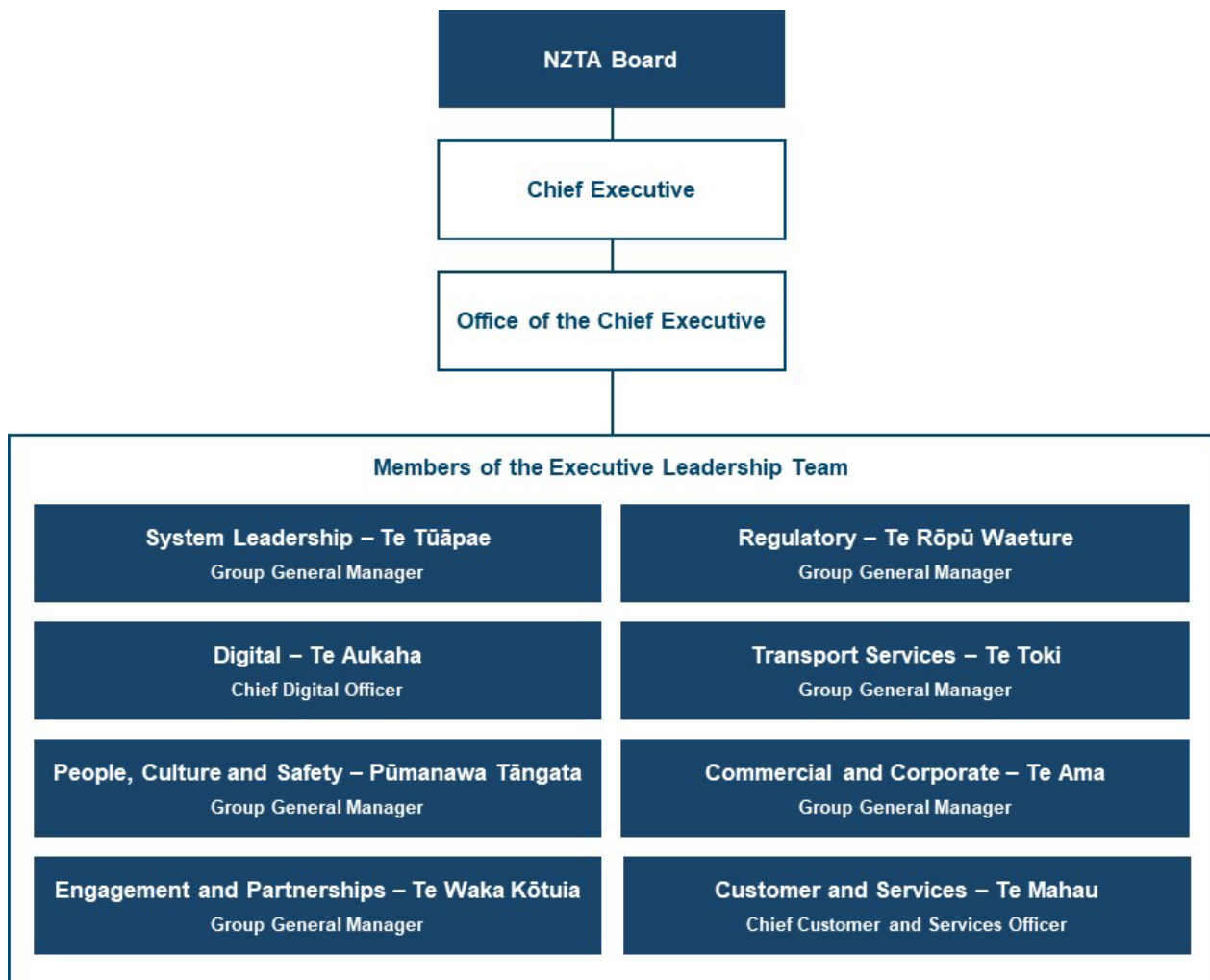
Ko wai mātou, ā, he aha ā mātou mahi

Our structure

New Zealand Transport Agency Waka Kotahi (NZTA) is a Crown entity governed by a statutory board. The board is appointed by the Minister of Transport and is responsible for making independent decisions on allocating and investing funds from the National Land Transport Fund (NLTF). It publishes its planned investment programme every 3 years in the National Land Transport Programme (NLTP). See pages 10 to 12 for information on our board members.

Our Chief Executive reports to the board and leads our executive leadership team (ELT). The ELT manages our organisation, which consists of 8 business groups supported by the Office of the Chief Executive (see figure 1). See page 13 for information on our ELT members.

Figure 1 – Our structure



Our partners and stakeholders

We work with the Ministry of Transport, New Zealand Police and over 70 council partners to invest in the land transport system on behalf of ratepayers. We also work with other agencies across the public and private sectors. We recognise our chances of success are maximised by working together to deliver the best results for New Zealanders.

We have 5 directors of regional relationships, who build, maintain and enhance the NZTA strategic alignment and reputation within a specific geographical boundary. They cover the areas of Northland–Auckland, Waikato–Bay of Plenty, Gisborne–Hawke’s Bay–Taranaki–Manawatū–Whanganui, Wellington–Tasman–Nelson–Marlborough, and West Coast–Canterbury–Otago–Southland. Each region’s director has a team responsible for building, enhancing and maintaining our presence, performance and reputation in the region. This work includes engaging with and taking the lead in building relationships with senior local government stakeholders, iwi, and other significant community, private and public stakeholders.

NZTA recognises its role in relation to te Tiriti o Waitangi. In 2019, we launched Te Ara Kotahi, which provides our strategic direction for working with and responding to Māori. For more information see nzta.govt.nz/about-us/about-waka-kotahi-nz-transport-agency/maori-and-waka-kotahi-nz-transport-agency

Our board members



Hon Simon Bridges – Chair

Appointed Board chair 11 March 2024.

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

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

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

Prior to standing for Parliament, Simon was a litigation lawyer including at law firm Kensington Swan and as senior Crown Prosecutor in Tauranga.

Simon is currently also CEO of the Auckland Business Chamber, a non-executive chair and director on a number of company boards and works in a range of sectors.



Cassandra Crowley – Deputy Chair

Board member since 23 September 2019.

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

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



David Smol

Board member since 1 February 2019.

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

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

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

David is a member of our Regulatory Committee.



Catherine Taylor

Board member since 23 September 2019.

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

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

Catherine holds governance positions in the public, private and not-for-profit sector.

Current roles include chair of Diabetes New Zealand, director of Dunedin International Airport Limited, trustee of Diabetes New Zealand Research Foundation and trustee of the New Zealand Law Foundation. She also acts as Independent Chair on a number of local committees in the area where she resides.

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



Victoria Carter

Board member since 23 September 2019.

Victoria, an accredited Fellow of the Institute of Directors, has over 25 years' governance experience on the boards of NZX, substantial private companies, an iwi and council entities in the transport, tourism, education, health, property and arts sectors.

Founder of Cityhop, New Zealand's first and largest carshare business, Victoria is a known expert on mobility as a service. She is chair of Laura Fergusson Trust, a disability provider.

Victoria is a former Auckland City councillor. In 2016, she was awarded the New Zealand Order of Merit for services to the arts, business and community. She holds a bachelor of laws from the University of Auckland.

Victoria chairs our People, Culture and Safety Committee and is a member of our Risk and Assurance Committee.



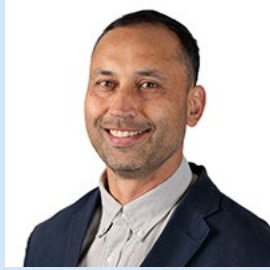
John Bridgman

Board member since 1 July 2020.

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

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

John chairs our Investment and Delivery Committee.



Ngarimu Blair

Board member since 12 November 2021.

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

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

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

Our executive leadership team

Nicole Rosie – Chief Executive

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

Brett Gliddon – Group General Manager Transport Services – Te Toki

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

Chris Bunny – Group General Manager System Leadership – Te Tūāpae

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

Liz Maguire – Chief Digital Officer, Digital – Te Aukaha

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

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

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

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

Our statutory role and functions

Under the Land Transport Management Act 2003, our primary objective is to contribute to an effective, efficient and safe land transport system in the public interest.

The Act sets out our core regulatory, infrastructure, planning, investment management and general functions (as outlined in Table 1).

Table 1 – NZTA’s core functions under the Land Transport Management Act 2003

Regulatory functions	<ul style="list-style-type: none"> Contributing to establishing, operating and enforcing regulation of the land transport system. Issuing warnings, reports and guidance. Managing and overseeing regulatory requirements for land transport. Investigating and reviewing accidents and incidents involving transport on land. Appointing and overseeing the performance of the Director of Land Transport.
Infrastructure, planning and investment management functions	<ul style="list-style-type: none"> Managing the state highway system. Overseeing the planning and delivery of public transport. Managing the funding of the land transport system. Monitoring and reporting to the Minister of Transport on matters relating to rail network investment programmes.
General functions	<ul style="list-style-type: none"> Delivering or managing the delivery of activities relating to research, education and training. Delivering or managing the delivery of activities for ticketing systems and payments. Issuing reports and guidance. Providing the Minister of Transport with any advice relating to the function of NZTA that the minister requests. Carrying out any other functions relating to land transport that the Minister of Transport directs.
Functions of the Director of Land Transport role	<ul style="list-style-type: none"> Exercising control over entry into and exit from the land transport system. Monitoring, investigating, managing and enforcing compliance. Monitoring adherence of the land transport system to regulatory requirements in other legislation. Monitoring and evaluating the performance of persons working in land transport regulation. Ensuring regular reviews of the land transport regulatory system (including the funding system). Issuing warnings, reports, guidance, or commentary. Undertaking statutorily independent functions.

The Act also outlines our statutorily independent functions, which include:

- determining activities that should be included in the NLTP, a 3-year programme that sets out how NZTA, working with its partners, plans to invest the NLTF
- approving activities as qualifying for payment from the NLTF
- approving procurement procedures for land transport activities.

While the Act provides for the NZTA Board to have independent decision-making authority over these functions, it also requires that the NLTP give effect to the Government Policy Statement on land transport (GPS). See page 18 for the role the GPS plays in shaping the direction of the NLTP and NZTA’s strategic direction.

Other Acts give specific functions and powers to NZTA

In particular, the Land Transport Act 1998 promotes safe road user behaviour and vehicle safety, provides for a system of rules governing road user behaviour and the licensing of drivers, and sets out technical aspects of land transport.

We have obligations as a lifeline utility operator under the Civil Defence Emergency Management Act 2002. We have powers under the Government Rounding Powers Act 1989, including to temporarily close roads due to adverse weather conditions.

Land transport rules are a form of delegated legislation similar to regulations. We produce rules for the Minister of Transport under an agreement with the chief executive of the Ministry of Transport. Land transport rules have a significant influence on people's access to and use of the land transport network.

We have legal obligations in relation to te Tiriti o Waitangi

Te Tiriti o Waitangi provides for the exercise of kāwanatanga (the right of the Crown to govern) while actively protecting tino rangatiratanga (self-determination) of Māori with respect to their natural, physical and spiritual resources.

The Land Transport Management Act 2003 and the Resource Management Act 1991 are key pieces of legislation that outline our responsibilities in relation to te Tiriti o Waitangi. The Land Transport Management Act 2003 sets out specific requirements to facilitate contribution of Māori to land transport decision-making processes, as well as to separately consult and engage with Māori. The Resource Management Act 1991 requires the principles of te Tiriti to be taken into account when exercising powers under the Act, as well as specific provisions relating to Māori that must be considered in the Act's processes.

Te Ara Kotahi, our Māori Strategy, provides strategic direction on how NZTA works with and responds to Māori, and what this means for how we do business. For more information on Te Ara Kotahi, see nzta.govt.nz/about-us/about-waka-kotahi-nz-transport-agency/maori-and-waka-kotahi-nz-transport-agency

We operate in a broader policy and legislative context

There are many acts, regulations and rules that govern what we do and how we do it. When carrying out our different functions (such as planning, investment and state highway management functions), a range of other policy and legal considerations may be relevant. These considerations include legal requirements that apply when we are constructing, operating and maintaining the state highway network under legislation such as the Resource Management Act 1991, Wildlife Act 1953 and Heritage NZ Pouhere Taonga Act 2014.

Our statutory operating principles include exhibiting a sense of social and environmental responsibility in meeting our objectives and undertaking our functions.

As a Crown agent, we can have specific actions expected of us as part of broader government plans and policies. For example, there may be specific actions expected of us under the emissions reduction plan and/or national adaptation plan issued by the government under the Climate Change Response Act 2002.

We have received other climate-related government direction and expectations, including direction under the Crown Entities Act 2004 to set targets, measure and report on our emissions to support the Carbon Neutral Government Programme.

Our operating context

Te horopaki o ngā whakahaeretanga

We work in a complex operating environment, where we must both meet our full range of statutory obligations and deliver on the expectations set by the government of the day.

The new GPS sets our strategic direction

The GPS sets the strategic direction and new priorities for the land transport system. GPS 2024 focuses on economic growth and productivity driven through reintroduction of the Roads of National Significance programme, optimising how the existing network is used with digital infrastructure and road pricing, and investing in major public transport infrastructure. To support economic growth and safety, there will be increased investment in road maintenance, and we have a significant role to play in improving the performance and quality of New Zealand's transport infrastructure.

Establishing a manageable work programme, balancing the delivery of our core transport network and regulatory roles with delivering the expectations of the government will be critical to achieving the direction set in GPS 2024. This means we need to adapt the way we work and deliver our services more efficiently and effectively to show value for money and provide a better customer experience for New Zealanders using the land transport system.

New Zealand's transport network is under pressure

The state highway network is under significant pressure due to a combination of unprecedented travel demand, extreme weather events and past under-investment in maintenance. Local road networks face similar challenges.

The rise in severe weather events over recent years is affecting access and efficiency across the network, particularly access to markets and services in rural areas where there are few or no alternative routes. The increased frequency and severity of these events is also increasing pressure on sector capacity and resources and exacerbating our funding pressures.

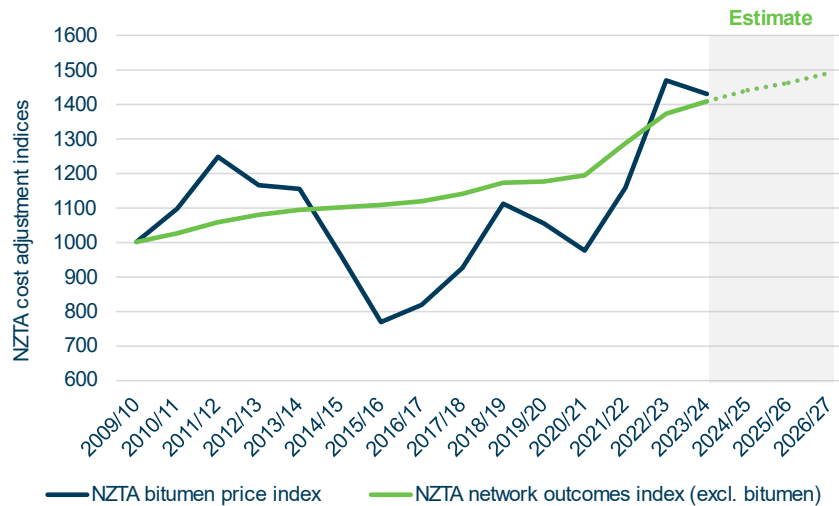
Costs are increasing

Costs are rapidly increasing and ongoing supply chain issues are affecting our ability to support the needs of the land transport system, now and in the future.

Our network outcomes index, shown in figure 2, indicates that costs have increased over recent years and are expected to continue to increase. This index is designed to reflect movements in the price of inputs a contractor needs to deliver maintenance works and services. It is applied to the whole contract price like a consumer price index adjustment.

The bitumen price index, also in figure 2, tracks the New Zealand price of bitumen and similarly shows increased costs in recent years. This index reflects movement in the bitumen price and has been singled out from other inputs in a contract because it is volatile and seasonal.

Figure 2 – NZTA cost indices, 2009/10 to 2026/27

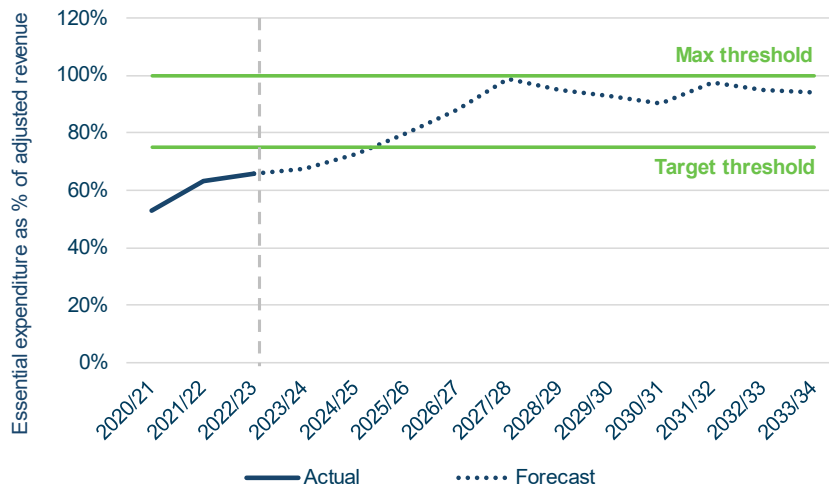


We need a sustainable funding model

Arriving at a sustainable funding model is critical to ensuring New Zealand has a well-maintained, reliable and resilient network and is meeting the government’s expectations.

Our funding sustainability ratio, shown in figure 3, is the proportion of net revenue (after debt obligations) forecast to be spent on maintaining existing assets and services (referred to as ‘continuous programmes’). A result over 75% and approaching 100%, in the absence of any additional funding, significantly constrains the ability of NZTA and our co-investment partners to deliver the NLTP.

Figure 3 – Funding sustainability ratio (proportion of net revenue forecast to be spent on continuous programmes), 2020/21 to 2033/34



GPS 2024 outlines several investment priorities, including Roads of National Significance. Based on current revenue settings, there is forecast \$11.1 billion to deliver investment priorities over the next 10 years. However, to deliver forecast capital improvements in GPS 2024 would require increased revenue. GPS 2024 seeks to improve funding sustainability, introducing a ministerial expectation that NZTA will consider other revenue sources and other funding and delivery models. This may include the use of new and/or increased use of road pricing tools, such as tolling and time-of-use charging, along with value capture mechanisms, greater use of private–public partnerships and private investment in the land transport system. It may also involve better use of digital technologies and information systems.

Our strategic direction

Te anga rautaki

Government Policy Statement on land transport

The GPS sets the government's strategic direction for the land transport system over the next 10 years, as well as the Minister of Transport's expectations for NZTA and the land transport sector. The Minister must issue a GPS every 6 financial years and review the Crown's land transport investment strategy within it every 3 years.

The NLTP is a 3-year programme that sets out how we, working with our partners, plan to invest the NLTF to create a safer, more accessible, better connected and more resilient land transport system that keeps New Zealand moving.

The Land Transport Management Act 2003 requires NZTA to give effect to the GPS when performing its land transport planning and funding functions (under subpart 1 of Part 2 of the Act). Regional councils and Auckland Transport must prepare regional land transport plans for their regions that are consistent with the GPS. We must ensure that our NLTP gives effect to the GPS and that activities we approve for NLTF investment are consistent with the GPS. The 2024/25 financial year is the first year of both GPS 2024 and the 2024–27 NLTP.

GPS 2024 has 4 strategic priorities:

- economic growth and productivity
- increased maintenance and resilience
- safety
- value for money.

Section 5 of the GPS 2024 sets out the Minister of Transport's expectations of how NZTA gives effect to the GPS. These expectations include a focus on delivery, core business and value for money, as well as consideration of other revenue sources and other funding and delivery models. Together, the expectations set a clear direction for us to work at pace to deliver a better transport network for New Zealand, with the Roads of National Significance programme at the centre of this transformation.

This statement of intent (SOI), alongside our statement of performance expectations (SPE), sets out how we will respond to the expectations of GPS 2024.

While we are required to give effect to the GPS, we must do so while continuing to meet our other statutory obligations set out on pages 14 and 15.

Transport Outcomes Framework

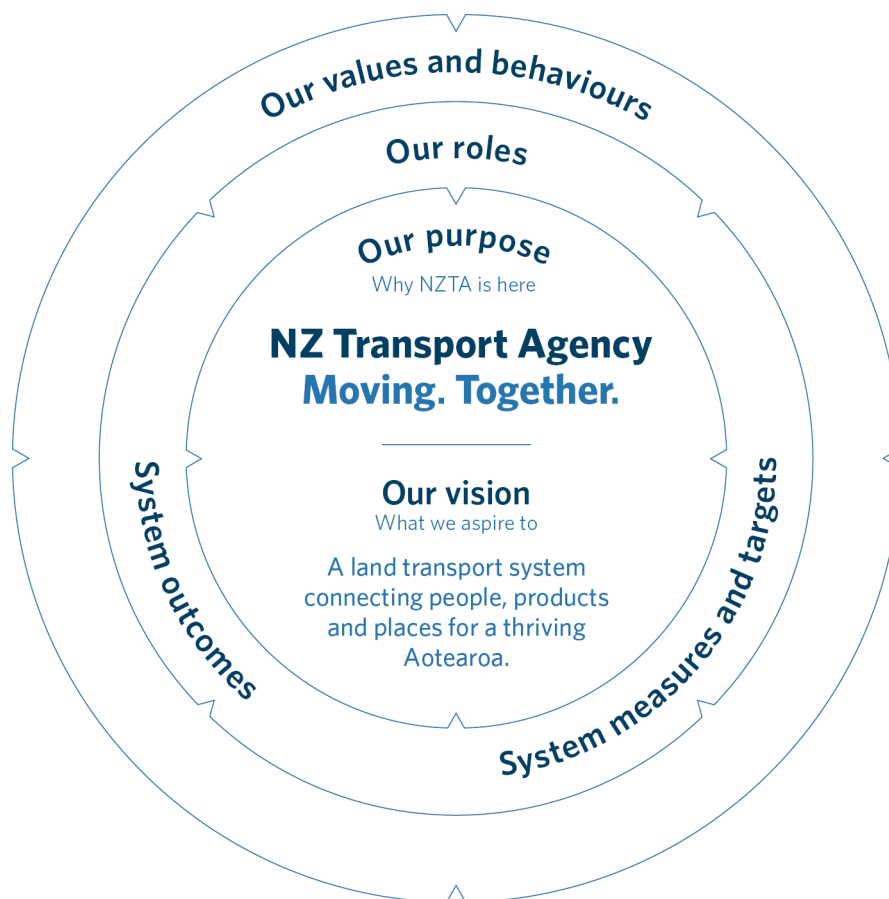
From a long-term investment perspective, the Ministry of Transport's Transport Outcomes Framework guides our work and investments. Launched in 2018, the framework aligns with the Treasury's Living Standards Framework and describes 5 long-term outcomes for the transport system: inclusive access, economic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

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

Te kāpehu – our compass

Te kāpehu outlines our place and aspirations within the wider land transport system, what we want to achieve as an organisation and how we will go about achieving that (see figure 4). It is informed by the government direction for the transport system, and helps us navigate how we respond to the direction set by the GPS and our legislative framework.

Figure 4 –Te kāpehu – Our compass



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

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

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

Our **system outcomes** are the long-term changes to the transport system we are focusing on to realise our vision. We want New Zealand to have a land transport system that meets current and future needs, effectively and efficiently moves people and freight, is safe and environmentally sustainable. For each system outcome, where we focus our investment and the ways in which we work are changing in response to government expectations. A summary of each system outcome and why it matters for New Zealand is in table 2. A description of how GPS 2024 directs our focus for each system outcome and how we will measure progress is provided from page 25.

Table 2 – Our system outcomes and why they matter

System outcome	Why it matters for New Zealand
Meeting current and future needs	Meeting current and future needs is an enabler of our other system outcomes and is about ensuring that the way we work enables us to meet the needs of current and future users and aligns to the priorities of GPS 2024.
Effectively and efficiently moving people and freight	Effectively and efficiently moving people and freight is about 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.
Safe	Safe is about ensuring no one is killed or seriously injured when using or working on the transport system.
Environmentally sustainable	Environmentally sustainable reducing harm to and improving the environment, with a focus on reducing greenhouse gas emissions and climate change adaptation, including reflecting expectations on us set by the Carbon Neutral Government Programme.

Our **values and behaviours** support the delivery of our strategy and shape our culture and the way we work together:

- have heart – ngākau aroha
- better together – kotahitanga
- be brave – kia māia
- nail it – mahia.

Kāhui whetū – our guiding stars

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

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

Setting ourselves up for success

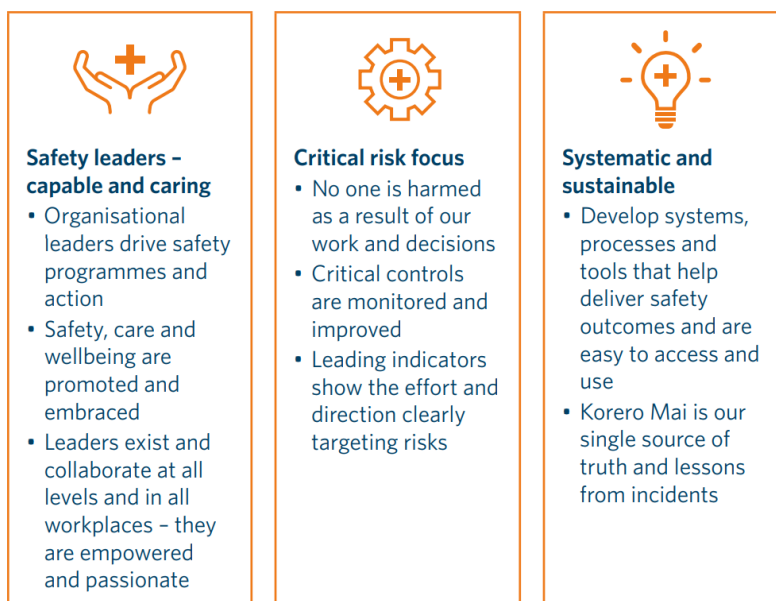
Looking after our people

Health, safety and wellbeing

The health, safety and wellbeing of our people, community and partners is at the heart of everything we do. We are making health, safety and wellbeing easy for our people to apply as part of our objective that no matter where our people are, everyone can go home safe and healthy.

Our Health, Safety and Wellbeing Strategy outlines our objectives and our strategic threads that aim to create confident and capable safety leaders, focus on sector-wide critical risks, and make being better easy, sustainable and always improving. Our framework has 3 pillars to ensure our programmes and efforts are balanced and sustainable (figure 5).

Figure 5 – Health, safety and wellbeing



We measure and benchmark our performance and compliance across all groups and locations, develop group-level action plans and focus on our 6 critical risks. Our business partners prepare a regular dashboard that summarises our key performance indicators for us and our contractors. Our leaders are engaging and identifying safety performance indicators, learning and development opportunities, and board involvement in safety activities.

Diversity and inclusion

We are committed to building a diverse and inclusive culture. When our people feel accepted, safe and valued, it will make us a great place to work and increase our performance, innovation and creativity. This helps us develop transport solutions that meet the diverse needs of the communities we serve.

We continue to follow government priorities, with a focus on closing the gender pay gap, addressing unconscious bias, and stopping bullying and sexual harassment in the workplace.

We have made progress in reducing our gender pay gap. We are:

- continuing to make a positive shift year on year with our overall gender pay gap
- continuing to monitor our pay gaps as part of the annual remuneration review process and making adjustments where needed
- revising our flexible working guidelines to highlight the scope of flexible options available to accommodate employee work–life requirements
- providing information about the gender pay gap to people leaders when they are hiring and promoting people to enable them to adjust offers where appropriate
- scrutinising offers of employment, particularly when offers are above or below the job band midpoint.

Being a good employer

We are committed to being a good employer and are guided by the government’s priorities. We recognise, respect and value differences and are committed to providing equal opportunities for all. This approach ensures better outcomes for our people (who are more satisfied with their employment) and those we serve – the people of New Zealand.

We continue to build a strategy-led, people-centred organisation that is fit for the future and where our people are proud to be part of creating a better New Zealand. We are committed to being fair, open and transparent and having a workplace where our people are energised, engaged and able to perform at their best.

We seek regular feedback from our employees through Tapatahi, our continuous listening engagement survey. These surveys help to inform initiatives and identify areas of improvement that help us evolve and build our organisational culture.

Building leadership and capability

Culture and leadership (pou herenga tangata)

Pou herenga tangata is one of our 4 kāhui whetū (strategic priorities). It is a priority because it is essential to deliver great journeys and the biggest enabler for our other strategic priorities.

Pā Harekeke, our people capabilities framework, sets out what good leadership looks like and outlines expectations of how we expect our leaders to deliver te kāpehu. The focus for pou herenga tangata is on embedding our ‘performance culture with care’ approach.

Accelerate Leadership, our leadership development programme, supports this work by identifying and investing in leadership capability through core learning and development modules.

People capabilities framework (Pa Harakeke)

We continue to strengthen capability across our organisation to ensure we have people with the capability, skills and experience to lead our organisation into the future.

Pā Harekeke provides guidance on critical skills, experience and capability at all levels. Three areas of particular focus are:

- our leadership role in the transport sector, which requires us to strengthen our relationship management and collaboration with strategic partners’ capabilities, while also providing the technical delivery, expertise and skill to meet government and public expectations
- our set of regulatory capabilities, which describe the skills, knowledge, behaviours and experience needed to perform our regulatory work
- developing skills to be successful in an increasingly digital environment and ensuring we have the necessary commercial capability to deliver on our strategy.

Setting our performance expectations

Te whakatau i ngā wawata mahi

What we must consider when we set performance expectations

We must comply with the Crown Entities Act 2004, including for the Minister of Transport to participate in setting our performance expectations.

The government's enduring letter of expectations sets the expectation that performance against key outcomes can be clearly accounted for to our responsible minister, our monitoring department and the public.

We must also comply with the External Reporting Board's service performance reporting standard (PBE FRS 48) which forms part of generally accepted accounting practice and sets requirements for selecting and reporting non-financial performance information. The standard is available at xrb.govt.nz/standards/accounting-standards/public-sector-standards/standards-list/pbe-frs-48

In selecting the measures in our performance framework, we have made judgements and assumptions. Information on the judgements that have the most significant impact on the selection, measurement or presentation of performance measures are included alongside relevant measures and in the explanatory notes for non-financial performance measures available at nzta.govt.nz/assets/resources/statement-of-performance-expectations/2024-2025/spe-2024-2025-performance-measure-explanatory-notes.pdf

We will regularly review the measures in our performance framework to ensure they remain meaningful and relevant, including considering the qualitative characteristics and constraints of performance information included in PBE FRS 48.

We apply the PuMP approach to performance measurement to support development of measures that are meaningful and capture what matters.

Our performance framework

We have reviewed our performance framework to include our strategic priorities and ensure it remains fit for purpose and reflects good practice.

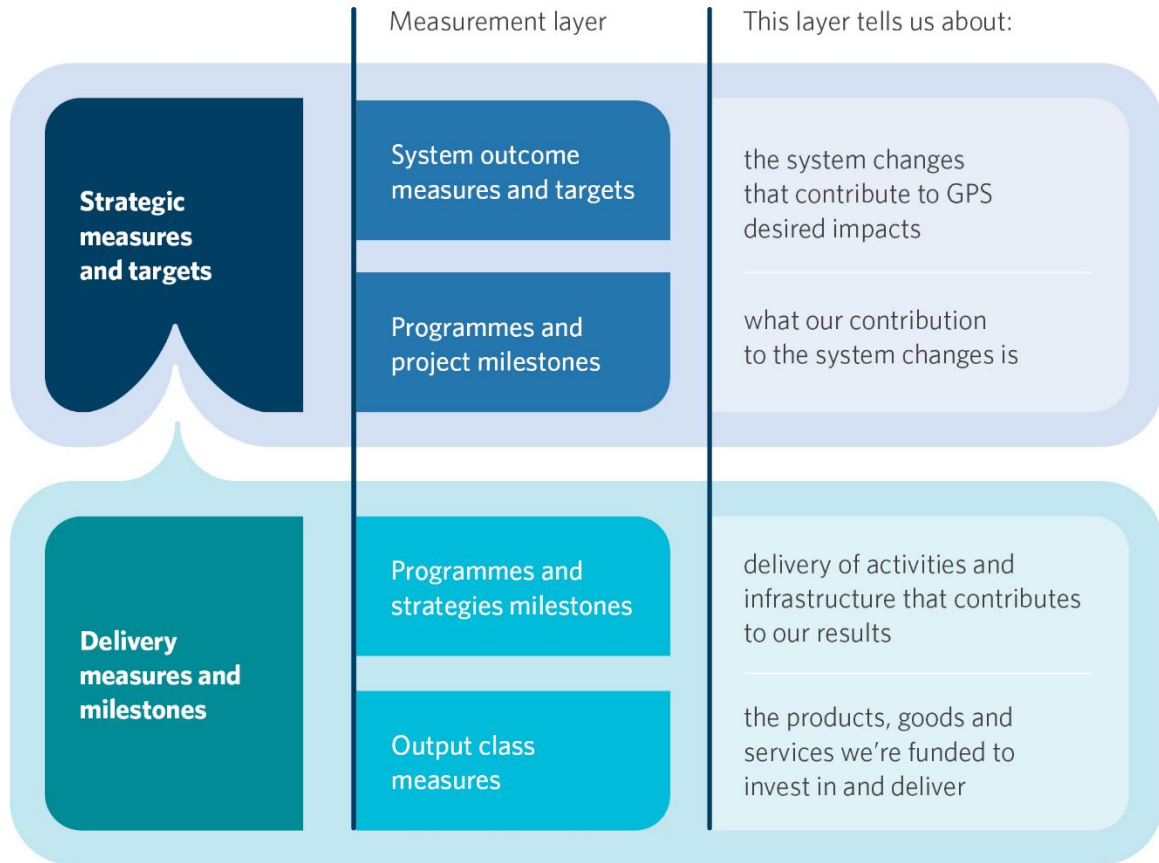
A conceptual view of our framework is shown in figure 6. Each layer of the framework helps us answer a different question about our performance and has a different timeframe.

The strategic layer of the framework sets our 4 system outcomes, which are the changes to the transport system we'll focus on to achieve our vision and the GPS 2024 priorities. Within each outcome, we've identified the relevant impacts the GPS is focused on achieving in the short to medium term, the system changes we need to see, and the results we need to achieve in the short and medium term to contribute to the vision and priorities set in GPS 2024 and te kāpehu. Our system change and NZTA result measures and targets will endure for the term of this SOI and help us track progress over time, with both longer-term and annual targets.

The delivery layer of the framework consists of what we, with our partners, will invest in and deliver to achieve our results. Our delivery measures and milestones tell us whether we are effective in undertaking our significant activities, performing our regulatory function and delivering our significant capital projects.

Detailed information on measures and targets for system outcomes is in the following sections. Delivery measures and milestones are updated yearly to provide an up-to-date view of what we and our partners will do to achieve our results in the short term. These are published in our annual SPE. Other parts of the framework, including business group-specific operational results and our kāhui whetū, are used internally to guide performance monitoring and conversations so are not detailed in our public documents.

Figure 6 – Conceptual view of the NZTA performance framework



Strategic results and measures

Our long-term system outcomes capture why we are here, where are we heading and what our destination is over the next 10 years and beyond. The system change measures we've selected help us assess whether we're heading in the right direction.

For each system outcome we've also identified a set of NZTA results (short to medium-term outcomes) that capture how the system and the way we work with our partners needs to change in the next 5 to 10 years for us to achieve our long-term system outcomes. These measures will help us assess whether these changes are being made as intended.

Targets are provided for each of the 4 years of this SOI's term and are reviewed and updated every time a new SOI is produced.

While we've grouped certain results under specific system outcomes, the relationship is not linear and the achievement of the same result can contribute to multiple system outcomes. We show this relationship using a colour coding system:

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

Meeting current and future needs

This system outcome is an enabler of our other system outcomes. It is about ensuring that the way we work enables us to meet the needs of current and future users and aligns to the priorities of GPS 2024. GPS 2024 has an explicit focus on users' needs for a well-maintained, reliable, resilient and safe network. It also sets the expectation that we will maintain the network in the most efficient way possible, so maximum value for money is achieved. This means:

- improving the efficiency and effectiveness of our delivery, with a core focus on improving delivery of maintenance and renewals
- maintaining effective partnerships with our stakeholders
- holding ourselves and our partners to account for delivering what has been invested in
- working with the Ministry of Transport on a sustainable funding system that helps us meet both current and future user needs.

Meeting current and future needs helps us to respond to the change in direction in GPS 2024 and deliver on our outcomes of effectively and efficiently moving people and freight, maintaining safety and environmental sustainability.

Strategic results	GPS 2024 desired impacts	
	<ul style="list-style-type: none"> • More kilometres of the road network resealed and rehabilitated each year • Fewer potholes • More resilient network • Better use of existing capacity 	
	System changes	
	Our investment in this area enables us to deliver on the other 3 system outcomes	
Delivery	NZTA results	
	<ul style="list-style-type: none"> • Improved condition of the state highway network • Improved asset sustainability • Better partnerships with Māori and our co-investment partners • An engaged workforce 	
	Programmes and strategies	
	<ul style="list-style-type: none"> • Road Efficiency Group • Land Transport Revenue Review (with the Ministry of Transport and The Treasury) • Te Ara Kotahi 	
	Output classes	
	Delivered by NZTA	Delivered in partnership with or by our partners
	<ul style="list-style-type: none"> • State highway pothole prevention • State highway operations • Investment management • Revenue collection and administration 	<ul style="list-style-type: none"> • Local road pothole prevention • Local road operations

How performance will be measured

Our investment in this area enables us to deliver the other 3 system outcomes. This includes how we operate within the organisation and interact with external stakeholders. Measures for NZTA results are summarised in the following table. Explanatory notes, providing detailed information on measures and targets, are available at nzta.govt.nz/assets/resources/statement-of-performance-expectations/2024-2025/spe-2024-2025-performance-measure-explanatory-notes.pdf

For MEET3, we have set upper and lower targets – the upper targets describe the annual ambition for quantity of work, if not constrained by capacity, while the lower targets set the minimum level of renewals. The capacity of suppliers, weather and other factors can affect our ability to meet these targets.

NZTA result measures		2022/23 baseline	2024/25 target	2025/26 target	2026/27 target	2027/28 target
Improved asset sustainability ● ● ●						
MEET2	Proportion of the state highway network that meets minimum asset condition requirements ^A	93%	93% or greater	93% or greater	93% or greater	97% or greater
MEET3	Expenditure on state highway renewals as a proportion of depreciation (asset sustainability ratio) ^B	Pavement (base): 94% ^C	35–100%	75–100%	90–150%	110–175%
		Pavement (surface): 57% ^C	70–110%	70–110%	70–110%	80–110%
		Drainage: 13%	25–100%	30–100%	35–100%	100–150%
		Traffic facilities: 18%	20–75%	25–75%	30–75%	35–120%
		Bridges: 25% ^D	20–65%	20–65%	20–65%	30–100%
Better partnerships ●						
COL1	Partnerships and engagement with Māori (average performance score of key strategic relationship drivers of Māori partnerships)	49% ^E	45% or greater	45% or greater	45% or greater	45% or greater
COL2	Partnerships and engagement with stakeholders (co-investment partners)	53%	54% or greater	54% or greater	54% or greater	54% or greater

An engaged workforce ● ●

DEL1	Staff engagement (overall engagement score out of 10)	7.5	7.5 or greater	7.5 or greater	7.5 or greater	7.5 or greater
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^A The methodology for this measure has changed and as a result the baseline and targets were updated. Methodology changes include classifying each section of road as a failure if any of the 3 components (skid, rutting, roughness) are below threshold, reducing the skid threshold, and reporting results for all 3 components as well as overall. Targets for the next 3 years are to maintain condition while we respond to pricing challenges, reduce the trend in decay and prepare to improve overall condition from 2027/28.

^B An asset sustainability ratio of 100% indicates that renewals are being done at the level required to maintain asset condition.

^C During the state highway valuation for 2022/23, a valuation parameter changed that led to an incorrect assumption that pavements have a 75–150-year depreciation life. This meant the 2022/23 result was unusually high compared with the result in recent periods. The targets assume that correcting the parameter will lead to a depreciation life of about 50 years, which is consistent with the 2% renewal target included in GPS 2024.

^D The baseline includes replacement works that were not completed in the 2018–21 NLTP period and subsequently carried forward as well as a disproportionate amount of construction work following the completion of preliminary work in 2021/22. Together, these factors raised the baseline to an abnormal level.

^E While the 2022/23 baseline is 49%, the target remains consistent with our first survey result of 45% in 2021/22. This represents the work required to improve the quality of NZTA's relationships with its Māori partners.

Why we've selected these measures

A key part of meeting current and future needs is ensuring New Zealand has a well-maintained, reliable, resilient and safe land transport network. MEET2 and MEET3 help us understand the condition of state highways and how well they are maintained, and demonstrate how we are progressing toward the GPS 2024 strategic priority of increased maintenance and resilience. Earlier than planned renewals reduce subsequent maintenance need and improve levels of service.

We rely on effective relationships with our stakeholders and partners to deliver our vision and achieve our strategic outcomes. COL2 tells us whether we are working with our stakeholders and partners in a way that upholds our value of kotahitanga – better together. Te Ara Kotahi, our Māori strategy, provides our strategic direction for working with and responding to Māori as the Crown's partner under te Tiriti o Waitangi. We've selected COL1 to help us understand whether we are realising the vision of Te Ara Kotahi.

Having highly engaged staff means we can retain diverse talent and deliver more effectively. DEL1 shows whether staff engagement is improving across the organisation. As our engagement score has exceeded the international benchmark and our own target in previous years, we've lifted the target to 7, reflecting our intention to continuously improve.

Because meeting current and future needs enables our other 3 outcomes and the system changes they aim to deliver, there are no system change measures for this outcome alone.

What we'll deliver

Delivery measures and milestones are updated annually and published in our SPE each year. Significant activities for 2024/25 are summarised in the following table.

Significant activities for 2024/25

Begin reporting on phase one of the Performance and Efficiency Plan required under GPS 2024 to drive performance and efficiency across all transport investments and continue working with the Ministry of Transport to refine the plan

Deliver an internal effectiveness and efficiency plan aligned with the performance and efficiency plan

Provide joint advice with the Ministry of Transport on a review of the NLTF's revenue system

Develop a new project development approach, in response to the GPS 2024 expectation, to be in place for all Roads of National Significance projects and continually refined over the year to look for additional savings

Implement the automatic road user charges invoicing from Weigh-in-Motion data

The state highway pothole prevention, state highway operations, investment management, and revenue collection and administration output classes will be delivered by NZTA in 2024/25. Detailed information on key delivery measures for these output classes is provided in the 2024/25 SPE.

Effectively and efficiently moving people and freight

This system outcome is about 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. GPS 2024 directs us to focus investment in this outcome on connecting people and freight quickly and safely, supporting economic growth, and creating social and economic opportunities. It also directs us to be customer-focused in our planning, investment and delivery, actively looking for ways to minimise inefficiencies and maximise opportunities for New Zealanders.

Strategic results	GPS 2024 desired impacts	
	<ul style="list-style-type: none"> • Reduced journey times and increased travel time reliability • Less congestion and increased patronage on public transport • Improved access to markets, employment and areas that contribute to economic growth • More efficient supply chains for freight • Better use of existing capacity • Less expenditure on temporary traffic management 	
	System changes	
	<ul style="list-style-type: none"> • More reliable travel times and reduced congestion • More reliable freight network • Improved user experience of the transport network 	
	NZTA results	
	<ul style="list-style-type: none"> • Improved user experience of travel on the state highway network • Improved service quality and customer satisfaction 	
Delivery	Programmes and strategies	
	<ul style="list-style-type: none"> • Roads of National Significance (see page 44 for more information on projects and milestones) • National Ticketing Solution • Walking and cycling initiatives in line with the focus of GPS 2024 	
	Output classes	
	Delivered by NZTA	Delivered in partnership with or by our partners
	<ul style="list-style-type: none"> • State highway improvements • State highway operations • Driver licensing and testing • Vehicle safety and certification 	<ul style="list-style-type: none"> • Rail network • Local road improvements • Local road operations • Public transport services • Public transport infrastructure • Walking and cycling improvements

How performance will be measured

Measures for system changes and NZTA results are summarised in the following table. Explanatory notes, providing detailed information on measures and targets, are available at nzta.govt.nz/assets/resources/statement-of-performance-expectations/2024-2025/spe-2024-2025-performance-measure-explanatory-notes.pdf

System change measures		2022/23 baseline	2024/25 target	2025/26 target	2026/27 target	2027/28 target
MOVE2	User experience of transport network by mode (percentage of survey respondents who gave 8–10 out of 10 for their overall journey experience) ^A	Public transport: 59%	59% or greater	59% or greater	59% or greater	59% or greater
		Active modes: 67%	67% or greater	67% or greater	67% or greater	67% or greater
		Private vehicles: 69%	69% or greater	69% or greater	69% or greater	69% or greater
MRFN1	Interpeak predictability of travel times on priority freight routes (percentage of trips completed within expected timeframes)	To be developed in 2024/25	Maintain or increase from baseline	Maintain or increase from baseline	Maintain or increase from baseline	Maintain or increase from baseline
APD1	Arterial productivity (average number of people moving in major urban areas during peak hours) ^B	To be developed in 2024/25	Maintain or increase from baseline	Maintain or increase from baseline	Maintain or increase from baseline	Maintain or increase from baseline
ATT1	Arterial travel time (average travel time across the arterial network in major urban areas) ^B	To be developed in 2024/25	Maintain or decrease from baseline	Maintain or decrease from baseline	Maintain or decrease from baseline	Maintain or decrease from baseline
RES1	Proportion of unplanned road closures resolved within standard timeframes ^C	Weather events: 53%	Weather events: 60%	Weather events: 60%	Weather events: 60%	Weather events: 60%
		Other events: 86%	90%	90%	90%	90%

^A A new mode has been added to the measure to monitor user experience of private road vehicle drivers.

^B This applies to only state highways.

^C The methodology for this measure has changed. The target timeframe for urban events has increased from 2 hours to 4 hours to ensure we're measuring against the most up-to-date figure (the previous 2-hour target was more than 10 years old). Due to the change in methodology, previous results are not comparable. The target for weather events has increased from 53% to 60%, reflecting our intention to improve performance in this area.

NZTA result measures		2022/23 baseline	2024/25 target	2025/26 target	2026/27 target	2027/28 target
Improved user experience on the state highway network ●						
SHU1	State highway user experience (percentage of survey respondents who gave 8–10 out of 10 for their overall journey experience on state highways)	49%	53% or greater	53% or greater	53% or greater	53% or greater
Improved service quality and customer satisfaction ● ●						
CSD1	Digital service quality (percentage of survey respondents who said that little or no effort was required to transact with us via online channels)	78%	78% or greater	78% or greater	78% or greater	78% or greater
DEL3	Overall service quality (percentage of survey respondents who said that little or no effort was required at service touchpoints when transacting with NZTA)	62%	63% or greater	63% or greater	63% or greater	63% or greater
TDD1	Percentage of transactions that can be done digitally	42%	42% or greater	Greater than 2024/25 actual	Greater than 2025/26 actual	Greater than 2026/27 actual

Why we've selected these measures

This outcome is about ensuring networks are available and reliable so people and freight can move around New Zealand quickly and safely. We have selected measures to demonstrate how predictable travel times are, both for freight (MRFN1) and in major urban areas (ATT1). We've also selected a measure of arterial productivity to show how many people are using the network during peak hours (APD1). Enabling people and freight to travel with confidence and certainty contributes to the economic growth and productivity priority set in GPS 2024.

RES1 helps us track whether we're making the road network more resilient by responding to and resolving road closures within appropriate timeframes. We've set separate targets for events that can be a result of our management of the network (such as crashes and road works) and those outside our control (such as severe weather). Our ability to respond effectively is increasingly important as natural disasters and severe weather events are expected to become more frequent. We've increased target for weather events in 2024/25 to reflect our aim to improve performance in this area.

We have selected MOVE2 to help us understand how people experience the network on different modes across the transport system, while SHU1 demonstrates whether our investment in state highways is improving our customers' experience of travelling on the state highway network.

We're looking at ways to be more customer-focused, deliver more value for money, and be more efficient and effective in how we deliver our services. DEL3 shows whether our systems and processes make it easy for our customers to use our services. It's important that transacting with us is as easy as possible, as this supports improved regulatory compliance and ensures people can easily access the information they need. Providing more of our services digitally helps us be more efficient and effective by making it easier for customers to interact with us in a way that is more cost effective for NZTA. We've selected 2 measures to help us monitor progress in this area, CSD1 and TDD1. Together, these measures show our progress in delivering more digital services and the impact this has on our customers.

What we'll deliver

Delivery measures and milestones are updated annually and published in our SPE each year. Significant activities for 2024/25 are summarised in the following table.

Significant activities for 2024/25
Investigate new funding and delivery models for major public transport and Roads of National Significance investments
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 to plan for Greater Wellington Regional Council and Auckland Transport
Work with KiwiRail to develop the Rail Network Investment Programme for 2024–27
Provide the Minister of Transport quarterly reviews of temporary traffic management from October 2024, including total cost and cost as a percentage of works, to ensure efficiency and effectiveness is being achieved, with a focus on increasing available data in further iterations. The first report will include information for each of the 3 previous financial years
Enable self-service actions in the NZTA app (such as viewing demerit points and changing contact details) for public use from June 2025
Deliver the customer strategy and associated roadmap that will improve the customer experience at NZTA
The state highway improvements, state highway operations, driver licensing and testing, and vehicle safety and certification output classes will be delivered by NZTA in 2024/25. Detailed information on key delivery measures for these output classes is provided in the 2024/25 SPE.

Safe

This system outcome is about ensuring no one is killed or seriously injured when using or working on the transport system. GPS 2024 directs us to focus investment in this outcome on working with New Zealand Police and our local partners on safer roads, safer drivers (with a focus on road policing and enforcement), and safer vehicles. The government has signalled that a new road safety strategy will be developed that will guide our investment and delivery approach.

Strategic results	GPS 2024 desired impacts	
	<ul style="list-style-type: none"> • Reduction in deaths and serious injuries • Increased enforcement 	
	System changes	
	<ul style="list-style-type: none"> • Fewer deaths and serious injuries on the land transport system 	
Delivery	NZTA results	
	<ul style="list-style-type: none"> • Improved safety for NZTA staff and contractors working on the network • Improved regulatory performance <p>Specific NZTA results will be set once further government direction on road safety is provided</p>	
	Programmes and strategies	
	<ul style="list-style-type: none"> • Roads of National Significance (see page 44 for more information on projects and milestones) • Government's new road safety strategy once released • Tū Ake, Tū Māia (available at nzta.govt.nz/regulatory/our-regulatory-strategy) 	
	Output classes	
	Delivered by NZTA	Delivered in partnership with or by our partners
	<ul style="list-style-type: none"> • Safety (safety cameras and road safety promotion) • State highway improvements • State highway pothole prevention • Driver licensing and testing • Vehicle safety and certification • Regulation of commercial transport operators • Regulation of the rail transport system 	<ul style="list-style-type: none"> • Safety (road traffic policing and enforcement) • Local road improvements • Local road pothole prevention • Rail network

How performance will be measured

Measures for system changes and NZTA results are summarised in the following table. Explanatory notes, providing detailed information on measures and targets, are available at nzta.govt.nz/assets/resources/statement-of-performance-expectations/2024-2025/spe-2024-2025-performance-measure-explanatory-notes.pdf

System change measures		2022/23 baseline	2024/25 target	2025/26 target	2026/27 target	2027/28 target
SAFE1	Deaths and serious injuries	2,894	Less than 2,894	Less than 2,894	Less than 2,894	Less than 2,894
SAFE3	Number of deaths and serious injuries with inappropriate speed, including excessive speed, being a contributing factor ^A	681	Less than 681	Less than 681	Less than 681	Less than 681
SAFE4	Number of deaths and serious injuries where restraints were not worn	320	Less than 320	Less than 320	Less than 320	Less than 320
SAFE5	Number of deaths and serious injuries involving alcohol	300	Less than 300	Less than 300	Less than 300	Less than 300
SAFE6	Number of deaths and serious injuries involving drugs ^B	155	Less than 155	Less than 155	Less than 155	Less than 155

^A Inappropriate speed refers to instances when vehicles travel at a speed that is unsuitable for the road and traffic conditions including travelling above the speed limit.

^B This information comes from the Crash Analysis System which collects information about contributing factors to fatal and serious crashes when the New Zealand Police attend the scene.

NZTA result measures		2022/23 baseline	2024/25 target	2025/26 target	2026/27 target	2027/28 target
Improved safety for NZTA staff and contractors working on the network ●						
SAFE2	Significant incident frequency rate ^A	13.96 per million hours worked	12.00 per million hours worked or less	11.00 per million hours worked or less	10.00 per million hours worked or less	10.00 per million hours worked or less
Improved regulatory performance ●						
DEL4	Quality of regulatory activity (percentage of regulatory activity that conforms to key decision-making criteria)	85%	95% or greater	95% or greater	95% or greater	95% or greater

^A Significant incidents are those that result in significant injury (such as medical treatment, lost time or death), are reportable to a regulator, or have a high potential for impact or injury.

Why we've selected these measures

We have selected the measures for this outcome based on the direction set in GPS 2024 and the NZTA results we've identified that will help achieve the outcome. These measures may need to be revised once further government direction on road safety is provided.

The safe outcome is focused on ensuring no one is killed or seriously injured when using or working on the land transport system. SAFE1 tracks overall progress toward reducing deaths and serious injuries on roads, with other system change measures monitoring the impact of high-risk behaviours on the number of deaths and serious injuries. We have set directional targets for these measures, based on 2022/23 results, and will revise and set appropriate annual targets when the government confirms its road safety objectives. SAFE2 indicates how well our health, safety and critical risk controls are keeping our people and contractors safe while working on the land transport system.

Being an effective regulator and improving our regulatory performance helps to make New Zealand's roads safer. DEL4 demonstrates progress in improving the quality of our regulatory activities and decision-making. We've increased the target to reflect our aim to continue to improve as a regulator, consistent with the strategic direction of Tū Ake, Tū Māia (our regulatory strategy).

What we'll deliver

Delivery measures and milestones are updated annually and published in our SPE each year. Significant activities for 2024/25 are summarised in the following table.

Significant activities for 2024/25
Work with the Ministry of Transport, New Zealand Police and our local government partners to contribute to the government's new approach to road safety, which will focus on safer roads, safer drivers and safer vehicles
Deliver a risk-focused audit programme of our temporary traffic management process, which aims to ensure delivery partners and operational groups understand and manage their safety risks

The following output classes will be delivered by NZTA in 2024/25:

- safety (safety cameras and road safety promotion)
- state highway improvements
- state highway pothole prevention
- driver licensing and testing
- vehicle safety and certification
- regulation of commercial transport operators
- regulation of the rail transport system.

Detailed information on key delivery measures for these output classes is in the 2024/25 SPE.

Environmentally sustainable

This system outcome is about reducing harm to and improving the environment, with a focus on reducing greenhouse gas emissions and climate change adaptation, including reflecting expectations on us set by the Carbon Neutral Government Programme.

Our efforts with our partners to reduce our corporate and infrastructure carbon footprints, as well as our investments in public transport, walking and cycling, and the rail network (with KiwiRail), contribute to reducing emissions. Further direction on where we should invest in to deliver this outcome will come from the government's second emissions reduction plan once developed.

Strategic results	GPS 2024 desired impacts	
	<ul style="list-style-type: none"> Less congestion and increased patronage on public transport 	
	System changes	
	The system changes we want to see that will support the GPS 2024 desired impacts will be identified once the government's second emissions reduction plan is finalised	
	NZTA results	
	<ul style="list-style-type: none"> Accelerating reduction of our emissions in line with the Carbon Neutral Government Programme 	
	Results will be revised once the second emissions reduction plan is finalised	
Delivery	Programmes and strategies	
	<ul style="list-style-type: none"> Second emissions reduction plan, once developed Carbon Neutral Government Programme 	
	Output classes	
	Delivered by NZTA	Delivered in partnership with or by our partners
<ul style="list-style-type: none"> Low emission vehicles (through administration and operation of the Clean Car Standard) Investment management (for the transport planning part of our role) 	<ul style="list-style-type: none"> Public transport services Public transport infrastructure Rail network Walking and cycling improvements 	

How performance will be measured

As the system changes will be identified once the government’s second emissions reduction plan is developed, we have no system change measures.

Measures for NZTA results are summarised in the following table. Explanatory notes, providing detailed information on measures and targets, are available at nzta.govt.nz/assets/resources/statement-of-performance-expectations/2024-2025/spe-2024-2025-performance-measure-explanatory-notes.pdf

NZTA result measures		2022/23 baseline	2024/25 target	2025/26 target	2026/27 target	2027/28 target
Accelerating reduction of our emissions in line with the Carbon Neutral Government Programme ●						
IPOE2	NZTA corporate carbon footprint	3,619.71 tonnes CO ₂ e ^A	2,027 tonnes CO ₂ e ^B	1,933 tonnes CO ₂ e	1,851 tonnes CO ₂ e	1,778 tonnes CO ₂ e
ICF1	Infrastructure carbon footprint ^C	To be developed	Develop an infrastructure intensity measure ^D for more accurate future greenhouse gas emissions reporting	Measure and report infrastructure emissions intensity compared to baseline ^E	Measure and report infrastructure emissions intensity compared to baseline and reduction target	Measure and report infrastructure emissions intensity compared to baseline and reduction target

^A We continue to use the 2019/20 baseline for this measure as it was verified and adopted by Toitū Envirocare to project emissions for the outyears.

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

^C Our infrastructure carbon footprint includes greenhouse gas emissions from state highway infrastructure construction, maintenance and operations, and emergency works.

^D An intensity measure is a carbon emissions measure against a qualifying unit, for example emissions per \$1 spent.

^E A reduction target for 2026/27 onwards will be set based on the emissions that have reduction potential.

Why we’ve selected these measures

As the system changes for this outcome will be developed once the government’s second emissions reduction plan is released, we have not selected any system measures.

We have measured and reduced our corporate carbon footprint in recent years as part of our commitment to the Carbon Neutral Government Programme and Toitū te Taiao (our sustainability action plan). It is now timely to mature our reporting to also monitor our non-corporate carbon footprint, which includes emissions released when infrastructure is built, maintained, operated and decommissioned. As these emissions are significantly higher than our corporate emissions, making progress in this area gives us the opportunity to demonstrate efficiency and effectiveness and reduce our environmental impact over time. Reporting our corporate and non-corporate emissions is an expectation on us to support the Carbon Neutral Government Programme, and we’ve chosen to also include them as measures to help us actively monitor progress against our targets. Our aim for 2024/25 is to begin gathering data from our supply chain to understand our baseline for our infrastructure carbon footprint before setting targets for future years.

What we'll deliver

Delivery measures and milestones are updated annually and published in our SPE each year. Significant activities for 2024/25 are summarised in the following table.

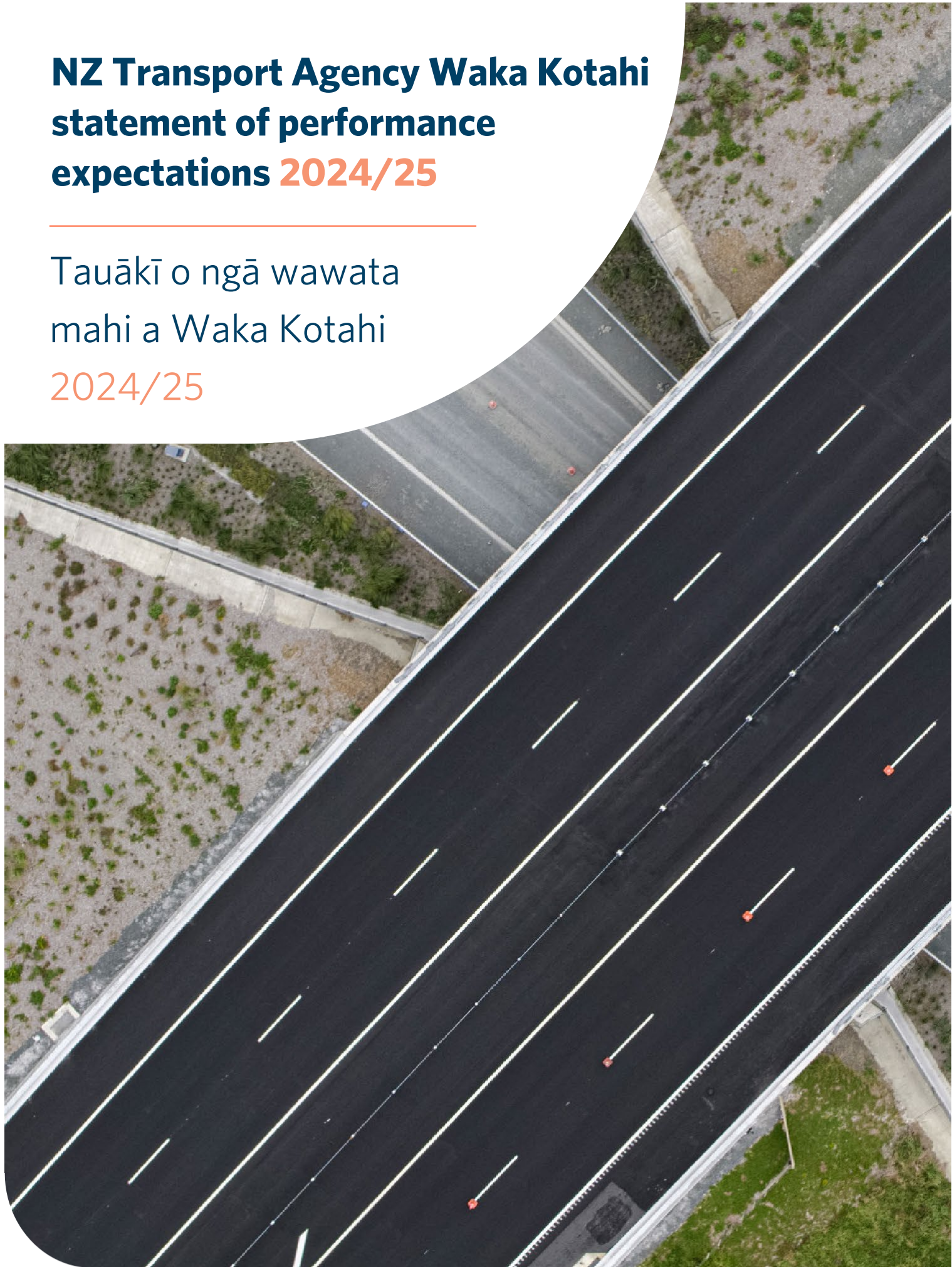
Significant activity for 2024/25

Work with the Ministry of Transport and the Ministry for the Environment to support development of the second emissions reduction plan

The low emission vehicles and investment management output classes will be delivered by NZTA in 2024/25. Detailed information on key delivery measures for these output classes is in the 2024/25 SPE.

NZ Transport Agency Waka Kotahi statement of performance expectations 2024/25

Tauākī o ngā wawata
mahi a Waka Kotahi
2024/25



Statement of responsibility

Tauākī haepapatanga

The information contained in the NZ Transport Agency Waka Kotahi (NZTA) statement of performance expectations 2024/25 has been prepared in accordance with the Crown Entities Act 2004. In signing this statement, we acknowledge our responsibility for the information in this statement of performance expectations and confirm the appropriateness of the assumptions underlying the prospective operations and financial statements of NZTA.

Signed on behalf of the NZTA Board



Simon Bridges
Chair of NZTA Board
26 June 2024



Cassandra Crowley
Chair of the Risk and Assurance Committee
26 June 2024

What we will deliver over 2024/25

Ā mātou kawenga hei te 2024/25

Each year, our statement of performance expectations (SPE) provides a snapshot of what we will invest in and deliver over the year to achieve our 4 system outcomes: meeting current and future needs, effectively and efficiently moving people and freight, safe and environmentally sustainable. A detailed description of each system outcome, why these outcomes matter for New Zealand and how we will measure progress toward them is in our statement of intent (SOI).

In setting our performance expectations each year, we are guided by government expectations for NZTA and how these direct what we choose to invest in and deliver to achieve our system outcomes. This includes the strategic direction for the land transport system outlined by the Government Policy Statement for land transport (GPS 2024), with a summary of how the GPS directs our investment and delivery focus for each of our 4 system outcomes provided in our SOI.






Each year, we also receive a letter of expectations from the Minister of Transport. This letter, together with the GPS, also sets expectations for the ways in which we will carry out our core statutory roles, including our role as the lead transport system planner and investor. GPS 2024 and the minister's letter of expectations for 2024/25 set out these specific expectations for how we will deliver the GPS and our other obligations.

Guided by government expectations of what we will focus on and how we will perform our core statutory roles, this section sets out:

- significant capital projects, which represent our major capital investments in the land transport system
- significant activities, which capture what we want to achieve through our major programmes, strategies and initiatives each year
- output class measures, which tell us what level of performance we must achieve this year across our different types of investments.

Significant capital projects




The following tables provide a snapshot of significant capital projects and the benefits they will contribute to. These capital projects are significant in delivering strategic transport priorities outlined in GPS 2024. Different symbols represent different project benefits.

				
Resilience and access (people and freight)	Safer roads	Reduced journey times and increased travel time reliability	Better public transport	Unlocks access to housing

To learn about each project and its benefits, see nzta.govt.nz/projects

How we'll assess progress

In general, we will assess delivery of capital projects against milestones, overall progress, schedule, cost and project risk, as outlined below.

Status	Likelihood of achieving the milestones set in the SPE	Schedule (achievement of quarterly milestones)	Forecast against approved funding	Project risk
	Highly likely and 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 or critical

We will provide regular updates through the quarterly report. Quarterly reports are available at nzta.govt.nz/resources/nz-transport-agency-waka-kotahi-quarterly-report



Roads of National Significance projects

Roads of National Significance are strategic highway corridors that aim to reduce congestion, improve safety, support housing development to address New Zealand's ongoing housing crisis, boost economic growth and provide a more resilient roading network.

Planning is under way to set up a 10-year pipeline of work to ensure successful delivery for all Roads of National Significance projects. To inform this plan, projects have been grouped into 3 waves to indicate the likely NLTP period in which construction will begin. We have started work on the first wave of projects.

As we are awaiting decisions on individual projects, milestones for most projects are unavailable. Milestones will be finalised in the first quarter of 2024/25. We have identified the milestones for the following Roads of National Significance projects.



Key milestones

Project	2024/25	2025/26	2026/27
Takitimu North Link Stage 1 <i>Implementation</i> 	<ul style="list-style-type: none"> Minden Gully main alignment bridge completed. Takitimu Northbound flyover bridge completed. 	<ul style="list-style-type: none"> Minden Gully on-ramp bridge completed. Wairoa River Bridge completed. 15th Ave on-ramp bridge completed. 	<ul style="list-style-type: none"> Loop road bridge completed. Drainage works completed.
Ōtaki to North of Levin <i>Implementation</i> 	<ul style="list-style-type: none"> Detailed design commenced. Management plans and outline plans of works for construction lodged. Enabling works commenced. 	<ul style="list-style-type: none"> Project Alliance Agreement awarded. Detailed design completed. All properties acquired. Construction commenced. 	<ul style="list-style-type: none"> Construction under way.



Roads of Regional Significance projects

Roads of Regional Significance projects are strategic regional state highways that will ensure cities and regions are well connected and support a thriving economy. These projects are funded by the Crown.

Key milestones

Project	2024/25	2025/26	2026/27
O Mahurangi – Penlink <i>Implementation</i> 	<ul style="list-style-type: none"> Duck Creek Road Bridge completed. Season 2 earthworks completed. 	<ul style="list-style-type: none"> Pier 3 of Weiti Bridge completed. Pier 4 of Weiti Bridge completed. Link Road 2 (Ara Weiti Road) Bridge completed. 	<ul style="list-style-type: none"> Pier 4 pylon of Weiti Bridge completed. Surfacing SH1 to Duck Creek completed.
SH1 Papakura to Drury <i>Implementation</i> 	<ul style="list-style-type: none"> Stage 1A completed. Chorus Exchange Centre completed. Construction for Stage 1B1 commenced. Stage 1B2 detailed design completed. 	<ul style="list-style-type: none"> Flanagan Road completed. Watercare watermain cutover completed. Stage 1B2 contract awarded. 	<ul style="list-style-type: none"> Bremer and Ngakaroa Bridges completed. Drury interchange construction commenced.




Key milestones

Project	2024/25	2025/26	2026/27
SH2 Melling Transport Improvements <i>Implementation</i> 	<ul style="list-style-type: none"> Project Alliance Agreement signed. Detailed design commenced. Construction commenced. 	<ul style="list-style-type: none"> Detailed design completed. Construction continues. 	<ul style="list-style-type: none"> Construction continues.
Queenstown Package <i>Implementation</i> 	<ul style="list-style-type: none"> On-site project compound established. Off-highway stormwater and potable water reticulation and utility relocation works commenced. 	<ul style="list-style-type: none"> SH6–SH6A golf course corner works completed. 	<ul style="list-style-type: none"> Construction works into SH6–SH6A intersection area extended. Frankton bus hub expansion works commenced.



Other major projects delivered under the National Land Transport Programme

The following projects are funded by the NLTP.

Key milestones

Project	2024/25	2025/26	2026/27
Waitematā Harbour Connections <i>Detailed Business Case</i> 	<ul style="list-style-type: none"> Procurement for the next phase (for detailed investigation and route protection) completed. Design for the preferred option commenced. Site investigations commenced. 	<ul style="list-style-type: none"> Consenting design finalised. Work to prepare for lodgement of Notice of Requirement commenced. 	<ul style="list-style-type: none"> Notice of Requirements lodged. Route protection achieved.
Northwest Rapid Transit Improvements <i>Detailed Business Case and Pre-implementation</i> 	<ul style="list-style-type: none"> Westgate station construction commenced. Scheme design completed. Investment decision taken to the NZTA Board for approval. Procurement strategy for pre-implementation approved. 	<ul style="list-style-type: none"> Procurement for design for Stage 1 commenced. Design contract awarded. Consenting commenced. 	<ul style="list-style-type: none"> Westgate construction completed. Property acquisition commenced. Enabling works commenced.
Te Ara o Te Ata: Mt Messenger Bypass <i>Implementation</i> 	<ul style="list-style-type: none"> Final property acquired. Tunnel excavation completed. Bridge 1 temporary staging completed. Pest management transition implemented. 	<ul style="list-style-type: none"> Bridges 0 and 1 completed. Tunnel fit-out commenced. Pavement construction commenced. 	<ul style="list-style-type: none"> Vegetation clearance completed. Environmental mitigation planting completed. Earthworks completed.

Key milestones

Project	2024/25	2025/26	2026/27
<p>Te Ahu a Turanga: Manawatū Tararua Highway Implementation</p> 	<ul style="list-style-type: none"> Parahaki Bridge and Eco-Viaduct Bridge completed. Pavement basecourse and surfacing works completed. Practical completion achieved and highway open to traffic. 	<ul style="list-style-type: none"> Defects liability period commenced. 	<ul style="list-style-type: none"> Defects liability period for all elements ended (excluding landscape planting).
<p>Te Ara Tupua: Ngā Ūranga ki Pito-One Implementation</p> 	<ul style="list-style-type: none"> KiwiRail Traction Station building completed. Shared path bridge piling completed. Utilities and pavement works completed. 	<ul style="list-style-type: none"> All construction works substantially completed. Tawharau Pods relocated, and Honiana Te Puni Reserve reinstatement works completed. Path activation campaign for path opening ramped up. 	<ul style="list-style-type: none"> Path opened. Defects liability period commenced.

Significant activities

Our significant activities capture what we want to achieve through our major programmes, strategies and initiatives each year to contribute to our 4 system outcomes. While we have presented the significant activities under our system outcomes, the relationship between activities and outcomes is more complex with many activities contributing to several outcomes.

Significant activities should be read in conjunction with our significant capital project list, output class measure section (pages 49 to 68 and Vote Transport appropriation measures (see appendix).

Meeting current and future needs

This system outcome is an enabler of our other system outcomes and is about ensuring that the way we work enables us to meet the needs of current and future users and aligns with the priorities of GPS 2024.

In 2024/25, we will:

- 1.1 begin reporting on phase 1 of the Performance and Efficiency Plan required under GPS 2024 to drive performance and efficiency across all transport investments and continue working with the Ministry of Transport to refine the plan
- 1.2 deliver an internal effectiveness and efficiency plan aligned with the performance and efficiency plan
- 1.3 provide joint advice with the Ministry of Transport on a review of the National Land Transport Fund's (NLTF's) revenue system
- 1.4 develop a new project development approach, in response to the GPS 2024 expectation, to be in place for all Roads of National Significance projects and continually refined over the year to look for additional savings
- 1.5 implement the automatic road user charges invoicing from Weigh-in-Motion data.

Effectively and efficiently moving people and freight

This system outcome is about 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.

In 2024/25, we will:

- 2.1 investigate new funding and delivery models for major public transport and Roads of National Significance investments
- 2.2 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 to plan for Greater Wellington Regional Council and Auckland Transport
- 2.3 work with KiwiRail to develop the Rail Network Investment Programme for 2024–27
- 2.4 provide the Minister of Transport with quarterly reviews of temporary traffic management from October 2024, including total cost and cost as a percentage of works, to ensure efficiency and effectiveness is being achieved, with a focus on increasing available data in further iterations. The first report will include information for each of the 3 previous financial years
- 2.5 enable self-service actions in the NZTA app (such as viewing demerit points and changing contact details) for public use from June 2025
- 2.6 deliver the customer strategy and associated roadmap that will improve the customer experience at NZTA.

Safe

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

In 2024/25, we will:

- 3.1 work with the Ministry of Transport, New Zealand Police and our local government partners to contribute to the government's new approach to road safety, which will focus on safer roads, safer drivers and safer vehicles
- 3.2 deliver a risk-focused audit programme of our temporary traffic management process, which aims to ensure delivery partners and operational groups understand and manage their safety risks.

Environmentally sustainable

This system outcome is about reducing harm to and improving the environment, with a focus on reducing greenhouse gas emissions and climate change adaptation, including reflecting expectations on us set by the Carbon Neutral Government Programme. Further direction on where we should direct our focus in investing in this outcome will come from the government's second emissions reduction plan, once developed.

In 2024/25, we will:

- 4.1 work with the Ministry of Transport and Ministry for the Environment to support development of the second emissions reduction plan.

Output class measures and targets

NZTA is funded to deliver and invest in a variety of products, goods and services across categories known as output classes. These categories reflect the types of activities the government expects us to deliver and invest in, aligned with the activity classes set in GPS 2024 and our regulatory, planning and investment functions. We use funding to these output classes to deliver our significant activities, significant capital projects, the 2024–27 NLTP and our regulatory activities.

The following sections describe what our output classes are about, why they're important, and how we'll measure the level of service being delivered and/or invested in through each output class. They also set out the funding to each output class, including funding sources and projected and budgeted spend.

Investment in each output class can contribute to the achievement of multiple system outcomes. We've used the following key to indicate the outcomes each result contributes to.

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

Table 3 – Contribution of each output class to achievement of our system outcomes

Output class	Meeting current and future needs	Effectively and efficiently moving people and freight	Safe	Environmentally sustainable
Delivered by NZTA				
State highway improvements		●	●	
State highway pothole prevention	●		●	
State highway operations	●	●		
Safety (safety cameras and road safety promotion)			●	
Investment management	●			●
Driver licensing and testing		●	●	
Vehicle safety and certification		●	●	
Regulation of commercial transport operators			●	
Regulation of the rail transport system			●	
Revenue collection and administration	●			
Low emission vehicles			●	●
Delivered in partnership with or by our partners				
Local road improvements		●	●	
Local road pothole prevention	●		●	
Local road operations	●	●		
Public transport services		●		●
Public transport infrastructure		●		●
Safety (road traffic policing and enforcement)			●	
Rail network		●	●	●
Walking and cycling improvements		●		●

Delivered by NZTA

State highway improvements

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

What we do and the difference it makes

We plan, invest in and deliver infrastructure (including roads, roadsides and all supporting infrastructure and technology, and renewing end-of-life bridges and structures) to improve the capacity and levels of service of the state highway network. We work collaboratively with councils and other partners to support economic growth and productivity and a safe and resilient transport system, as well as to unlock access to new growth areas and transport networks, while prioritising reliable travel times and ensuring value for money in investment decisions.

How we'll measure performance

Reference	Measure	Actual 2022/23	Estimated actual 2023/24	Target 2024/25
SHI1	Proportion of state highway improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes ^{A, C}	Not applicable ^B	Not applicable ^B	80% or greater
SHI2	Proportion of state highway improvement activities funded by the Crown delivered to agreed standards and timeframes ^C	Not applicable ^B	Not applicable ^B	80% or greater

^A This is also an appropriation measure in Vote Transport (see the appendix for all appropriation measures).

^B The methodology for this measure has changed to include all large projects, which has led to an update of the target from 90% to 80% to reflect the inclusion of larger and more complex projects. The measure previously reported on only projects scheduled for practical completion during the financial year.

^C 'Agreed standards and timeframes' relates to schedule, budget and quality. Schedule is assessed by year-end achievements against milestones that are set at the beginning of the year for projects that are due for practical completion in the year. Budget is assessed by actual spend by year-end compared with financial baselines set at the beginning of the year. Quality is not an actual assessment but embedded in various gateways in managing the project.

Why we've selected these measures

SHI1 tells us whether we are delivering state highway improvements effectively against plan. This measure assesses the delivery of state highway improvement projects that are funded by the NLTF against annual milestones and budget.

SHI2 tells us whether we are delivering state highway improvements effectively against plan. This measure assesses the delivery of state highway improvement projects that are funded by the Crown against annual milestones and budget.

What this output class costs

	Projected 2023/24 \$m	Budget 2024/25 \$m
Revenue	1,854	1,849
Expenditure	1,892	1,973
Net surplus/(deficit)	(38)	(124)

State highway pothole prevention

Delivered by NZTA and funded from the National Land Transport Fund

What we do and the difference it makes

We maintain the state highway network (including roads, roadsides, supporting infrastructure and technology) to the agreed level of service. We invest in resealing, rehabilitating and drainage maintenance on the network, and address the significant rise in the number of potholes and deterioration of the network.

State highway pothole prevention provides people with reliable access to social and economic opportunities while maintaining the safety and resilience of the state highway network and responsibly managing any impacts on human health and the environment.

How we'll measure performance

Reference	Measure	Estimated actual 2023/24	Target 2024/25
SHP1	Percentage of network with resealed and resurfaced pavement	New measure ^A	2024/25: 7% or greater (1,690 lane kms) 2025/26: 8% or greater (1,931 lane kms) 2026/27: 9% or greater (2,172 lane kms)
SHP2	Percentage of network with rehabilitated pavement	New measure ^A	2024/25: 0.9% or greater (217 lane kms) 2025/26: 1.2% or greater (289 lane kms) 2026/27: 1.4% or greater (338 lane kms)
SHP3	Percentage of potholes repaired within 24 hours from being logged by contractors	New measure ^A	90% or greater
SHP4	Cost per lane kilometre pavement resealing and resurfacing	New measure ^A	Baseline to be set
SHP5	Cost per lane kilometre pavement rehabilitation	New measure ^A	Baseline to be set

^A This is a new output class established in response to GPS 2024. As none of our previous measures were relevant to the activities funded through this output class, all measures are new.

Why we've selected these measures

SHP1 tracks the percentage of state highways that have had pavement resealing and resurfacing undertaken over the financial year. It helps monitor our delivery aligned to GPS expectations.

SHP2 tracks the percentage of state highways that have had pavement rehabilitation undertaken over the financial year. It helps monitor our delivery aligned to GPS expectations.

SHP3 helps us understand and condition of the state highway network and whether it is properly maintained to prevent further deterioration in roading quality that causes potholes. This measure assesses our responsiveness to repairing potholes on the state highway network, in line with the expectations in GPS 2024.

SHP4 tracks the cost in delivering resealing and resurfacing activities. It tells us if we're effectively managing the costs aligned to GPS expectations to ensure affordability of maintenance.

SHP5 tracks the cost in delivering rehabilitation activities. It tells us if we're effectively managing the costs aligned to GPS expectations to ensure affordability of maintenance.

What this output class will cost

	Projected 2023/24 \$m	Budget 2024/25 \$m
Revenue	0	589
Expenditure	0	589
Net surplus/(deficit)	0	0

State highway operations

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

What we do and the difference it makes

We maintain and operate the state highway network (including roads, roadsides, supporting infrastructure, technology and emergency works) to the agreed levels of service. State highway operations provides people with reliable access to social and economic opportunities while managing demand and operating services to optimise utilisation across the network.

How we'll measure performance

Reference	Measure	Estimated actual 2023/24	Target 2024/25
SHO1	Percentage budget variance in state highway operations spend (excluding emergency works)	New measure ^A	Less than 5% variance

^A This is a new output class established in response to GPS 2024. As none of our previous measures were relevant to the activities funded through this output class, this measure is new.

Why we've selected these measures

SHO1 tells us if we are effectively managing our delivering of operations activities to the approved budget allocation (including controlled budget changes in-year).

What this output class costs

	Projected 2023/24 \$m	Budget 2024/25 \$m
Revenue	1,689	1,089
Expenditure	1,689	1,089
Net surplus/(deficit)	0	0

Safety

Some parts of this output class are delivered by NZTA, while others are delivered in partnership with others. See pages 66 and 67 for details of this output class in full.

Investment management

Delivered by NZTA and funded from the National Land Transport Fund

What we do and the difference it makes

We develop and manage the NLTP and plan the transport system. Key activities include managing the NLTF, supporting development of the GPS and regional land transport plans, planning for the long-term land transport system, providing investment and funding advice to the government, and assessing and monitoring investment. We also engage with the sector and develop, deliver and promote research projects.

Investment management allows us to shape the land transport system in accordance with government priorities. Minimising the cost of managing the investment funding allocation system helps us ensure our processes are efficient and effective.

How we'll measure performance

Reference	Measure	Actual 2022/23	Estimated actual 2023/24	Target 2024/25
IM1	Proportion of total cost of managing the investment funding allocation system to National Land Transport Programme expenditure ^A	0.83%	0.9%	1% or less ^B

^A This is also an appropriation measure in Vote Transport (see the appendix for all appropriation measures).

^B This target has been reduced from 1.1% to 1%. We intend to reduce to 0.9% from 2025/26 to reflect continuous improvement.

Why we've selected these measures

IM1 helps us track whether we are minimising the total costs of managing the funding allocation for the NLTP. This measure effectively shows the portion of spend for administering and managing the NLTP rather than being directly spent on outputs such as roading, rail and public transport.

What this output class will cost

	Projected 2023/24 \$m	Budget 2024/25 \$m
Revenue	97	87
Expenditure	97	87
Net surplus/(deficit)	0	0

Regulation of drivers

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

What we do and the difference it makes

We provide approved driver licensing courses, develop land transport rules for driver licensing and testing, and manage the standards and delivery of driver licensing and testing to the public, including developing and maintaining driver licensing test routes.

We assess licence holders for alcohol and other drug use, maintain the integrity of the driver licence register, and inform and advise the public on driver licensing and testing.

In addition, we educate, audit and undertake other regulatory activities with third parties, such as driver licensing and testing course providers, testing officers, alcohol interlock providers and our driver licensing agent network. We also develop and maintain resources, such as road codes, theory and practical test requirements, and testing and provider manuals.

This investment improves the safety of the land transport system by ensuring that drivers meet and maintain required safety standards. Our work ultimately contributes to safe, competent and legal drivers, builds public confidence in the licensing system, and enhances access to the social and economic opportunities associated with being able to drive.

How we'll measure performance

Reference	Measure	Actual 2022/23	Estimated actual 2023/24	Target 2024/25
DLT1	Proportion of non-compliance actions for driver licence course providers and testing officers that are progressed within acceptable timeframes ^A	98%	100%	95% or greater
DLT2	Proportion of practical tests taken within 30 working days of booking	84%	Not available	Greater than 90% ^B
DLT3	Number of compliance monitoring activities for driver licensing, testing course providers and driver testing officers ^C	New measure	Not applicable	400 or greater

^A 'Progressed within acceptable timeframes' means non-compliance actions are managed towards resolution in line with the NZTA regulatory case management guidelines and processes, which provide recommended timeframes and courses of action based on the risk priority of each case.

^B We've revised the target to reflect continuous improvement in line with government expectation.

^C The scope of this measure has been broadened increase oversight of regulatory activity across the driver licensing sector by capturing our monitoring of driver testing officers as well as our monitoring of course providers. The measure description and target have been updated to reflect these changes. Due to the changes in methodology, previous results are not comparable.

Why we've selected these measures

DLT1 evaluates the effectiveness of non-compliance management for driver licence course providers and testing officers. Non-compliance actions include investigations, reviews and audits, managed in accordance with NZTA regulatory case management guidelines and processes that specify recommended timeframes and courses of action based on the level of risk.

DLT2 shows us how well we're servicing our customers and supporting safety outcomes by ensuring learner drivers who wish to progress through the licensing system can access practical testing in a timely manner. The target reflects the need to increasingly ensure timely access to practical testing while acknowledging that some people may choose to book a test more than 30 days in advance.

DLT3 focuses on ensuring that driver licensing and testing course providers comply with regulations and standards set by NZTA. Compliance activities include audits, inspections, and other regulatory actions aimed at ensuring course providers are delivering driver licensing courses that meet the required safety standards and operating within the rules and regulations set by NZTA.

What this output class will cost

	Projected 2023/24 \$m	Budget 2024/25 \$m
Revenue	90	81
Expenditure	89	87
Net surplus/(deficit)	1	(6)

Regulation of vehicles

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

What we do and the difference it makes

Our role is to ensure vehicles on the roads are safe and compliant through vehicle registration, licensing, standards and certification. We develop rules, standards and guidelines for vehicle inspection and certification, appoint inspectors and inspecting organisations, monitor their performance, investigate complaints, and take action against those who do not meet required standards.

We revoke certification of unsafe or illegal vehicles and manage the delivery of motor vehicle registration and licensing services to the public. We maintain the integrity of the motor vehicle register and related systems, authorise and manage third-party access to registry information, and provide advice and information to the public on regulatory requirements.

By ensuring vehicles on New Zealand roads are safe and maintaining the integrity of vehicle registration and certification systems, these activities protect the public and promote trust in the transport system.

How we'll measure performance

Reference	Measure	Actual 2022/23	Estimated actual 2023/24	Target 2024/25
VSC1	Proportion of non-compliance actions for vehicle inspecting organisations, vehicle certifiers and vehicle inspectors that are progressed within acceptable timeframes ^A	99%	99%	95% or greater
VSC2	Number of compliance monitoring activities completed for inspecting organisations and vehicle inspectors	New measure	4,800	3,500 or greater

^A 'Progressed within acceptable timeframes' means non-compliance actions are managed towards resolution in line with the NZTA regulatory case management guidelines and processes, which provide recommended timeframes and courses of action based on the risk priority of each case.

Why we've selected these measures

VSC1 provides insight into how well our non-compliance management efforts promote compliance among vehicle safety and certification organisations.

VSC2 measures our effectiveness in ensuring compliance and safety of vehicles through the implementation and monitoring of vehicle registration, licensing, standards and certification.

What this output class will cost

	Projected 2023/24 \$m	Budget 2024/25 \$m
Revenue	107	113
Expenditure	106	109
Net surplus/(deficit)	1	4

Regulation of commercial transport operators

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

What we do and the difference it makes

We oversee the safety and compliance of commercial transport operators. Our main functions include developing and enforcing regulations and safety standards, licensing and maintaining a register of qualified operators, monitoring compliance through on-road electronic monitoring, investigating and prosecuting non-compliant operators, informing and educating operators and the public about their obligations, and administering permits for oversized and overweight vehicles.

Effective regulation of commercial transport operators helps to ensure the safety and reliability of commercial transport services and protects the public.

How we'll measure performance

Reference	Measure	Actual 2022/23	Estimated actual 2023/24	Target 2024/25
CTO1	Proportion of non-compliance actions for commercial operators that are progressed within acceptable timeframes ^A	100%	100%	95% or greater
CTO3	Proportion of transport service licences and permitting applications completed within the specified timeframes ^B	New measure	96%	95% or greater
CTO4	Total number of random sample compliance monitoring activities, to provide a system-level view of compliance rates across the commercial transport operator sector	New measure	New measure	381 or greater ^C

^A 'Progressed within acceptable timeframes' means non-compliance actions are managed towards resolution in line with the NZTA regulatory case management guidelines and processes, which provide recommended timeframes and courses of action based on the risk priority of each case.

^B 'Specified timeframes' are clearly defined periods within which these applications are expected to be processed (available at nzta.govt.nz/commercial-driving/transport-service-licences).

^C This measure has replaced the previous measure "Number of compliance monitoring activities for commercial transport service licence holders and commercial drivers (classes 2-5)" to better monitor our compliance activities. The target reflects the number of compliance monitoring activities we need to complete to provide a confidence level of at least 95%.

Why we've selected these measures

CTO1 evaluates the effectiveness of our management of non-compliance actions on the commercial transport sector, with a focus on high-risk individuals and businesses. Non-compliance actions include investigations, reviews and audits, managed in accordance with NZTA regulatory case management guidelines and processes that specify recommended timeframes and courses of action based on the level of risk.

CTO3 reflects our commitment to ensuring timely processing and approvals of transport service licences and permitting applications, which is essential for delivering efficient services to commercial transport operators. By tracking the proportion of transport service licences and permitting applications completed within the service level agreement timeframes we can evaluate the efficiency and effectiveness of our regulatory application processing activities and identify areas for improvement.

CTO4 provides insight into the effectiveness of monitoring activities used to identify non-compliance and where enforcement efforts need to be instigated. Random sample monitoring gives us the greatest level of assurance over system-level compliance. This will identify areas where additional resources are required to improve compliance rates and mitigate non-compliance risks.

What this output class will cost

	Projected 2023/24 \$m	Budget 2024/25 \$m
Revenue	21	25
Expenditure	19	18
Net surplus/(deficit)	2	7

Regulation of the rail transport system

Delivered by NZTA and funded from fees and charges

What we do and the difference it makes

We are responsible for regulating the rail transport system to ensure the safety and security of passengers and the public. Our main functions include managing entry to and exit from the rail system through licensing and restrictions, approving and varying safety cases, and setting safety standards for infrastructure, vehicles and practices. We also assess compliance with safety cases and standards, investigate safety accidents and prosecute breaches of the Railways Act 2005.

We monitor risks and the overall level of safety in the rail system and provide advice and information to stakeholders and the public on rail system safety. If safety breaches occur, we direct improvements or impose restrictions to ensure risks are minimised.

Effective regulation of rail participants helps to maintain a high level of safety in the rail transport system, giving the public confidence in its reliability and security – both for people now and for future generations.

How we'll measure performance

Reference	Measure	Actual 2022/23	Estimated actual 2023/24	Target 2024/25
RTS1	Proportion of non-compliance actions for rail participants that are progressed within acceptable timeframes ^A	96%	93%	95% or greater
RTS2	Number of compliance monitoring activities completed for rail licence holders	New measure	51	50 or greater
RTS3	Proportion of ordinary safety assessments completed for rail licence holders within specified timeframes ^B	New measure	100%	95% or greater

^A 'Progressed within acceptable timeframes' means non-compliance actions are managed towards resolution in line with the NZTA regulatory case management guidelines and processes, which provide recommended timeframes and courses of action based on the risk priority of each case.

^B 'Specified timeframes' are clearly defined periods within which these applications are expected to be processed (available at nzta.govt.nz/commercial-driving/transport-service-licences).

Why we've selected these measures

RTS1 evaluates our ability to manage non-compliance in the rail transport sector by focusing on ensuring that non-compliance actions for rail participants are progressed within acceptable timeframes and that overdue remedial actions are being escalated appropriately in accordance with the Railways Act 2005.

RTS2 provides insight into the effectiveness of rail operators' safety management systems and safety cases by tracking the total number of compliance monitoring activities completed by Waka Kotahi during the reporting period. Compliance monitoring activities include rail participant ordinary safety assessments, special safety assessments, and Waka Kotahi investigations initiated under the Railways Act 2005.

RTS3 evaluates our ability to conduct ordinary safety assessments for rail licence holders in a timely manner. By completing ordinary safety assessments within the specified timeframes, NZTA can help to ensure that rail licence holders are operating safely and in compliance with regulations.

What this output class will cost

	Projected 2023/24 \$m	Budget 2024/25 \$m
Revenue	3	3
Expenditure	3	4
Net surplus/(deficit)	0	(1)

Revenue collection and administration

Delivered by NZTA and funded from fees and charges and the National Land Transport Fund

What we do and the difference it makes

We're responsible for collecting and administering various revenue streams related to transportation and clean vehicle initiatives in New Zealand.

Our tasks include:

- collecting and refunding road user charges revenue, investigating evasion, enforcing payment, and informing and advising the public about road user charges
- collecting road tolling revenue, investigating evasion, enforcing payment, managing associated systems and interfaces, and informing and advising the public about road tolls
- collecting and paying regional fuel tax rebates to fund regional projects, audit compliance, and reporting fuel prices and volumes
- refunding and accounting for fuel excise duty claims related to off-road fuel use
- in administering clean vehicle schemes, collecting fees and paying rebates, verifying eligibility criteria, processing refunds, guarding against fraudulent activity, and responding to non-compliant behaviour.

This investment allows us to collect revenue fairly and in accordance with the law to invest in a safe, resilient and accessible transport system.

How we'll measure performance

Reference	Measure	Actual 2022/23	Estimated actual 2023/24	Target 2024/25
REV1	Proportion of unpaid road user charges identified through investigations and assessments that are collected ^A	81%	Not available	65% or greater
REV2	Proportion of refunds processed within 20 working days	New measure	100%	85% or greater
REV3	Number of road user charges compliance monitoring activities completed for all road users	New measure	250	200 or greater ^B

^A This is also an appropriation measure in Vote Transport (see the appendix for all appropriation measures).

^B This target has been updated from 90 to 200 or greater to reflect increased productivity and our strengthened approach to regulating compliance with road user charges.

Why we've selected these measures

REV1 tracks our efficiency and effectiveness in our road user compliance monitoring, debt collection and recovery activities, which help ensure fees are collected in a fair and equitable way.

REV2 tracks the efficiency and effectiveness of the refund processing system by evaluating the proportion of road user charges, fuel excise duty and regional fuel tax refund applications processed and decided within 20 working days of receipt, excluding rejected, queried or audited applications.

REV3 provides insight into our regulatory efforts and enforcement activities by tracking the number of compliance activities completed related to road user charges. These activities include investigations, reviews and audits aimed at ensuring compliance with relevant legislation and regulations, as well as preventing evasion of road user charges.

What this output class will cost

	Projected 2023/24 \$m	Budget 2024/25 \$m
Revenue	60	61
Expenditure	63	71
Net surplus/(deficit)	(3)	(10)

Low emission vehicles

Delivered by NZTA and funded from the Crown

What we do and the difference it makes

We administer and operate the Clean Car Standard that supports the decarbonisation of the light vehicle fleet by encouraging the uptake of low and zero emissions light vehicles. Decarbonising the light vehicle fleet is critical for reducing transport emissions in line with the government's emissions reductions plan.

How we'll measure performance

Reference	Measure	Actual 2022/23	Estimated actual 2023/24	Target 2024/25
CCS1	Proportion of vehicle imports with CO ₂ and importer information, allowing robust measurement against national CO ₂ targets	100%	100%	100%

Why we've selected these measures

CCS1 enables measurement of vehicles' carbon dioxide (CO₂) values against set targets. The measure supports the Ministry of Transport's ability to set targets for the reduction of CO₂ across New Zealand's fleet.

What this output class will cost

	Projected 2023/24 \$m	Budget 2024/25 \$m
Revenue	173	6
Expenditure	173	6
Net surplus/(deficit)	0	0

Delivered in partnership with or by our partners

Local road improvements

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

What we invest in and the difference it makes

We co-invest in infrastructure (including roads, roadsides and all supporting infrastructure and technology, and renewing end-of-life bridges and structures) to improve the capacity and levels of service of local roads. We plan collaboratively with councils to support economic growth and productivity and a safe and resilient transport system, while prioritising reliable travel times and ensuring value for money in investment decisions.

How we'll measure performance of our investment

Reference	Measure	Actual 2022/23	Estimated actual 2023/24	Target 2024/25
LR11	Proportion of local road improvement activities funded by the National Land Transport Fund delivered to agreed timeframes ^{A, B}	66%	Not available	80% or greater

^A This is also an appropriation measure in Vote Transport (see the appendix for all appropriation measures).

^B 'Standards' has been removed from the description to reflect better what is being measured. 'Agreed timeframes' applies to projects classified as in the pre-implementation or the implementation/construction phase that are due to be completed in the relevant financial year.

Why we've selected these measures

LR11 tells us whether we are effectively managing our investments on local road improvements with councils. This measure assesses the delivery by councils of local road improvement activities against standards and timeframes.

What this output class will cost

	Projected 2023/24 \$m	Budget 2024/25 \$m
Revenue	246	258
Expenditure	246	258
Net surplus/(deficit)	0	0

Local road pothole prevention

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

What we invest in and the difference it makes

We co-invest in the maintenance of the local road network (including roads, roadsides, and all supporting infrastructure and technology) to the appropriate levels of service. Maintenance activities include resealing, rehabilitating and drainage maintenance on the local road network, and addressing the significant rise in the number of potholes and deterioration in the local road network. Local road pothole prevention maintains a safe and resilient network, so people can access social and economic opportunities.

How we'll measure performance of our investment

Reference	Measure	Estimated actual 2023/24	Target 2024/25
LRP1	Percentage of sealed network with resealed and resurfaced pavement	New measure ^A	2024/25: 4% or greater (4,275 lane kms) 2025/26: 4% (4,275 lane kms) 2026/27: 4.5% (4,810 lane kms)
LRP2	Percentage of sealed network with rehabilitated pavement	New measure ^A	2024/25: 0.2% or greater (215 lane kms) 2025/26: 0.2% (215 lane kms) 2026/27: 0.25% (265 lane kms)
LRP3	Cost per lane kilometre pavement resealing and resurfacing	New measure ^A	Less than \$95,000 ^B
LRP4	Cost per lane kilometre pavement rehabilitation	New measure ^A	Less than \$1,100,000 ^B
LRP5	Proportion of travel on smooth roads	New measure ^A	86% or greater

^A This is a new output class established in response to GPS 2024. As none of our previous measures were relevant to the activities funded through this output class, all measures are new.

^B Including 2% inflation for the second and third NLTP year.

Why we've selected these measures

LRP1 tracks the percentage of sealed local roads that have had pavement resealing and resurfacing undertaken over the financial year to help us monitor our delivery of GPS 2024 expectations. We've set the targets for the next 3 years to be consistent with ambition in GPS 2024.

LRP2 tracks the percentage of sealed local roads that have had pavement rehabilitation undertaken over the financial year to help us monitor our delivery aligned of GPS 2024 expectations. We've set the targets for the next 3 years to be consistent with ambition in GPS 2024.

LRP3 tracks the investment cost in delivering resealing and resurfacing activities. It tells us if the costs are effectively managed in line with GPS 2024 expectations to ensure affordability of maintenance.

LRP4 monitors the investment cost in delivering rehabilitation activities. It tells us if the costs are effectively managed in line with GPS 2024 expectations to ensure affordability of maintenance.

LRP5 helps us understand the performance of local roads against the money invested, ensuring access from local roads to nationally important connections. This measure is the percentage of vehicle kilometres travelled on sealed roads with roughness below a defined upper threshold level (that is, smoother than a nominated surface texture standard).

What this output class will cost

	Projected 2023/24 \$m	Budget 2024/25 \$m
Revenue	0	579
Expenditure	0	579
Net surplus/(deficit)	0	0

Local road operations

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

What we invest in and the difference it makes

We co-invest in the maintenance and operation of the local road network (including roads, roadsides and all supporting infrastructure and technology) to the appropriate levels of service. Operational activities include managing demand and operating services to optimise utilisation across the network. This output class provides New Zealanders with reliable access to social and economic opportunities while maintaining the safety and resilience of the local road network.

How we'll measure performance of our investment

Reference	Measure	Estimated actual 2023/24	Target 2024/25
LRO1	All councils have a network asset management plan maintained to agreed standards	New measure ^A	Achieved
LRO2	Proportion of local road operations spend (excluding emergency works) delivered within agreed budget	New measure ^A	95% or greater

^A This is a new output class established in response to GPS 2024. As none of our previous measures were relevant to the activities funded through this output class, all measures are new.

Why we've selected these measures

LRO1 helps us understand if all councils maintain their network asset management plan to the standards agreed with Road Efficiency Group Te Ringa Maimoa.

LRO2 tells us if the operations activities on the local road network, co-funded by the NLTF, are delivered effectively, which contributes to optimising the level of service and whole-of-life costs. Agreed budget refers to the approved allocation at the start of each financial year.

What this output class will cost

	Projected 2023/24 \$m	Budget 2024/25 \$m
Revenue	1,349	707
Expenditure	1,349	707
Net surplus/(deficit)	0	0

Public transport services

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

What we invest in and the difference it makes

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

Public transport improves travel choices, increases access to employment, education and social opportunities, eases congestion, and supports vibrant and liveable urban communities and effective land use. The Total Mobility scheme increases equity of access for mobility-impaired people, and the SuperGold scheme improves access to social and health opportunities for older people.

How we'll measure performance of our investment

Reference	Measure	Actual 2022/23	Estimated actual 2023/24	Target 2024/25
PTS1	Number of boardings on public transport services ^{A, B}	129 million	158 million	Greater than 129 million
PTS2	Reliability of public transport services ^C	83%	Not available	Greater than 83%

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

^B This is also an appropriation measure in Vote Transport (see the appendix for all appropriation measures).

^C This measure is the proportion of scheduled services that were completed in full. Only services that left the origin stop within 59 seconds early or 4 minutes 59 seconds late that also completed the trip to destination are included as a pass.

Why we've selected these measures

PTS1 helps us track whether the public transport activities invested in by NZTA, delivered by local authorities and funded from the NLTF are helping to increase uptake. This measure is the sum of all public transport passenger boardings by bus, train and ferry across all regions.

PTS2 monitors service levels around reliability because reliable public transport services will increase their attractiveness to users. This measure is the proportion of scheduled services that were completed in full. An increase in services completed represents an improvement in reliability performance.

What this output class will cost

	Projected 2023/24 \$m	Budget 2024/25 \$m
Revenue	687	722
Expenditure	687	722
Net surplus/(deficit)	0	0

Public transport infrastructure

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

What we invest in and the difference it makes

We co-invest with approved organisations in bus, ferry and rail public transport infrastructure improvements to deliver safe and effective public transport services. We also co-invest in improvements to the metro rail network by KiwiRail under contract to approved organisations.

Public transport improves travel choices, increases access to employment, education and social opportunities, eases congestion, and supports vibrant and liveable urban communities and effective land use. Investing in infrastructure improvements for public transport improves the safety, reliability, resilience and effectiveness of services, and makes public transport more attractive to users.

How we'll measure performance of our investment

Reference	Measure	Actual 2022/23	Estimated actual 2023/24	Target 2024/25
PTS1	Number of boardings on public transport services ^{A, B}	129 million	158 million	Greater than 129 million
PT11	Punctuality of metro rail services ^B	82%	Not available	95% or greater

^A This is also a performance measure for the public transport services output class.

^B This is also an appropriation measure in Vote Transport (see the appendix for all appropriation measures).

Why we've selected these measures

PTS1 is also a performance measure under the public transport services output class (see page 64).

PT11 monitors service levels around punctuality because punctual public transport services are more attractive to users. A decline in punctuality is an indication of increasing infrastructure failures.

What this output class will cost

	Projected 2023/24 \$m	Budget 2024/25 \$m
Revenue	539	618
Expenditure	539	618
Net surplus/(deficit)	0	0

Safety

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

What we invest in and the difference it makes

We invest in road policing through the Road Safety Partnership Programme, which takes a risk-based approach that targets activity at high-risk behaviours, alongside highly visible patrols to support and encourage safe driving behaviour. We also deliver nationally consistent and coordinated road safety promotion activities, including the vehicle safety programme as well as national, regional and local road safety education and advertising campaigns and initiatives. Other output classes also deliver and invest in activities with safety outcomes.

How we'll measure performance of our investment

Reference	Measure	Estimated actual 2023/24	Target 2024/25
SFY1	Number of passive breath tests conducted	New measure ^A	3.3 million or greater
SFY2	Number of hours mobile cameras are deployed	New measure ^A	67,000 or greater
SFY3	Proportion of road safety advertising campaigns that meet or exceed their agreed success criteria	New measure ^A	86% or greater

^A This is a new output class established in GPS 2024. As none of our previous measures were relevant to the activities funded through this output class, all measures are new.

Why we've selected these measures

SFY1 tracks the total number of breath tests conducted under the Road Safety Partnership Programme and whether this meets targeted service levels we fund New Zealand Police for through the NLTF.

SFY2 tracks the number of hours that mobile cameras are deployed and whether this meets targeted service levels we fund New Zealand Police for through the NLTF. This measure is the total number of hours mobile speed cameras are in operation while deployed in mobile speed camera vehicles. This is conducted by New Zealand Police under the Road Safety Partnership Programme.

SFY3 tells us whether road safety advertising campaigns are doing the fundamental job of communicating their intended message, on the basis that awareness and understanding of a road safety message is a pre-condition to changing attitudes and behaviours in a positive way. This measure assesses effectiveness of different aspects of campaigns, such as message take out and unprompted recall.

What this output class will cost

	Projected 2023/24 \$m	Budget 2024/25 \$m
Safety		
Revenue	135	81
Expenditure	133	81
Net surplus/(deficit)	2	0

	Projected 2023/24 \$m	Budget 2024/25 \$m
Road policing		
Revenue	426	438
Expenditure	426	438
Net surplus/(deficit)	0	0

Rail network

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

What we invest in and the difference it makes

We support KiwiRail to deliver the first Rail Network Investment Programme, which sets out rail activities that will be funded from the NLTF over 3 years (2024/25 to 2026/27). With KiwiRail, we monitor the delivery of the programme and report to the Minister of Transport on progress.

Rail network activities enable the development of a resilient and reliable rail network, which improves safety and supports freight movement in a mode-neutral system by providing choice to companies and customers. Improving the rail network also contributes to reduced congestion and emissions.

How we'll measure performance of our investment

Reference	Measure	Actual 2022/23	Estimated actual 2023/24	Target 2024/25
RN1	Amount of freight carried by rail (net tonne kilometres) ^A	3,928	4,050	4,170 or greater ^B
RN2	Freight travel time reliability	83%	90%	90% or greater

^A This is also an appropriation measure in Vote Transport (see the appendix for all appropriation measures).

^B This target has changed from 4,460 to 4,170 to reflect the annual update that aligns with the NLTP 3-year period. Net tonne kilometres is the sum of the tonnes carried multiplied by the distance travelled.

Why we've selected these measures

RN1 tells us whether our investment in rail is helping to support more freight being carried by rail and whether the network is being restored to a more resilient and reliable state.

RN2 tells us whether freight trains are keeping to the schedule and making freight transport by rail an attractive option. This measure is the proportion of priority freight service trips that arrive within 30 minutes of their scheduled arrival time. The result of this measure is dependent on the levels of investment made by KiwiRail on locomotives.

What this output class will cost

	Projected 2023/24 \$m	Budget 2024/25 \$m
Revenue	652	373
Expenditure	652	373
Net surplus/(deficit)	0	0

Walking and cycling improvements

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

What we invest in and the difference it makes

We co-invest in maintaining the existing walking and cycling network and developing new walking and cycling pathways where there is either clear benefit for increasing economic growth or for improving safety where demonstrated volumes of pedestrians and cyclists already exist.

This investment encourages people to walk and cycle, helps improve pedestrian and cyclist safety, and contributes to reduced congestion and emissions. As active travel modes, walking and cycling also promote health and wellbeing.

How we'll measure performance of our investment

Reference	Measure	Estimated actual 2023/24	Target 2024/25
WCI1	Proportion of cycleways, pathways and shared paths delivered against what was funded	Not applicable	80% or greater
WCI2	National average change in cycling rate	Not applicable	Increase from the previous year
WCI3	National average change in walking rate	Not applicable	Increase from the previous year

^A These measures were unable to be reported in previous years due to data and methodology issues. We've solved the issues and updated the methodology and targets accordingly. The measure description of WCI2 and WCI3 has also changed to reflect what will be reported from 2024/25 (previous description was 'cycling count in main urban areas' and 'walking count in main urban areas').

Why we've selected these measures

WCI1 tells us whether we are managing our programme of work effectively to increase the proportion of walking and cycling facilities delivered against what was funded. It shows delivery of infrastructure against funding provided not the change to the cycle network

WCI2 and **WCI3** indicate if investments in infrastructure and other activities are supporting the uptake of cycling and walking trips across New Zealand. These measures assess the national uptake of cycling and walking trips using cycle and pedestrian counts collected by automated continuous counters located across 15 regions. We expect the uptake of trips will increase over time as a result of population growth and/or well-maintained cycling and walking infrastructure. Increasing cycling and walking helps reducing congestion on the road network which contributes to increasing economic growth.

What this output class will cost

	Projected 2023/24 \$m	Budget 2024/25 \$m
Revenue	303	203
Expenditure	303	203
Net surplus/(deficit)	0	0

Use of the National Land Transport Fund

Te whakamahi i te Tahua Tūnuku o te Motu

NZTA allocates and invests the NLTF and develops the NLTP to give effect to the GPS. The GPS sets out the government’s priorities for land transport and the results it wishes to achieve through the allocation of funding from the NLTF.

This section describes:

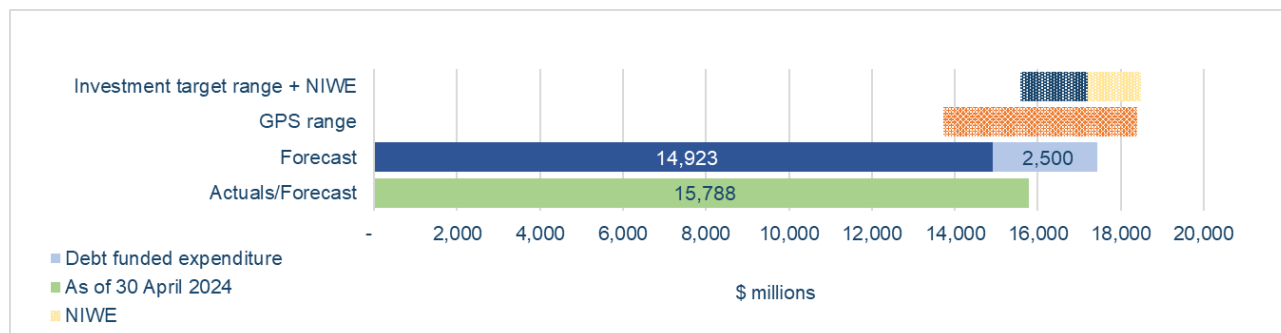
- NLTF expenditure against planned levels for the 2021–24 NLTP
- planned use of the NLTF for the 2024–27 NLTP.

The 2021–24 NLTP assumed the use of an additional \$2 billion in debt. The debt and use of \$500 million short-term facilities have been utilised and apportioned to support expenditure on the basis of 3-year investment targets approved by the NZTA Board when the 2021–24 NLTP was adopted and subsequently adjusted in September 2022. Due to the damage caused by the North Island weather events in January and February 2023, additional funding of \$1,796 million (2023/24: \$1,043 million, 2024/25: \$753 million) was provided by the Crown to the NLTF to be used in post-event response and recovery. This was on top of the \$250 million provided by the Crown in the 2022/23 financial year. Significant further work is required in 2024–27. This additional Crown funding into the NLTF has had the effect of pushing spend over the top of the GPS activity class ranges for state highway maintenance and local road maintenance.

The following charts illustrate how the NLTF allocation and commitments are progressing for the 2021–24 NLTP and each activity class. The charts show the current forecast spend for the NLTF over the 2021–24 NLTP compared with the GPS ranges and actual expenditure to 30 April 2024. The charts exclude the impact of non-NLTF Crown funding received for specific projects such as Major Crown investment projects (MCIP).

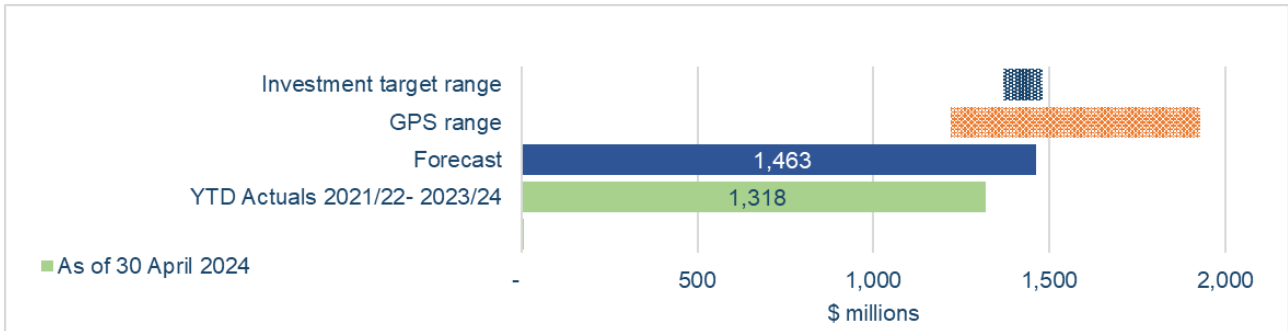
The investment targets set at the start of the 2021–24 NLTP were revised in September 2022. Revenue is forecast to be approximately \$510 million lower due to COVID-19 related lockdowns and other changes in economic conditions. NZTA is also expecting to deliver fewer activities but with those activities being at a higher cost given COVID-19–related delays and significant inflationary pressures.

Overall use of the National Land Transport Fund 2021–24



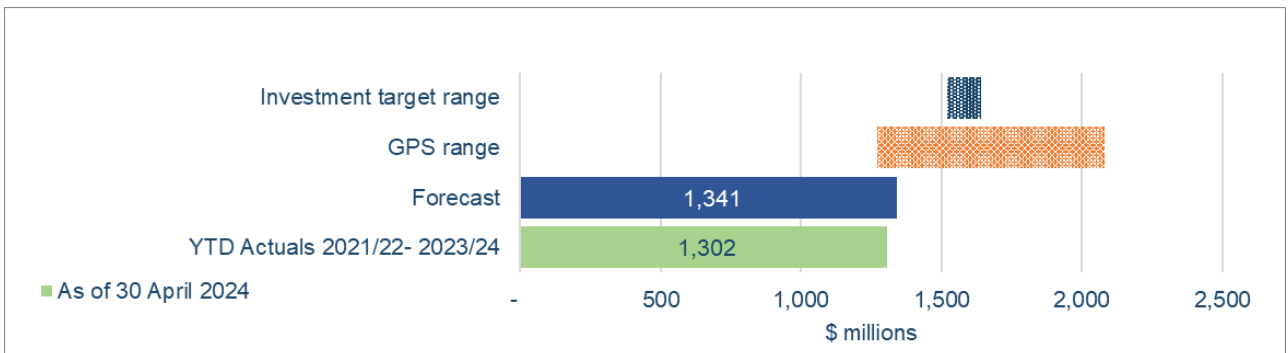
Debt-funded expenditure includes the use of the \$2 billion facility and \$500 million short-term facilities. The debt funding is available for use for any NLTF spend. Actuals from 1 July 2021 until 30 April 2024 include debt-funded expenditure. At that date, \$1.8 billion of the debt facilities have been used. We will have fully drawn down the full \$2.5 billion in loans by 30 June 2024. The investment target range includes the North Island weather event funding.

Public transport services



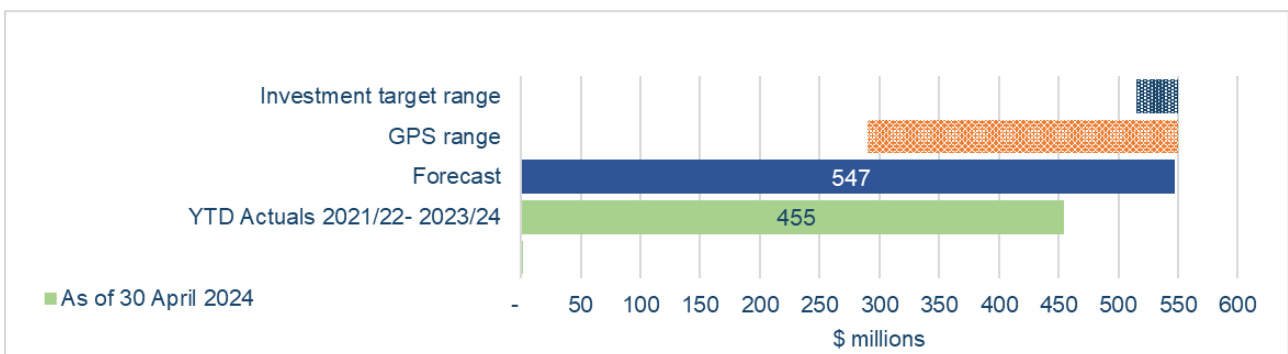
Expenditure to 30 April 2024 for public transport services is slightly behind budget. The current forecast is within the GPS range. This forecast includes \$140 million provided by the Crown for COVID-19 support. The \$140 million was shared between the NLTF and approved organisations.

Public transport infrastructure



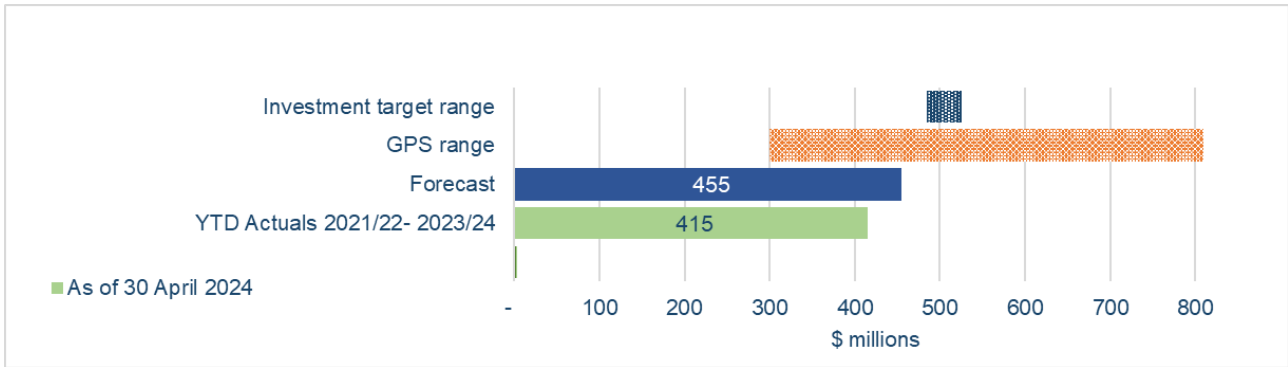
Expenditure to 30 April 2024 for public transport infrastructure is on target. Project delays and uncertainties are being monitored closely to assess the potential impact on forecast spend compared with the activity class investment target. This activity class has several large projects. Changes in one of the large project schedules or costs could significantly affect performance against the target.

Walking and cycling



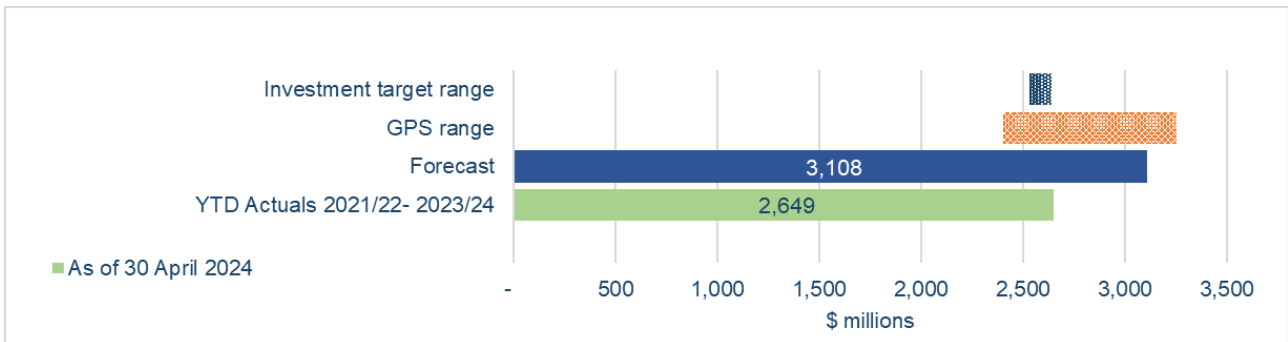
Expenditure to 30 April 2024 for walking and cycling is slightly behind budget. The forecast is heavily dependent on spend on the Ngā Ūranga to Pito-One to (Ngauranga to Petone) walking and cycle path.

Local road improvements



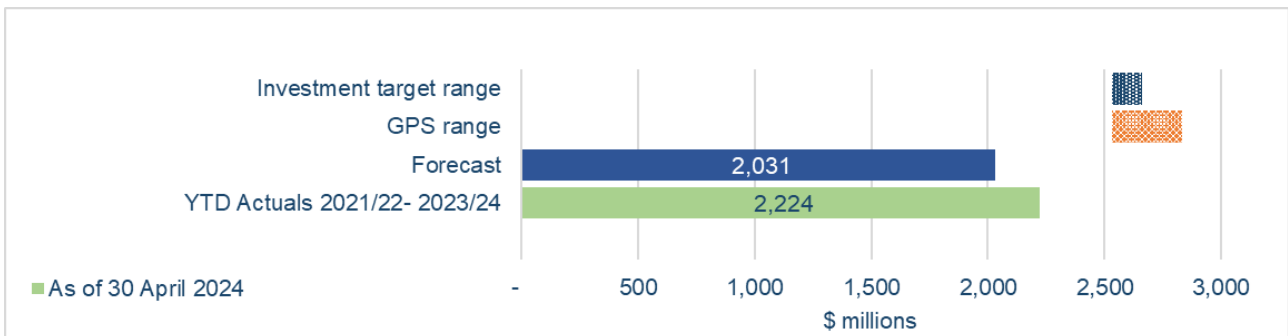
Expenditure to 30 April 2024 for local road improvements is slightly below budget. The current 3-year forecast indicates expenditure in the lower-middle of the GPS range.

State highway improvements



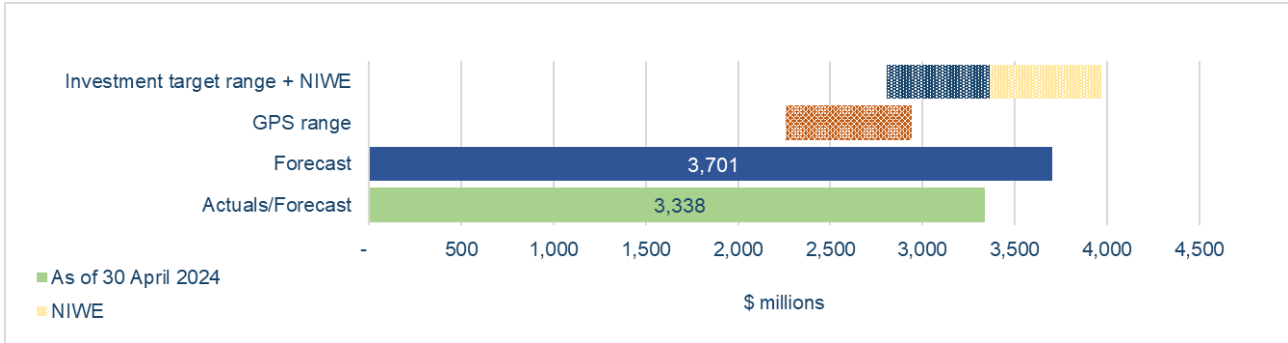
Expenditure to 30 April 2024 for state highway improvements is on target with the 3-year view falling in the lower end of the GPS range. Expenditure has been affected by additional COVID-19-related costs and cost escalations. Most of the spend in this activity class related to construction activity that was committed in prior NLTPs.

Road to Zero (including road policing)



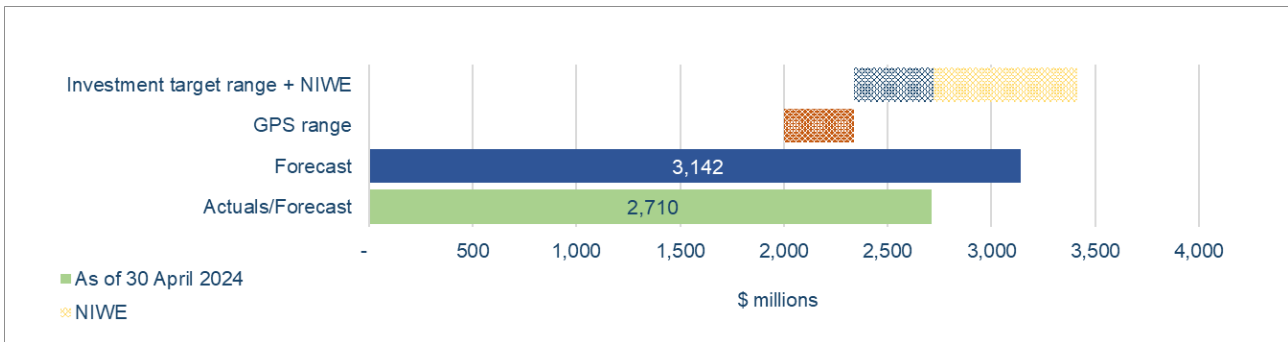
Expenditure to 30 April 2024 for Road to Zero is slightly behind budget. The 3-year forecast is currently below the bottom of the GPS range and may not reach the bottom of the activity class. This is due to slower progress and spend on safety infrastructure programmes by NZTA and approved organisations as well as slower spend on the safety camera network. The Road to Zero activity class includes road policing (funding provided to New Zealand Police), road safety promotion and infrastructure safety programmes delivered by NZTA and approved organisations. It includes the costs of the transfer of the safety camera system to NZTA from New Zealand Police.

State highway maintenance



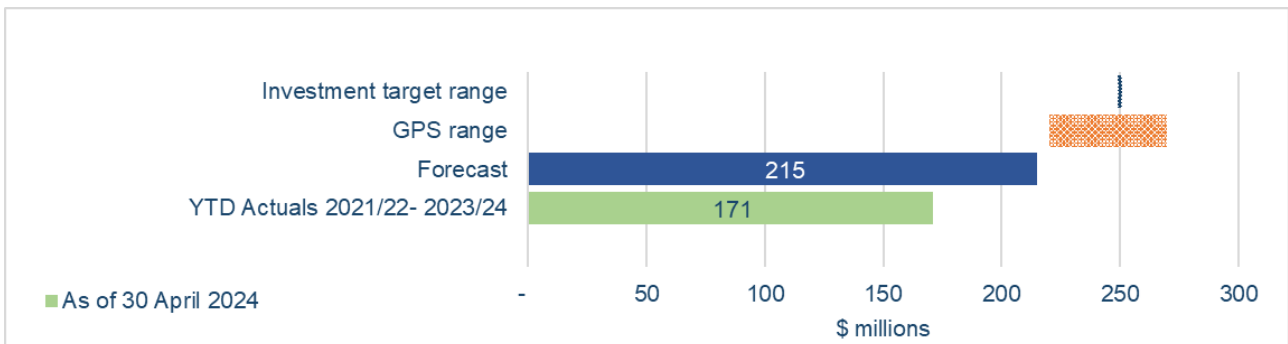
Expenditure to 30 April 2024 for state highway maintenance is on target. The 3-year forecast is above the GPS range. The cost of works following the North Island weather events and other emergency works are driving the high forecast together with a significant programme of maintenance works.

Local road maintenance



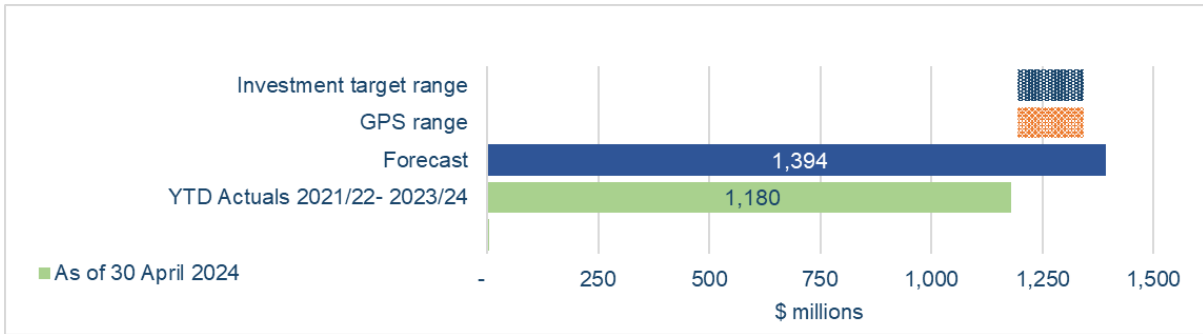
Expenditure to 30 April 2024 for local road maintenance is on budget with the 3-year forecast above the GPS range. The costs of emergency works including for the North Island weather events are driving the high forecast.

Investment management



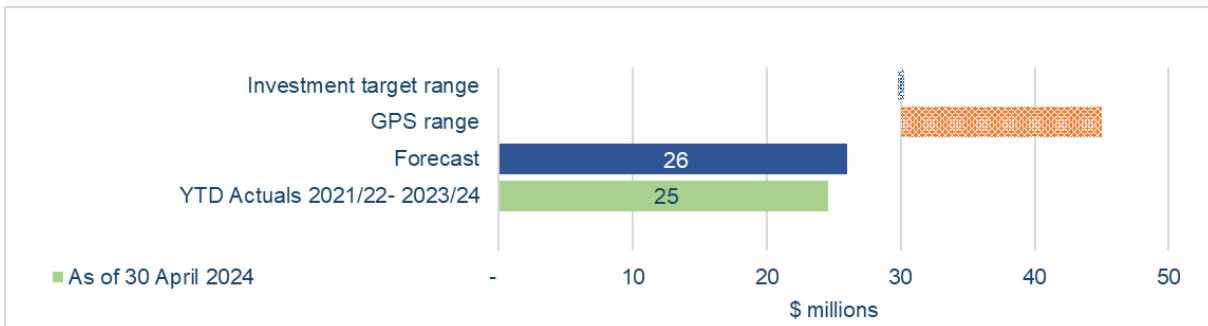
Expenditure to 30 April 2024 for investment management is below the budget with the 3-year forecast falling toward the lower end of the GPS range.

Rail network



Expenditure to 30 April 2024 for rail network is below budget due to ongoing supply issues affecting the delivery of renewal work. The 3-year forecast shows the activity class running slightly above the upper end of the GPS range. This activity class includes NLTF and Crown-funded expenditure on the Rail Network Investment Programme.

Coastal shipping



Expenditure to 30 April 2024 for coastal shipping amounted to \$23 million. The first year focused on procurement activities, which were successfully completed with 4 suppliers engaged. The 3-year forecast is under the GPS range, due to one supplier withdrawing from planned activity. This activity class is discontinued in GPS 2024.

Planned use of the 2024–27 National Land Transport Fund

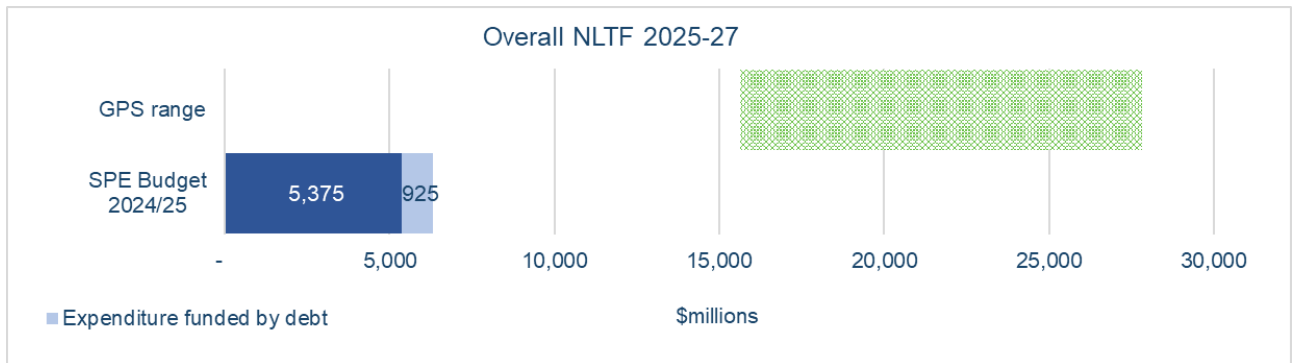
GPS 2024 sets out the government’s priorities for land transport and the results it wishes to achieve through the allocation of funding from the NLTF. It sets funding ranges for 12 activity classes.

Compared with GPS 2021, the state highway and local road maintenance activity classes have been split into pothole repairs and operations and the Road to Zero activity class has been disestablished and replaced by the safety activity class.

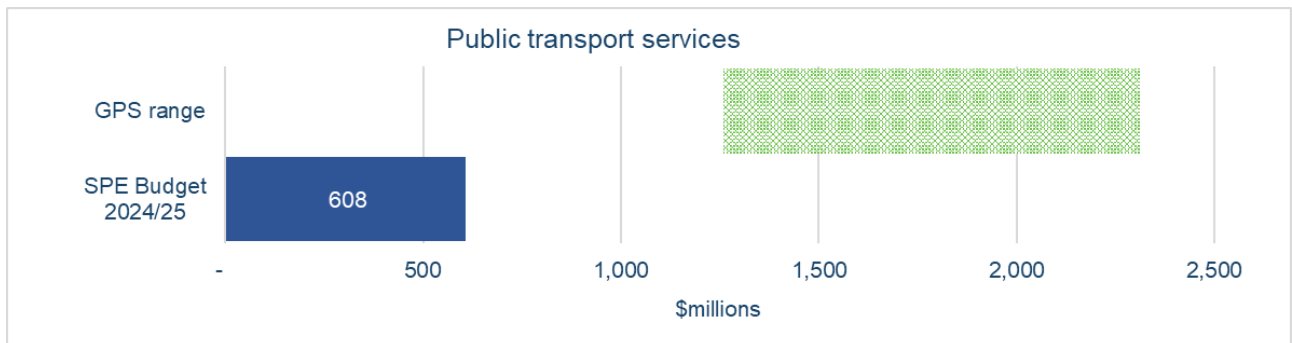
The GPS also proposes that, in future, debt costs are reported separately from spend allocated to activity classes.

This section outlines forecast NLTF expenditure for 2024/25 noting that the 2024–27 NLTP is being developed and that figures may change. Forecast expenditure is funded through the NLTF, including a Crown grant and additional Crown debt. The GPS ranges shown are for 2024/25 to 2026/27.

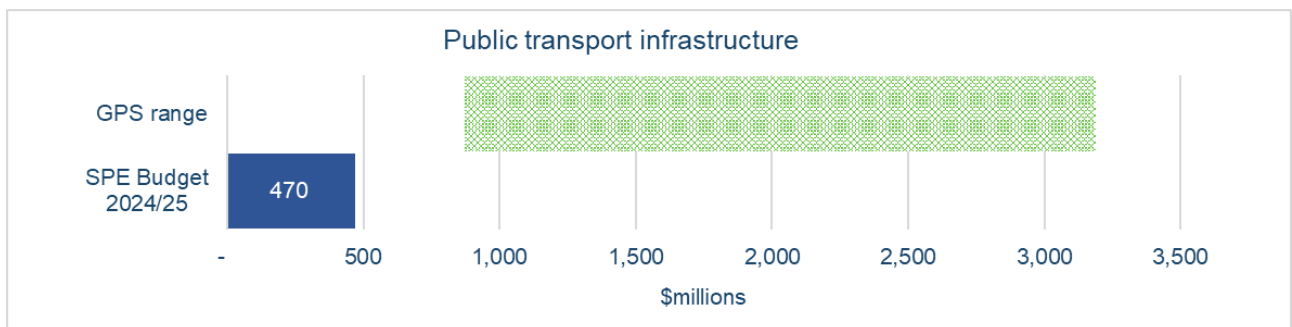
Overall use of the National Land Transport Fund



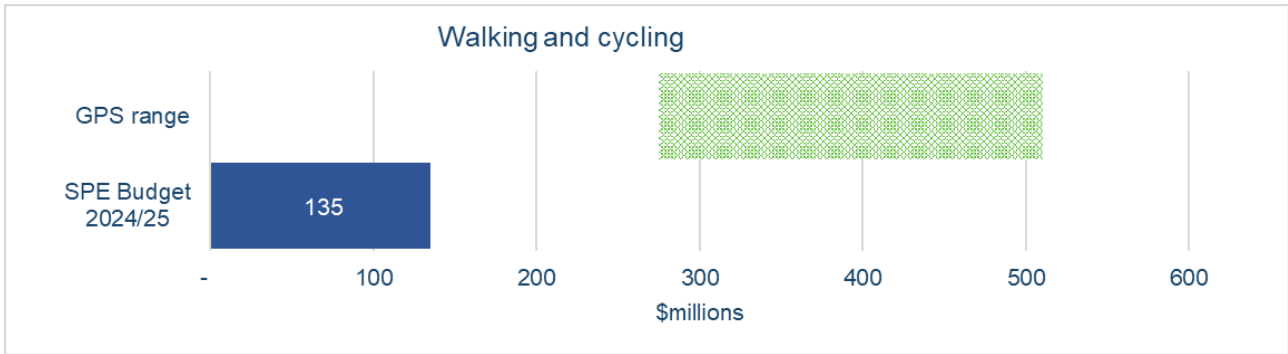
Public transport services



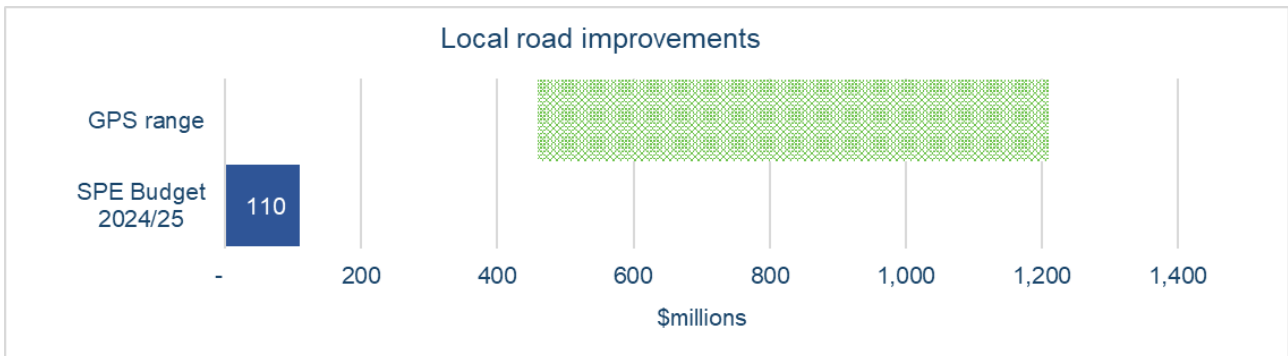
Public transport infrastructure



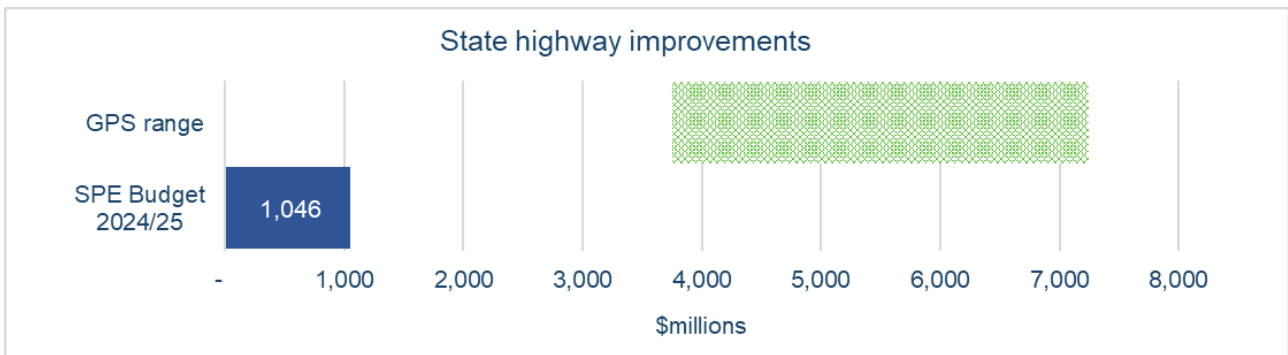
Walking and cycling



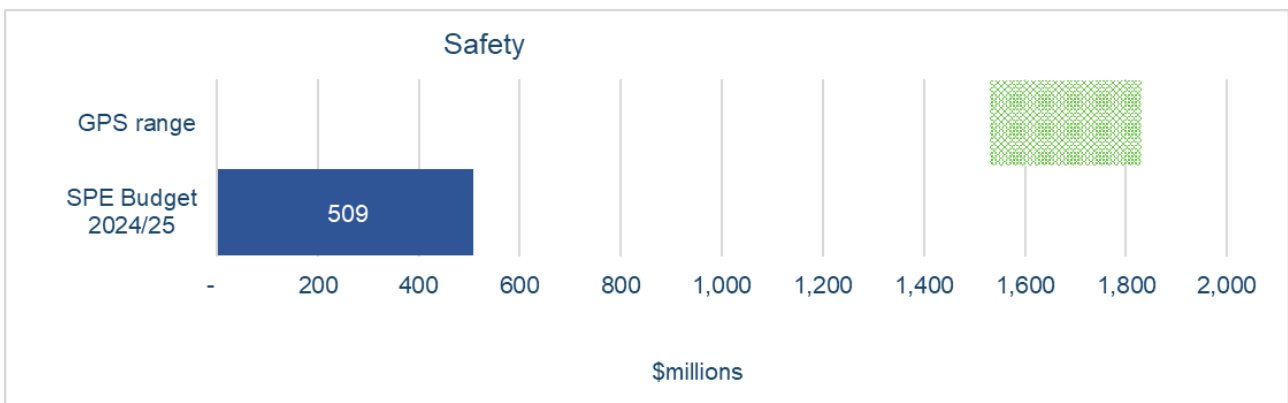
Local road improvements



State highway improvements

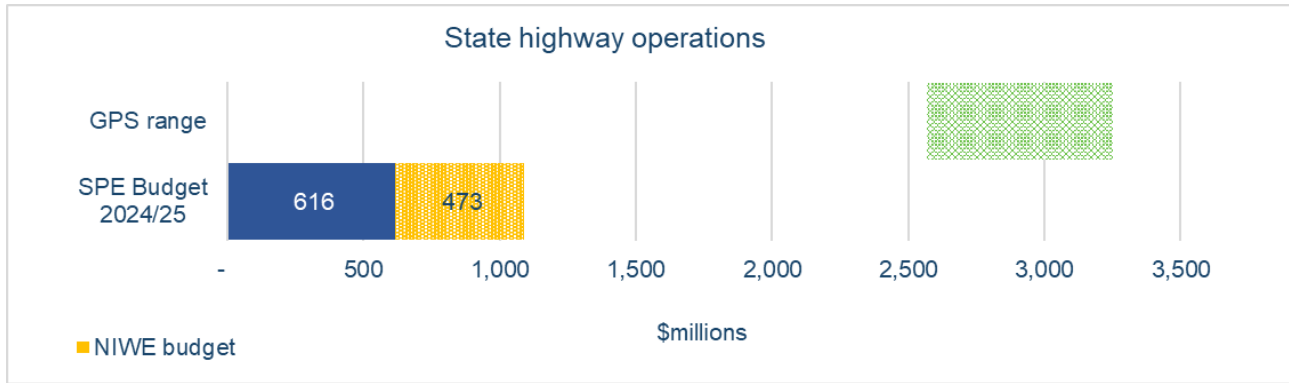


Safety



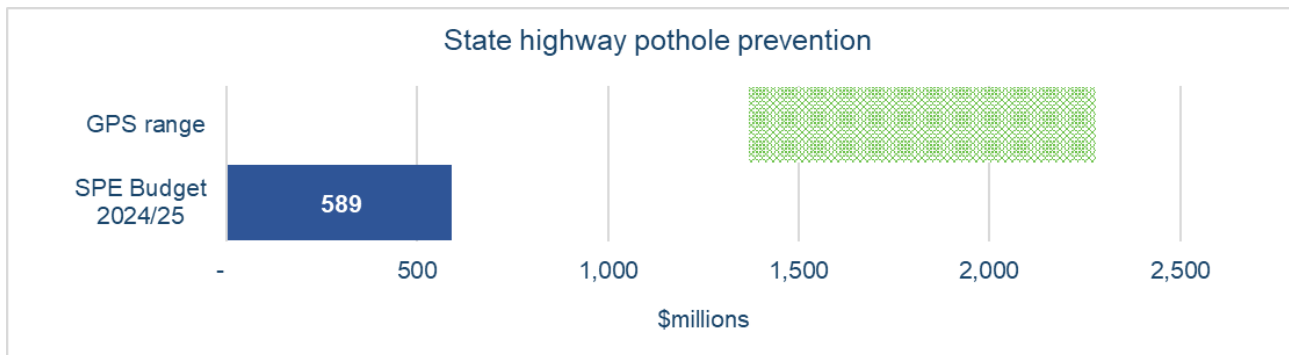
The safety activity class includes road policing (funding goes to New Zealand Police), road safety promotion and safety programmes that NZTA and approved organisations deliver.

State highway operations



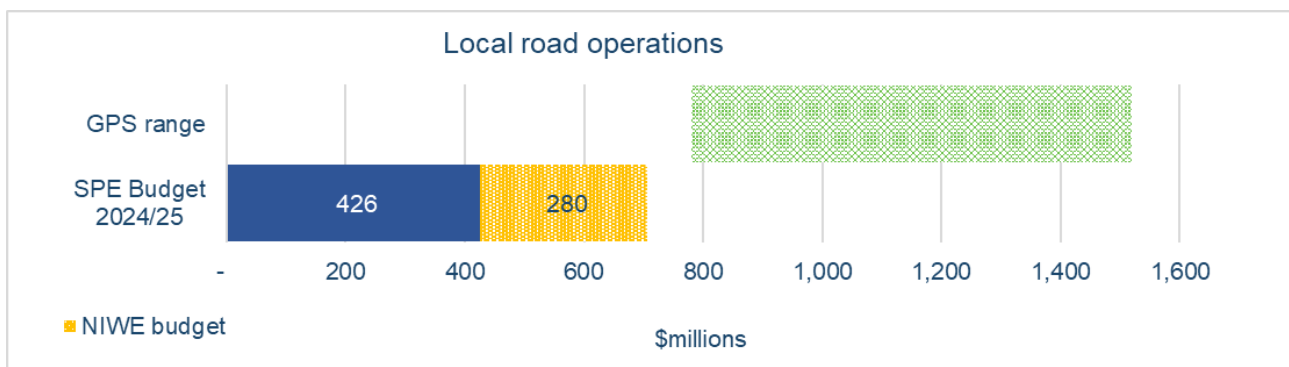
The state highway maintenance output class was disestablished in the 2024–27 NLTP and replaced with 2 new output classes – state highway operations and state highway pothole prevention. State highway operations will fund all operational activities on the state highway network, including funding for emergency reinstatement after loss of service. The activity class includes a NIWE budget that NZTA and approved organisations deliver. GPS 2024 does not include additional funding to reseal and rehabilitate roads that have been damaged due to the North Island Weather Events (NIWE) of 2023.

State highway pothole prevention



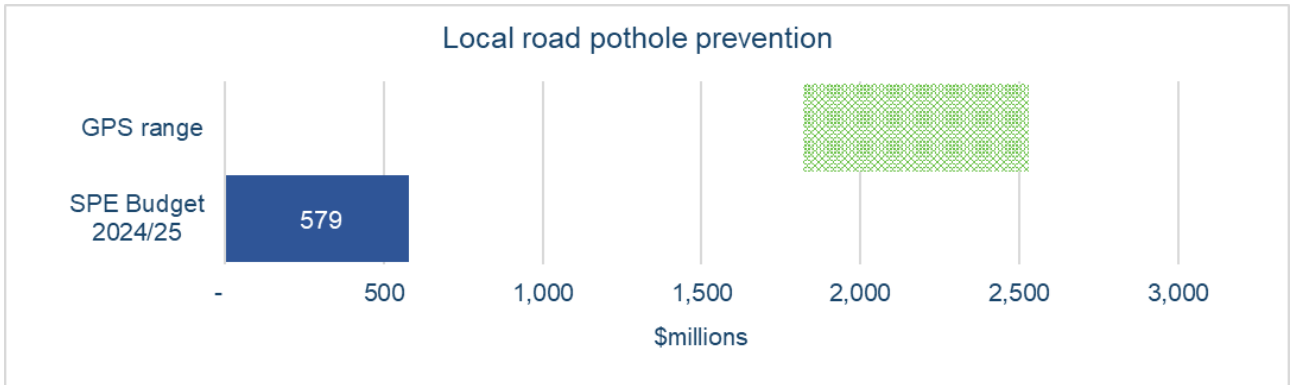
The state highway maintenance output class was disestablished in the 2024–27 NLTP and replaced with 2 new output classes – state highway operations and state highway pothole prevention. State highway operations will fund all operational activities on the state highway network, including funding for emergency reinstatement after loss of service.

Local road operations



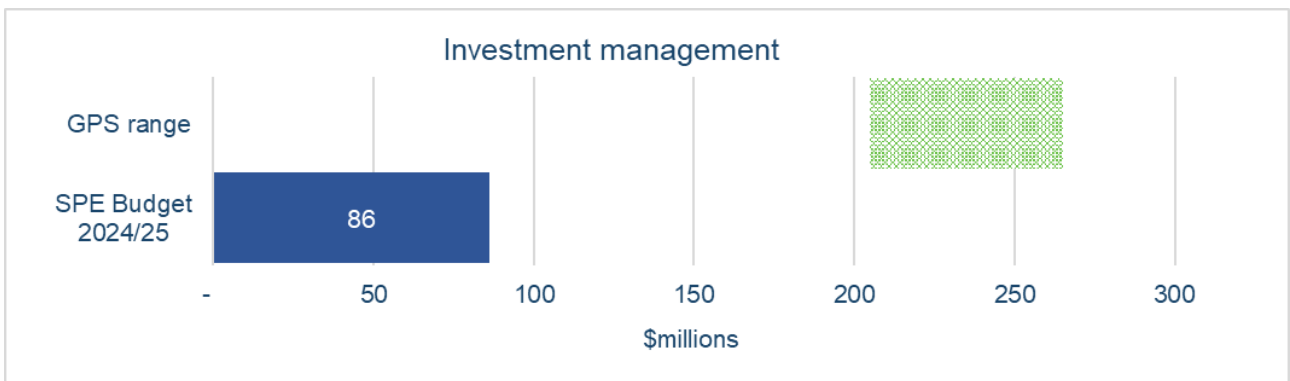
The local road maintenance output class was disestablished in the 2024–27 NLTP and replaced with 2 new output classes – local road operations and local road pothole prevention. The activity class includes a North Island weather event budget that NZTA and approved organisations deliver. GPS 2024 does not include additional funding to reseal and rehabilitate roads that were damaged due to the North Island weather events in 2023.

Local road pothole prevention

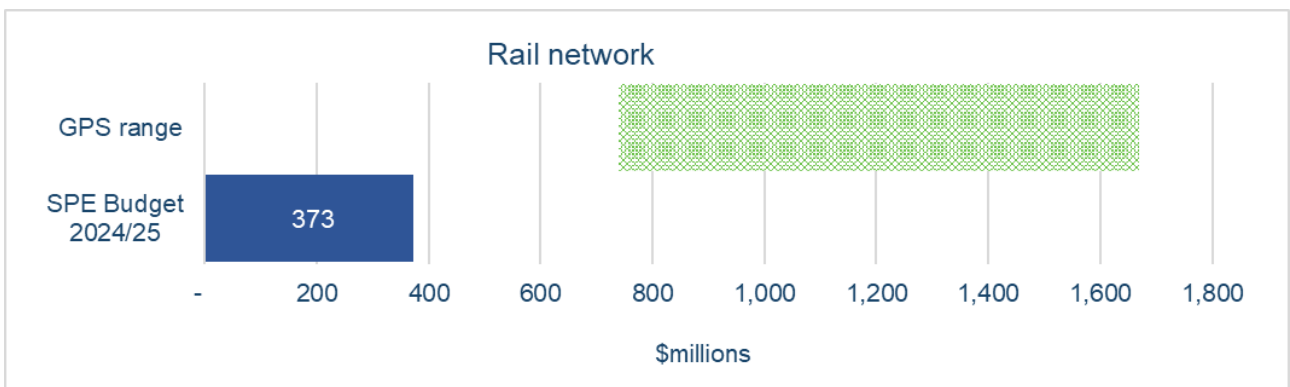


The local road maintenance output class was disestablished in the 2024-27 NLTP and replaced with 2 new output classes – local road operations and local road pothole prevention.

Investment management



Rail network



Prospective financial statements

Ngā tūponotanga pūrongo pūtea

This section provides prospective financial statements for:

- NZTA
- the NLTF.

NZ Transport Agency Waka Kotahi

Financial overview

These prospective financial statements provide information on the future financial performance, position and cash flows of NZTA. They are based on assumptions about future events that NZTA reasonably expects to occur. Actual results for the forecast periods are likely to vary from the information presented, and variations may be material.

Budgeted expenditure of \$7,442 million in 2024/25, comprising \$5,668 million operating expenditure and \$1,774 million capital expenditure, broken down as:

- **Land transport investment** (\$6,911 million), which includes NZTA investment in the state highway network, walking and cycling, and public transport infrastructure and funding for approved organisations for the delivery of land transport activities and services.
- **NZTA operations** (\$531 million), which includes operational costs and activities including regulatory and customer services for which NZTA is accountable and delivers in-house or contracts out.

Prospective financial statements

Prospective statement of comprehensive revenue and expense For the year ending 30 June

	Note	Projected 2023/24 \$m	Budget 2024/25 \$m
Revenue			
Funding from the National Land Transport Fund		5,237	5,058
Funding from the Crown		578	302
Revenue from other activities	4	302	308
Total revenue		6,117	5,668
Expense			
Land transport funding	7	4,256	3,837
Employee costs	6	213	216
Operating expenses	6	148	133
Commissions and transaction costs	6	91	104
Clean vehicle discount rebates		155	0
Interest and finance costs		256	314
Depreciation, amortisation and state highway write-off	6,8	1,033	1,192
Total expense		6,152	5,796
Surplus/(deficit)	5	(35)	(128)
Other comprehensive revenue and expense			
Gain/(loss) state highway network revaluations		1,440	1,470
Net movement in cash flow hedges		7	2
Total other comprehensive revenue and expense		1,447	1,472
Total comprehensive revenue and expense		1,412	1,344

Prospective statement of financial position
As at 30 June

	Note	Projected 2023/24 \$m	Budget 2024/25 \$m
Assets			
Cash and cash equivalents		50	50
Debtor Crown		299	157
Receivables and other assets		140	145
Debtor National Land Transport Fund		351	339
Debtor National Land Transport Fund – debt related		5,351	5,921
Property assets held for sale		18	21
Property, plant and equipment, and intangible assets	8	94	114
State highway network	8	85,455	88,578
Total assets		91,758	95,325
Liabilities			
Payables		666	552
Employee entitlements		36	37
Provisions		5	0
Derivative financial liability		50	50
Borrowing and other liabilities	10	3,513	4,115
Public-private partnership liabilities	9	1,925	1,892
Total liabilities		6,195	6,646
Net assets		85,563	88,679
Equity			
Retained funds		(11)	(16)
Equity derived from the state highway network		85,556	88,677
Cash flow hedge reserve		18	18
Total equity		85,563	88,679

Prospective statement of changes in equity
For the year ending 30 June

		Projected 2023/24 \$m	Budget 2024/25 \$m
Balance at 1 July		82,755	85,563
Surplus/(deficit)		(35)	(128)
State highway network revaluations	8	1,440	1,470
Movement in cash flow hedges		(2)	0
Capital contribution		1,405	1,774
Balance at 30 June		85,563	88,679

Prospective statement of cash flows
For the year ending 30 June

	Projected 2023/24 \$m	Budget 2024/25 \$m
Cash flows from operating activities		
Receipts from the National Land Transport Fund	3,713	4,151
Receipts from the Crown	628	441
Receipts from other revenue	265	270
Payments to employees	(217)	(215)
Payments to suppliers	(4,610)	(4,195)
Goods and services tax (net)	(14)	0
Net cash flows from operating activities	(235)	452
Cash flows from investing activities		
National Land Transport Fund receipts from sale of state highway-held properties	12	18
Purchase of property, plant and equipment, and intangible assets	(11)	(38)
Investment in the state highway network	(2,624)	(2,881)
Net cash flows from investing activities	(2,623)	(2,901)
Cash flows from financing activities		
Capital contribution from the National Land Transport Fund	496	1,128
Capital contribution from the Crown	711	984
Proceeds from borrowing	1,941	975
Repayment of borrowing	(250)	(367)
Interest paid on borrowing	(212)	(271)
Net cash flows from financing activities	2,686	2,449
Net increase/(decrease) in cash and cash equivalents	(172)	0
Cash and cash equivalents at the beginning of the year	222	50
Cash and cash equivalents at the end of the year	50	50

Notes to the prospective financial statements

1. Prospective financial statements and assumptions

Use of information contained in these prospective financial statements

These prospective financial statements have been prepared in accordance with the Crown Entities Act 2004. They provide information about the future operating intentions and financial position of NZTA, against which it must report and be formally audited at the end of the financial year.

The information in these financial statements may not be appropriate for purposes other than those described above.

NZTA has complied with financial reporting standard PBE FRS 42 Prospective financial statements in the preparation of these prospective financial statements.

These prospective financial statements are based on significant financial assumptions about future events that NZTA reasonably expects to occur. Any subsequent changes to these assumptions will not be reflected in these financial statements.

Actual results for the forecast period are likely to vary from the information presented, and variations may be material.

Statement of significant underlying assumptions

NZTA has made assumptions in preparing the prospective financial statements. The most significant of these are outlined below.

Category	Assumptions
Funding from the NLTF	<p>Funding from the NLTF is based on the likely expenditure programme in the 2021–24 NLTP and our expectations on revenue into the NLTF.</p> <p>GPS 2024 includes a \$3 billion borrowing facility, a \$3 billion capital grant and a \$1 billion tagged capital grant contingency from the Crown to support the delivery of the 2024–27 NLTP. There is an assumption that sufficient funding or financing is available from the NLTF and Crown to meet the expenditure programme for the NLTP and meet debt and related funding obligations including public–private partnerships (see below). NZTA has also assumed it can access its \$500 million of short-term facilities if required. Further assumptions on the funding from the NLTF are defined in the NLTF prospective financial statements. We have also assumed that the borrowing facility is not specific in its use. If it can be used for only capital items then figures would change materially from those presented.</p> <p>Additional funding of \$1.796 billion (2023/24: \$1,043 million, 2024/25: \$753 million) is allocated to NZTA under North Island weather events: response, recovery and rebuild. The funding is provided for expenditure related to the initial clean-up of damage and to restore loss of service caused by the weather events, including minor resilience improvements. The funding flows into the NLTF. No further assumptions on Crown contributions have been made at this stage. The full costs of the North Island weather events rebuild are likely to be in the billions of dollars for which funding is not currently identified.</p>
Funding from the Crown	<p>The government provides Crown funding to progress transport activities outside the NLTF when the activities do not have sufficient priority and/or available funding to be delivered in the current NLTP or they deliver on government policy not covered by the Land Transport Management Act 2003. NZTA delivers these activities as directed by the government. Investment from the Crown can be an injection of funds or a loan.</p> <p>Crown funding covers both operating and capital expenditure. The forecasts include Crown funding in 2024/25 of \$0.811 billion MCIP. For more details, see note 12 – appropriation estimates.</p>

Category	Assumptions
Regulatory fees and funding	<p>Forecast revenue (and associated costs) are driven by volume projections and type of service channel used (in-person or online).</p> <p>New fees and charges that were approved by Cabinet in 2022/23 were effective from October 2023. Also included is revenue provided under section 9(1)(a) of the Land Transport Management Act 2003.</p>
Expenditure – regulatory activities	<p>Forecast costs for regulatory activities reflect measures to address previously identified weaknesses in NZTA's regulatory governance and services. For more details, see note 6 – NZTA agency expenditure.</p> <p>NZTA has aligned its cost allocation methodology to those used to develop the fees and funding proposal.</p> <p>A key assumption is that changes will be made to the driver licence resit policy to limit free resits, otherwise significantly higher commission costs will occur than has been budgeted – as was the case through 2023/24.</p>
North Island weather events	<p>The projected 2023/24 and forecast 2024/25 includes funding of \$1.796 billion through a Crown contribution into the NLTF for the interim response. The \$1.796 billion (2023/24: \$1,043 million, 2024/25: \$753 million) will be used to fund state highway emergency works and payments to local authorities for local road emergency works. Small resilience projects will also be completed where it makes sense to do so (for example, alongside recovery works or when vulnerable roads are closed).</p> <p>The full costs of restoration and rebuild are expected to be in the billions of dollars.</p>
National Ticketing Solution	<p>The National Ticketing Solution to provide one ticketing system across New Zealand with more and easier ways for customers to pay for public transport is assumed to be a software-as-a-service arrangement. The forecast assumes that in 2024/25, the design, implementation and administration costs will be operating costs.</p>
Crown regional resilience	<p>The projected 2023/24 and forecast 2024/25 includes funding of \$12.0 million and \$89.8 million, respectively, relating to regional resilience funding. This funding will be used for improving resilience in the local road and state highway network.</p>
Personnel costs	<p>Personnel costs reflect reductions from the closure of certain Crown programmes as well as assumptions about reduced staff numbers to reduce costs and meet government savings targets.</p>
Expenditure – NLTP	<p>NLTP expenditure reflects forecast 2021–24 NLTP programme costs for 2023/24 and a forecast based on GPS 2024. Expenditure forecasts were based on the Budget Economic and Fiscal Update 2024 exercise, updated for more recent information, including the Budget bids information.</p>
Capital	<p>NZTA is undertaking a programme of capital spending that includes improving and renewing the state highway network, including significant safety improvements and public transport and walking and cycling infrastructure. Projected costs and timing of expenditure are based on current project plans and estimates.</p> <p>NZTA also provides funding to approved organisations to invest in their assets, which NZTA does not own, so NZTA treats the funding as an operating expense.</p>
Debtor National Land Transport Fund – debt related	<p>The category Debtor National Land Transport Fund – debt related consists of operating and capital expenditure for accelerated programmes funded by loans and public-private partnerships. This category recognises the long-term obligations of the NLTF to repay debt and public-private partnership unitary charges over the relevant contract period. NZTA assumes the NLTF will have sufficient funds available when loans and public-private partnership liabilities are due.</p>
Asset revaluations	<p>The state highway network is revalued annually using independent expert valuers. The valuation is sensitive to changes in the value of land and other inputs and estimates required for the valuation. NZTA assumes it will continue revaluing its assets annually, with the movement in the valuation being primarily driven by capital additions and indexation of unit rate inputs.</p>

Category	Assumptions
Public–private partnerships	<p>NZTA is working with the parties to the Transmission Gully public–private partnership on responding to the contractual claims due to COVID-19–related disruption in 2021/22 and the subsequent impact on the construction programme and road opening. A similar process is under way in relation to the Pūhoi to Warkworth public–private partnership.</p> <p>Due to uncertainty over the contractors’ or subcontractors’ contractual entitlements to change in costs and other project impacts, NZTA has not reflected the costs of any future payments to the contractors or subcontractors, liquidated damages or impacts of delays in the forecast expenditure. It has reflected interim payments in the financial statements together with any Crown recoveries. The interim payments made would be offset against the costs of any final contractual entitlement or, to the extent the interim payments exceed contractual entitlements then NZTA holds letters of credit from the builders to call on.</p> <p>There is an ongoing assessment of claims for subsequent COVID-19 lockdowns in accordance with the process set out in the agreements for Pūhoi to Warkworth and Transmission Gully. A claim for \$166 million (net of interim payments) has been submitted, which is a contingent liability. That claim is in arbitration.</p> <p>A claim has also been made in the High Court on the Transmission Gully project. The claim has not been quantified.</p>
Cash flow hedge reserve	<p>Derivative financial instruments, designated as hedging instruments, are valued semi-annually. NZTA assumes hedging relationships will be highly effective with changes in the instruments’ fair value being recognised predominantly in the cash flow hedge reserve.</p>
Output class expenditure	<p>Forecast expenditure by output class is based on projected NLTF and Crown appropriations, projected operating spend, and the NZTA organisational structure and associated cost allocation methodology.</p>

2. Statement of accounting policies

Reporting entity

NZTA is a Crown entity as defined by the Crown Entities Act 2004 and is domiciled and operates in New Zealand. The legislation governing NZTA operations includes the Crown Entities Act 2004 and the Land Transport Management Act 2003.

The primary objective of NZTA is to provide services to the citizens and residents of New Zealand. Its purpose is to deliver a land transport system connecting people, products and places for a thriving New Zealand. NZTA does not operate to make a financial profit.

Basis of preparation

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

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

The prospective financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period. NZTA is dependent on Crown financing or funding for its NLTF-funded activities given the requirements of the transport network are significantly in excess of the revenue from fuel taxes and other non-Crown sources.

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

NZTA has adopted all standards, amendments and interpretations to existing standards that have been published and are mandatory for its accounting periods beginning on 1 July 2023. No material impacts have occurred as a result of these adoptions.

3. Summary of significant accounting policies

The following is a summary of the significant accounting policies that affect the prospective financial statements. A comprehensive list of policies is in the NZTA 2022/23 annual report and will be included in the 2023/24 annual report.

Revenue

NZTA is primarily funded through the NLTF and the Crown.

Funding from the NLTF and the Crown has been accounted for in accordance with PBE IPSAS 23 *Revenue from non-exchange transactions* and classified and treated as non-exchange revenue. NLTF funding is used for the specific purposes set out in the Land Transport Management Act 2003, while Crown funding is used for the specific purposes of the relevant government appropriations. The funding provider is not entitled to an equivalent value of services or benefits, because no direct exchange relationship exists between the funding provided and receiving services or benefits from NZTA. Apart from these general restrictions, no unfulfilled conditions or contingencies are attached to this funding. Therefore, revenue is recognised when earned and is reported in the financial period to which it relates.

State highway network

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

Valuation

The state highway network (excluding land and formation) is valued annually (most recently at 30 June 2023) using an optimised depreciated replacement cost methodology based on the estimated current cost of constructing the existing assets by the most appropriate method of construction, reduced by factors for the age, condition and performance of the assets. The estimated current cost is expected to change over time. The land corridor is valued using the across-the-fence methodology, which is based on the premise that the corridor land should be of similar value to the land through which it passes. Formation is valued using unit rates for formation types applied to the carriageway. Land, held properties, formation and the sub-base component of pavement are non-depreciable asset classes. The state highway valuation is performed by WSP and incorporates inputs from BondCM, Darroch Limited, Corelogic and NZTA.

Estimates, assumptions and judgements

Due to the unique nature of the state highway network, the value of the assets cannot be measured with precision. Significant estimates and assumptions have been applied to the valuation, which include assumptions about quantities used in the construction of state highway network components, the life of the assets and the unit costs to apply. Changes to the underlying estimates and assumptions can cause a material movement in the state highway valuation and are reviewed on a periodic basis.

The inputs used in the valuation of state highway network assets are the greatest source of estimation uncertainty. These inputs include preliminary and general costs, professional fees, unit costs and brownfield costs.

The following sensitivity analysis, disclosed in the NZTA annual report financial statements for the year ended 30 June 2023, represents possible impacts on the state highway network valuation based on changes to estimates.

State highway revaluations – sensitivity analysis

Change in optimised depreciated replacement cost	
	\$m
Movement in P&G on-costs by 10% (that is, from 36.0% to 39.6%)	1,575
Movement in external professional fees by 10%	621
Movement in formation unit costs by 10%	1,965
Movement in bridge unit costs by 10%	1,457
Movement in unit prices* by 10%	2,876
Movement in land corridor prices by 10%	2,316
Movement in brownfield costs by 10%	389
Movement in price index** by 10%	5,956

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

** Excludes land.

The sensitivity analysis above is only an indication of the range of possible impacts and should not be interpreted as the likely actual impact.

Depreciation

Depreciation is calculated on a straight-line basis on state highway network assets (other than land, held properties, formation and the sub-base component of pavement), at rates that will write off the cost of the assets to their estimated residual values over their useful lives.

The estimated useful lives and associated depreciation rates of the major classes of assets are as shown in the following table.

Assets	Useful life (Years)
State highways – pavement (base)	75–150
State highways – pavement (surface)	11–14
State highways – drainage	50
State highways – traffic facilities	10–25
State highways – bridges	90–100
State highways – culverts and subways	50–75
State highways – other structures	10–100

The useful life of classes of asset is reviewed and adjusted, if applicable, at each balance date.

Impairment

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

Public–private partnership assets and liabilities

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

During construction, the cumulative cost, including financing, is recognised as an asset. A matching liability represents the obligations of NZTA under the arrangement should conditions exist such that the arrangement will not continue through to the service commencement date.

From the service commencement date, unitary charge payments are made to the contractor quarterly in arrears, subject to satisfactory performance against agreed service levels. The corresponding reduction in the public–private partnership liability will be recognised in the period incurred.

As part of the 2019/20 COVID-19 settlements, early commencement of the repayment of the debt component of the unitary charge was agreed, that is repayments occur before the service.

The operational agreements run for 25 years from the service commencement date, after which the responsibility for ongoing operation and maintenance transfers to NZTA.

Once operational, public–private partnership assets are accounted for in accordance with the valuation policies adopted by NZTA in respect of the rest of the state highway asset. For Transmission Gully, operational use of the road commenced in March 2022. For Pūhoi to Warkworth, the service commencement date was in June 2023.

These treatments are consistent with The Treasury's public–private partnership accounting guidelines.

Borrowing

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

Debtors

Debtor National Land Transport Fund and Debtor Crown represent undrawn funds from the operating and capital appropriations relevant to expenditure incurred and not funded by borrowings.

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

Derivative financial instruments and hedging

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

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

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

Capital funding

NZTA has made the assumption, based on discussions with The Treasury that the new \$3.1 billion loan facility for GPS could be used for either capital or operating costs. If this is not the case, the expenditure forecast and the revenue forecast would be required to change materially.

4. Revenue from other activities

	Projected	Budget
	2023/24	2024/25
	\$m	\$m
Fees and charges and section 9(1a) funding		
Border inspection fees	3	8
Certification review fees	24	20
Driver licensing and testing fees	80	73
Motor vehicle licensing fees (and standards development)	80	84
Rail operating licensing fees	3	3
Road user charges collections	24	29
Transport licensing and dangerous goods fees	21	25
Total fees and charges and section 9(1a) funding	235	242
Tolling fees and contributions	20	20
Interest and finance income	35	31
Levy on personalised plates for community road safety initiatives	10	10
Low emission vehicles other revenue	0	2
Recoveries from NLTP activities and miscellaneous revenue	2	3
Total revenue from other activities	302	308

5. Reconciliation of statement of comprehensive revenue and expense to output class statements by funding source

	Projected 2023/24 \$m	Budget 2024/25 \$m
Revenue collection and administration	(3)	(9)
NZTA operating activities	(3)	(9)
Regulation of commercial transport operators	3	8
Regulation of drivers	1	(6)
Regulation of the rail transport system	(1)	(1)
Regulation of vehicles	2	4
Revenue collection and administration (road user charges collections)	(1)	0
NZTA operating activities (fees and charges)	4	5
State highway improvements (MCIP Northern pathway write-off and revocation of state highways to local councils)*	(38)	(124)
Safety (Community Road Safety Fund)	2	0
Surplus/(deficit)	(35)	(128)

The surpluses in 2023/24 and 2024/25 are required to repay the borrowings that were used to finance the regulatory business while the fees and charges process occurred.

* State highway revocations in 2024/25 include provision for the revocation of the old Mackays to Peka Peka state highway on the Kapiti Coast.

6. NZTA agency expenditure

The following table shows the total expenditure for NZTA.

	Projected 2023/24 \$m	Budget 2024/25 \$m
Employee costs	213	216
Operating expenses	148	133
Commissions and transaction costs	91	104
Depreciation and amortisation expense	19	18
NZTA agency operating expenditure	470	471
NZTA agency expenditure recharged to projects*	(17)	(35)
NZTA agency expenditure allocated to the NLTP**	93	95
NZTA agency expenditure***	546	531

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

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

*** NZTA agency expenditure excludes direct expenditure on NLTP activities such as road safety promotion, tackling unsafe speed, and the National Ticketing Solution.

For internal budgeting purposes, NZTA reports on the basis below, with personnel costs including contractors and pre allocations to the NLTP.

	Projected 2023/24 \$m	Budget 2024/25 \$m
Personnel costs	296	281
Operating expenses	140	128
Commissions and transaction costs	91	104
Depreciation and amortisation expense	19	18
NZTA agency expenditure	546	531

7. Land transport funding

NZTA develops the 3-year NLTP based on the Land Transport Management Act 2003 and other relevant statutes, policy direction in the GPS including the emissions reduction plan and regional land transport priorities.

The table on the following page shows the activity classes funded from the NLTP and associated activities funded by the Crown. The investment in land transport is net of the expenditure on new and renewal of existing state highways and certain other items that are capitalised, and NZTA operating expenditure, which is separately shown in the statement of comprehensive revenue and expense.

The investment in local roads, and public transport (including Provincial Growth Fund initiatives and Housing Infrastructure Fund initiatives) does not include the significant investment contribution from local authorities.

	Projected 2023/24 \$m	Budget 2024/25 \$m
State highway improvements	1,042	1,058
State highway improvements – North Island weather events	55	0
State highway improvements – public–private partnership (increase in assets)	5	0
Local road improvements	104	130
Local road improvements – Housing Infrastructure Fund	103	50
Walking and cycling improvements	212	135
State highway operations	1,219	616
State highway operations – North Island weather events	462	473
State highway pothole prevention	0	589
Local road operations	819	427
Local road operations – North Island weather events	526	280
Local road pothole prevention	0	579
Public transport services	533	608

Public transport infrastructure	412	471
Safety	121	71
Coastal shipping	3	0
Investment management	90	86
Interest and finance costs	257	314
Total National Land Transport Programme	5,963	5,887
State highway improvements – COVID-19 public–private partnerships funding	66	1
State highway improvements – Crown infrastructure partners	34	29
State highway improvements – major Crown investment projects	635	811
State highway improvements – regional resilience	12	50
State highway improvements – Supporting Regions programme	33	15
Local road improvements – regional resilience	0	40
Local road improvements – Supporting Regions programme	4	2
Walking and cycling improvements – mode shift	53	45
Walking and cycling improvements – Ngauranga to Petone Shared Pathway project	31	23
State highway operations – Kaikōura earthquake response	1	0
Public transport services – Community Connect programme	78	37
Public transport services – bus decarbonisation	7	15
Public transport services – mode shift	12	2
Public transport services – retaining and recruiting bus drivers	19	21
Public transport services – SuperGold card	38	39
Public transport infrastructure – Crown infrastructure partners	2	53
Public transport infrastructure – Eastern busway project	85	84
Public transport infrastructure – mode shift	29	8
Investment management – mode shift	6	0
Low emission vehicles	173	6
Total activities funded on behalf of the Crown and delivered by NZTA	1,318	1,281
Total expenditure	7,281	7,168
Less capital expenditure	(2,339)	(2,748)
Less clean vehicle discount rebates	(155)	0

Less other activities funded from the NLTP	(274)	(269)
Less interest and finance costs	(257)	(314)
Total land transport funding	4,256	3,837

8. Managing NZTA assets

Movements in the state highway network are set out below.

	Projected 2023/24 \$m	Budget 2024/25 \$m
Opening balance	82,636	85,455
Additions	2,425	2,842
Assets transferred (to)/from held for sale	(20)	3
Depreciation	(1,004)	(1,040)
Disposals	(12)	(18)
State highway revocations*	0	(124)
State highway write-off (including vesting)	(10)	(10)
Net revaluation**	1,440	1,470
Closing balance	85,455	88,578

*State highway revocations in 2024/25 includes provision for the revocation of the old Mackays to Peka Peka state highway on the Kapiti Coast.

** Revaluation movement is a result of movements in the construction and structures indices along with movements in property values. Revaluation movement for 2023/24 is assumed from a more settled property position for land (\$0.2 billion) and index movements (\$1.2 billion). The valuation is still to be completed and audited.

At 30 June 2023 the main impairment of significance was from the North Island weather events during January and February 2023 that resulted in significant damage and/or debris restricting access to the state highway network, particularly in Northland, Coromandel, Gisborne and Hawke's Bay. For Coromandel, a slip has resulted in the write-off of a 110-metre section of road. For the east coast regions, 3 state highway bridges were destroyed and written off with the remaining affected network considered for impairment. A \$228 million impairment was applied to recognise the temporary damage and loss of service on state highways 2, 5, 35 and 38. This is a decrease against the state highway network revaluation reserve. The impairment consideration is still to be reviewed for the current financial year and an updated assessment applied to the impairment on the east coast. This impairment value has not been established but is likely to significantly reduce given the works that have occurred.

Each year, NZTA implements a capital programme to provide the infrastructure, technology, property and other assets required to fulfil its functions. The NZTA capital programme, including investment in computer hardware, leasehold improvements, furniture and fittings, office, plant and equipment, and computer software, is set out in the following table.

	Projected 2023/24 \$m	Budget 2024/25 \$m
Opening balance	102	94
Additions	11	38
Depreciation/amortisation	(19)	(18)
Total	94	114

9. Public–private partnership liabilities

	Projected 2023/24 \$m	Budget 2024/25 \$m
Transmission Gully	1,029	1,014
Pūhoi to Warkworth	896	878
Total public–private partnership liabilities	1,925	1,892

Pūhoi to Warkworth was opened to traffic in 2022/23 and the public–private partnership asset has been transferred to the state highway network. Transmission Gully opened on 31 March 2022 and is also included in the state highway network.

Transmission Gully public–private partnership

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

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

Pūhoi to Warkworth public–private partnership

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

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

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

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

10. Borrowing and other liabilities

Name	Nominal amount borrowed \$m	Projected 2023/24 \$m	Nominal amount borrowed \$m	Budget 2024/25 \$m	Interest rate applied	Final repayment date
Auckland Transport Package	354	335	237	227	Interest free	June 2027
Housing Infrastructure Fund	150	110	200	146	Interest free	June 2034
Total interest-free borrowing		445		373		
Tauranga Eastern Link	107	107	107	107	\$87.0m at fixed rates ranging from 4.99% to 5.14% and \$20.0m at floating rates	30 June 2050
Regulatory facility	60	63	60	63	Fixed rates ranging from 1.32% to 3.065% pa	December 2032
COVID-19 NLTF borrowing facility	325	332	325	332	Fixed rates ranging from 1.10% to 1.18% pa	July 2027
Short-term facility	500	500	250	250	Floating rates	
2021–24 NLTP facility	2,000	2,061	2,000	2,061	Rate assumed at 3.63% based on government bond margin	June 2034
2024–27 NLTP facility	0	0	925	925	Rate assumed at 4.85%	June 2035
Total borrowing		3,508		4,111		
Tolling funds held in trust		5		4		
Total borrowing and other liabilities		3,513		4,115		

11. Regulatory equity accounts

Regulatory equity accounts are notional accounts (also referred to as memorandum accounts) that record the accumulated balance of surpluses and deficits incurred for third party-funded regulatory outputs. NZTA has grouped various fees, charges and appropriations into its regulatory equity accounts to group revenue and costs by summary product level.

Included in the 2023/24 projected and 2024/25 forecast are a part-year (from October 2023) of new fees and charges that were approved by Cabinet in 2022/23. Certain regulatory equity account categories changed from 2023/24 following the Cabinet approval of the new fees and funding to better reflect the regulatory activities.

Amounts are in millions to one decimal point. Figures for each memorandum account are pre the allocation to debt.

		Projected	Budget
		2023/24	2024/25
		\$m	\$m
Border inspection	Opening balance	0.0	0.1
	Revenue	3.4	8.4
	Less commissions and transaction costs	0.0	0.0
	Cost of sales	3.4	8.4
	Other operating costs	3.3	3.5
	Total operating expenses	3.3	3.5
	Surplus/(deficit)	0.1	4.9
	Closing balance	0.1	5.0
Certification reviews	Opening balance	0.0	8.3
	Revenue	24.0	20.1
	Less commissions and transaction costs	0.0	0.0
	Cost of sales	24.0	20.1
	Other operating costs	15.7	18.5
	Total operating expenses	15.7	18.5
	Surplus/(deficit)	8.3	1.6
	Closing balance	8.3	9.9
Driver licensing and testing	Opening balance	0.0	0.9
	Revenue	81.9	74.2
	Less commissions and transaction costs	46.5	49.4
	Cost of sales	35.4	24.8
	Other operating costs	34.5	30.7
	Total operating expenses	34.5	30.7
	Surplus/(deficit)	0.9	(5.9)
	Closing balance	0.9	(5.0)

Motor vehicle licensing (and standards development)	Opening balance	0.0	(6.9)
	Revenue	79.7	84.1
	Less commissions and transaction costs	33.6	32.9
	Cost of sales	46.1	51.2
	Other operating costs	53.0	53.7
	Total operating expenses	53.0	53.7
	Surplus/(deficit)	(6.9)	(2.5)
	Closing balance	(6.9)	(9.4)
Rail operator licensing	Opening balance	0.0	(0.6)
	Revenue	2.8	3.2
	Less commissions and transaction costs	0.0	0.0
	Cost of sales	2.8	3.2
	Other operating costs	3.4	3.8
	Total operating expenses	3.4	3.8
	Surplus/(deficit)	(0.6)	(0.6)
	Closing balance	(0.6)	(1.2)
Road user charges collection	Opening balance	0.0	(0.9)
	Revenue	24.4	29.1
	Less commissions and transaction costs	6.2	6.9
	Cost of sales	18.2	22.2
	Other operating costs	19.1	22.4
	Total operating expenses	19.1	22.4
	Surplus/(deficit)	(0.9)	(0.2)
	Closing balance	(0.9)	(1.1)
Transport licensing and dangerous goods	Opening balance	0.0	2.9
	Revenue	21.3	25.2
	Less commissions and transaction costs	0.3	0.3
	Cost of sales	21.0	24.9
	Other operating costs	18.1	17.3
	Total operating expenses	18.1	17.3
	Surplus/(deficit)	2.9	7.6
	Closing balance	2.9	10.5
Total memorandum account – other fees and charges		3.8	8.7

Ringfenced regulatory equity account debt

	Projected 2023/24 \$m	Budget 2024/25 \$m
Opening balance – ringfenced debt	47.2	37.0
New debt	0.0	0.0
Transfer from regulatory equity account to debt	(10.2)	(10.2)
Closing balance – ringfenced debt	37.0	26.8

12. Appropriation estimates for the year ending 30 June 2025

The table below shows the funding NZTA estimates to receive from the Crown as disclosed in the Estimates of Appropriations and the funding movements. This includes NLTF and debt funding sources.

	Appropriations 2024/25 \$m	Funding movements \$m	Budget 2024/25 \$m
State highway improvements	361	(2)	359
Local road improvements	48	98	146
Local road improvements – Housing Infrastructure Fund	50	0	50
Walking and cycling improvements	11	34	45
State highway operations	931	158	1,089
State highway pothole prevention	589	0	589
Local road operations	384	323	707
Local road pothole prevention	579	0	579
Public transport services	563	45	608
Public transport infrastructure	190	268	458
Safety	59	0	59
Investment management	86	0	86
Debt repayment	269	0	269
National Land Transport Programme (PLA)	4,120	924*	5,044
State highway improvements	694	3	697
Walking and cycling improvements	90	0	90
Public transport infrastructure	13	0	13
Safety	12	0	12
Debt repayment – repayment of Auckland Transport Package liabilities	117	0	117
Debt repayment – repayment of public–private partnerships liabilities	33	0	33
NLTP – new infrastructure for and renewal of state highways (PLA)	959	3	962

State highway improvements – COVID-19 public-private partnership funding	1	0	1
State highway improvements – Crown Infrastructure Partners**	0	29	29
State highway improvements – major Crown investment projects	811	0	811
State highway improvements – regional resilience	50	0	50
State highway improvements – Supporting Regions programme	15	0	15
Local road improvements – regional resilience	40	0	40
Local road improvements – Supporting Regions programme	2	0	2
Walking and cycling improvements – Ngauranga to Petone Shared pathway project	23	0	23
Public transport services – retaining and recruiting bus drivers	14	7	21
Public transport services – SuperGold card	39	0	39
Public transport infrastructure – Crown Infrastructure Partners**	0	53	53
Public transport infrastructure – Eastern Busway project	84	0	84
Investment management	1	0	1
Regulation of drivers	8	0	8
Revenue collection and administration	11	0	11
Low emission vehicles	0	4	4
<i>Climate Emergency Response Fund</i>			
Walking and cycling improvements – mode shift	45	0	45
Public transport services – Community Connect programme	37	0	37
Public transport services – bus decarbonisation	12	3	15
Public transport services – mode shift	2	0	2
Public transport infrastructure – mode shift	8	0	8
Crown funded	1,203	96**	1,299
Waka Kotahi regulatory functions (PLA)	42	0	42
Total	6,324	1,023	7,347

* Budgeted expenditure for 2024/25 exceeds available appropriations and will be financed by the \$3.1 billion NLTF borrowing facility.

** Crown Infrastructure Partners provides funding directly to NZTA, rather than going through an appropriation administered by the Ministry of Transport.

13. Reconciliation between NZTA funding inflows and National Land Transport Fund outflows

	Budget 2024/25 \$m
NZTA budget 2024/25	
National Land Transport Programme operating funding	5,055
NLTP – new infrastructure for and renewal of state highways capital funding	962
Total funding from the National Land Transport Fund	6,017
<i>Deduct:</i>	
Local road improvements – Housing Infrastructure Fund non-appropriated expenditure	(50)
NLTP loan 2024–27	(925)
<i>Add:</i>	
Other National Land Transport Fund revenue	(12)
Total NLTP outflows	5,030

Output class funding and expenditure

The below output classes are in millions to one decimal point for more meaningful disclosure.

Regulation of drivers		
	Projected 2023/24 \$m	Budget 2024/25 \$m
Operating revenue and expenses		
Crown (driver test subsidy)	1.4	1.4
Crown (equitable access to driver licences)	7.7	6.8
Fees and charges and section 9(1A) funding	80.4	72.8
Total operating revenue	89.5	81.0
Operating expenses		
Equitable access to driver licences	7.7	6.8
Fees and charges and section 9(1A) funded activities	80.8	80.1
Total operating expenses	88.5	86.9
Surplus/(deficit)	1.0	(5.9)
Borrowing funding and repayment		
Surplus/(deficit) from fees and charges funded activities	3.8	(3.1)
Transfer to debt	(2.8)	(2.8)
Surplus/(deficit) to memorandum account	1.0	(5.9)
Regulation of vehicles		
	Projected 2023/24 \$m	Budget 2024/25 \$m
Operating revenue and expenses		
Fees and charges and section 9(1A) funding	107.0	112.6
Total operating revenue	107.0	112.6
Operating expenses		
Fees and charges and section 9(1A) funded activities	105.5	108.6
Total operating expenses	105.5	108.6
Surplus/(deficit)	1.5	4.0
Borrowing funding and repayment		
Surplus/(deficit) from fees and charges funded activities	5.8	8.3
Transfer to debt	(4.3)	(4.3)
Surplus/(deficit) to memorandum account	1.5	4.0

Regulation of commercial transport operators		
	Projected 2023/24 \$m	Budget 2024/25 \$m
Operating revenue and expenses		
Fees and charges and section 9(1A) funding	21.3	25.2
Total operating revenue	21.3	25.2
Fees and charges and section 9(1A) funded activities	18.6	17.6
Total operating expenses	18.6	17.6
Surplus/(deficit)	2.7	7.6
Borrowing funding and repayment		
Surplus/(deficit) from fees and charges funded activities	5.6	10.5
Transfer to debt	(2.9)	(2.9)
Surplus/(deficit) to memorandum account	2.7	7.6

Regulation of the rail transport system		
	Projected 2023/24 \$m	Budget 2024/25 \$m
Operating revenue and expenses		
Fees and charges	2.8	3.2
Total operating revenue	2.8	3.2
Fees and charges funded activities	3.4	3.8
Total operating expenses	3.4	3.8
Surplus/(deficit)	(0.6)	(0.6)
Borrowing funding and repayment		
Surplus/(deficit) from fees and charges funded activities	(0.6)	(0.6)
Transfer to debt	0.0	0.0
Surplus/(deficit) to memorandum account	(0.6)	(0.6)

Revenue collection and administration

	Projected 2023/24 \$m	Budget 2024/25 \$m
Operating revenue and expenses		
Fees and charges and section 9(1A) funding (road user charges collections)	24.4	29.1
Fees and charges (tolling)	20.2	19.7
Regional fuel tax administration*	0.8	1.8
Section 9(2) Land Transport Management Act 2003 funding refund of fuel excise duty	3.9	3.8
Section 9(2) Land Transport Management Act 2003 funding road user charges investigation and enforcement	7.6	3.8
Section 9(2) Land Transport Management Act 2003 funding road user charges refund	3.0	3.0
Total operating revenue	59.9	61.2
Refund of fuel excise duty	2.2	4.1
Regional fuel tax administration*	0.5	1.8
Road user charges collections and section 9(1A) funded activities	25.4	29.3
Road user charges investigation and enforcement	5.5	12.4
Road user charges refund	0.9	1.8
Tolling	29.0	21.3
Total operating expenses	63.5	70.7
Surplus/(deficit)	(3.6)	(9.5)
Borrowing funding and repayment		
Surplus/(deficit) from fees and charges funded activities	(0.7)	(0.0)
Transfer to debt	(0.2)	(0.2)
Surplus/(deficit) to memorandum account	(0.9)	(0.2)

* Regional fuel tax administration in 2024/25 includes disestablishment costs.

Low emission vehicles

	Projected 2023/24 \$m	Budget 2024/25 \$m
Operating revenue and expenses		
Crown (clean car standard administration)	16	0
Crown (clean vehicle discount administration)	8	0
Crown (clean vehicle discount fees)*	87	0
Crown (clean vehicle discount rebates)*	60	0
National Land Transport Fund	0	4
Other revenue	0	2
Total operating revenue	171	6
Clean car standard	4	0
Clean vehicle discount rebates*	155	0
Transport agency operating activities	12	6
Total operating expenses	171	6
Surplus/(deficit)	0	0
Capital funding and expenditure		
Crown	2	0
Total capital funding	2	0
Clean car standard	2	0
Total capital expenditure	2	0
Net capital movement	0	0
Total movement	0	0
Total operating and capital expenditure	173	6

* The government announced that the Clean Vehicle Discount scheme ended on 31 December 2023.

State highway improvements		
	Projected 2023/24 \$m	Budget 2024/25 \$m
Operating revenue and expenses		
Crown (COVID-19 funding)	65	1
Crown (Major Crown investment projects)	0	0
Crown (Supporting Regions programme)	1	0
National Land Transport Fund	622	344
National Land Transport Fund (public–private partnerships)	0	0
National Land Transport Fund (tolling)	14	15
Interest and finance income	10	11
Total operating revenue	712	371
Funding to external organisations (COVID-19 funding)	65	1
Major Crown investment projects	38	0
Funding to approved organisations (Supporting Regions programme)	1	0
Depreciation and state highway write-offs	631	361
State highway revocations	0	124
Interest and finance costs	15	9
Total operating expenses	750	495
Surplus/(deficit)	(38)	(124)
Capital funding and expenditure		
Crown (COVID-19 funding)	1	0
Crown (Crown Infrastructure Partners)	34	29
Crown (major Crown investment projects)	597	811
Crown (regional resilience)	12	50
Crown (Supporting Regions programme)	32	15
National Land Transport Fund	398	679
National Land Transport Fund (loan facility)	1	0
National Land Transport Fund (North Island weather events)	55	0
National Land Transport Fund (public–private partnerships)	5	0
National Land Transport Fund (state highway disposals)	12	18
Depreciation funding utilised for investment in the state highway network	631	361
Total capital funding	1,778	1,963

Crown Infrastructure Partners	34	29
Capital investment	949	963
Capital investment (North Island weather events)	55	0
Capital investment (COVID-19 funding)	1	0
Capital investment (major Crown investment projects)	597	811
Capital investment (regional resilience)	12	50
Capital investment (Supporting Regions programme)	32	15
Public-private partnerships	5	0
Transport Agency capitalised expenditure	93	95
Total capital expenditure	1,778	1,963
Net capital movement	0	0
Total movement	(38)	(124)
Total operating and capital expenditure	1,892	2,097

Local road improvements		
	Projected 2023/24 \$m	Budget 2024/25 \$m
Operating revenue and expenses		
Crown (regional resilience)	0	40
Crown (Supporting Regions programme)	4	2
National Land Transport Fund	16	48
National Land Transport Fund (Housing Infrastructure Fund)	103	50
National Land Transport Fund (loan facility)	98	98
Interest and finance income	25	20
Total operating revenue	246	258
Funding to approved organisations	104	130
Funding to approved organisations (regional resilience)	0	40
Funding to approved organisations (Supporting Regions programme)	4	2
Funding to approved organisations (Housing Infrastructure Fund)	103	50
Transport Agency operating activities	0	0
Interest and finance costs	35	36
Total operating expenses	246	258
Surplus/(deficit)	0	0

Walking and cycling improvements		
	Projected 2023/24 \$m	Budget 2024/25 \$m
Operating revenue and expenses		
Crown (mode shift)	53	45
National Land Transport Fund	20	11
National Land Transport Fund (loan facility)	70	34
Total operating revenue	143	90
Funding to approved organisations	73	38
Funding to approved organisations (mode shift)	53	45
Transport Agency operating activities	10	7
Interest and finance costs	7	0
Total operating expenses	143	90
Surplus/(deficit)	0	0
Capital funding and expenditure		
Crown (Ngauranga to Petone Shared Pathway project)	31	23
National Land Transport Fund	87	90
National Land Transport Fund (loan facility)	42	0
Total capital funding	160	113
Capital investment	129	90
Capital investment (Ngauranga to Petone Shared Pathway project)	31	23
Total capital expenditure	160	113
Net capital movement	0	0
Total movement	0	0
Total operating and capital expenditure	303	203

State highway operations		
	Projected 2023/24 \$m	Budget 2024/25 \$m
Operating revenue and expenses		
Crown (Kaikōura earthquake response)	1	0
National Land Transport Fund	945	433
National Land Transport Fund (Crown-funded emergency works)	30	0
National Land Transport Fund (loan facility)	228	158
National Land Transport Fund (North Island weather events)	462	473
National Land Transport Fund (rental and interest income)	24	25
Total operating revenue	1,690	1,089
Maintenance of the state highway network	728	286
Maintenance of the state highway network (North Island weather events)	462	473
Maintenance of the state highway network (Kaikōura earthquake response)	1	0
Maintenance and operation	16	14
Transport Agency operating activities	92	66
Depreciation	383	250
Interest and finance costs	8	0
Total operating expenses	1,690	1,089
Surplus/(deficit)	0	0
Capital funding and expenditure		
Depreciation funding utilised for investment in the state highway network	383	250
Total capital funding	383	250
Capital investment (renewals)	383	250
Total capital expenditure	383	250
Net capital movement	0	0
Total movement	0	0
Total operating and capital expenditure	1,690	1,089

The state highway maintenance output class was disestablished in GPS 2024 and replaced with 2 new output classes – state highway operations and state highway pothole prevention. State highway operations will fund all operational activities on the state highway network including for emergency reinstatement after loss of service.

State highway pothole prevention		
	Projected 2023/24 \$m	Budget 2024/25 \$m
Operating revenue and expenses		
National Land Transport Fund	0	589
Total operating revenue	0	589
Maintenance of the state highway network	0	116
Transport Agency operating activities	0	34
Depreciation	0	439
Total operating expenses	0	589
Surplus/(deficit)	0	0
Capital funding and expenditure		
Depreciation funding utilised for investment in the state highway network	0	439
Total capital funding	0	439
Capital investment	0	439
Net capital movement	0	0
Total movement	0	0
Total operating and capital expenditure	0	589

This output class is for the purpose of investment in resealing, rehabilitating and drainage maintenance on the state highway network.

Local road operations

	Projected 2023/24 \$m	Budget 2024/25 \$m
Operating revenue and expenses		
National Land Transport Fund	29	104
National Land Transport Fund (Crown-funded emergency works)	30	0
National Land Transport Fund (loan facility)	764	323
National Land Transport Fund (North Island weather events)	526	280
Total operating revenue	1,349	707
Funding to approved organisations	819	426
Funding to approved organisations (North Island weather events)	526	280
Transport Agency operating activities	0	1
Interest and finance costs	4	0
Total operating expenses	1,349	707
Surplus/(deficit)	0	0

The local road maintenance output class was disestablished in GPS 2024 and replaced with 2 new output classes – local road operations and local road pothole prevention.

Local road operations will include operational activities on the local road network and includes funding for emergency reinstatement to loss of service.

Local road pothole prevention

	Projected 2023/24 \$m	Budget 2024/25 \$m
Operating revenue and expenses		
National Land Transport Fund	0	579
Total operating revenue	0	579
Funding to approved organisations	0	579
Total operating expenses	0	579
Surplus/(deficit)	0	0

This output class is for the purpose of investment in resealing, rehabilitating and drainage maintenance on the local road network.

Public transport services		
	Projected 2023/24 \$m	Budget 2024/25 \$m
Operating revenue and expenses		
Crown (bus decarbonisation)	7	15
Crown (Community Connect programme)	78	37
Crown (mode shift)	12	2
Crown (Retaining and recruiting bus drivers)	19	21
Crown (SuperGold card)	38	39
National Land Transport Fund	522	563
National Land Transport Fund (loan facility)	11	45
Total operating revenue	687	722
Funding to approved organisations	533	608
Funding to approved organisations (bus decarbonisation)	7	15
Funding to approved organisations (Community Connect programme)	78	37
Funding to approved organisations (mode shift)	12	2
Funding to approved organisations (retaining and recruiting bus drivers)	19	21
Funding to approved organisations (SuperGold card)	38	39
Interest and finance costs	0	0
Total operating expenses	687	722
Surplus/(deficit)	0	0

Public transport infrastructure		
	Projected 2023/24 \$m	Budget 2024/25 \$m
Operating revenue and expenses		
Crown (Eastern Busway project)	85	84
Crown (mode shift)	29	8
National Land Transport Fund	29	191
National Land Transport Fund (loan facility)	287	268
Total operating revenue	430	551
Funding to approved organisations	300	449
Funding to approved organisations (Eastern Busway project)	85	84
Funding to approved organisations (mode shift)	29	8
Transport Agency operating activities	5	9
Interest and finance costs	11	1
Total operating expenses	430	551
Surplus/(deficit)	0	0
Capital funding and expenditure		
Crown (Crown Infrastructure Partners)	2	53
National Land Transport Fund	107	13
Total capital funding	109	66
Crown Infrastructure Partners	2	53
Capital investment	107	13
Total capital expenditure	109	66
Net capital movement	0	0
Total movement	0	0
Total operating and capital expenditure	539	617

Safety		
	Projected 2023/24 \$m	Budget 2024/25 \$m
Operating revenue and expenses		
National Land Transport Fund	125	59
Community Road Safety programme	10	10
Total operating revenue	135	69
Community Road Safety programme	8	10
Funding to approved organisations	46	0
Speed camera operations	28	44
Transport Agency operating activities	47	15
Interest and finance costs	4	0
Total operating expenses	133	69
Surplus/(deficit)	2	0
Capital funding and expenditure		
National Land Transport Fund	0	12
Total capital funding	0	12
Capital investment	0	12
Net capital movement	0	0
Total movement	2	0
Total operating and capital expenditure	133	81

The Road to Zero output class was disestablished in GPS 2024 and replaced with the safety output class. The safety activity class is established for the purpose of investment in road policing and road safety promotion. Safety infrastructure investments that used to be reported under Road to Zero are included in the state highway and local road improvement output classes.

Coastal shipping		
	Projected 2023/24 \$m	Budget 2024/25 \$m
Operating revenue and expenses		
National Land Transport Fund	3	0
Total operating revenue	3	0
Funding to approved organisations	3	0
Total operating expenses	3	0
Surplus/(deficit)	0	0

The coastal shipping activity class ended on 30 June 2024.

Investment management		
	Projected 2023/24 \$m	Budget 2024/25 \$m
Operating revenue and expenses		
Crown (Crash Analysis System)	1	1
Crown (mode shift)	6	0
National Land Transport Fund	90	86
Total operating revenue	97	87
Funding to approved organisations	46	47
Funding to approved organisations (mode shift)	6	0
Transport Agency operating activities	45	40
Total operating expenses	97	87
Surplus/(deficit)	0	0

Debt repayment		
	Projected 2023/24 \$m	Budget 2024/25 \$m
Operating revenue and expenses		
National Land Transport Fund	175	269
Total operating revenue	175	269
Interest and finance costs	175	269
Total operating expenses	175	269
Surplus/(deficit)	0	0
Borrowing funding and repayment		
National Land Transport Fund	29	150
Repayment for Auckland Transport Package	0	(117)
Other debt repayment	(29)	(33)
Net borrowing	0	0

National Land Transport Fund

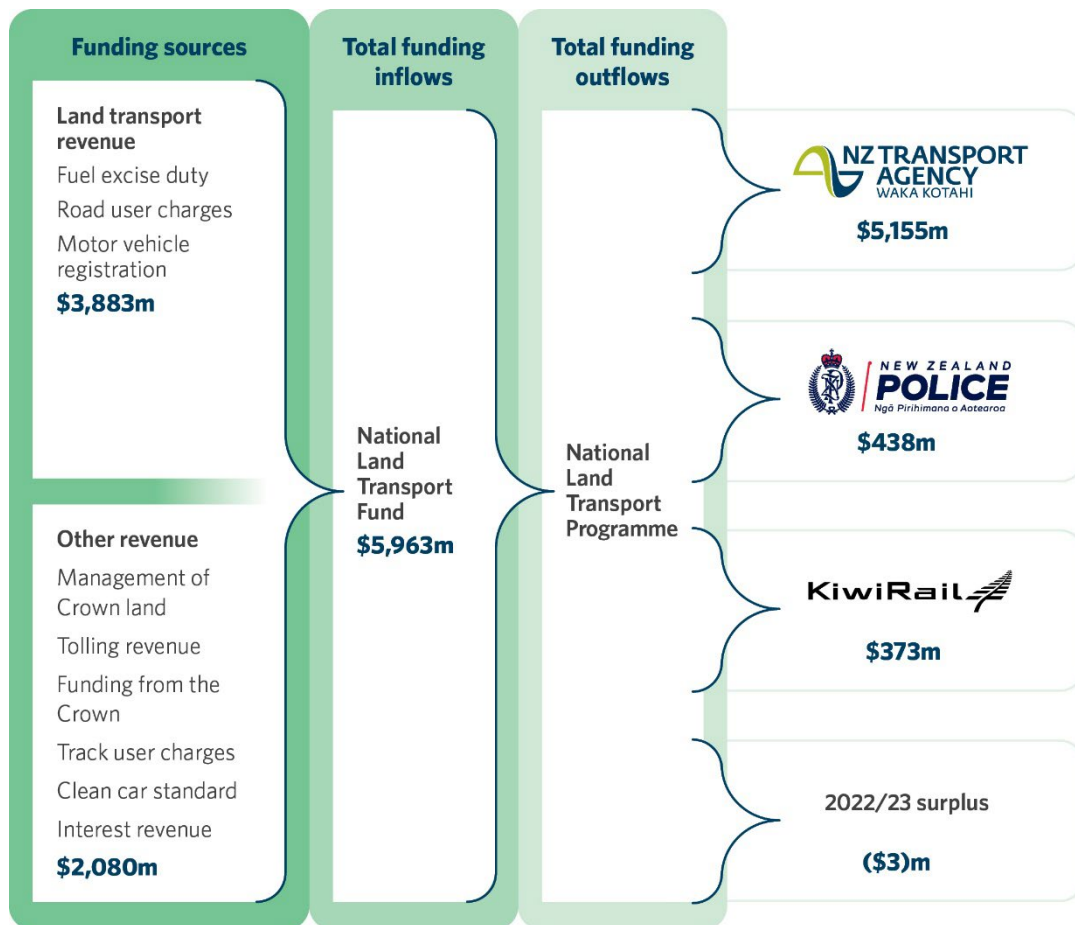
Financial overview

The NLTF facilitates the government’s investment in land transport on behalf of transport users. Revenue from the fuel excise duty, road user charges and motor vehicle registration (collectively, land transport revenue); Crown appropriations; management of Crown land; interest and tolling are accounted for in the NLTF (as shown in figure 7).

The NLTF provides funding for:

- New Zealand Police road policing activities
- the Rail Network Investment Programme
- the NLTP for:
 - activities delivered by approved organisations and KiwiRail
 - state highway activities
 - sector research
 - coastal shipping
 - other NZTA activities, such as transport planning and management of the funding allocation system.

Figure 7 – 2023/24 funding inflows and outflows (current)



Note: Forecast outflows in 2023/24 include funding for the NLTP (\$5,155 million), New Zealand Police for the Road Policing Programme (\$438 million) and the Rail Network Investment Programme (\$373 million).

Prospective financial statements

Prospective statement of comprehensive revenue and expense

For the year ending 30 June

	Note	Projected 2023/24 \$m	Budget 2024/25 \$m
Revenue inflows*			
Land transport revenue		3,803	3,883
Funding from the Crown – Capital grant		0	800
Funding from the Crown – emergency works		61	0
Funding from the Crown – North Island weather events		1,043	753
Funding from the Crown – Rail Network Investment Programme		387	333
Clean car standard revenue		126	113
Management of Crown land		36	43
Tolling revenue		14	15
Track user charges		19	20
Interest revenue		3	3
Total revenue inflows		5,492	5,963
Outflows			
National Land Transport Programme	5	4,402	5,030
Road Policing Programme	5	426	438
Rail Network Investment Programme	5	652	373
Fuel excise duty/road user charges administration		14	15
Forecasting and strategy		3	3
Clean car standard credits		119	107
Total outflows		5,616	5,966
Surplus/(deficit) from current National Land Transport Fund balance		(124)	(3)
Fair value gain on long-term payables		24	32
NLTP expenditure to be funded long term	5	(1,642)	(570)
Finance charges		(11)	(13)
Deficit to be funded from future National Land Transport Fund revenue		(1,629)	(551)
Surplus/(deficit)		(1,753)	(554)

* This heading has been used to be consistent with the terminology in the Land Transport Management Act 2003.

Prospective statement of financial position
As at 30 June

	Projected 2023/24 \$m	Budget 2024/25 \$m
Assets		
Cash and cash equivalents	0	0
Receivables	363	363
Clean car standard credits receivable	39	35
Total assets	402	398
Liabilities		
Payables	5,702	6,262
Provision for clean car standard credits	30	20
Total liabilities	5,732	6,282
Net assets	(5,330)	(5,884)
General funds balance*	(5,330)	(5,884)

* This heading has been used to be consistent with the terminology in the Land Transport Management Act 2003.

Prospective statement of changes in general funds balance
For the year ending 30 June

	Projected 2023/24 \$m	Budget 2024/25 \$m
General funds – current	133	9
General funds – long term	(3,710)	(5,339)
Balance at 1 July	(3,577)	(5,330)
Surplus/(deficit) from current National Land Transport Fund balance	(124)	(3)
Surplus/(deficit) funded from future National Land Transport Fund revenue	(1,629)	(551)
Surplus/(deficit)	(1,753)	(554)
General funds – current	9	6
General funds – long term	(5,339)	(5,890)
Balance at 30 June	(5,330)	(5,884)

Prospective statement of cash flows
For the year ending 30 June

	Projected 2023/24 \$m	Budget 2024/25 \$m
Net cash flows		
Receipts from land transport revenue	5,703	5,967
Payments to suppliers	(5,752)	(5,967)
From operating activities	(49)	0
Net increase/(decrease) in amounts held by the Crown	(49)	0
Amounts held by the Crown at the beginning of the year	49	0
Amounts held by the Crown at the end of the year*	0	0

* The NLTF is a notional account. There are no actual cash and cash equivalents as funds held by the Crown. This statement has been provided to meet requirements of section 11 of the Land Transport Management Act 2003.

Notes to the prospective financial statements

1. Prospective financial statements and assumptions

Use of information contained in these prospective financial statements

These prospective financial statements have been prepared in accordance with the Crown Entities Act 2004 for the purpose of providing information about the NLTF's future operating intentions and financial position, against which it must report and be formally audited at the end of each financial year.

The information in these financial statements may not be appropriate for purposes other than those described.

NZTA has complied with financial reporting standard PBE FRS 42 Prospective financial statements in the preparation of these prospective financial statements.

These prospective financial statements are based on significant financial assumptions about future events that NZTA reasonably expects to occur. Any subsequent changes to these assumptions will not be reflected in these financial statements.

Actual results for the forecast period are likely to vary from the information presented, and variations may be material.

Statement of significant underlying assumptions

NZTA has made assumptions in preparing the prospective financial statements. The most significant of these are outlined below.

Category	Assumption
Land transport revenue	<p>The revenue forecast for the NLTF includes estimates of fuel excise duty, road user charges and motor vehicle registration inflows. The forecasts for each are determined by the revenue forecasting model managed by the Ministry of Transport with input from NZTA, The Treasury and the New Zealand Customs Service. Forecasts are based on historical trends and the economic outlook as presented by The Treasury, including economic growth, estimates of vehicle kilometres travelled and price assumptions.</p> <p>Clean car standard charges are classified as land transport revenue under the Land Transport (Clean Vehicles) Amendment Act 2022. Importers can reduce their liabilities under the Act by importing low emission vehicles or purchasing credits from other vehicle importers. The revenue forecast is an estimate based on the first year of importer activity, with credits earned by importers forecast to largely offset revenue.</p>
Management of Crown land and interest	<p>Forecast revenues are influenced by the management of rental properties and interest revenue on cash holdings. Assumptions are based on historical performance and trends.</p>
National Land Transport Programme (NLTP)	<p>The 2024–27 NLTP has not yet been confirmed and numbers may move materially from those indicated.</p> <p>The forecast includes approved Crown funding for state highway and local roads to reseal and rehabilitate roads that have been damaged due to the North Island weather events.</p>
Rail Network Investment Programme	<p>NZTA assumes the 2024/25 Rail Network Investment Programme will be funded through a combination of Crown funding (\$333 million) and track user charges (\$18 million) at a level consistent with the lower end of the GPS funding range.</p>

2. General funds

The NLTF has a negative general funds balance. The negative general funds balance arises because certain programmes have been accelerated with funding sourced from the Crown and using public–private partnerships. The funding received has been recognised in long-term payables.

Although the NLTF has a negative general funds balance, it is considered to be a going concern for the following reasons.

- The NLTF’s liquidity is actively managed.
- A \$2 billion borrowing facility was established by the Crown in 2021/22 to support the delivery of the 2021–24 NLTP, with a further \$3.1 billion borrowing facility, a \$3.1 billion capital grant and a \$1 billion tagged capital grant contingency to support the delivery of the 2024–27 NLTP.
- The government has proposed a 12 cents per litre increase in fuel taxes from January 2027 and a further 6 cents in January 2028, followed by a 4 cent per litre annual increase starting in January 2029. The government has also proposed an increase in motor vehicle registration costs.
- Borrowing facilities with the Crown are in place to manage short-term imbalances between fund inflows and outflows.
- The NLTF’s main revenue source is land transport revenue. Revenue forecast is developed by the Ministry of Transport based on inputs sourced from other government agencies, including NZTA. Ultimately, the amount of land transport revenue generated is dependent on fuel use and the rate of fuel taxation.
- Rapidly advancing reforms to the NLTF’s revenue system. The first step of this is already under way with light electric vehicles required to pay road user charges from April 2024. The next steps include requiring all road vehicles to move from Fuel Excise Duty to Road User Charges, which is a fairer way of charging for road use based on weight and distance. As part of these reforms, a reform of tolling legislation and allowing for time-of-use charging on the most congested parts of New Zealand’s road network will help to reduce congestion and maximise use of existing assets. Legislative changes will be required to achieve these reforms.
- NZTA expects the Crown will continue to provide additional funding or financing to manage long-term imbalances between fund inflows and outflows, as it has to date.
- NZTA has the option to slow expenditure or not approve projects within the NLTP.

While meeting the accounting definition of a going concern, the NLTF is unlikely to be able to maintain the New Zealand transport system to acceptable standards, repay debt and invest to achieve government priorities without substantial increases in revenue.

The negative general funds balance as at 30 June 2025 reflects the future commitment to repay public–private partnerships loans and Crown loans and borrowing facilities.

The components of the general funds balance are shown below.

	Projected 2023/24 \$m	Budget 2024/25 \$m
General funds – current	9	6
General funds – long term	(5,339)	(5,890)
Total general funds balance	(5,330)	(5,884)

3. Statement of accounting policies

Reporting entity

The Land Transport Management Act 2003 includes a requirement for NZTA to prepare an annual report at the end of the financial year for the NLTF.

All revenue from fuel excise duty, road user charges, motor vehicle registration and licensing fees, revenues from Crown appropriations, management of Crown land, interest and tolling are accounted for in the NLTF. The NLTF is used to manage the funding of the:

- New Zealand Police Road Policing Programme
- Rail Network Investment Programme
- NLTF for:
 - activities delivered by an approved organisation
 - state highway activities
 - research
 - other NZTA activities such as transport planning and management of the funding allocation system.

NLTF cash funds are held as part of the total Crown funds. The Ministry of Transport is responsible for authorising any payments from the NLTF and administering appropriations.

The NLTF, being a notional account, does not hold any physical assets.

Basis of preparation

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

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

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

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

4. Summary of significant accounting policies

The following is a summary of the significant accounting policies that affect the forecast financial statements. A comprehensive list of policies is in the NLTF's 2022/23 annual report.

Revenue inflows

Land transport revenue and tolling revenue have been classified and treated as non-exchange revenue and accounted for in accordance with PBE IPSAS 23 Revenue from non-exchange transactions. The nature of these revenue streams is that of taxes and duties. The payment of taxes and duties does not entitle the payer to an equivalent value of services or benefits, because no direct exchange relationship exists between paying taxes and duties and receiving services or benefits from the NLTF. Revenue is recognised when specific criteria have been met for each of the NLTF activities and the revenue can be reliably measured.

The interest earned on the nominal cash balance and the management of Crown land has been classified and treated as exchange revenue and accounted for in accordance with PBE IPSAS 9 *Revenue from exchange transactions*.

Outflows

The NLTF recognises outflows based on when NZTA and the other Crown organisations it funds recognise operating or capital expenditure.

Provision

Provision for clean car standard credits is a liability of uncertain timing and amount.

Liabilities – non-current payables

Non-current payables are a mixture of interest and non-interest-bearing advances. Non-interest-bearing non-current payables are discounted to present value as at balance date.

5. Output class funding

Output class funding to NZTA		
	Projected 2023/24 \$m	Budget 2024/25 \$m
State highway improvements	1,085	1,047
Local road improvements	32	12
Walking and cycling improvements	101	101
State highway operations	1,453	931
State highway pothole prevention	0	589
Local road operations	581	384
Local road pothole prevention	0	579
Public transport services	523	563
Public transport infrastructure	125	202
Safety	121	71
Coastal shipping	3	0
Investment management	90	86
Repayment of debt – principal	29	150
Repayment of debt – interest	259	315
Funding to NZTA – current*	4,402	5,030**
Road Policing Programme	426	438
Rail Network Investment Programme	652	373
Total output class funding	5,480	5,841
State highway improvements – public–private partnerships	7	0
Local road improvements – Housing Infrastructure Fund	52	50
Debt repayment	(29)	(33)
Debt repayment – repayment for Auckland Transport Package	0	(117)
NLTP 2021–24 loan	1,500	0
NLTP 2024–27 loan	0	925
Drawdown of short-term borrowing facility	125	(250)
Fair value changes in financial instruments charged to surplus or deficit	(13)	(5)
Total output class funding (long term)	1,642	570

* In the prospective financial statements of NZTA, output class funding includes NLTF operating expenses, NLTF capital expenditure (excluding public–private partnerships funded long term) and borrowing repayments funded by the NLTF.

** The funding to NZTA currently matches note 5 NLTP outflows in the NLTF financial statements.

Appendices

Ngā āpitihanga

Appendix: Vote Transport appropriation measures

Vote Transport funds land transport infrastructure investments, services and regulatory activities. This appendix lists the NZTA performance measures under Vote Transport Estimates of Appropriations 2024/25 – Economic development and infrastructure sector. More information on Vote Transport is available at treasury.govt.nz/publications/budgets

Appropriation	Reference Measure	Budget standard 2023/24	Estimated actual 2023/24	Budget standard 2024/25	
Non-departmental Output Expenses					
Land Transport Regulatory Services	CAS1	Average number of days taken to enter fatal crash reports into the Crash Analysis System	10 working days or less	2 working days	10 working days or less
	LIC1	Number of drug or alcohol assessments funded	700 or less ^D	367	700 or less ^D
	LIC2	Number of older driver licences subsidised	116,889 or less ^D	105,000	116,889 or less ^D
	MIN1	Proportion of requests completed within specified timeframes – Ministerial correspondence	95% or greater	100%	95% or greater
	MIN2	Proportion of requests completed within specified timeframes – Parliamentary questions	100%	99.9%	100%
	MIN3	Proportion of requests completed within statutory timeframes – Official Information Act requests	100%	99.5%	100%
	CPO1	Number of community provider organisations who have accessed a Community Driver Testing Officers or Driver Testing Officers for dedicated Class 1 practical tests for students	26 or greater	26	26 or greater
	CPO2	Number of testing days that community provider organisations have booked for Class 1 practical dedicated student bookings	600 or greater	600	600 or greater

Appropriation	Reference Measure	Budget standard 2023/24	Estimated actual 2023/24	Budget standard 2024/25	
	REA1	Number of advisors supporting community driver training, education and testing	11 or greater	11	11 or greater
National Land Transport Programme PLA	IM1	<i>Investment Management</i> Proportion of total cost of managing the investment funding allocation system to total National Land Transport Programme expenditure ^A	1.1% or less	0.9%	1% or less ^H
	LRI1	<i>Local Road Improvements</i> Proportion of local road improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes ^A	80% or greater	Not available ^C	80% or greater
	SHI1	<i>State Highway Improvements</i> Proportion of state highway improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes ^{A, B, I}	80% or greater	Not available ^C	80% or greater
	PTS1	<i>Public Transport Services and Public Transport Infrastructure</i> Number of boardings on public transport services ^A	Greater than 129 million	Not available ^C	Greater than 129 million
	PTI1	<i>Public Transport Services and Public Transport Infrastructure</i> Punctuality of metro rail services ^A	95% or greater	Not available ^C	95% or greater
	WCI1	<i>Walking and Cycling Improvements</i> Proportion of cycleways, pathways and shared paths delivered against what was funded ^A	Baseline reset	Not available ^C	Baseline reset
	RN2	<i>Rail Network</i> Freight travel time reliability ^A	90% or greater	90%	90% or greater
	RN1	<i>Rail Network</i> Amount of freight carried by rail ^A	4,050 Net tonne kilometres of freight carried by rail	4,050 Net tonne kilometres of freight carried by rail	4,170 Net tonne kilometres of freight carried by rail

Appropriation	Reference Measure		Budget standard 2023/24	Estimated actual 2023/24	Budget standard 2024/25
Public Transport Bus Decarbonisation	ZEV1	Increase in the number of zero-emission vehicles deployed into the public transport fleet, measured annually	Increasing from prior year	Not available ^C	Increasing from prior year
	EUB1	Reduction in the number of Euro III and below buses deployed in the public transport fleet	Decreasing from prior year	Not available ^C	Decreasing from prior year
Retaining and Recruiting Bus Drivers	RBD1	Proportion of scheduled bus service trips not operated	Less than 13%	Not available ^C	4% or less ^J
Road User Charges Investigation and Enforcement	REV1	Proportion of unpaid road user charges identified through investigations and assessments that are collected ^A	65% or greater	Not available ^C	65% or greater
Road User Charges Refunds	RUC1	Average number of days to process road user charges refund applications	20 working days or less	6 working days	20 working days or less
Waka Kotahi Regulatory Functions PLA	WRF1	Number of regulatory guidelines and standards (non-legislative) reviewed and/or updated	20 or greater	30	20 or greater
	WRF2	The regulatory policy work programme is delivered as agreed with the Ministry of Transport	Achieved	Achieved	Achieved
Non-departmental Other Expenses					
Bad Debt Provision – Land Transport Revenue collected by Waka Kotahi NZ Transport Agency	BDP1	Proportion of bad debt for road user charges against forecast revenue	1% or less	Not available ^C	1% or less
Clean Vehicle Standard – Issue of Credits	CVS1	Credits issued in accordance with Clean Vehicle Standard regulations	100%	100%	100%
Eastern Busway Project	EBP1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	Achieved	Achieved	Achieved

Appropriation	Reference Measure		Budget standard 2023/24	Estimated actual 2023/24	Budget standard 2024/25
Non-departmental Capital Expenditure					
Capital Investment Package – Funding for Crown assets	NZUP1	Proportion of NZ Transport Agency projects under the Capital Investment Package delivered to agreed budget and timeframes ^E	80% or greater	Not available ^C	80% or greater
Housing Infrastructure Fund Loans 2023-2028	HIF1	The loan will be drawn down for the purposes and on the terms agreed between NZ Transport Agency Waka Kotahi and the Minister of Transport	100%	100%	100%
National Land Transport Programme Capital PLA	SHI1 ^B	Proportion of state highway improvement activities funded by the National Land Transport Fund delivered to agreed standards and timeframes ^{B, I}	80% or greater	Not available ^C	80% or greater
Ngauranga to Petone Shared Pathway Project	NPP1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	Achieved	Achieved	Achieved
NLTF Borrowing Facility for Short-Term Advances	NLTFA1	The loan will be drawn down for the purposes and on the terms agreed between NZ Transport Agency Waka Kotahi and the Minister of Transport	100%	100%	100%
North Island Weather Events – State Highway Recovery	SHR1	Reporting on an annual basis	Achieved	Achieved	Achieved
Regional State Highways	RSH1	Proportion of NZ Transport Agency Waka Kotahi Regional Investment Opportunities (RIO) activities delivered to agreed budget and timeframes	80% or greater	Not available ^C	80% or greater

Appropriation	Reference Measure	Budget standard 2023/24	Estimated actual 2023/24	Budget standard 2024/25	
Multi-Category Expenses and Capital Expenditure					
Community Connect Programme	CCP0	<i>Overarching measure</i> Reporting on an annual basis	Achieved	Achieved	Achieved
	CCP1	Non-Departmental Output Expenses <i>Administration of the Community Connect Programme</i> Community Connect is implemented in at least one major urban area in the short term	Achieved	Achieved	Achieved
	CCP2	Non-Departmental Other Expenses <i>Community Connect Programme – Public Transport Concessions</i> Number of boardings using Community Connect concessions	Increasing	Increasing	Increasing
	CCP3	Non-Departmental Other Expenses <i>Total Mobility Scheme Local Share Funding Shortfall</i> Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	100%	100%	100%
	CCP4	Non-Departmental Other Expenses <i>Total Mobility Services Concessions</i> Number of trips using Total Mobility concessions	Greater than baseline (1,564,000 trips)	2.7 million	Greater than baseline (1,564,000 trips)
COVID-19 – NLTF Funding for Cost Pressures and Revenue Shocks	CPRS0	<i>Overarching measure</i> Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	100%	100%	100%
	CPRS1	Non-Departmental Output Expenses <i>COVID-19 – NLTF Operating Cost Pressure and Revenue Shortfall Funding</i> Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	100%	100%	100%

Appropriation	Reference	Measure	Budget standard 2023/24	Estimated actual 2023/24	Budget standard 2024/25
	CPF1	Non-Departmental Capital Expenditure <i>COVID-19 – NLTF Capital Cost Pressure Funding</i> Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	100%	100%	100%
Improving Resilience of the Roding Network	IR0	<i>Overarching measure</i> Reporting on an annual basis	Achieved	Achieved	Achieved
	IR1	Non-Departmental Output Expenses <i>Improving Resilience of the Roding Network – Operating Costs</i> Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	100%	Not available ^C	100%
	IR2	Non-Departmental Other Expenses <i>Improving Resilience of the Roding Network – Local Roads</i> Percentage of programme completed for local roads (measured annually)	New measure	Not available ^C	80%
	IR3	Non-Departmental Capital Expenditure <i>Improving Resilience of the Roding Network – State Highways</i> Percentage of programme completed for state highways (measured annually)	80%	Not available ^C	90%
Mode-Shift – Planning, Infrastructure, Services, and Activities	MSOC0	<i>Overarching measure</i> Reporting on an annual basis	Achieved	Achieved	Achieved
	MSOC1	Non-Departmental Output Expenses <i>Mode-Shift – Operating Costs</i> Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	100%	Not achieved	100%

Appropriation	Reference Measure	Budget standard 2023/24	Estimated actual 2023/24	Budget standard 2024/25
MSTP1	Non-Departmental Other Expenses <i>Mode-Shift – Third-Party Projects and Activities</i> Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	100%	Not achieved	100%
MSTP3	Non-Departmental Other Expenses <i>Mode-Shift – Third-Party Projects and Activities</i> Kilometres of cycle ways delivered	50 kilometres ^F	Not available ^C	50 kilometres
MSTP4	Non-Departmental Other Expenses <i>Mode-Shift – Third-Party Projects and Activities</i> Number of new or upgraded bus stops	500 ^f	Not available ^C	500
MSTP5	Non-Departmental Other Expenses <i>Mode-Shift – Third-Party Projects and Activities</i> Kilometres of bus priority lanes	5 kilometres ^F	Not available ^C	5 kilometres
MSTP6	Non-Departmental Other Expenses <i>Mode-Shift – Third-Party Projects and Activities</i> Number of suburbs that received walking and improvement projects	30 suburbs ^F	Not available ^C	30 suburbs
MSTP7	Non-Departmental Other Expenses <i>Mode-Shift – Third-Party Projects and Activities</i> Number of schools benefiting from safety improvements	50 schools ^F	Not available ^C	50 schools

Appropriation	Reference Measure	Budget standard 2023/24	Estimated actual 2023/24	Budget standard 2024/25		
North Island Weather Events – Road Response and Reinstatement	NIWE0	<i>Overarching measure</i> Reporting on an annual basis		Achieved	Achieved	Achieved
	NIWE1	Non-Departmental Output Expenses <i>Local Road Recovery Costs</i> Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	100%	100%	100%	
	NIWE2	Non-Departmental Output Expenses <i>Local Road Response Costs</i> Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	100%	100%	100%	
	NIWE3	Non-Departmental Output Expenses <i>State Highway Recovery Costs – Operating</i> Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	100%	100%	100%	
	NIWE4	Non-Departmental Capital Expenditure <i>Equity Injection to Waka Kotahi NZTA</i> Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	100%	100%	100%	
	NIWE5	Non-Departmental Capital Expenditure <i>Minor Resilience Works</i> Percentage of minor resilience works completed (measured annually)	100%	100%	100%	

Appropriation	Reference	Measure	Budget standard 2023/24	Estimated actual 2023/24	Budget standard 2024/25
	NIWE6	Non-Departmental Capital Expenditure <i>State Highway Recovery Costs – Capital</i> Percentage of programme completed for state highways (measured annually)	100%	100%	100%
SuperGold Card Enhanced Public Transport Concessions Scheme	SG0	<i>Overarching measure</i> Reporting on an annual basis	Achieved	Achieved	Achieved
	SG1	Non-Departmental Output Expenses <i>Administration of the Public Transport Concessions Scheme</i> Proportion of payments made by NZ Transport Agency Waka Kotahi, from the date the claims were submitted by approved organisations within 20 working days	100%	100%	100%
	SG2	Non-Departmental Other Expenses <i>Public Transport Concessions for Cardholders</i> Number of boardings using SuperGold concessions	12–15 million	13.5 million	12–15 million
Tuawhenua Provincial Growth Fund – Transport Projects	PGF1	Non-Departmental Output Expenses <i>Supporting Regional and Infrastructure Projects</i> Average number of days to release Provincial Growth Fund funding to support regional and infrastructure projects once approved	20 working days or less	9–12 working days	20 working days or less
	PGF2	Non-Departmental Other Expenses <i>Enabling Infrastructure Projects</i> Average number of days to release Provincial Growth Fund infrastructure funding once approved	20 working days or less	11 working days	20 working days or less

Appropriation	Reference Measure	Budget standard 2023/24	Estimated actual 2023/24	Budget standard 2024/25
	PGF7 Non-Departmental Capital Expenditure <i>Infrastructure Projects</i> Proportion of NZ Transport Agency Waka Kotahi projects funded by the Provincial Growth Fund delivered to budget and timeframes	80% or greater	Not available ^C	80% or greater

^A This is also an output class measure.

^B This is a performance measure for the National Land Transport Programme PLA and the National Land Transport Programme Capital PLA appropriations.

^C The estimate is not available because data is collected only at year-end.

^D The results are dependent on the number of applications received.

^E This refers to major Crown investment projects delivered by NZTA.

^F The standard is for programme completion on 30 June 2025. The result as of 30 June 2024 will be provided in the annual report.

^G This measure wording is correct but was entered incorrectly into the 2024/25 Vote Transport Estimates of Appropriations and will be changed in the 2024/25 Supplementary Estimates to match this.

^H The 2024/25 standard has been changed to 1% or less to show intention of continuous improvement and the change will be made in the 2024/25 Supplementary Estimates.

^I 'Agreed standards and timeframes' relate to schedule, budget and quality. Schedule is assessed by year-end achievements against milestones that are set at the beginning of the year for projects that are due for practical completion in the year. Budget is assessed by actual spend by year-end compared with financial baselines set at the beginning of the year. Quality is not an actual assessment but embedded in various gateways in managing the project.

^J The target change from 13% to 4% did not get published in time in the 2024/25 Vote Transport Estimates of Appropriations and will be updated in the 2024/25 Supplementary Estimates.

The following table provides disclosure of judgement regarding changes to appropriation measures.

Reference	Measure	Budget standard 2023/24	Budget standard 2024/25	Type of change	Rationale for change
CCS1	Proportion of vehicle imports with CO ₂ and importer information, allowing robust measurement against national CO ₂ targets	100%	N/A	Removed measure	Measure has been removed in the 2024/25 Estimates.
CVD1	Administration costs incurred in accordance with the funding agreement with the Ministry of Transport	Achieved	N/A	Removed measure	Measure has been removed in the 2024/25 Estimates.
CG1	Percentage of programme completed in Northland, Coromandel and East Coast (measured annually)	100%	N/A	Removed measure	Measure has been removed in the 2024/25 Estimates.
CPO1	Number of community provider organisations who have accessed a Community Driver Testing Officer or Driver Testing Officer for dedicated Class 1 practical tests for students	26 or greater	26 or greater	Description and standard change	Measure description has been updated from the previous 'Number of community provider organisations who can make group bookings for Class 1 practical tests on the same day'.
CPO2	Number of testing days that community provider organisations have booked for Class 1 practical dedicated student bookings	600 or greater	600 or greater	Description and standard change	Measure description has been updated from the previous 'Number of testing days that community provider organisations can book for Class 1 practical tests on the same day'.
DTW1	Average national wait times for a driving test	Less than 30 days	N/A	Removed measure	Measure has been removed in the 2023/24 Supplementary Estimates.

Reference	Measure	Budget standard 2023/24	Budget standard 2024/25	Type of change	Rationale for change
TST1	Number of theory test sites nationally	Increased number of test sites as at 30 June 2025	N/A	Removed measure	Measure has been removed in the 2023/24 Supplementary Estimates.
TSP1	Number of practical test sites nationally	Increased number of practical test sites as at 30 June 2025	N/A	Removed measure	Measure has been removed in the 2023/24 Supplementary Estimates.
MTT1	Number of mobile theory tests conducted in a year	3,000	N/A	Removed measure	Measure has been removed in the 2023/24 Supplementary Estimates.
REA1	Number of advisors supporting community driver training, education and testing	11 or greater	11 or greater	Description and standard change	Measure description has been updated from the previous 'Number of regional expert advisors supporting community driver training, and mentoring programmes (expected to be consistent across years)'.
IM1	<i>Investment Management</i> Proportion of total cost of managing the investment funding allocation system to total National Land Transport Programme expenditure	1.1% or less	1% or less	Standard change	The 2024/25 standard has been changed to 1% or less to show intention of continuous improvement and the change will be implemented in the 2024/25 Supplementary Estimates.
WCI1	<i>Walking and Cycling Improvements</i> Proportion of cycleways, pathways and shared paths delivered against plan	Baseline reset	Baseline reset	Standard change	Standard is to be reset on completion of methodology review.

Reference	Measure	Budget standard 2023/24	Budget standard 2024/25	Type of change	Rationale for change
RN1	Amount of freight carried by rail	4,050 or greater net tonne kilometres of freight carried by rail	4,170 or greater net tonne kilometres of freight carried by rail	Standard change	The target has changed from '4,050 net tonne kilometres' to match the KiwiRail target.
NLTP-AC1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	100%	N/A	Removed measure	Measure has been removed in the 2024/25 Estimates.
RBD1	Proportion of scheduled bus service trips not operated	Less than 13%	4% or less	Standard change	The target has changed to reflect the intended output in 2024/25. The change was not published in time in the 2024/25 Estimates and will be implemented in the 2024/25 Supplementary Estimates.
BDP1	Proportion of bad debt for road user charges against forecast revenue	1% or less	1% or less	Standard change	Standard has increased from 0.45% to 1% to align with the actual appropriation approved for the year.
CVS1	Credits issued in accordance with Clean Vehicle Standard regulations	100%	100%	New measure	New measure and standard implemented in the 2023/24 Supplementary Estimates to report against new appropriation.
EBP1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	Achieved	Achieved	New measure	New measure and standard implemented in the 2023/24 Supplementary Estimates to report against new appropriation.
NZUP1	Proportion of NZ Transport Agency projects under the Capital Investment Package delivered to agreed budget and timeframes	80% or greater	80% or greater	Description and standard change	Standard has decreased from 90% to 80% to reflect expectations in the new Delegation Letter to the NZTA Board on New Zealand Upgrade Programme.

Reference	Measure	Budget standard 2023/24	Budget standard 2024/25	Type of change	Rationale for change
NPP1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	Achieved	Achieved	New measure	New measure and standard implemented in the 2023/24 Supplementary Estimates to report against new appropriation.
SHR1	Reporting on an annual basis	Achieved	Achieved	New measure	New measure and standard implemented in the 2023/24 Supplementary Estimates to report against new appropriation.
CCS-C1	Systems and internal capability are implemented to commence policy with importers of vehicles by late 2022	Achieved	N/A	Removed measure	Measure has been removed in the 2023/24 Supplementary Estimates.
CIPO0	Reporting on an annual basis	Achieved	N/A	Removed measure	Measure has been removed in the 2024/25 Estimates.
CIPO1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	100%	N/A	Removed measure	Measure has been removed in the 2024/25 Estimates.
CIPO2	Proportion of NZ Transport Agency projects under the Capital Investment Package that will result in third party asset ownership delivered to agreed budget and timeframes	80% or greater	N/A	Removed measure	Measure has been removed in the 2024/25 Estimates.
CCP3	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	Achieved	100%	Standard change	The standard was changed to align with similar measures and to be a more accurate representation. Change was implemented in the 2023/24 Supplementary Estimates and the 2024/25 Estimates.

Reference	Measure	Budget standard 2023/24	Budget standard 2024/25	Type of change	Rationale for change
IR2	<p><i>Improving Resilience of the Roding Network – Local Roads</i></p> <p>Local Road Project Pipeline Established for 2024/25 (2023/24)</p> <p>Percentage of programme completed for local roads (measured annually) (2024/25)</p>	Achieved	80%	Description and standard change	New measures along with standards have been established for 2023/24 and 2024/25 to replace previous measure 'Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet' to demonstrate the intended output funded by this appropriation.
IR3	<p><i>Improving Resilience of the Roding Network – State Highways</i></p> <p>Percentage of programme completed for state highways (measured annually)</p>	80%	90%	Description and standard change	New measure and standard have been established to replace previous measure 'Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet' to demonstrate the intended output funded by this appropriation.
MSOC2	<p><i>Mode-Shift – Operating Costs</i></p> <p>National light Vehicle Kilometres Travelled (VKT) reduction plan and programme that is aligned to the national VKT reduction target for light vehicles in the Emissions Reduction Plan and the sub-national VKT reduction targets to be set is approved and published by 30 June 2024</p>	Achieved	N/A	Removed measure	Measure has been removed in the 2023/24 Supplementary Estimates.

Reference	Measure	Budget standard 2023/24	Budget standard 2024/25	Type of change	Rationale for change
MSTP2	<p><i>Mode-Shift – Third-Party Projects and Activities</i></p> <p>Light VKT reduction programmes for Tier 1 urban environments that are aligned to relevant sub-national light VKT reduction targets are on track to be approved and published by 31 December 2023</p>	Achieved	N/A	Removed measure	Measure has been removed in the 2023/24 Supplementary Estimates.
MSTP3	<p><i>Mode-Shift – Third-Party Projects and Activities</i></p> <p>Kilometres of cycle ways delivered</p>	50	50	Standard change	Standard has been updated from 242 to reflect the December 2023 government announcement to stop further funding for the Transport Choices programme, beyond those projects with approved Schedule 2 (construction/implementation) funding.
MSTP4	<p><i>Mode-Shift – Third-Party Projects and Activities</i></p> <p>Number of new or upgraded bus stops</p>	500	500	Standard change	Standard has been updated from 397 to reflect the December 2023 government announcement to stop further funding for the Transport Choices programme, beyond those projects with approved Schedule 2 (construction/implementation) funding.
MSTP5	<p><i>Mode-Shift – Third-Party Projects and Activities</i></p> <p>Kilometres of bus priority lanes</p>	5	5	Standard change	Standard has been updated from 11 to reflect the December 2023 government announcement to stop further funding for the Transport Choices programme, beyond those projects with approved Schedule 2 (construction/implementation) funding.

Reference	Measure	Budget standard 2023/24	Budget standard 2024/25	Type of change	Rationale for change
MSTP6	<i>Mode-Shift – Third-Party Projects and Activities</i> Number of suburbs that received walking and improvement projects	30	30	Standard change	Standard has been updated from 29 to reflect the December 2023 government announcement to stop further funding for the Transport Choices programme, beyond those projects with approved Schedule 2 (construction/implementation) funding.
MSTP7	<i>Mode-Shift – Third-Party Projects and Activities</i> Number of schools benefiting from safety improvements	50	50	Description and standard change	Standard has been updated from 119 to reflect the December 2023 government announcement to stop further funding for the Transport Choices programme, beyond those projects with approved Schedule 2 (construction/implementation) funding. Description has been updated for the same reason from previous 'number of improvements for access to schools'.
NIWE0	<i>Overarching measure</i> Reporting on an annual basis	Achieved	Achieved	New measure	New measure and standard implemented in the 2023/24 Supplementary Estimates to report against new appropriation.
NIWE1	<i>Local Road Recovery Costs</i> Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	100%	100%	New measure	New measure and standard implemented in the 2023/24 Supplementary Estimates to report against new appropriation.
NIWE2	<i>Local Road Response Costs</i> Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	100%	100%	New measure	New measure and standard implemented in the 2023/24 Supplementary Estimates to report against new appropriation.

Reference	Measure	Budget standard 2023/24	Budget standard 2024/25	Type of change	Rationale for change
NIWE3	<p><i>State Highway Recovery Costs – Operating</i></p> <p>Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet</p>	100%	100%	New measure	New measure and standard implemented in the 2023/24 Supplementary Estimates to report against new appropriation.
NIWE4	<p><i>Equity Injection to Waka Kotahi NZTA</i></p> <p>Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet</p>	100%	100%	New measure	New measure and standard implemented in the 2023/24 Supplementary Estimates to report against new appropriation.
NIWE5	<p><i>Minor Resilience Works</i></p> <p>Percentage of minor resilience works completed (measured annually)</p>	100%	100%	New measure	New measure and standard implemented in the 2023/24 Supplementary Estimates to report against new appropriation.
NIWE6	<p><i>State Highway Recovery Costs – Capital</i></p> <p>Percentage of programme completed for state highways (measured annually)</p>	100%	100%	New measure	New measure and standard implemented in the 2023/24 Supplementary Estimates to report against new appropriation.