

WAKA KOTAHI NZ TRANSPORT AGENCY STATEMENT OF PERFORMANCE EXPECTATIONS 2020/21



Waka Kotahi NZ Transport Agency

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Waka Kotahi NZ Transport Agency

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

NZ Transport Agency
Private Bag 6995
Wellington 6141

This publication is also
available on our website

www.nzta.govt.nz

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INTRODUCTION

Waka Kotahi NZ Transport Agency partners with others to deliver safe, easy and connected journeys that help improve the lives of New Zealanders and help organisations and businesses thrive. Our work at Waka Kotahi connects people and communities, keeps people safe and well, and supports New Zealand's prosperity.

Our strategic priorities focus on creating a safer, more resilient and sustainable transport system that improves access to social and economic opportunities and improves the wellbeing of all New Zealanders.

This Statement of performance expectations describes what we will deliver in 2020/21 and how we will measure our progress.

IMPROVING OUR RELATIONSHIP WITH OUR PARTNERS

Waka Kotahi has a critical national role. It is responsible for addressing the big transport and transport-related issues facing the country. This role involves working effectively with others to create an integrated land transport system that delivers better access and great places to live, work and play into the future.

Arataki is our 10-year view of what is needed to develop an integrated land transport system that delivers on current government priorities and long-term outcomes. It informs our decision-making, enables us to respond to the changing needs of the land transport system, and enables us to better understand the impacts of choices and decisions that shape the system. By engaging with our partners, we are creating a shared view of the evidence base, the priority challenges and opportunities, and the steps needed to address those challenges and opportunities. Our partners' feedback will inform the next update to Arataki in August 2020.

We moved swiftly to respond to concerns our co-investment partners raised about how we manage land transport investments and our relationships. Our 10 new Regional Relationship teams are well-positioned to better respond to the needs of our co-investment partners.

We are more open and transparent with our co-investment partners and others, working closer together to manage the funding pressures we face and jointly prioritising our investment to deliver the best outcomes for New Zealand.

NEW ZEALAND UPGRADE PROGRAMME - TRANSPORT

In February 2020, the government announced details of the \$6.8 billion NZ Upgrade Programme for land transport to be delivered over the next decade, with investment across road, rail, public transport, and walking and cycling infrastructure. We have the opportunity to upgrade the transport infrastructure in seven main growth areas – Northland, Auckland, Waikato, Bay of Plenty, Wellington, Canterbury and Queenstown. The programme also includes a regional package that addresses key challenges and regional improvement opportunities through 13 regional state highway projects.

The programme supports the objectives of the current Government Policy Statement on land transport by providing better access to a safer, more resilient transport system and offering people real choices in how they move about. It will help future-proof the economy, get our cities moving, make our roads safer and support regional economic development. The outcomes will be faster travel times, less congestion, and safer roads with fewer trucks on them as increasingly more freight is moved by rail.

LIGHT RAIL

Auckland Light Rail will be a transformational project for Auckland and New Zealand, delivering higher public transport mode share, increasing economic activity and productivity, stimulating the economy during the recovery phase from COVID-19 and enabling the provision of affordable housing. Cabinet is deciding who its preferred delivery partner will be. Should it be Waka Kotahi, we are ideally placed to begin discussions with our partners and swiftly progress the delivery and funding of the scheme.

OUR TOP PRIORITY IS SAFETY

Safety is our top priority. This includes road safety and the safety of our people and contractors working on the road network. The Road to Zero strategy and action plan were launched in mid-December 2019 with a new vision for a New Zealand where no one is killed or seriously injured in road crashes. Any death or serious injury on our roads is unacceptable.

The Road to Zero infrastructure and speed management programme outlines investment levels (\$5 billion in total) over the next 10 years to contribute to the government's target of a 40 percent reduction in death or serious injury.

The Road Safety Partnership Programme and Action Plan supports New Zealand Police to achieve its operational target of a 5 percent reduction in road deaths each year to 2030. The programme aligns with the Road to Zero strategy and supports a new performance reporting framework.

Our commitment to safety also extends to our regulatory function. We continue to develop as a firm and fair regulator and improve how we engage with our regulatory communities. In 2020/21, we will implement a new regulatory strategy and our regulatory funding review will set out an investment pathway.

LESS ENVIRONMENTAL HARM

We are using planning, investment and regulatory levers to ensure the land transport system plays its part in reducing environmental harm and improving public health. Our Toitū Te Taiao Sustainability Action Plan and Sustainability Monitoring Framework focus on mitigating climate change, improving public health and reducing environmental harm.

We are also supporting work to increase the movement of freight by lower emission transport modes, such as rail and coastal shipping instead of roads. The movement of freight has a significant impact on New Zealand's economic potential. We will use our planning and investment levers to improve freight connections across the land transport system to create supply chains that are sustainable and efficient.

ACCESSIBLE TRANSPORT SYSTEMS

Another important focus is making the land transport system more accessible to everyone. In our mode shift strategy, we identify and prioritise investment to make public transport, walking and cycling attractive alternatives to private vehicle use. We are accelerating work on developing and delivering action plans to support mode shift in metropolitan areas. We expect better travel choices will lead to continued growth in uptake in coming years.

Over the coming year, we will work more actively with our local government co-investment partners to drive more integrated planning of local transport solutions.

We are also focusing on good transport planning and investment to support urban regeneration and development and highly liveable and accessible cities and towns. Our focus includes all parts of the land transport network – roads, rail, public transport, and walking and cycling.

INNOVATION

Waka Kotahi has a role to play in supporting innovation across the transport system, to create opportunities that improve choice and access, alongside enhanced safety, resilience and environmental outcomes. This includes working to establish and support innovation through partnerships with local government, the Ministry of Transport, other government agencies, the research and private sectors, in order to encourage fresh thinking.

NEW RAIL FRAMEWORK

The government has confirmed a new framework for planning and funding rail. We will play an expanded role in delivering rail investment, and advising on the new Rail Network Investment Programme. We will work closely with the Ministry of Transport to implement the new rail planning and funding network.

NEW GOVERNMENT POLICY STATEMENT ON LAND TRANSPORT

Work is well advanced to develop the next Government Policy Statement on land transport, which will set out the government's direction for land transport over the next 10 years. We are supporting the Ministry of Transport as they develop the Minister's policy statement. Following the release of the final policy statement, we will consult on its prioritisation approach to the National Land Transport Programme 2021-24.

DELIVERING OUR COMMITMENTS

We continue to build on the refreshed leadership at both Executive and Board levels. Our focus on collaboration across the organisation and on leadership capability and culture means we are well positioned to achieve our commitments and deliver improved outcomes for New Zealanders.

THE IMPACT OF COVID-19

It has not been possible to assess the impact of COVID-19 on our financial performance and operational delivery at this stage. We have based this Statement of performance expectations on reasonable assumptions and financial projections at the time of preparation. A review of our commitments and financial performance may be required once the full impact of COVID-19 is better understood.



SIR BRIAN ROCHE

Chair

16 JUNE 2020



NICOLE ROSIE

Chief Executive

16 JUNE 2020



STATEMENT OF RESPONSIBILITY

The information contained in the Waka Kotahi NZ Transport Agency Statement of performance expectations 2020/21 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 the Waka Kotahi NZ Transport Agency.

SIGNED ON BEHALF OF THE BOARD



SIR BRIAN ROCHE
Chair
16 JUNE 2020



CASSANDRA CROWLEY
Chair of the Risk and
Assurance Board Committee
16 JUNE 2020

WHAT WE'LL DELIVER IN 2020/21

OUR STRATEGY

Our strategy, described in our Statement of intent 2018-2022, is made up of our context, value statement, strategic responses and position statements.¹

Our value statement – great journeys to keep New Zealand moving – describes why we do what we do.

Our three strategic responses describe the direction we'll take to deliver value to New Zealand. One connected transport system, people-centric approach and partnerships for prosperity reflect the three big changes we need to make in the longer-term to deliver what is expected of us and ensure customers and citizens benefit from the rapid changes happening in transport.

Our eight position statements describe what we see as the significant challenges for the sector and Waka Kotahi NZ Transport Agency:

- Transport safety | Marutau waka (page 10)
- Inclusive access | Haere tahi (page 16)
- Liveable communities | Kāinga ora (page 21)
- Transport technology | Hangarau waka (page 26)
- Resilience | Kia manawaroa (page 28)
- Environment | Manāki taiao (page 32)
- Regulatory | Whakaritenga (page 34)
- Waka Kotahi (page 42)

¹ Available from the Waka Kotahi NZ Transport Agency website: www.nzta.govt.nz/soi

GREAT JOURNEYS TO KEEP NEW ZEALAND MOVING

OUR VALUE

A great journey is safe, easy and connected. Our focus is on providing one integrated land transport system that helps people get the most out of life and supports business.

We're looking after the national transport system with our partners, today and for the future. We're innovating to make sure the system is efficient and sustainable, unlocking opportunity and keeping New Zealand moving.

At Waka Kotahi, we're proud to be part of creating a better New Zealand.

CURIOUS

COLLABORATIVE

CUSTOMER FOCUSED

OUR DNA

STRATEGIC RESPONSES

ONE CONNECTED TRANSPORT SYSTEM

Transform land transport system performance by integrating digital technology with physical infrastructure to create a safe, connected system that works for everyone.

PEOPLE-CENTRIC APPROACH

Simplify our customers' lives and our partners' work with innovative services and experiences that make it easy for them to do what they need to.

PARTNERSHIPS FOR PROSPERITY

Unlock social and economic opportunities for customers, businesses and communities through targeted partnerships.

POSITION STATEMENTS

TRANSPORT SAFETY

Marutau waka

Our position is that it is unacceptable for anyone to be killed or seriously injured while travelling or working on the land transport system.

INCLUSIVE ACCESS

Haere tahi

Our position is that everyone should have fair and equitable access to the transport system.

LIVEABLE COMMUNITIES

Kāinga ora

Our position is that we will partner to efficiently combine planning and investment for transport and land use and this will result in more vibrant, interactive communities.

TRANSPORT TECHNOLOGY

Hangarau waka

Our position is that we will combine technology and organisational capabilities to enable safer, sustainable and connected journeys.

RESILIENCE

Kia manawaroa

Our position is the resilience of the land transport system is increased by managing risks and long-term resilience challenges and helping communities quickly recover from disruptions.

ENVIRONMENT

Manāki taiao

Our position is that we will responsibly manage the land transport system's interaction with people, places and the environment.

REGULATORY

Whakaritenga

Our position as the transport regulator is that our systems should be intuitive and clear to ensure people, vehicles, and commercial and rail operations are safe, people make good transport choices and harmful behaviour is swiftly dealt with.

WAKA KOTAHI

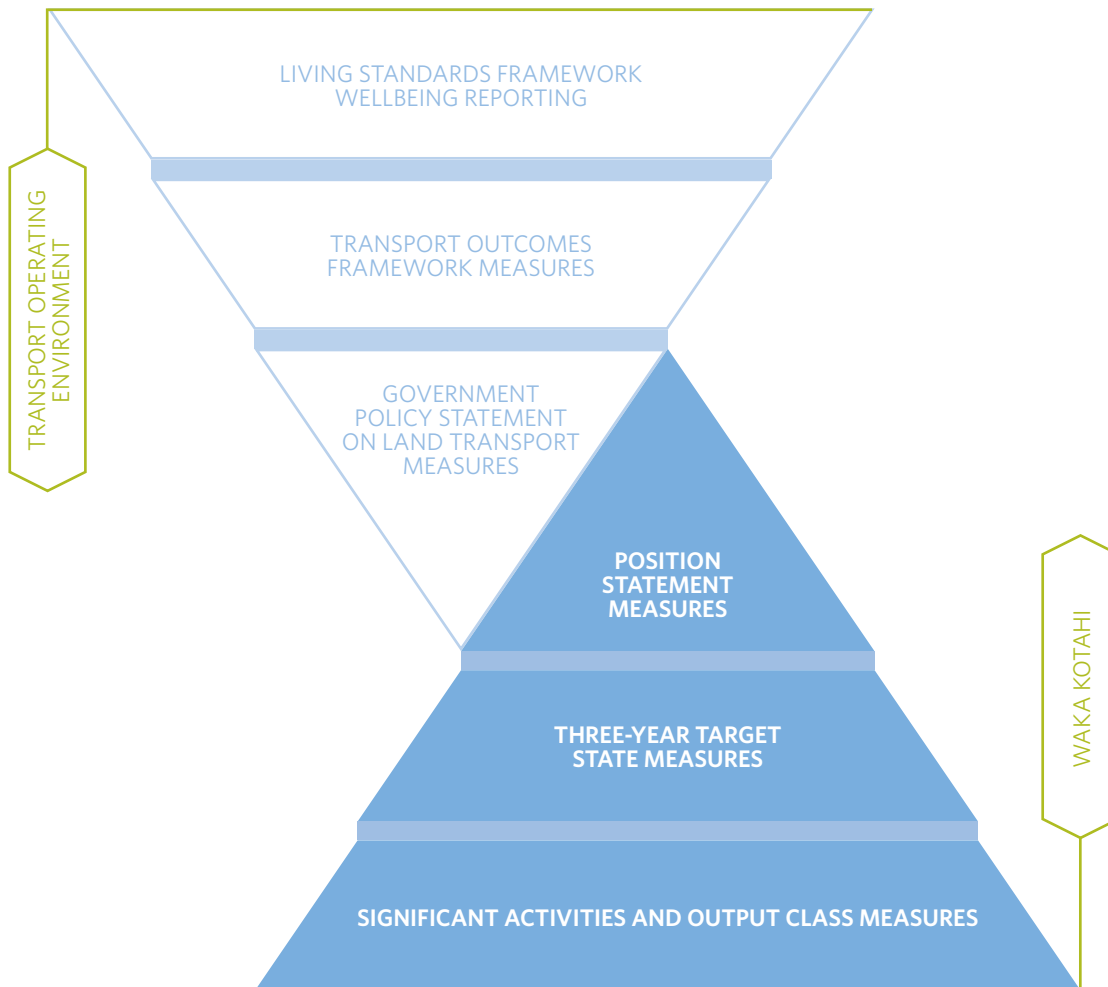
Our position is that our people are capable, fostered by a strong organisational culture, and equipped with the technology and systems that enable success, and Waka Kotahi is respected by partners, stakeholders and customers for its responsive and engaged people.

THREE-YEAR TARGET STATES 2018-21

HOW WE MEASURE PROGRESS

We measure our progress against each position statement by:

- monitoring key performance indicators, which are aligned to the Transport Outcomes Framework and Government Policy Statement on land transport measures where relevant
- assessing our progress towards target states, which describe the results and changes we want to see by 30 June 2021
- monitoring the significant activities and performance expectations set out each year in our Statement of performance expectations.²



Waka Kotahi measures environment

² Available from the Waka Kotahi NZ Transport Agency website: www.nzta.govt.nz/spe

TRANSPORT SAFETY | MARUTAU WAKA

OUR POSITION

Our position is that it is unacceptable for anyone to be killed or seriously injured while travelling or working on the land transport system.

WHAT NEEDS TO HAPPEN?

Achieving the government's Vision Zero aspirations for the road transport system requires public intolerance of serious road trauma and a demand for change. It also requires that we fundamentally change how the system is designed and operated to achieve a safe system.

We will embed the Road to Zero principles, based on the safe system approach in our decision-making and in our standards, technology, regulatory and compliance work. This includes our network planning, design, and construction and operation activities. We target investment and effort to interventions with the highest impact to save lives and prevent harm. Our aim is for vehicle fleets to reflect international best practice standards for safety.

The safety of our people and contractors is part of this position statement. Our Waka Kotahi position statement outlines our commitment to be an active leader in workplace health and safety with a best practice health and safety management system.

SIGNIFICANT ACTIVITIES FOR 2020 /21

Our significant activities for 2020/21 primarily reflect priority actions in the government's Road to Zero 2030 national road safety strategy. They are cross-cutting initiatives to help Waka Kotahi align all its activities and investments with the government's ambition of transitioning the land transport system towards Vision Zero. In 2020/21, we will:

- 1.1 ensure the Waka Kotahi implementation plan for Road to Zero is operational, including outcomes, targets and a reporting framework
- 1.2 progress delivery of the Safe Networks Programme
- 1.3 put into operation an assurance plan for the Road Safety Partnership Programme
- 1.4 complete the draft National Speed Management Plan including a proposed plan for safer speeds around schools
- 1.5 establish the National Speed Limit Register.

The government's recently announced NZ Upgrade Programme - Transport, a \$6.8 billion road and rail stimulus package, will give families across the country real choices in how they travel to work, home, education, play and access social and essential services. The programme will provide more frequent and better public transport, more walking and cycling paths, new roads to speed up travel times, and will unlock housing developments. Investment in rail to shift freight movement off the road will result in fewer trucks, which means safer roads.

WHAT WE DELIVER AND INVEST IN (CONTRIBUTING OUTPUT CLASSES)

Four output classes directly contribute to this position statement:

- State highway improvements
- Local road improvements
- Road safety promotion and demand management
- Road policing.

Regional improvements (page 18), State highway maintenance and Local road maintenance (pages 30-31) and our regulatory output classes (pages 36-41) also contribute to Transport safety.

HOW WE'LL MEASURE PROGRESS

We'll measure our progress through a performance measure for this position statement, measures for each target state (what we're aiming for by 30 June 2021), significant activities for 2020/21, and financial and non-financial performance expectations for our output classes.



POSITION STATEMENT MEASURE

**DEATHS AND
SERIOUS
INJURIES**

REDUCING

<p>TRANSPORT OUTCOME Healthy and safe people</p>		
<p>GOVERNMENT POLICY STATEMENT OBJECTIVE A land transport system that is a safe system free of death and serious injury</p>		
<p>OUR POSITION It is unacceptable for anyone to be killed or seriously injured while travelling or working on the land transport system</p>		
<p>TARGET STATES - WHAT WE'RE AIMING FOR BY 30 JUNE 2021</p> <p>Deliver initiatives targeting speed management and infrastructure improvements designed to reduce the number of people killed or seriously injured while travelling on the land transport system through significantly increased investment, co-investment and coordination</p>	<p>MEASURES 2020/21</p> <p>Proportion of years 1-3 deliverables in the Safe Networks Programme delivered (including local roads and state highways)</p>	<p>TARGETS 2020/21</p> <p>≥80%</p>
<p>Four fewer category A signals (rail) passed at danger</p>	<p>Number of trains that go through a stop signal when they could have stopped safely (category A signal passed at danger)</p>	<p>≤134</p>

OUTPUT
CLASS**STATE HIGHWAY IMPROVEMENTS***Delivered by Waka Kotahi and funded from the National Land Transport Fund and the Crown***What we do**

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

The difference this output class makes

State highway improvements primarily contribute to a safer, more resilient transport system, improved access to social and economic opportunities, and enhanced liveability. As well as seeking to reduce adverse effects, we look to identify opportunities to enhance the local environment and public health while providing more sustainable transport solutions.

How we'll measure performance

REFERENCE	MEASURE	ESTIMATED ACTUAL 2019/20	TARGET 2020/21
SHI1	Proportion of state highway improvement activities delivered to agreed standards and timeframes [•]	88% ¹	≥90%
SHI2	Length of the state highway network modified to align with safe and appropriate speed [•]	New measure	250 kms

It has not been possible to fully assess the impact of COVID-19 on the setting of performance measures targets.

Technical notes for our performance measures are in appendix 3.

¹ The estimate for 2019/20 is not available because data is collected only at year-end. This figure is based on the reported result for 2018/19.

[•] This is also a measure for an appropriation in Vote Transport (see appendix 4 for all appropriation measures).

What this output class will cost

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
Income*	1,488.8	1,516.0
Expenditure	1,488.8	1,516.0
Net surplus (deficit)	0.0	0.0

*Includes use of the National Land Transport Fund borrowing facility of \$544.5 million and notional borrowing of \$149.2 million.

Full details on output class funding and expenditure are on pages 67-75.

OUTPUT
CLASS**LOCAL ROAD IMPROVEMENTS**

Invested in by Waka Kotahi, delivered by local authorities and funded from the National Land Transport Fund and the Crown

What we do

With our council partners, we co-invest in infrastructure (including roads, roadsides and all supporting infrastructure and technology) by planning collaboratively to co-create integrated, community-wide solutions.

The difference this output class makes

Local road improvements primarily contribute to a safer, more resilient transport system, improved access to social and economic opportunities, and enhanced liveability. As well as seeking to reduce adverse effects, we look to identify opportunities to enhance the local environment and public health while providing more sustainable solutions.

How we'll measure performance

REFERENCE	MEASURE	ESTIMATED ACTUAL 2019/20	TARGET 2020/21
LRI1	Length of the local road network modified to align with safe and appropriate speed [•]	Not available ¹	Baseline to be set

It has not been possible to fully assess the impact of COVID-19 on the setting of performance measures targets.

Technical notes for our performance measures are in appendix 3.

¹ This information is not available because data will be sourced from the National Speed Limit Register which will be available for local road reporting after December 2020.

[•] This is also a measure for an appropriation in Vote Transport (see appendix 4 for all appropriation measures).

What this output class will cost

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
Income	328.1	354.0
Expenditure	328.1	354.0
Net surplus (deficit)	0.0	0.0

Full details on output class funding and expenditure are on pages 67-75.

OUTPUT
CLASS**ROAD SAFETY PROMOTION AND DEMAND MANAGEMENT**

Delivered by Waka Kotahi and local authorities with funding assistance from the National Land Transport Fund

What we do

We manage and invest in activities that support behavioural changes to improve road safety and align with the priority actions in the Road to Zero strategy. We develop, design and deliver advertising, education, public information and interventions targeted at road users to positively influence desired behaviour in the transport system. This sets the benchmark for approved organisations to be eligible for road safety promotion funding administered through the National Land Transport Programme.

We also promote mode shift and use of travel planning to optimise the transport system, including travel demand management plans, cycle safety training, ride sharing, promotion of public transport and active modes, provision of alcohol interlocks and reimbursements related to impounded vehicles. Activities are also delivered through other output classes such as Driver licensing and testing and Public transport.

The difference this output class makes

Effective road safety promotion means people are informed and know how to stay safe in the transport system. Through travel planning activities we help people make informed choices about which mode of transport to use.

How we'll measure performance

REFERENCE	MEASURE	ESTIMATED ACTUAL 2019/20	TARGET 2020/21
RSP1	Proportion of road safety advertising campaigns that meet or exceed their agreed success criteria *	80%	≥80%

It has not been possible to fully assess the impact of COVID-19 on the setting of performance measures targets. Technical notes for our performance measures are in appendix 3.

* This is also a measure for an appropriation in Vote Transport (see appendix 4 for all appropriation measures).

What this output class will cost

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
Income	63.7	61.6
Expenditure	61.7	59.7
Net surplus (deficit)	2.0	1.9

Full details on output class funding and expenditure are on pages 67-75.

OUTPUT
CLASS**ROAD POLICING***Delivered by New Zealand Police and funded from the National Land Transport Fund***What we do**

In consultation with New Zealand Police, we prepare the Road Safety Partnership Programme. This programme comprises New Zealand Police activities to be funded through the National Land Transport Fund. We recommend the programme to the Minister of Transport for approval. We also monitor and report on the programme's delivery. The funding appropriation is included in Vote Police, but the investment source is the National Land Transport Fund.

The difference this output class makes

Road policing contributes to a safer land transport system through prevention and enforcement activities that are targeted to risk to make New Zealand's roads safer and to support network management and compliance.

How we'll measure performance

REFERENCE	MEASURE	ESTIMATED ACTUAL 2019/20	TARGET 2020/21
RP1	Speed: Mobile camera deployment activity	New measure	100,000 hours
RP2	Speed: Percentage of 1-10km/h excess speed officer issued Infringement Offence Notices	New measure	30%
RP3	Speed: Percentage of officer issued speed offence notices which are rural	New measure	75%
RP4	Speed: Number of Offender Management Plans in place for high-risk drivers	New measure	1,700
RP5	Restraints: Number of restraint offences	New measure	60,000
RP6	Impairment: Number of passive breath tests and breath screening tests conducted	New measure	3 million
RP7	Targeted operations: Number of RIDS (restraints, impairment, distraction and speed) operations	New measure	Ongoing
RP8	Number of sworn staff dedicated to road policing	New measure	1,070

It has not been possible to fully assess the impact of COVID-19 on the setting of performance measures targets. Technical definitions of these performance measures are available from New Zealand Police.

What this output class will cost

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
Income	373.7	394.8
Expenditure	373.7	394.8
Net surplus (deficit)	0.0	0.0

Full details on output class funding and expenditure are on pages 67-75.

INCLUSIVE ACCESS | HAERE TAHI

OUR POSITION

Our position is that everyone should have fair and equitable access to the transport system.

WHAT NEEDS TO HAPPEN?

To make this happen requires more accessible, frequent and affordable multi-modal transport choices, including walking and cycling, public transport, and mass transit (including transformative light rail) and a reduction in single private vehicle use. Management of transport demand needs to improve, and operations and transport investment must take a mode-neutral approach, enabling wider and longer term social, cultural, economic and environmental outcomes in cities and regions.

SIGNIFICANT ACTIVITIES FOR 2020/21

In 2020/21, we will:

- 2.1 have the implementation plan for the NZ Upgrade Programme – Transport approved by the Crown Governance Group
- 2.2 ensure the plan is in progress for building necessary capability for oversight and assurance of public transport investments, including the Rail Network Investment Programme
- 2.3 complete an action plan for improving connections and movements of freight across the land transport system.

WHAT WE DELIVER AND INVEST IN (CONTRIBUTING OUTPUT CLASSES)

Four output classes directly contribute to this position statement:

- Regional improvements
- Public transport
- SuperGold Card – administration of the Public Transport Concessions Scheme
- SuperGold Card – public transport concessions for cardholders.

The two SuperGold card output classes are discussed together on page 20. Walking and cycling (page 23) also contributes to Inclusive access.

HOW WE'LL MEASURE PROGRESS

We'll measure our progress through a performance measure for this position statement, measures for each target state (what we're aiming for by 30 June 2021), significant activities for 2020/21, and financial and non-financial performance expectations for our output classes.



POSITION STATEMENT MEASURE
**ACCESS TO
 SOCIAL AND
 ECONOMIC
 OPPORTUNITIES
 BY MODE³**

INCREASING

³ Measured by: Proportion of population within 15-minute access to the nearest school, health facility and supermarket during morning peak and Proportion of jobs within 45-minute access during morning peak.

<p>TRANSPORT OUTCOME Inclusive access Healthy and safe people</p>		
<p>GOVERNMENT POLICY STATEMENT OBJECTIVE A land transport system that:</p> <ul style="list-style-type: none"> provides increased access to economic and social opportunities enables transport choice and access 		
<p>OUR POSITION Everyone should have fair and equitable access to the transport system</p>		
<p>TARGET STATES - WHAT WE'RE AIMING FOR BY 30 JUNE 2021</p> <p>Increased mode share of public transport and active modes in high-growth urban areas</p>	<p>MEASURES 2020/21</p> <p>Proportion of total trips on public transport and active modes in high-growth urban areas</p>	<p>TARGETS 2020/21</p> <p>Increasing (based on 2019/20 results)</p>
<p>Improved access to priority routes for freight and tourism, particularly at peak times</p>	<p>Number of hours that priority routes for freight and tourism are unavailable</p>	<p>Decreasing (based on 2019/20 result)</p>
	<p>Predictability of travel times on priority routes for freight and tourism</p>	<p>Increasing (based on 2019/20 result)</p>
	<p>Percentage of people unable to make a beneficial land transport journey</p>	<p>Decreasing (based on 2019/20 results)</p>

OUTPUT
CLASS**REGIONAL IMPROVEMENTS***Delivered by Waka Kotahi and funded from the National Land Transport Fund and the Crown***What we do**

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

We deliver state highway projects, and local and regional councils deliver local road projects.

The difference this output class makes

Regional improvements support regional economic development by creating a safer, more resilient transport system and improving access to social and economic opportunities. As well as seeking to reduce adverse effects, we look to identify opportunities to enhance the local environment and public health while providing more sustainable solutions.

How we'll measure performance

REFERENCE	MEASURE	ESTIMATED ACTUAL 2019/20	TARGET 2020/21
RI1	Proportion of regional improvement activities delivered to agreed standards and timeframes •	98% ¹	≥90%
RI2	Proportion of Waka Kotahi NZ Transport Agency projects funded by the Provincial Growth Fund delivered to agreed standards and timeframes •	Not available ²	≥90%

It has not been possible to fully assess the impact of COVID-19 on the setting of performance measures targets.

Technical notes for our performance measures are in appendix 3.

¹ The estimate for 2019/20 is not available because data is collected only at year-end. This figure is based on the reported result for 2018/19.

² The estimate for 2019/20 is not available because data is collected only at year-end. No previous year result is available because there were no projects due for completion in 2018/19.

• This is also a measure for an appropriation in Vote Transport (see appendix 4 for all appropriation measures).

What this output class will cost

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
Income	144.3	243.8
Expenditure	144.3	243.8
Net surplus (deficit)	0.0	0.0

Full details on output class funding and expenditure are on pages 67-75.

OUTPUT CLASS

PUBLIC TRANSPORT

Invested in by Waka Kotahi, delivered by local authorities and funded from the National Land Transport Fund

What we do

Along with approved organisations, we invest in bus, ferry and rail public transport services, customer information, technology, trains, facilities (including operations and maintenance) and infrastructure. We also subsidise door-to-door transport for people with mobility impairments.

The SuperGold card output classes support public transport activities. The Transitional rail and Rapid transit output classes also fund public transport activities.

The difference this output class makes

Public transport improves customers' travel choices, increases people's access to social and economic opportunities, eases congestion and makes better use of the existing transport system. Public transport also reduces the impact of transport on the environment and contributes to reducing the number of deaths and serious injuries from road crashes. Public transport supports vibrant and liveable urban communities and effective land use.

How we'll measure performance

REFERENCE	MEASURE	ESTIMATED ACTUAL 2019/20	TARGET 2020/21
PT1	Number of boardings on urban public transport services (bus, train and ferry) *	181 million	To be determined ¹
PT2	Proportion of people with access to frequent public transport services at peak times in Auckland, Wellington and Christchurch *	29% ²	Increasing ³
PT3	Mode share of people travelling by bus and car on key Auckland corridors	Not available ⁴	Bus: Increasing ³ Car: Decreasing ³

It has not been possible to fully assess the impact of COVID-19 on the setting of performance measures targets.

Technical notes for our performance measures are in appendix 3.

1 Demand projections for 2020/21 from local authorities are not yet available and will be significantly impacted by COVID-19 effects.

2 The estimate for 2019/20 is not available because data is collected only at year-end. This figure is based on the reported result for 2018/19.

3 Based on the 2019/20 year-end result.

4 The estimate for 2019/20 is not available because data is collected only at year-end. No previous result is available because this is a new measure for 2019/20.

* This is also a measure for an appropriation in Vote Transport (see appendix 4 for all appropriation measures).

What this output class will cost

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
Income*	733.2	708.6
Expenditure	733.2	708.6
Net surplus (deficit)	0.0	0.0

*Includes use of the National Land Transport Fund borrowing facility of \$132.7 million and notional borrowing of \$31.0 million. Full details on output class funding and expenditure are on pages 67-75.

OUTPUT
CLASSES**SUPERGOLD CARD - ADMINISTRATION OF THE PUBLIC TRANSPORT CONCESSIONS SCHEME****SUPERGOLD CARD - PUBLIC TRANSPORT CONCESSIONS FOR CARDHOLDERS***Administered by Waka Kotahi, delivered by local authorities and funded from the Crown***What we do**

Together with regional councils, including Auckland Transport, we provide public transport concessions for SuperGold cardholders and administer the SuperGold cardholders' scheme on behalf of the Ministry of Transport. This work includes monitoring, reporting, auditing, liaising with regional councils and managing payments.

The difference this output class makes

The SuperGold card scheme gives older people more transport choices and improves the use of public transport during off-peak hours, which contributes to access to social and economic opportunities and essential services for older people, lower emissions and improved safety on our roads.

How we'll measure performance

REFERENCE	MEASURE	ESTIMATED ACTUAL 2019/20	TARGET 2020/21
SG1	Proportion of bulk funding payments of Crown SuperGold allocation paid to approved organisations within a month from funding amount agreement date *	New measure	100%
SG2	Number of boardings using SuperGold concessions *	16 million	To be determined ¹

It has not been possible to fully assess the impact of COVID-19 on the setting of performance measures targets.

Technical notes for our performance measures are in appendix 3.

¹ Demand projections for 2020/21 from local authorities are not yet available and will be significantly impacted by COVID-19 effects.

* This is also a measure for an appropriation in Vote Transport (see appendix 4 for all appropriation measures).

What this output class will cost

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
Income	30.7	30.7
Expenditure	30.7	30.7
Net surplus (deficit)	0.0	0.0

Full details on output class funding and expenditure are on pages 67-75.



POSITION STATEMENT MEASURE

**MODE SHARE
(PROPORTION
OF TRIPS BY
MODE)**

INCREASING
Public transport
and active modes

LIVEABLE COMMUNITIES | KĀINGA ORA

OUR POSITION

Our position is that we will partner to efficiently combine planning and investment for transport and land use, and this will result in more vibrant, interactive communities.

WHAT NEEDS TO HAPPEN?

To make this happen requires multi-party integrated land use and transport planning that delivers the kinds of communities people want by using people-centred planning for city and community transformation. Genuine partnering for outcomes will allow transport to unlock and support a committed and compelling vision delivering on regional and national urban growth objectives.

As part of this, we need to review the appropriateness of current economic evaluation approaches. They must effectively consider the contribution from walking, cycling and public transport in providing both transport and other non-transport benefits. At the same time, we need to identify where our investment decision-making framework can better align with wider social and economic outcomes and recognise and consider non-monetised costs and benefits. This requires a shift in thinking from transport as mobility, to transport that enables access to opportunities, as outlined in our position statement on Inclusive access.

SIGNIFICANT ACTIVITIES FOR 2020/21

In 2020/21, we will:

- 3.1 together with partners, progress delivery of the seven Let's Get Wellington Moving projects (as detailed in appendix 1)
- 3.2 have a refreshed Auckland Transport Alignment Programme (post-NZ Upgrade Programme) including funding arrangements to 2028 agreed by all partners
- 3.3 develop mode shift action plans for five urban areas (Christchurch, Hamilton, Queenstown, Tauranga and Wellington)
- 3.4 work with Kāinga Ora and councils to support regional spatial planning partnerships as part of the Urban Growth Agenda, focusing on integrated transport, infrastructure and land use planning to support regional development objectives within the government's urban development priorities
- 3.5 progress delivery of 13 state highway projects under the NZ Upgrade Programme Regional package
- 3.6 extend the funding and development of the Innovating Streets for People programme providing support for approved organisations to implement tactical urbanism projects and encourage active transport modes.

We also deliver transport infrastructure projects funded by the Provincial Growth Fund.

WHAT WE DELIVER AND INVEST IN (CONTRIBUTING OUTPUT CLASSES)

Three output classes directly contribute to this position statement:

- Walking and cycling
- Rapid transit
- Transitional rail.

Public transport (page 19) and SuperGold card output classes (page 20) also contribute to Liveable communities.

HOW WE'LL MEASURE PROGRESS

We'll measure our progress through a performance measure for this position statement, a measure for the target state (what we're aiming for by 30 June 2021), significant activities for 2020/21, and financial and non-financial performance expectations for our output classes.

<p>TRANSPORT OUTCOME Inclusive access Healthy and safe people</p>		
<p>GOVERNMENT POLICY STATEMENT OBJECTIVE A land transport system that:</p> <ul style="list-style-type: none"> provides increased access to economic and social opportunities enables transport choice and access 		
<p>OUR POSITION We will partner to efficiently combine planning and investment for transport and land use and this will result in more vibrant, interactive communities</p>		
<p>TARGET STATES - WHAT WE'RE AIMING FOR BY 30 JUNE 2021</p> <p>Increased space in our cities dedicated to people</p>	<p>MEASURES 2020/21</p> <p>Proportion of space in cities dedicated to motorised vehicles</p>	<p>TARGETS 2020/21</p> <p>Baseline to be set</p>

OUTPUT CLASS

WALKING AND CYCLING

Invested in by Waka Kotahi, delivered by road controlling authorities and funded from the National Land Transport Fund and the Crown

What we do

We plan and co-invest in new and improved walking and cycling facilities, including the Urban Cycleways Programme, as well as in community education and promotion (as part of a walking or cycling project).

We deliver state highway walking and cycling facilities, and local and regional councils primarily deliver local road walking and cycling facilities.

The difference this output class makes

Walking and cycling investment encourages more people to walk and cycle by:

- creating safer and more accessible infrastructure
- creating transport networks that give people more transport choices
- supporting access to social and economic opportunities, including education, employment and tourism.

How we'll measure performance

REFERENCE	MEASURE	ESTIMATED ACTUAL 2019/20	TARGET 2020/21
WC1	Network kilometres of walking and cycling facilities delivered*	Increasing (27.2km, including 16.2km Urban Cycleways Programme projects)	Increasing ¹
WC2	Cycling count in urban areas	6,238 ²	Increasing ¹

It has not been possible to fully assess the impact of COVID-19 on the setting of performance measures targets. Technical notes for our performance measures are in appendix 3.

¹ Based on the 2019/20 year-end result.

² The estimate for 2019/20 is not available because data is collected at year end. This figure is based on the reported result for 2018/19.

* This is also a measure for an appropriation in Vote Transport (see appendix 4 for all appropriation measures).

What this output class will cost

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
Income	68.5	123.2
Expenditure	68.5	123.2
Net surplus (deficit)	0.0	0.0

Full details on output class funding and expenditure are on pages 67-75.

OUTPUT
CLASS**RAPID TRANSIT***Invested in and delivered by Waka Kotahi and funded from the National Land Transport Fund***What we do**

In partnership with other agencies, we deliver rapid transit improvements. This work includes establishing arrangements to plan, fund, design, supervise, construct and maintain rapid transit networks and projects, including light rail.

The State highway improvements and Public transport output classes also fund rapid transit activities.

The difference this output class makes

Rapid transit provides customers with more ways to travel, eases congestion, and supports better access to housing, education and employment in major metropolitan areas. Like other forms of public transport, rapid transit also reduces the impact of transport on the environment and contributes to reducing the number of deaths and serious injuries from road crashes.

How we'll measure performance

REFERENCE	MEASURE	ESTIMATED ACTUAL 2019/20	TARGET 2020/21
RPT1	Proportion of rapid transit activities delivered to agreed standards and timeframes [•]	New measure	≥90%

It has not been possible to fully assess the impact of COVID-19 on the setting of performance measures targets. Technical notes for our performance measures are in appendix 3.

[•] This is also a measure for an appropriation in Vote Transport (see appendix 4 for all appropriation measures).

What this output class will cost

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
Income	33.3	42.8
Expenditure	33.3	42.8
Net surplus (deficit)	0.0	0.0

Full details on output class funding and expenditure are on pages 67-75.

OUTPUT
CLASS**TRANSITIONAL RAIL***Invested in by Waka Kotahi and funded from the National Land Transport Fund***What we do**

We work with approved organisations to invest in improving urban (metro) rail network infrastructure and developing interregional passenger rail infrastructure and services. Approved organisations co-design and contract with KiwiRail to deliver the projects.

The difference this output class makes

Transitional rail:

- accommodates past growth in Auckland and Wellington by improving the reliability and resilience of urban passenger rail services
- accommodates future growth of New Zealand's cities by increasing the capacity of urban rail services
- improves access to social and economic opportunities between regions.

How we'll measure performance

REFERENCE	MEASURE	ESTIMATED ACTUAL 2019/20	TARGET 2020/21
TR1	Proportion of transitional rail projects delivered to plan *	New measure	≥90%

It has not been possible to fully assess the impact of COVID-19 on the setting of performance measures targets. Technical notes for our performance measures are in appendix 3.

* This is also a measure for an appropriation in Vote Transport (see appendix 4 for all appropriation measures).

What this output class will cost

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
Income	44.8	100.0
Expenditure	44.8	100.0
Net surplus (deficit)	0.0	0.0

Full details on output class funding and expenditure are on pages 67-75.

TRANSPORT TECHNOLOGY | HANGARAU WAKA

OUR POSITION

Our position is that we will combine technology and organisational capabilities to enable safer, sustainable and connected journeys.

WHAT NEEDS TO HAPPEN?

To make this happen requires investment to de-risk our existing technology platforms and to redesign our organisational capabilities to create a safe, adaptable technology-enabled transport system in the public interest. Evidence-led decision-making will be enabled by insights, data and analytics. Customers will be empowered to make informed choices from a broader range of land transport options enabled by improved digital services.

SIGNIFICANT ACTIVITIES FOR 2020/21

In 2020/21, we will:

- 4.1 ensure the Advanced Traffic Management System upgrade is on-track for completion in 2021/22, with interim risk mitigation completed
- 4.2 have the Project Next (the national public transport ticketing project) detailed business case and an implementation plan approved by the Sector Governance Group
- 4.3 complete the Speed infringement implementation plan for 2021-24.

WHAT WE DELIVER AND INVEST IN (CONTRIBUTING OUTPUT CLASSES)

Investment management (page 44) contributes to Transport technology.

HOW WE'LL MEASURE PROGRESS

We'll measure our progress through a performance measure for this position statement, measures for each target state (what we're aiming for by 30 June 2021) and significant activities for 2020/21.



POSITION STATEMENT MEASURE
**CUSTOMERS
REPORTING
INCREASED EASE
OF ACCESS TO
TRANSPORT
DATA AND
JOURNEY
CHOICES**

INCREASING

<p>TRANSPORT OUTCOME Inclusive access Healthy and safe people Environmental sustainability Economic prosperity</p>		
<p>GOVERNMENT POLICY STATEMENT OBJECTIVE A land transport system that:</p> <ul style="list-style-type: none"> is a safe system free of death and serious injury provides increased access to economic and social opportunities enables transport choice and access reduces greenhouse gas emissions, as well as adverse effects on the local environment and public health delivers the right infrastructure and services to the right level at the best cost. 		
<p>OUR POSITION We will combine technology and organisational capabilities to enable safer, sustainable and connected journeys</p>		
<p>TARGET STATES - WHAT WE'RE AIMING FOR BY 30 JUNE 2021</p>	<p>MEASURES 2020/21</p>	<p>TARGETS 2020/21</p>
<p>Increased easy customer access to information on journey options</p>	<p>Proportion of surveyed respondents who report they can get the journey information they want through their preferred channel</p>	<p>Increasing (based on 2019/20 result)</p>
<p>Technology platforms and organisational capabilities are being delivered that reduce existing technology risk and provide the foundations for adaptable technology capability across Waka Kotahi for the future</p>	<p>Technology risk rating</p>	<p>Reducing (based on 2019/20 result)</p>
	<p>Technology asset performance measures</p>	<p>Baseline to be set</p>
<p>A single integrated plan for the investment and use of technology across Waka Kotahi is being delivered and regularly updated to reflect the changing environment</p>	<p>Revised single integrated investment plan created and key milestones are being tracked</p>	<p>Plan created and key milestones tracked</p>

RESILIENCE | KIA MANAWAROA

OUR POSITION

Our position is the resilience of the land transport system is increased by managing risks and long-term resilience challenges and by helping communities quickly recover from disruptions.

WHAT NEEDS TO HAPPEN?

To make this happen requires a cross-government partnership approach, including:

- increasing understanding of hazard risk, system vulnerability best-practice response and community tolerance of risk
- working together to reduce the impact of disruptive events
- a decision-making framework that appropriately values the wider benefits of a resilient system.

We plan to update the way that we calculate monetised resilience benefits. Research is expected to be completed this year that will help us to revise the methodology and values we use relating to resilience.

SIGNIFICANT ACTIVITIES FOR 2020/21

In 2020/21, we will continue to improve the resilience of the transport system's assets, maintenance and operations and better understand vulnerabilities, risks and appropriate responses by:

- 5.1 progressing the delivery of Te Ahu a Turanga: Manawatū Tararua highway (Manawatū Gorge replacement) and SH4 Te Ore Ore reinstatement (as detailed in appendix 1), and other key improvements to strengthen and improve the resilience of the land transport system
- 5.2 developing a climate change adaptation plan
- 5.3 developing a centralised risk register to provide a nationally consistent approach to identifying and assessing network maintenance risks nationally
- 5.4 continuing and extending our work on security to include our role in the land transport system; drawing on, and being consistent with, the work already taken in relation to applying the Protective Security Requirements (PSR) framework where relevant.

WHAT WE DELIVER AND INVEST IN (CONTRIBUTING OUTPUT CLASSES)

Two output classes directly contribute to this position statement:

- State highway maintenance
- Local road maintenance.

State highway improvements and Local road improvements (pages 12-13) also contribute to Resilience.

HOW WE'LL MEASURE PROGRESS

We'll measure our progress through a performance measure for this position statement, measures for each target state (what we're aiming for by 30 June 2021), significant activities for 2020/21 and financial and non-financial performance expectations for our output classes.



POSITION STATEMENT MEASURE
**PROPORTION
 OF KEY SOCIAL
 AND ECONOMIC
 CORRIDORS
 WITH VIABLE
 ALTERNATIVE
 ROUTES**

INCREASING

TRANSPORT OUTCOME
Resilience and security

GOVERNMENT POLICY STATEMENT OBJECTIVE
A land transport system that is resilient

OUR POSITION
The resilience of the land transport system is increased by managing risks and long-term resilience challenges and by helping communities quickly recover from disruptions

TARGET STATES - WHAT WE'RE AIMING FOR BY 30 JUNE 2021	MEASURES 2020/21	TARGETS 2020/21
A system that is recognised as appropriately adapting to climate change	Level of confidence of stakeholders and partners that the transport system is appropriately adapting to climate change	Increasing (based on 2019/20 result)
The reputation as being highly responsive to significant disruption	Proportion of events where communities and stakeholders recently affected by significant disruption report that Waka Kotahi was highly responsive	Increasing (based on 2019/20 result)

OUTPUT
CLASS**STATE HIGHWAY MAINTENANCE***Delivered by Waka Kotahi and funded from the National Land Transport Fund and the Crown***What we do**

We plan and deliver maintenance and emergency works and provide responsive operation of the state highway system to enable liveable communities.

The difference this output class makes

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

How we'll measure performance

REFERENCE	MEASURE	ESTIMATED ACTUAL 2019/20	TARGET 2020/21
SHM1	Proportion of state highway maintenance activities delivered to agreed standards and timeframes *	94% ¹	≥90%
SHM2	Safe stopping: proportion of network above skid threshold *	97% ¹	≥98%
SHM3	Availability of state highway network: proportion of unplanned road closures resolved within standard timeframes	New measure ²	Baseline to be set
SHM4	State highway maintenance cost per lane kilometre delivered *	\$22,997 ¹	\$24,000-\$28,000
SHM5	Proportion of restoration and rebuild projects of State Highway 1 between Picton and Christchurch delivered to agreed standards and timeframes *	New measure ²	100%

It has not been possible to fully assess the impact of COVID-19 on the setting of performance measures targets.

Technical notes for our performance measures are in appendix 3.

¹ The estimate for 2019/20 is not available because data is collected only at year-end. This figure is based on the reported result for 2018/19.

² The definition of components of this measure has been changed.

* This is also a measure for an appropriation in Vote Transport (see appendix 4 for all appropriation measures).

What this output class will cost

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
Income*	785.4	745.0
Expenditure	785.4	745.0
Net surplus (deficit)	0.0	0.0

*Includes use of the notional borrowing of \$411.7 million.

Full details on output class funding and expenditure are on pages 67-75.

OUTPUT
CLASS**LOCAL ROAD MAINTENANCE**

Invested in by Waka Kotahi, delivered by local authorities and funded from the National Land Transport Fund

What we do

We fund the planning and delivery of maintenance and emergency works that provide a responsive operation of the local road system to enable liveable communities.

The difference this output class makes

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

How we'll measure performance

REFERENCE	MEASURE	ESTIMATED ACTUAL 2019/20	TARGET 2020/21
LRM1	Smooth ride: proportion of travel on smooth roads *	87% ¹	≥86%
LRM2	Local road maintenance cost per lane kilometre delivered *	\$3,455 ¹	≤\$3,000

It has not been possible to fully assess the impact of COVID-19 on the setting of performance measures targets.

Technical notes for our performance measures are in appendix 3.

¹ The estimate for 2019/20 is not available because data is collected only at year-end. This figure is based on the reported result for 2018/19.

* This is also a measure for an appropriation in Vote Transport (see appendix 4 for all appropriation measures).

What this output class will cost

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
Income	690.2	668.9
Expenditure	690.2	668.9
Net surplus (deficit)	0.0	0.0

Full details on output class funding and expenditure are on pages 67-75.

ENVIRONMENT | MANĀKI TAIAO

OUR POSITION

Our position is that we will responsibly manage the land transport system's interaction with people, places and the environment.

WHAT NEEDS TO HAPPEN?

To make this happen requires Waka Kotahi to work on several fronts and with a variety of partners. By using all our regulatory, policy, investment and planning levers we will lead the land transport sector in the transition to a sustainable system that protects and enhances environmental and public health and supports a net zero emissions economy.

SIGNIFICANT ACTIVITIES FOR 2020/21

Our significant activities for 2020/21 reflect priority actions in Toitū Te Taiao Our Sustainability Action Plan. They are cross-cutting initiatives to help ensure all Waka Kotahi activities and investments demonstrate environmental and social responsibility and play their part in the government's ambition of a low carbon economy.

In 2020/21, we will:

- 6.1 define and embed a strategic approach to urban form and transport planning for sustainable development that reduces emissions, while improving safety and access
- 6.2 work with the Ministry of Transport and other partners to recommend emissions budgets for land transport, taking account of all system levers
- 6.3 implement Toitū Te Taiao Our Sustainability Action Plan, including making the monitoring and reporting of Waka Kotahi emissions and reduction targets operational
- 6.4 implement the approved elements of the government's proposed clean car reforms.

WHAT WE DELIVER AND INVEST IN

All our activities and investments identify environmental impacts, seek positive environmental outcomes, and aim to avoid, remedy or mitigate adverse impacts, including cumulative impacts.

HOW WE'LL MEASURE PROGRESS

We'll measure our progress through a performance measure for this position statement, measures for each target state (what we're aiming for by 30 June 2021) and significant activities for 2020/21.



POSITION STATEMENT MEASURE
**GREENHOUSE
 GAS EMISSIONS
 FROM THE
 TRANSPORT
 SYSTEM**

REDUCING

TRANSPORT OUTCOME
 Environmental sustainability | Healthy and safe people

GOVERNMENT POLICY STATEMENT OBJECTIVE
 A land transport system that reduces greenhouse gas emissions, as well as adverse effects on the local environment and public health

OUR POSITION
 We will responsibly manage the land transport system’s interaction with people, places and the environment

TARGET STATES - WHAT WE'RE AIMING FOR BY 30 JUNE 2021	MEASURES 2020/21	TARGETS 2020/21
Implementation underway of a prioritised work programme to deliver on the government’s environmental targets for the transport sector	Proportion of prioritised work programme under way, completed or delayed	As per the milestones and targets set in the work programme
Leading the public sector in reducing greenhouse gas emissions from corporate travel and significantly reduced emissions from our vehicle fleet	Greenhouse gas emissions (carbon equivalent) from staff travel	Decreasing (based on 2019/20 results)
	Waka Kotahi fleet vehicle emissions (carbon dioxide equivalent)	Decreasing (based on 2019/20 results)
Reporting against approved environmental key performance indicators for infrastructure delivery and network management contracts that are 100 percent funded by the National Land Transport Fund	Projects that are fully funded by the National Land Transport Fund are reported against an approved set of environmental key performance indicators for infrastructure and network management contracts	Achieved (with qualitative description of achievements)
Environmental and public health impacts are appropriately valued in investment decision-making processes	All new business cases are subject to investment decision gates that are able to demonstrate that environmental and public health impacts have been appropriately valued	Achieved (with qualitative description of achievements)

REGULATORY | WHAKARITENGA

OUR POSITION

Our position as the transport regulator is that our systems should be intuitive and clear to ensure people, vehicle, and commercial and rail operations are safe, people make good transport choices and harmful behaviour is swiftly dealt with.

WHAT NEEDS TO HAPPEN?

To make this happen requires us to transform the way we regulate drivers, vehicles, and commercial and rail operations to a best practice regulatory compliance model. We will apply new tools and people-centred design to our regulatory activities and decision-making with a stronger focus on harm reduction. By design, doing the right thing will be intuitive, with poor choices difficult to make and harmful behaviour quickly identified and addressed.

SIGNIFICANT ACTIVITIES FOR 2020/21

In 2020/21, the:

- 7.1 operating model to support delivery of the regulatory strategy will be developed
- 7.2 Director of Land Transport role will be established and in effective operation
- 7.3 regulatory fees and funding review will be progressed in preparation for public consultation.

WHAT WE DELIVER AND INVEST IN (CONTRIBUTING OUTPUT CLASSES)

Five output classes directly contribute to this position statement:

- Driver licensing and testing
- Vehicle safety and certification
- Regulation of commercial transport operators
- Regulation of the rail transport system
- Revenue collection and administration.

These output classes also contribute to Transport safety (pages 10-15).

HOW WE'LL MEASURE PROGRESS

We'll measure our progress through a performance measure for this position statement, a measure for the target state (what we're aiming for by 30 June 2021), significant activities for 2020/21 and financial and non-financial performance expectations for our output classes.



POSITION STATEMENT MEASURE

**PROPORTION
OF REVIEWED
NON-
COMPLIANCE
ACTIONS THAT
ARE IN LINE
WITH WAKA
KOTAHI
REGULATORY
INTERVENTION
GUIDELINES**

≥90%

<p>TRANSPORT OUTCOME Inclusive access Healthy and safe people Economic prosperity</p>		
<p>GOVERNMENT POLICY STATEMENT OBJECTIVE A land transport system that:</p> <ul style="list-style-type: none"> ▪ is a safe system free of death and serious injury ▪ provides increased access to economic and social opportunities ▪ enables transport choice and access. 		
<p>OUR POSITION Our systems should be intuitive and clear to ensure people, vehicle and commercial and rail operations are safe, people make good transport choices and harmful behaviour is swiftly dealt with</p>		
<p>TARGET STATES - WHAT WE'RE AIMING FOR BY 30 JUNE 2021</p> <p>An efficient compliance and enforcement function that is transparent, fast and fair when dealing with non-compliance</p>	<p>MEASURES 2020/21</p> <p>Stage 1 deliverables of Waka Kotahi NZ Transport Agency's regulatory strategy capability shift #3: Delivering robust and consistent decision-making</p>	<p>TARGETS 2020/21</p> <p>Achieved (with qualitative description of achievements)</p>

OUTPUT CLASS

DRIVER LICENSING AND TESTING*Delivered by Waka Kotahi and funded from fees and charges and the Crown***What we do**

We improve the safety of the land transport system by ensuring drivers meet and maintain required safety standards. This work includes:

- providing approved driver licensing courses
- developing land transport rules relating to driver licensing and testing (for the Minister of Transport)
- managing the standards and delivery of driver licensing and testing to the public, including developing and maintaining driver licensing test routes
- assessing licence holders, including for alcohol and other drug use
- maintaining the integrity of the driver licence register
- informing and advising the public on driver licensing and testing
- educating, auditing and undertaking 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
- developing and maintaining resources, such as road codes, theory and practical test requirements, and testing and provider manuals.

The difference this output class makes

Driver licensing and testing contributes to safe, competent and legal drivers, allows 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	ESTIMATED ACTUAL 2019/20	TARGET 2020/21
DLT1	Unit cost of providing user-facing driver licensing and testing services	New measure ¹	To be determined ²
DLT2	Proportion of driver licence tests booked online	66%	≥60%
DLT3	Proportion of practical tests taken within 30 working days of booking	85%	≥85% ³
DLT4	Proportion of audits for driver licence course providers completed against target	100%	≥95%
DLT5	Proportion of non-compliance actions for driver licence course providers and testing officers that are under active management	New measure	≥95%

It has not been possible to fully assess the impact of COVID-19 on the setting of performance measures targets.

Technical notes for our performance measures are in appendix 3.

¹ The definition of cost has been has changed.

² Data required to adjust forecast volumes is incomplete due to the COVID-19 lockdown.

³ Results are dependent on the number of applications received.

What this output class will cost

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
Income	61.9	67.7
Expenditure	73.7	89.9
Net surplus (deficit)	(11.8)	(22.2)

Full details on output class funding and expenditure are on pages 67-75.

OUTPUT CLASS

VEHICLE SAFETY AND CERTIFICATION*Delivered by Waka Kotahi and funded from fees and charges and the Crown***What we do**

We use vehicle registration, licensing, standards and certification to ensure the vehicles on our roads are compliant and safe. We do this by:

- developing land transport vehicle rules and clear standards and guidelines for vehicle inspection and certification (for the Minister of Transport)
- appointing vehicle inspectors and inspecting organisations that certify vehicles for compliance with standards and safety requirements
- monitoring and auditing performance of vehicle inspectors and inspecting organisations, including investigating complaints
- investigating and taking appropriate action against vehicle inspectors and inspecting organisations that do not meet the required standards
- revoking certification of vehicles when we find they are unsafe or illegal
- managing the delivery of motor vehicle registration and licensing services to the public
- maintaining the integrity of the motor vehicle register and related systems
- authorising and managing third-party access to registry information
- informing and advising on vehicle standards, registration and licensing regulatory requirements.

The difference this output class makes

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

How we'll measure performance

REFERENCE	MEASURE	ESTIMATED ACTUAL 2019/20	TARGET 2020/21
VSC1	Unit cost of providing user-facing motor vehicle licencing services	New measure ¹	To be determined ²
VSC2	Proportion of motor vehicle licensing completed online	58%	≥60%
VSC3	Proportion of vehicles relicensed on time	98%	≥98%
VSC4	Proportion of audits and reviews for inspecting organisations and vehicle inspectors completed against target	100%	≥95%
VSC5	Proportion of non-compliance actions for vehicle inspecting organisations, vehicle certifiers and vehicle inspectors that are under active management	New measure	≥95%

It has not been possible to fully assess the impact of COVID-19 on the setting of performance measures targets.

Technical notes for our performance measures are in appendix 3.

¹ The definition of cost has been has changed.

² Data required to adjust forecast volumes is incomplete due to the COVID-19 lockdown.

What this output class will cost

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
Income	71.2	78.1
Expenditure	80.3	68.8
Net surplus (deficit)	(9.1)	9.3

Full details on output class funding and expenditure are on pages 67-75.

OUTPUT
CLASS**REGULATION OF COMMERCIAL TRANSPORT OPERATORS***Delivered by Waka Kotahi and funded from fees and charges***What we do**

We improve the safety of the land transport system by ensuring commercial operators and drivers meet the required safety standards. This work includes:

- developing land transport rules relating to commercial transport operation (for the Minister of Transport)
- setting regulatory standards and requirements for the industry
- licensing commercial transport operators and maintaining the transport service licence register
- monitoring and auditing compliance with regulatory standards and requirements for commercial transport operators and drivers, including on-road electronic monitoring of commercial vehicles
- investigating and prosecuting commercial transport operators and drivers and suspending or revoking their licences when they do not meet required standards
- informing, advising and educating commercial operators and the public on commercial transport obligations
- administering permits for over-weight, over-dimension and high-productivity vehicles.

The difference this output class makes

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

How we'll measure performance

REFERENCE	MEASURE	ESTIMATED ACTUAL 2019/20	TARGET 2020/21
CTO1	Proportion of commercial operators reviewed or audited against target	100%	≥95%
CTO2	Proportion of non-compliance actions for commercial operators that are under active management	New measure	≥95%
CTO3	Proportion of standard permits issued within 10 working days	100%	100%

It has not been possible to fully assess the impact of COVID-19 on the setting of performance measures targets. Technical notes for our performance measures are in appendix 3.

What this output class will cost

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
Income	12.5	13.9
Expenditure	22.0	19.7
Net surplus (deficit)	(9.5)	(5.8)

Full details on output class funding and expenditure are on pages 67-75.

OUTPUT
CLASS**REGULATION OF THE RAIL TRANSPORT SYSTEM***Delivered by Waka Kotahi and funded from fees and charges***What we do**

We regulate the rail transport system to assure stakeholders and the public that rail participants effectively manage rail safety risks by:

- managing entry to and exit from the rail system through licensing and restricting operations
- approving, replacing and varying 'safety cases' (documents that describe a licensee's safety approach)
- setting or guiding the development of safety standards for infrastructure, vehicles and practices
- assessing compliance with safety cases and standards
- investigating safety accidents
- directing improvements or imposing restrictions in response to safety breaches by licensees and other participants
- prosecuting breaches of the Railways Act 2005
- monitoring risks and the overall level of safety in the rail system
- providing advice and information on rail system safety.

The difference this output class makes

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

How we'll measure performance

REFERENCE	MEASURE	ESTIMATED ACTUAL 2019/20	TARGET 2020/21
RTS1	Proportion of rail participants reviewed or audited against target	100%	≥95%
RTS2	Proportion of non-compliance actions for rail participants that are under active management	New measure	≥95%

It has not been possible to fully assess the impact of COVID-19 on the setting of performance measures targets. Technical notes for our performance measures are in appendix 3.

What this output class will cost

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
Income	1.9	3.0
Expenditure	4.2	3.1
Net surplus (deficit)	(2.3)	(0.1)

Full details on output class funding and expenditure are on pages 67-75.

OUTPUT
CLASS**REVENUE COLLECTION AND ADMINISTRATION***Delivered by Waka Kotahi and funded from the National Land Transport Fund and fees and charges***What we do**

We:

- collect and refund road user charges (RUC) revenue (to be paid to the National Land Transport Fund), by:
 - selling RUC licences
 - investigating evasion and enforcing payment
 - refunding customers' charges paid for off-road travel
 - informing and advising the public about RUC
- collect road tolling revenue to fund or repay the cost of building, maintaining or operating toll roads, including:
 - collecting toll revenues and disbursements to the Crown
 - investigating evasion and enforcing payment
 - managing associated roadside and back-office systems, customer interfaces and payment channels
 - informing and advising the public about road tolls
- collect and rebate regional fuel tax to fund regional projects, including:
 - collecting fuel tax from distributors
 - providing rebates for off-road use
 - forwarding the tax to the Auckland Council
 - auditing compliance with the requirements
 - reporting fuel prices and volumes
- refund and account for fuel excise duty claims so customers are refunded for off-road fuel use, which is an adjunct to the collection of the duty provided for under the Land Transport Management Act 2003 that we do on behalf of the Ministry of Transport.

The difference this output class makes

Revenue collection and administration allows us to collect the amount of revenue prescribed fairly and in accordance with the law to invest in a safe, resilient and accessible transport system.

Revenue collected through motor vehicle registration is also invested in the transport system.

How we'll measure performance

REFERENCE	MEASURE	ESTIMATED ACTUAL 2019/20	TARGET 2020/21
REV1	Unit cost of providing user-facing road tolling services	New measure ¹	To be determined ²
REV2	Tolling revenue written off as proportion of current year revenue	New measure	To be determined ²
REV3	Proportion of road user charges licences completed online	72%	≥70%
REV4	Unit cost of providing user-facing road user charges services	New measure ¹	To be determined ²
REV5	Proportion of Transport Service Licence holders that are assessed for road user charges compliance against target	100% ³	≥95%
REV6	Proportion of unpaid road user charges identified through investigations and assessments that are collected *	New measure	65-75%
REV7	Average number of days to process road user charges, fuel excise duty and regional fuel tax refund applications	New measure	≤20 working days

It has not been possible to fully assess the impact of COVID-19 on the setting of performance measures targets.

Technical notes for our performance measures are in appendix 3.

¹ The definition of cost has been changed.

² Data required to adjust forecast volumes is incomplete due to the COVID-19 lockdown.

³ This was reworded from 'Proportion of road user charges operators that are investigated or audited against target' to better reflect the activity measured. Scope and methodology have not changed.

* This is also a measure for an appropriation in Vote Transport (see appendix 4 for all appropriation measures).

What this output class will cost

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
Income	34.6	35.3
Expenditure	37.7	29.0
Net surplus (deficit)	(3.1)	6.3

Full details on output class funding and expenditure are on pages 67-75.

WAKA KOTAHI

OUR POSITION

Our position is that our people are capable, fostered by a strong organisational culture, and equipped with the technology and systems that enable success, and Waka Kotahi is respected by partners, stakeholders and customers for its responsive and engaged people.

WHAT NEEDS TO HAPPEN?

To make this happen, we are equipping our people to provide leadership and build valued relationships and partnerships. Our people will thrive in a work environment that is safe, healthy and flexible and prizes diversity. Our technology and systems will support responsive and collaborative ways of working and be easy to use, resilient, sustainable and secure.

SIGNIFICANT ACTIVITIES FOR 2020/21

Our significant activities focus on building Waka Kotahi's culture, capability and technology platforms and continuing to engage with our partners in ways that are open, proactive and regular. We will seek to be innovative in finding new and more effective ways of working and collaborating. Implementing a comprehensive benefit management framework will also allow us to tell the story of what our National Land Transport Programme investments have delivered across the government's key priorities.

In 2020/21 we will:

- 8.1 undertake a refresh of Waka Kotahi's purpose, strategy, values and performance measures and then represent them in our Statement of intent 2021-25 and Statement of performance expectations 2020/21
- 8.2 implement and embed new values and behaviours that strengthen our organisational culture and empower our people
- 8.3 progress the people strategy and supporting people capability plan to close identified gaps
- 8.4 establish a programme to uplift leadership capability
- 8.5 implement a comprehensive risk management and risk-based assurance programme including a focus on core internal controls, probity, contract management, infrastructure projects and our regulatory function
- 8.6 obtain Board approval of a multi-year Digital Services Portfolio with investment funding requirements identified
- 8.7 complete the National Land Transport Programme 2021-24 incorporating Investment Decision Making Framework outcomes, with effective support to develop sector capability in place.

WHAT WE DELIVER AND INVEST IN (CONTRIBUTING OUTPUT CLASSES)

The Investment management output class makes a direct contribution to our Waka Kotahi position statement.

HOW WE'LL MEASURE PROGRESS

We'll measure our progress through a performance measure for this position statement, measures each target state (what we're aiming for by 30 June 2021), significant activities for 2020/21, and financial and non-financial performance expectations for our output class.



POSITION STATEMENT MEASURE
**STAKEHOLDER,
 PARTNER AND
 CUSTOMER
 SATISFACTION
 WITH WAKA
 KOTAHI PEOPLE,
 ENGAGEMENT
 AND SYSTEMS**

INCREASING

TRANSPORT OUTCOME

Inclusive access | Healthy and safe people | Environmental sustainability | Economic prosperity | Resilience and security

GOVERNMENT POLICY STATEMENT OBJECTIVE

A land transport system that:

- is a safe system, free of death and serious injury
- provides increased access to economic and social opportunities
- enables transport choice and access
- is resilient
- reduces greenhouse gas emissions, as well as adverse effects on the local environment and public health
- delivers the right infrastructure and services to the right level at the best cost.

OUR POSITION

Our people are capable, fostered by a strong organisational culture, and equipped with the technology and systems that enable success, and Waka Kotahi is respected by partners, stakeholders and customers for its responsive and engaged people.

TARGET STATES - WHAT WE'RE AIMING FOR BY 30 JUNE 2021

A reputation of being a lead public sector agency for workplace safety for our employees and contractors

MEASURES 2020/21

Proportion of surveyed staff who consider Waka Kotahi a safe place to work

TARGETS 2020/21

Assessed as 'performing' using the SafePlus Tool

Staff and contractor injury rate

Total Recordable Injury Frequency Rate (TRIFR) ≤4

A reputation of being a lead public sector agency known for agile thinking and fast-tracking solutions

Proportion of surveyed stakeholders who consider Waka Kotahi to be known for agile thinking and fast-tracking solutions

Increasing (based on 2019/20 results)

Recognition as an employer of choice, offering a diverse, fair, safe and dynamic work environment

Proportion of Waka Kotahi staff who agree that 'this organisation is a great place to work'

Increasing (based on 2019/20 results)

Operation of a resilient digital environment with class-leading security and smart processes

Rating of Waka Kotahi's Protective Security Requirements cyber-security maturity

Managed

OUTPUT
CLASS**INVESTMENT MANAGEMENT***Delivered by Waka Kotahi and funded from the National Land Transport Fund and the Crown***What we do**

The investment management output class covers the cost to Waka Kotahi of:

- developing and managing the National Land Transport Programme, including:
 - managing the National Land Transport Fund
 - supporting development of the Government Policy Statement on land transport
 - developing criteria for assessing and prioritising land transport investment
 - providing investment and funding advice to the government
 - providing assurance in respect to the delivery of outcomes
- planning the transport system, including:
 - supporting the development of regional land transport plans
 - transport model development
 - activity management planning
 - programme business case development
- delivering sector research, including:
 - engagement with the sector
 - research project development, delivery and promotion.

The difference this output class makes

Investment management allows us to achieve what the government wants us to do (as directed by the Government Policy Statement on land transport) and balance multiple objectives while shaping the land transport system and influencing its delivery.

We aim to achieve long-term land transport funding sustainability and investment certainty by consistently and transparently adhering to the investment decision-making framework and obtaining assurance on benefits realisation and investment outcomes.

How we'll measure performance

REFERENCE	MEASURE	ESTIMATED ACTUAL 2019/20	TARGET 2020/21
IM1	Proportion of total cost of managing the investment funding allocation system to National Land Transport Programme expenditure *	1.05%	≤1.1%
IM2	Proportion of reviewed Waka Kotahi investment decisions that meet required process standards	New measure	100%
IM3	Proportion of sector research activities delivered to agreed standards and timeframes	100%	≥95%
IM4	Proportion of investment audit activities delivered to plan	100%	100%
IM5	Average number of days to action new funding approvals	24 working days	≤20 working days

It has not been possible to fully assess the impact of COVID-19 on the setting of performance measures targets. Technical notes for our performance measures are in appendix 3.

* This is also a measure for an appropriation in Vote Transport (see appendix 4 for all appropriation measures).

What this output class will cost

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
Income	97.3	86.4
Expenditure	97.3	86.4
Net surplus (deficit)	0.0	0.0

Full details on output class funding and expenditure are on pages 67-75.

USE OF THE NATIONAL LAND TRANSPORT FUND

Waka Kotahi allocates and invests the National Land Transport Fund (NLTF) and prepares the National Land Transport Programme (NLTP) to give effect to the Government Policy Statement on land transport (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. The current GPS sets funding ranges for 12 activity classes that align with the Waka Kotahi output classes.

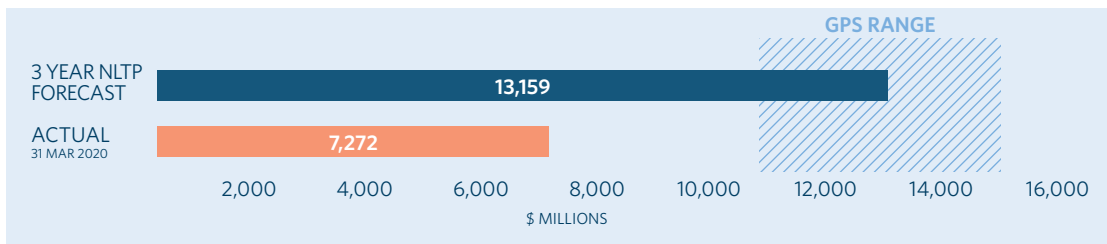
This section outlines NLTF expenditure against the planned levels in the 2018-21 NLTP.

PROGRESS TO DELIVER ON 2018-21 NATIONAL LAND TRANSPORT PROGRAMME

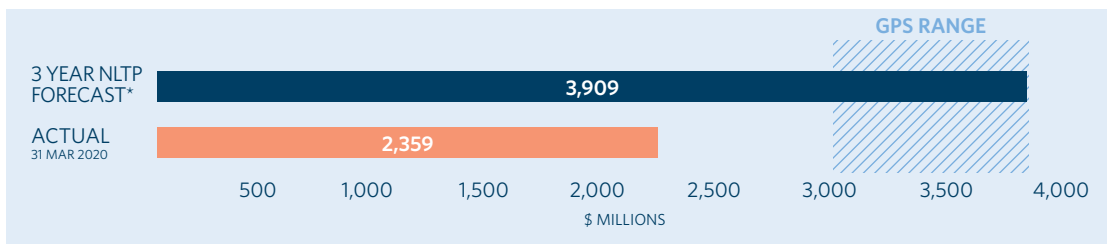
The following charts illustrate how the NLTF allocation and commitments are progressing for the overall NLTP and each activity class. They indicate the current forecast spend for the NLTF over the 2018-21 NLTP compared with the GPS ranges and actual expenditure to 31 March 2020.

The three-year NLTP forecast has been moderated for the impact of the COVID-19 lockdown. Some of the activity classes have been significantly affected such as public transport. COVID-19 changes the expenditure levels and, more materially, changes the amount of revenue received through fuel taxes. Given the uncertainties created by COVID-19, expenditure may differ materially from the forecast shown. The use of the fund may also be impacted by additional crown revenue or borrowings.

Overall use of the National Land Transport Fund



State highway improvements



* includes use of the National Land Transport Fund borrowing facility of \$544.5 million and notional borrowing of \$149.2 million.

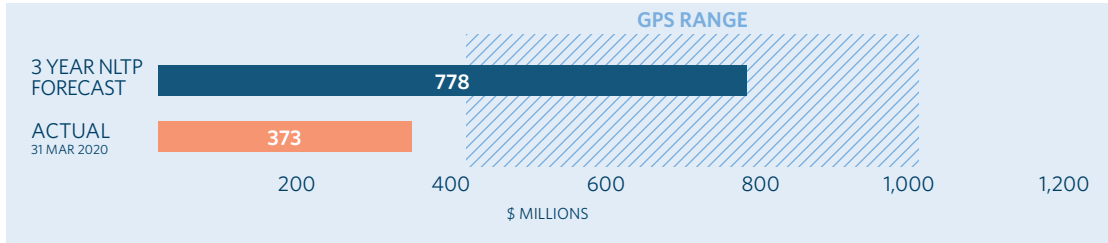
Expenditure in the state highway improvements activity class is at the top of the range due to the \$190.6 million settlement of the Transmission Gully claim and a \$83 million provision for Pūhoi to Warkworth claims. Expenditure is expected to meet or exceed plan over the 2018-21 NLTP.

Total spending on state highway improvement projects is funded from three activity classes (state highway improvements, public transport and regional improvements, where applicable).

The outlook for overall funding in the 2018-21 NLTP and the remainder of the GPS period shows very limited headroom for any new projects due to funding constraints due to the existing programme and the impact of COVID-19.

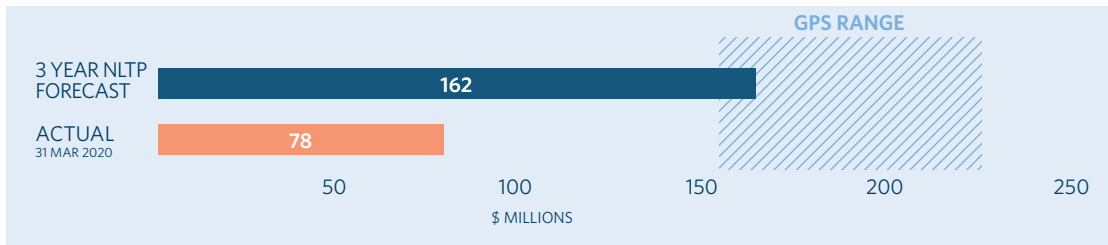
Options for mitigating the impacts of COVID-19 are being discussed with Treasury and the Ministry of Transport.

Local road improvements



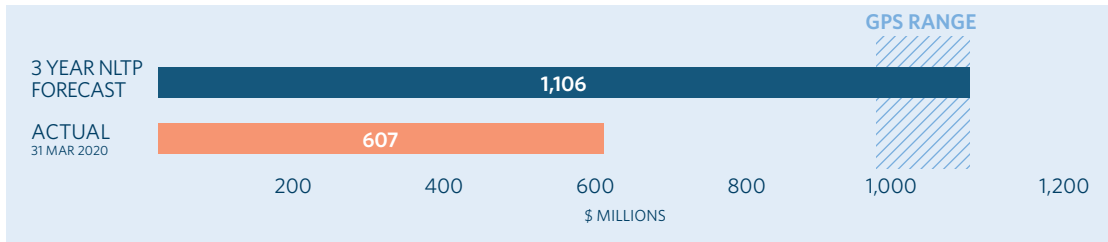
Expenditure on local road improvements is progressing to plan.

Road safety promotion and demand management



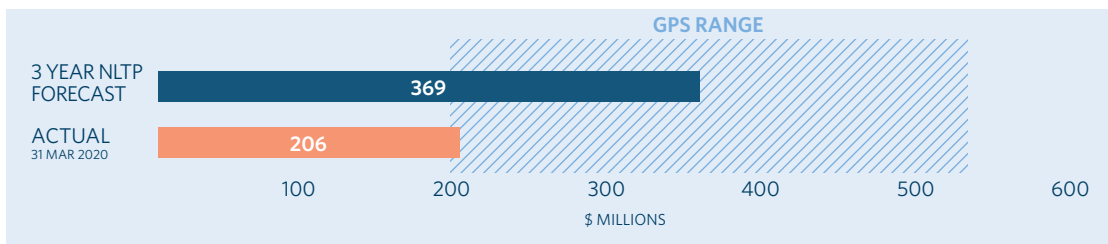
Following a significant increase in allocation for this activity class, the programme was slow to start in 2018/19 however is now consistently delivering. Forecast expenditure is expected to be within the GPS range at the lower end.

Road policing



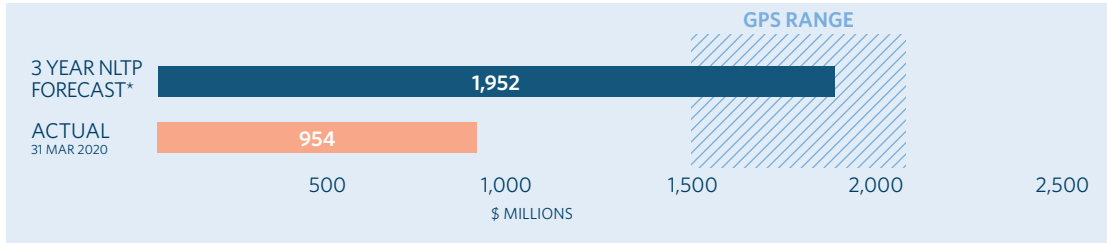
The 2018-21 Road Safety Partnership Programme has been approved at a total cost of \$1,106 million, following the Waka Kotahi Board’s recommendation to the Minister of Transport. Following the confirmation of the safety camera transfer from NZ Police to Waka Kotahi in December 2019, \$5 million will be returned to the NLTP to enable Waka Kotahi to commence procurement of an infringement processing system. This will be actioned in the next Treasury forecasting exercise.

Regional improvements



Expenditure on regional improvements is behind the 2019/20 plan. Over the 2018-21 NLTP, expenditure is forecast to be within the upper limit of the GPS range.

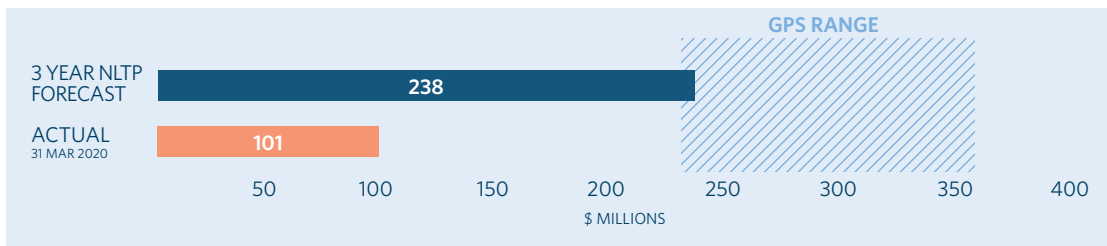
Public transport



* includes use of the National Land Transport Fund borrowing facility of \$132.7 million and notional borrowing of \$31.0 million

Expenditure to 31 March 2020 is ahead of the 2019/20 plan. Funding demands in public transport are strong for both improvement activities and operations with various input cost pressures. Farebox revenue has evaporated through level 4 lockdown period, and Waka Kotahi has committed to cover this shortfall. Forecast expenditure over the 2018-21 NLTP is likely to be at the top end of the activity class.

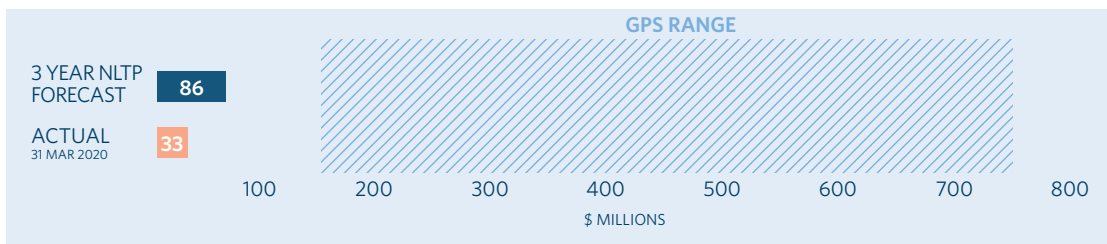
Walking and cycling



Expenditure to 31 March 2020 on walking and cycling is below the 2019/20 plan due to various project delays. Additional cycleway projects are being identified that could potentially be funded under this activity class.

The forecast for the 2018-21 NLTP overall has fallen to the bottom of the GPS range.

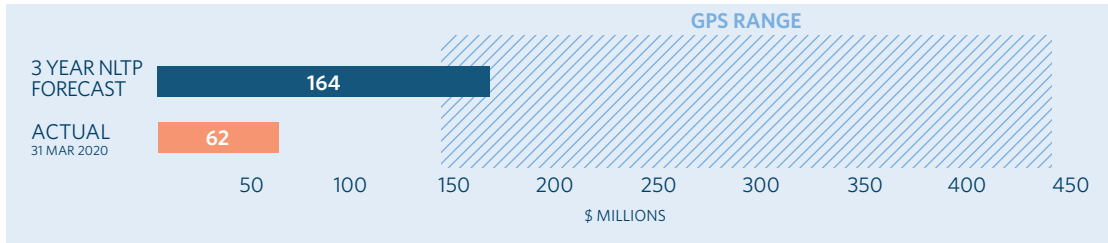
Rapid transit



Expenditure to 31 March 2020 on rapid transit is well below the 2019/20 plan. Progress and expenditure on Auckland light rail have been impacted by the evaluation process now underway to assess alternate approaches by Waka Kotahi and NZ Infra (The NZ Superannuation Fund and their Canadian Partner). Given the forecast underspend in Rapid transit for this NLTP, the Board has approved re-allocating \$313 million of Rapid transit funding as follows: State highway improvements (\$190 million); Public transport (\$60 million); Walking and cycling (\$30 million); State highway maintenance (\$20 million); and Local road improvements (\$13 million).

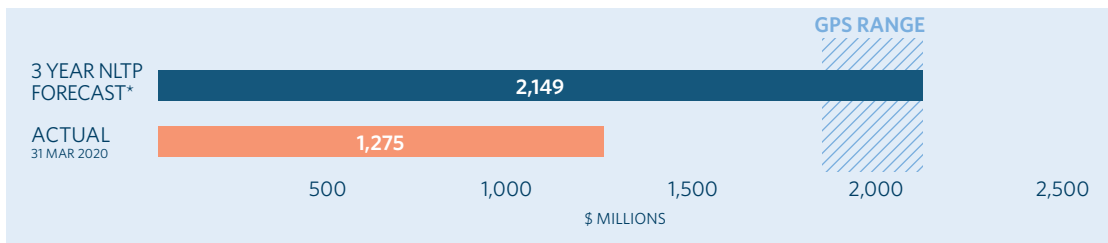
As a result, funding allocated to Rapid transit in this NLTP has been reduced to \$150 million, the bottom of the GPS funding range. At this stage, it seems unlikely it will approach that figure.

Transitional rail



Expenditure to 31 March 2020 on Transitional Rail is well below the 2019/20 plan. The NZ Upgrade Programme will fund some activities that were programmed in this activity class. This reduces the forecast to the bottom of the funding range.

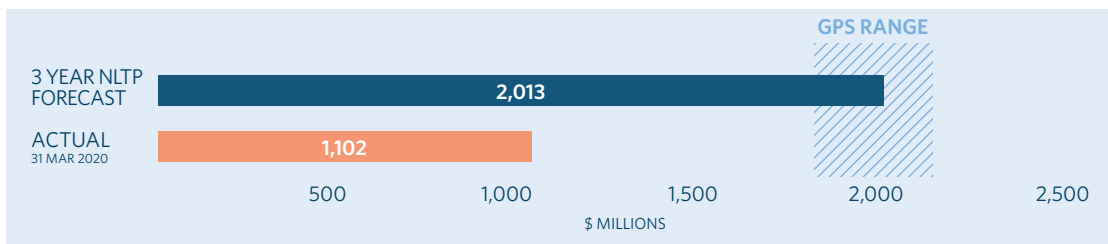
State highway maintenance



* includes notional borrowing of \$411.7 million

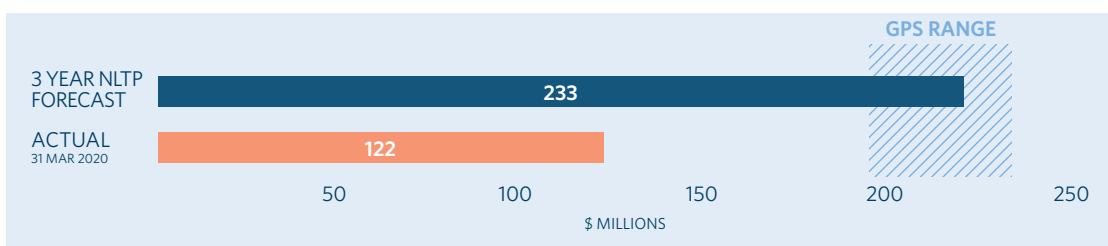
Expenditure is expected to exceed the plan for 2019/20. Allocated funding is forecast to be fully utilised during the 2018-21 NLTP and may exceed the upper range depending, to some extent, on the number of emergency works.

Local road maintenance



Expenditure on local road maintenance is below the 2019/20 plan primarily due to lower claims across several approved organisations and lower claims against approved emergency works. Allocated funding is forecast to be fully utilised during the 2018-21 NLTP.

Investment management



Expenditure in 2019/20 has increased significantly as Waka Kotahi delivers a significant programme of activities. Activity across the sector research programme, transport planning, and the Investment Decision-Making Framework project has accelerated in 2019/20.

The forecast for the 2018-21 NLTP is expected to be at the upper end of the GPS range.

PROSPECTIVE FINANCIAL STATEMENTS

This section provides prospective financial statements for:

- Waka Kotahi NZ Transport Agency (Waka Kotahi)
- the National Land Transport Fund (NLTF)

THE IMPACT OF COVID-19

It is expected that COVID-19 will have a material impact on the financial performance and position of Waka Kotahi. The prospective financial statements have been prepared based on a four-week level 4 lockdown period in 2019/20, followed by a gradual return to normal. Given the uncertainties created by COVID-19, revenue and expenditure may materially differ from the projections.

Waka Kotahi is dependent on Crown financing or funding for both its regulatory and NLTF funded activities given the impact of COVID-19. The 2019/20 revenue will significantly reduce and there is unlikely to be an offsetting reduction in expenditure. Waka Kotahi has access to a borrowing facility of \$250 million which has been increased to \$675 million via Budget 2020 to manage the impact of COVID-19 on the NLTF for 2019/20. Waka Kotahi has assumed, in the preparation of these financial statements, that it will have Crown support through funding or financing in 2020/21 for NLTF funded activities. Budget 2020 allocated additional funding of \$60 million to Waka Kotahi to manage the impact of COVID-19 on regulatory activities.



WAKA KOTAHI NZ TRANSPORT AGENCY

FINANCIAL OVERVIEW

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

The level of forecasting uncertainty is increased due to the difficulty in predicting the potential impact of COVID-19.

Budgeted funding of \$5,154.0 million for 2020/21 has been allowed for:

- **land transport** (\$4,690.5 million), which includes Waka Kotahi investment in the state highway network, rapid transit and funding provided for approved organisations for the delivery of services
- **Waka Kotahi activities** (\$404.3 million), which include activities for which Waka Kotahi is accountable and either delivers in-house or contracts out
- **Waka Kotahi activities charged directly to the National Land Transport Programme** (\$59.2 million), when Waka Kotahi delivers parts of the programme directly, such as road safety promotion.

PROSPECTIVE FINANCIAL STATEMENTS

PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDING 30 JUNE

	NOTE	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
REVENUE			
Funding from the National Land Transport Fund		2,928.3	3,480.7
Funding from the Crown		135.2	73.3
Revenue from other activities	4	177.8	207.3
Total revenue		3,241.3	3,761.3
EXPENSE			
Land transport funding	7	2,388.7	2,441.0
Personnel costs	6	160.9	141.4
Operating expenses	6	147.6	155.9
Interest and finance costs		13.6	114.2
Depreciation, amortisation and state highway write-off	6,8	562.2	584.5
Assets vested to local authorities		0.0	333.0
Total expense		3,273.0	3,770.0
SURPLUS/(DEFICIT)	5	(31.7)	(8.7)
OTHER COMPREHENSIVE REVENUE AND EXPENSE			
Gain/(loss) state highway network revaluations	3	1,860.0	1,888.0
Fair value movement in cash flow hedges		(139.6)	11.5
Total other comprehensive revenue and expense		1,720.4	1,899.5
TOTAL COMPREHENSIVE REVENUE AND EXPENSE		1,688.7	1,890.8

PROSPECTIVE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE

	NOTE	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
ASSETS			
Cash and cash equivalents		50.0	50.0
Debtor Crown		42.7	23.1
Receivables and other assets		121.1	126.0
Debtor National Land Transport Fund		382.4	454.6
Debtor National Land Transport Fund - debt related		3,383.1	4,255.1
Property assets held for sale		22.0	50.0
Public-private partnership assets	9	1,968.8	946.6
Property, plant, equipment and intangible assets	8	71.7	82.8
State highway network	8	52,980.3	57,324.1
Total assets		59,022.1	63,312.3
LIABILITIES			
Payables		968.5	1,075.0
Employee entitlements		22.6	19.8
Derivative financial liability		598.1	577.0
Borrowing and other liabilities	10	1,118.1	1,742.4
Public-private partnership liabilities	9	1,695.2	1,985.4
Total liabilities		4,402.5	5,399.6
NET ASSETS		54,619.6	57,912.7
EQUITY			
Retained funds		(9.4)	(20.0)
Equity derived from the state highway network		55,160.2	58,442.9
Cash flow hedge reserve		(531.2)	(510.2)
TOTAL EQUITY		54,619.6	57,912.7

PROSPECTIVE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 30 JUNE

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
BALANCE AT 1 JULY	51,109.0	54,619.6
Surplus/(deficit)	(31.7)	(8.7)
State highway network revaluations	1,860.0	1,888.0
Movement in cash flow hedges	(139.6)	21.1
Capital contribution	1,821.9	1,392.7
BALANCE AT 30 JUNE	54,619.6	57,912.7

PROSPECTIVE STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 30 JUNE

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from the National Land Transport Fund	2,851.8	3,370.3
Receipts from the Crown	127.0	91.3
Receipts from other revenue	193.8	189.5
Payments to employees	(153.3)	(144.2)
Payments to suppliers	(2,079.1)	(2,479.4)
Net cash flows from operating activities	940.2	1,027.5
CASH FLOWS FROM INVESTING ACTIVITIES		
National Land Transport Fund receipts from sale of state highway - held properties	10.0	22.0
Purchase of property, plant, equipment and intangible assets	(23.6)	(25.6)
Investment in the state highway network	(2,304.1)	(2,096.4)
Net cash flows from investing activities	(2,317.7)	(2,100.0)
CASH FLOWS FROM FINANCING ACTIVITIES		
Capital contribution from the National Land Transport Fund	551.5	71.2
Capital contribution from the Crown	134.0	475.8
Receipts from borrowing	680.1	666.5
Repayment of borrowing	(15.0)	(66.0)
Interest paid on borrowing	(4.6)	(75.1)
Net cash flows from financing activities	1,346.1	1,072.4
Net increase/(decrease) in cash and cash equivalents	(31.4)	0.0
Cash and cash equivalents at the beginning of the year	81.4	50.0
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	50.0	50.0

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 Waka Kotahi's future operating intentions and financial position, 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.

Waka Kotahi 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 Waka Kotahi 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

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

CATEGORY	ASSUMPTIONS
Funding from the National Land Transport Fund (NLTF)	Funding from the NLTF is based on the expenditure programme in the National Land Transport Programme (NLTP). The main assumption is 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. Further assumptions on the funding from the NLTF are defined in the NLTF prospective financial statements.
Funding from the Crown	<p>The government provides Crown funding to progress transport activities outside the NLTF, as either the activities do not have sufficient priority to be delivered in the current NLTP or they deliver on government policy not covered by the Land Transport Management Act 2003. Waka Kotahi delivers these activities as directed by the government. Investment from the Crown can be an injection of funds or loans to assist in NLTF cash flow management. Waka Kotahi has a short-term loan facility that is forecast to be drawn down in the 2019/20 and 2020/21 financial years and supplemented by a long-term loan. The borrowing facility was increased from \$250 million to \$675 million during Budget 2020 to manage the impact of COVID-19 during 2019/20. More details on debt financing are provided in note 10.</p> <p>Additional funding of \$60 million to manage the impact of COVID-19 on regulatory activities was allocated in Budget 2020; \$15 million for 2019/20 and \$45 million for 2020/21.</p> <p>The forecasts include Crown funding in 2020/21 of: \$298.8 million for the NZ Upgrade Programme (NZUP), \$70.1 million for the NZUP Regional Package and \$79.1 million from the Provincial Growth Fund to invest in both nationally significant and regional infrastructure projects.</p>
Fees and charges	<p>Forecast revenue (and associated costs) is driven by volume projections. The most significant assumptions are that vehicle volumes for road user charges continue to increase and the number of motor vehicle registrations increases slightly in line with growth in the fleet. Waka Kotahi is anticipating a wider review of regulatory funding following the Ministry of Transport review of the agency's regulatory function including both adjustments to fees as well as other potential funding options.</p> <p>We have assumed that the impact of COVID-19 only materially impacts in 2019/20. If there are further lockdowns, then revenue may materially reduce from that indicated.</p>
Personnel costs	Personnel costs reflect increases for capacity and capability as well as an increase in resource levels to meet our regulatory and service delivery obligations.
Expenditure – regulatory activities	<p>The forecast cost for regulatory activities reflects Waka Kotahi addressing a number of longstanding weaknesses in its regulatory governance.</p> <p>During 2019/20, Waka Kotahi reviewed its allocation basis for certain costs and has allocated these costs based on spend instead of modified head-count. This results in approximately \$35.0 million being transferred from regulatory to NLTF/Crown funded activities. In addition, individual memorandum accounts were reviewed based on product costings, this has resulted in a different allocation of regulatory costs between the 2019/20 projected forecast and the 2020/21 budget.</p>

Expenditure – NLTP	The Government Policy Statement on land transport was taken into consideration when developing the NLTP and preparing the 2020/21 budget for NLTP expenditure. Depending on the COVID-19 lockdown situation expenditure may materially differ from that indicated. For example, there is significant uncertainty around what claims and additional costs Waka Kotahi may face from contractors and from Approved Organisations for COVID-19 impacts.
Capital	Waka Kotahi is undertaking a programme of capital spending that includes improving and renewing the state highway network, rapid transit, public transport and walking and cycling. Projected costs and timing of expenditure are based on project plans and quotations current when these forecasts were prepared. Capital programmes that are accelerated and funded by public-private partnerships and loans are recognised as capital contributions as the projected expenditure is incurred.
Debtor National Land Transport Fund – debt related	The Debtor National Land Transport Fund – debt related consists of operating and capital expenditure for accelerated programmes that are funded by loans and public-private partnerships. It is assumed that the NLTF will have sufficient funds when the loans and the public-private partnership liabilities are due.
Asset revaluations	The state highway network is revalued annually using independent expert valuers (WSP Opus). The valuation is sensitive to changes in the value of land and other inputs and estimates required for the state highway network valuation. We have assumed we will continue revaluing our assets annually.
Public-private partnerships	A conditional agreement has been reached to settle a material claim from the Wellington Gateway Partnership in relation to the Transmission Gully public-private partnership. A payment of \$190.6 million was made in January 2020 in settlement. A provision of \$83.0 million for an anticipated settlement of claims from the builders of the Pūhoi to Warkworth public-private partnership was recorded in 2019/20. There are on-going commercial negotiations between Waka Kotahi and the builders of both public-private partnerships on the impact of COVID-19 lock-down period on the projects.
Cash flow hedge reserve	Derivative financial instruments, designated as hedging instruments, are valued semi-annually. We have assumed that hedging relationships will be highly effective with changes in the instruments' fair value being recognised predominantly in the cash flow hedge reserve.
Output class expenditure	Forecast expenditure by output class is based on the organisational structure and associated cost allocations, projected operating spends, and changes in NLTF and Crown appropriations.
Kaikōura earthquake	The Kaikōura earthquake response includes the reinstatement of damaged roads and improvements. The forecast cost for clean-up, reinstating access to roads, and minor repairs is treated as operating expenditure. Major repairs and improvements to the roads are treated as capital expenditure. We have applied judgement when differentiating operating and capital expenditure for certain common or shared costs.

2 > ENTITY INFORMATION

Reporting entity

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

Waka Kotahi's primary objective is to provide services to the New Zealand public. Its purpose is to deliver effective, efficient, safe, responsible and resilient transport solutions that support a thriving New Zealand. Waka Kotahi does not operate to make a financial profit.

Basis of preparation

The prospective financial statements of Waka Kotahi 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.

Waka Kotahi 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. Waka Kotahi is dependent on Crown financing or funding for both its regulatory and NLTF funded activities given the impact of COVID-19.

The prospective financial statements are presented in New Zealand dollars and all values are in millions (\$M) and rounded to the nearest hundred thousand dollars.

Accounting standards issued and not yet effective

Waka Kotahi 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 2020. There have been no material impacts 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 Waka Kotahi's 2018/19 annual report and will be included in the 2019/20 annual report.

Revenue

Funding from the Crown and the National Land Transport Fund

Waka Kotahi is primarily funded through revenue received from the National Land Transport Fund and the Crown.

Funding from the National Land Transport Fund and the Crown has been accounted for in accordance with PBE IPSAS 23 *Revenue from Non-Exchange Transactions* and classified and treated as non-exchange revenue. The funding is used for the specific purpose set out in Waka Kotahi's founding legislation and the scope 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 Waka Kotahi. Apart from these general restrictions, no unfulfilled conditions or contingencies are attached to this funding, as such 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. Subsequent to 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 2019) 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. Formation is valued using unit rates for formation types applied to carriageway lengths multiplied by width, including shoulders. Formation is a non-depreciable asset class. Qualified independent valuers carry out the valuation as shown in the table below.

STATE HIGHWAY NETWORK COMPONENT	VALUER
Roads, bridges, culverts, tunnels, underpasses including the formation works, road structure, drainage works and traffic facilities	WSP Opus, utilising unit prices provided by BondCM
Land and held properties	Darroch Limited

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 on: 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, bridges and brownfield costs.

The following sensitivity analysis that was disclosed in the Waka Kotahi annual report financial statements at 30 June 2019 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% (from 35.0% to 38.5%)	931
Movement in external professional fees by 10%	188
Movement in formation unit costs by 10%	1,288
Movement in bridge unit costs by 10%	807
Movement in unit prices* by 10%	1,613
Movement in land corridor quantities by 10%	1,195
Movement in brownfield costs by 10%	124

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

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.

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 the 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 of an existing credit balance for that asset class. Any excess is recognised in surplus or deficit.

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)	DEPRECIATION RATE (%)
State highways – pavement (base)	50	2.0
State highways – pavement (surface)	9-14	7.1-11.1
State highways – drainage	50	2.0
State highways – traffic facilities	10-25	4.0-10
State highways – bridges	90-100	1.0-1.1
State highways – culverts and subways	50-75	1.3-2.0
State highways – other structures	10-100	1.0-10

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

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 Waka Kotahi's obligations under the arrangement should conditions exist such that the arrangement will not continue through to the service commencement date. Before the service commencement date, there are no scheduled payments under the agreements.

On completion, the asset and liability will be remeasured to fair value. Once operational, the public-private partnership assets will be accounted for in accordance with the policies adopted by Waka Kotahi in respect of the rest of the state highway.

From the time the public-private partnership assets become operational, Waka Kotahi will pay the contractor a unitary charge 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.

The operational agreements run for 25 years from the service commencement date, after which the responsibility for ongoing operation and maintenance of both roads will revert to the Waka Kotahi. As both projects are under construction, no depreciation on the assets has been incurred.

This treatment is 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 National Land Transport Fund over future financial periods. The receivable balance has been discounted over its term at the effective interest rate at the transaction date.

Derivative financial instruments and hedging

Waka Kotahi 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 are 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 Waka Kotahi 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.

4 > REVENUE FROM OTHER ACTIVITIES

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
FEES AND CHARGES		
Border inspection fees	0.7	0.7
Certification review fees	9.8	13.1
Driver licensing fees	29.7	38.2
Driver testing fees	20.8	26.6
Motor vehicle licensing fees	49.2	55.3
Over dimension and overweight permits	1.4	1.3
Rail licensing fees	1.5	3.0
Road user charges collections	11.7	13.8
Standards development fee and certification levies	7.0	8.2
Transport licensing fees	9.3	12.6
Total fees and charges	141.1	172.8
Tolling fees and contributions	16.3	15.2
Interest and finance income	12.4	11.3
Levy on personalised plates for community road safety initiatives	3.9	3.8
Recoveries from NLTP activities and miscellaneous revenue	4.1	4.2
TOTAL REVENUE FROM OTHER ACTIVITIES	177.8	207.3

5 > RECONCILIATION OF STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE TO OUTPUT CLASS STATEMENTS BY FUNDING SOURCE

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
State highway improvements	2.0	2.0
Local road improvements	0.1	0.0
National Land Transport Programme	2.1	2.0
Road safety promotion and demand management	2.0	1.9
Driver licensing and testing	(1.5)	(2.3)
Vehicle safety and certification	0.3	(2.4)
Revenue collection and administration	(0.2)	6.6
Transport Agency operating activities (Crown)	0.6	3.8
Driver licensing and testing	(10.3)	(19.9)
Vehicle safety and certification	(9.4)	11.7
Regulation of commercial transport operators	(9.5)	(5.8)
Regulation of the rail transport system	(2.3)	(0.1)
Revenue collection and administration	(2.9)	(0.3)
Transport Agency operating activities (Fees and charges)	(34.4)	(14.5)
SURPLUS/(DEFICIT)	(31.7)	(8.7)

6 > WAKA KOTAHI EXPENDITURE

The following table shows Waka Kotahi's total expenditure.

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
Personnel costs	160.9	141.4
Operating expenses	147.6	155.9
Depreciation and amortisation expense	12.3	14.5
Transport Agency operating activities expense	320.8	311.8
Transport Agency capitalised expenditure	44.3	92.5
Transport Agency activities expenditure	365.1	404.3
TRANSPORT AGENCY EXPENDITURE:		
Transport Agency expenditure allocated to National Land Transport Programme activities	65.5	59.2
TOTAL TRANSPORT AGENCY EXPENDITURE	430.6	463.5

The increase in Waka Kotahi expenditure forecast reflects capacity and capability increases, primarily in remediating technology, and related to the regulatory and service delivery functions. From 1 July 2020 a revised cost allocation methodology has been adopted. As a result, a higher proportion of costs are capitalised and allocated to National Land Transport Programme activities from regulatory activities. Costs that relate directly to output classes such as road safety promotion are excluded from Waka Kotahi operating activities and allocated directly to National Land Transport Programme activities.

7 > LAND TRANSPORT FUNDING

Waka Kotahi develops the three-year National Land Transport Programme based on the policy direction in the Land Transport Management Act 2003, the Government Policy Statement on land transport and regional priorities.

The table below shows the activity classes funded from the National Land Transport Programme and associated activities funded from the Crown. The investment in land transport is net of the expenditure on new and renewal of existing state highways, rapid transit and certain other items that are capitalised, and Waka Kotahi operating expenditure, which is separately shown in the Statement of comprehensive revenue and expense.

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

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
State highway improvements	1,420.1	1,085.2
State highway improvements - Auckland Transport Package	15.0	66.0
State highway improvements - Public-private partnership	378.9	293.7
State highway improvements - Repayment for Transmission Gully	0.0	3.5
Local road improvements	244.0	308.6
Local road improvements - Housing Infrastructure Fund	30.0	20.0
Road safety promotion and demand management	57.3	52.1
Road safety promotion and demand management - Road policing	2.5	5.7
Regional improvements	106.8	123.8
Public transport	733.2	706.3
Walking and cycling	58.2	122.8
Rapid transit	33.3	42.8
Transitional rail	44.8	100.0
State highway maintenance	734.9	704.3
Local road maintenance	690.2	668.9
Investment management	87.6	81.7
Interest and finance costs	13.6	113.4
Total National Land Transport Programme	4,650.4	4,498.8
State highway improvements - Accelerated Regional Roading Programme	25.0	35.9
State highway improvements - NZ Upgrade Programme	34.5	298.8
Regional improvements - NZ Upgrade Programme Regional Package	18.2	70.1
SuperGold card administration and public transport concessions	30.7	30.7
Walking and cycling - Urban Cycleways Programme	10.3	0.4
State highway maintenance - Enhanced road maintenance	1.5	0.0
State highway maintenance - Kaikōura earthquake response	48.0	28.0
Local road improvements - Provincial Growth Fund	54.1	25.4
Regional improvements - Provincial Growth Fund	19.3	49.9
Investment management - Provincial Growth Fund	8.9	3.8
Total activities funded on behalf of the Crown	250.5	543.0
Total expenditure	4,900.9	5,041.8
Less capital expenditure	(2,339.6)	(2,227.2)
Less other activities funded from the National Land Transport Programme	(159.0)	(260.2)
Less interest and finance costs	(13.6)	(113.4)
TOTAL LAND TRANSPORT FUNDING	2,388.7	2,441.0

8 > MANAGING OUR ASSETS

Each year Waka Kotahi implements a capital programme in order to provide the technology, property and other infrastructure required to fulfil its functions.

Movements in the state highway network are set out below.

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
Opening balance	49,657.0	52,980.3
Additions	2,005.0	2,026.0
Transfer from public-private partnership assets - Transmission Gully	0.0	1,315.9
Assets transferred (to)/from held for sale	7.2	28.0
Depreciation	(540.0)	(560.0)
Disposals and state highway write-off (including vesting)	(9.0)	(354.0)
Net revaluation	1,860.0	1,888.0
CLOSING BALANCE	52,980.3	57,324.1

Waka Kotahi's capital programme, including investment in computer hardware, leasehold improvements, furniture and fittings, office, plant and equipment, and computer software, is set out below.

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
Opening balance	60.2	71.7
Additions	23.7	25.6
Depreciation/Amortisation	(12.2)	(14.5)
TOTAL	71.7	82.8

9 > PUBLIC-PRIVATE PARTNERSHIP ASSETS AND LIABILITIES

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
Transmission Gully	1,202.9	0.0
Pūhoi to Warkworth	765.9	946.6
TOTAL PUBLIC-PRIVATE PARTNERSHIP ASSETS	1,968.8	946.6
Transmission Gully	1,012.3	1,121.8
Pūhoi to Warkworth	682.9	863.6
TOTAL PUBLIC-PRIVATE PARTNERSHIP LIABILITIES	1,695.2	1,985.4

Transmission Gully public-private partnership

In December 2019, Waka Kotahi and the Builder entered a pre-settlement agreement for all prior claims in respect of the Transmission Gully project subject to satisfying certain conditions. Under the pre-settlement agreement, Waka Kotahi has paid the Builder the agreed amount of \$190.6 million with the Builder providing Waka Kotahi with 'on-demand' bank bonds for the same amount which may be redeemed by Waka Kotahi should the Builder not meet the conditions of the pre-settlement agreement. The payment of \$190.6 million has been capitalised as part of the public-private partnership asset. As a result, the public-private partnership asset is greater than the public-private partnership liability.

Pūhoi to Warkworth public-private partnership

On 30 September 2019, Waka Kotahi entered without prejudice discussions with the NX2 Group (representing the Builder and Contractor) regarding various contractual claims to recover additional costs they have incurred on the project in relation to delays and disruption. The Builder and Contractor indicated that the additional costs incurred were approximately \$150.0 million in total. The Builder and Contractor are in the process of finalising their claim against Waka Kotahi. In parallel the parties are in negotiations to try to resolve the disputes on this project. As a result of the progress of those discussions, Waka Kotahi has provided \$83.0 million to be paid to the Builder in settlement which has been capitalised as part of the public-private partnership asset. As a result, the public-private partnership asset is greater than the public-private partnership liability.

10 > BORROWING AND OTHER LIABILITIES

NAME	NOTIONAL AMOUNT BORROWED \$M	PROJECTED 2019/20 \$M	NOTIONAL AMOUNT BORROWED \$M	BUDGET 2020/21 \$M	INTEREST RATE APPLIED	COMMENTS
Auckland Transport Package	370.0	328.6	370.0	270.4	Interest free	The interest-free loans are discounted using government bond rates of 2.14% to 2.63%.
Housing Infrastructure Fund	33.0	28.3	53.0	46.0	Interest free	The interest-free loans are discounted using government bond rates of 1.57% to 1.72%.
Total interest free borrowing		356.9		316.4		
Tauranga Eastern Link	107.0	107.0	107.0	107.0	\$87.0 million at fixed rates ranging from 4.99% to 5.14%. \$20.0 million at floating.	Interest of \$4.5m is forecasted to be paid during financial year 2019/20 and \$4.5m is budgeted to be paid during financial year 2020/21.
Repayable Regulatory Capital Injection	24.1	24.1	45.8	45.8	Fixed rate of 1.95% p.a.	Accrued interest of \$0.1m and \$0.8m is forecasted in financial year 2019/20 and 2020/21 respectively.
National Land Transport Fund Borrowing Facility	626.0	626.0	687.6	687.6	Fixed rate of 1.95% p.a.	Accrued interest of \$0.0m and \$12.7m is forecasted in financial year 2019/20 and 2020/21 respectively.
Notional Borrowing	0.0	0.0	581.5	581.5	Fixed rate of 1.95% p.a.	Accrued interest of \$0.0m and \$5.6m is forecasted in financial year 2019/20 and 2020/21 respectively.
Total borrowing		1,114.0		1,738.3		
Tolling funds held in trust		4.1		4.1		
TOTAL BORROWING AND OTHER LIABILITIES		1,118.1		1,742.4		

The NLTF borrowing facility of \$626 million comprises \$75 million at a floating interest rate = to the OCR+0.45% that is required to be repaid within three years; \$175 million at a floating interest rate = to the OCR+0.33% that is required to be repaid within one year; and up to \$425 million that is required to be repaid within seven years. For the purposes of interest calculation, we have assumed 1.95% average interest rate for these facilities.

11 > MEMORANDUM ACCOUNTS

Memorandum accounts are notional accounts that record the accumulated balance of surpluses and deficits incurred for third-party-funded outputs. These balances include items financed by the Crown and subject to repayment.

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
Driver licensing and testing	(10.3)	(30.3)
Vehicle safety and certification	1.0	12.7
Regulation of commercial transport operators and the rail transport system	(12.8)	(18.7)
Road user charges collections	(2.6)	(2.9)
TOTAL MEMORANDUM ACCOUNT-OTHER FEES AND CHARGES*	(24.7)	(39.2)

* The memorandum accounts show a negative balance. Waka Kotahi has access for up to \$45 million of regulatory loans and additional Crown funding of \$60 million was allocated in Budget 2020 for the fiscal impacts created by COVID-19; \$15 million for 2019/20 and \$45 million for 2020/21. The estimated costs of COVID-19 and the additional funding of \$15 million have been included in the prospective financial result.

12 > APPROPRIATION ESTIMATES FOR THE YEAR ENDING 30 JUNE 2021

The table below shows the funding Waka Kotahi receives from the Crown as disclosed in the *Estimates of appropriations* and the funding movements.

	APPROPRIATIONS 2020/21 \$M	FUNDING MOVEMENTS \$M	BUDGET 2020/21 \$M
State highway improvements	967.9	103.3	1,071.2
Local road improvements	308.6	0.0	308.6
Local road improvements - Housing Infrastructure Fund	20.0	0.0	20.0
Road safety promotion and demand management	56.3	0.0	56.3
Regional improvements	42.3	0.0	42.3
Public transport	594.2	2.4	596.6
Walking and cycling	71.2	0.0	71.2
Transitional rail	100.0	0.0	100.0
State highway maintenance	281.3	161.7	443.0
Local road maintenance	668.9	0.0	668.9
Investment management	81.8	0.0	81.8
National Land Transport Programme (Permanent Legislative Authority)	3,192.5	267.4	3,459.9
State highway improvements (SHI)	15.2	63.0	78.2
SHI - Public-private partnership	293.7	0.0	293.7
SHI - Repayment of borrowing (Auckland Transport Package)	66.0	0.0	66.0
SHI - Repayment for Transmission Gully	3.5	0.0	3.5
Road safety promotion and demand management	1.5	0.0	1.5
Regional improvements	81.5	0.0	81.5
Public transport	32.1	80.0	112.1
Walking and cycling	51.6	0.0	51.6
Rapid transit	42.8	0.0	42.8
State highway maintenance	7.0	250.0	257.0

National Land Transport Programme – new infrastructure for and renewal of state highways (Permanent Legislative Authority)	594.9	393.0	987.9
SHI - Accelerated Regional Roding Programme	35.9	0.0	35.9
SHI - NZ Upgrade Programme	298.8	0.0	298.8
Regional improvements - NZUP Regional Package	70.1	0.0	70.1
SuperGold card administration and public transport concessions	30.7	0.0	30.7
Walking and cycling - Urban Cycleways Programme	0.4	0.0	0.4
State highway maintenance - Kaikōura earthquake response	28.0	0.0	28.0
Driver licensing and testing	3.1	0.0	3.1
Vehicle safety and certification	0.0	0.8	0.8
Revenue collection and administration	5.0	0.0	5.0
Investment management - Crash analysis system	0.8	0.0	0.8
Local road improvements - Provincial Growth Fund	25.4	0.0	25.4
Regional improvements - Provincial Growth Fund	49.9	0.0	49.9
Investment management - Provincial Growth Fund	3.8	0.0	3.8
Crown funded	551.9	0.8	552.7
TOTAL	4,339.3	661.2*	5,000.5

* Expectation is that the Crown will support the NLTP for the impact of COVID-19 through additional funding or financing. For the purposes of the prospective financial statements, we have assumed and reflected additional financing through notional borrowing.

OUTPUT CLASS FUNDING AND EXPENDITURE

STATE HIGHWAY IMPROVEMENTS

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
OPERATING REVENUE AND EXPENSES		
National Land Transport Fund	580.7	891.2
National Land Transport Fund (notional borrowing)	0.0	89.2
National Land Transport Fund (public-private partnerships)	0.0	79.5
National Land Transport Fund (tolling)	10.4	11.3
Developers contributions	2.0	2.0
Interest and finance income	8.1	7.9
Total operating revenue	601.2	1,081.1
Assets vested to local authorities	0.0	333.0
Depreciation and state highway write-offs	550.0	570.0
Interest and finance costs	9.2	96.1
Other operating expenses	40.0	80.0
Total operating expenses	599.2	1,079.1
SURPLUS/(DEFICIT)	2.0	2.0
CAPITAL FUNDING AND EXPENDITURE		
Crown (Accelerated Regional Roding Programme)	25.0	35.9
Crown (NZ Upgrade Programme)	34.5	298.8
National Land Transport Fund	0.0	18.2
National Land Transport Fund (borrowing facility)	544.5	0.0
National Land Transport Fund (notional borrowing)	0.0	60.0
National Land Transport Fund (public-private partnerships)	652.5	293.7
National Land Transport Fund (state highway disposals)	10.0	22.0
Depreciation funding utilised for investment in the state highway network	550.0	570.0
Net non-cash funding for losses/income for vested assets	0.0	333.0
Total capital funding	1,816.5	1,631.6
Accelerated Regional Roding Programme	25.0	35.9
NZ Upgrade Programme	34.5	298.8
Public-private partnerships	378.9	293.7
Investment in the state highway network	1,337.1	918.2
Transport Agency capitalised activities	43.0	87.0
Total capital expenditure	1,818.5	1,633.6
NET CAPITAL MOVEMENT	(2.0)	(2.0)
BORROWING FUNDING AND REPAYMENT		
National Land Transport Fund	15.0	69.5
Repayment of borrowing (Auckland Transport Package)	(15.0)	(66.0)
Repayment for Transmission Gully	0.0	(3.5)
NET BORROWING	0.0	0.0
TOTAL MOVEMENT	0.0	0.0

LOCAL ROAD IMPROVEMENTS

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
OPERATING REVENUE AND EXPENSES		
Crown (Provincial Growth Fund)	54.1	25.4
National Land Transport Fund	244.0	308.6
National Land Transport Fund (Housing Infrastructure Fund)	30.0	20.0
Interest and finance income	4.4	3.4
Total operating revenue	332.5	357.4
Funding to approved organisations (Provincial Growth Fund)	54.1	25.4
Funding to approved organisations	244.0	308.6
Funding to approved organisations (Housing Infrastructure Fund)	30.0	20.0
Interest and finance costs	4.3	3.4
Total operating expenses	332.4	357.4
SURPLUS/(DEFICIT)	0.1	0.0

ROAD SAFETY PROMOTION AND DEMAND MANAGEMENT

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
OPERATING REVENUE AND EXPENSES		
National Land Transport Fund	55.8	50.5
National Land Transport Fund (Road policing)	2.5	5.8
Community Road Safety Programme	3.9	3.8
Total operating revenue	62.2	60.1
Community Road Safety Programme	1.9	1.9
Funding to approved organisations	52.6	47.1
Road policing	2.5	5.7
Vehicle impoundment	0.3	0.3
Transport Agency operating activities	2.9	3.2
Total operating expenses	60.2	58.2
SURPLUS/(DEFICIT)	2.0	1.9
CAPITAL FUNDING AND EXPENDITURE		
National Land Transport Fund	1.5	1.5
Capital investment	(1.5)	(1.5)
NET CAPITAL MOVEMENT	0.0	0.0
TOTAL MOVEMENT	2.0	1.9

REGIONAL IMPROVEMENTS

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
OPERATING REVENUE AND EXPENSES		
National Land Transport Fund	31.9	42.3
Total operating revenue	31.9	42.3
Funding to approved organisations	31.9	42.3
Total operating expenses	31.9	42.3
SURPLUS/(DEFICIT)	0.0	0.0
CAPITAL FUNDING AND EXPENDITURE		
Crown (Provincial Growth Fund)	19.3	49.9
Crown (NZ Upgrade Programme Regional Package)	18.2	70.1
National Land Transport Fund	74.9	81.5
Total capital funding	112.4	201.5
Investment in the state highway network (Provincial Growth Fund)	19.3	49.9
Investment in the state highway network (NZ Upgrade Programme Regional Package)	18.2	70.1
Investment in the state highway network	74.9	81.5
Total capital expenditure	112.4	201.5
NET CAPITAL MOVEMENT	0.0	0.0
TOTAL MOVEMENT	0.0	0.0

PUBLIC TRANSPORT

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
OPERATING REVENUE AND EXPENSES		
National Land Transport Fund	561.6	594.2
National Land Transport Fund (borrowing facility)	81.4	2.3
Total operating revenue	643.0	596.5
Funding to approved organisations	642.9	591.1
Transport Agency operating activities	0.1	3.1
Interest and finance costs	0.0	2.3
Total operating expenses	643.0	596.5
SURPLUS/(DEFICIT)	0.0	0.0
CAPITAL FUNDING AND EXPENDITURE		
National Land Transport Fund	90.2	32.1
National Land Transport Fund (borrowing facility)	0.0	49.0
National Land Transport Fund (notional borrowing)	0.0	31.0
Capital investment	(90.2)	(112.1)
NET CAPITAL MOVEMENT	0.0	0.0
TOTAL MOVEMENT	0.0	0.0

SUPERGOLD CARD ADMINISTRATION AND PUBLIC TRANSPORT CONCESSIONS

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
OPERATING REVENUE AND EXPENSES		
Crown	30.7	30.7
Total operating revenue	30.7	30.7
Funding to approved organisations	30.7	30.7
Total operating expenses	30.7	30.7
SURPLUS/(DEFICIT)	0.0	0.0

WALKING AND CYCLING

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
OPERATING REVENUE AND EXPENSES		
Crown (Urban Cycleways Programme)	6.1	0.4
National Land Transport Fund	38.9	71.2
Total operating revenue	45.0	71.6
Funding to approved organisations (Urban Cycleways Programme)	6.1	0.4
Funding to approved organisations	38.9	69.7
Transport Agency operating activities	0.0	1.5
Total operating expenses	45.0	71.6
SURPLUS/(DEFICIT)	0.0	0.0
CAPITAL FUNDING AND EXPENDITURE		
Crown (Urban Cycleways Programme)	4.2	0.0
National Land Transport Fund	19.3	51.6
Total capital funding	23.5	51.6
Capital investment (Urban Cycleways Programme)	4.2	0.0
Capital investment	19.3	51.6
Total capital expenditure	23.5	51.6
NET CAPITAL MOVEMENT	0.0	0.0
TOTAL MOVEMENT	0.0	0.0

RAPID TRANSIT

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
CAPITAL FUNDING AND EXPENDITURE		
National Land Transport Fund	33.3	42.8
Total capital funding	33.3	42.8
Capital investment	33.1	40.4
Transport Agency capitalised activities	0.2	2.4
Total capital expenditure	33.3	42.8
NET CAPITAL MOVEMENT	0.0	0.0

TRANSITIONAL RAIL

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
OPERATING REVENUE AND EXPENSES		
National Land Transport Fund	44.8	100.0
Total operating revenue	44.8	100.0
Funding to approved organisations	44.8	100.0
Total operating expenses	44.8	100.0
SURPLUS/(DEFICIT)	0.0	0.0

STATE HIGHWAY MAINTENANCE

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
OPERATING REVENUE AND EXPENSES		
Crown (Enhanced road maintenance)	1.5	0.0
Crown (Kaikōura earthquake response)	14.4	8.4
National Land Transport Fund	447.7	281.3
National Land Transport Fund (notional borrowing)	0.0	161.7
National Land Transport Fund (rental and interest income)	16.0	16.0
Other	1.2	1.0
Total operating revenue	480.8	468.4
Enhanced road maintenance	1.5	0.0
Kaikōura earthquake response	14.4	8.4
Investment in the state highway network	422.3	399.4
Maintenance and Operation of Transmission Gully	0.0	5.2
Transport Agency operating activities	42.6	43.7
Interest and finance costs	0.0	11.7
Total operating expenses	480.8	468.4
SURPLUS/(DEFICIT)	0.0	0.0
CAPITAL FUNDING AND EXPENDITURE		
Crown (Kaikōura earthquake response)	33.6	19.6
National Land Transport Fund	271.0	7.0
National Land Transport Fund (notional borrowing)	0.0	250.0
Total capital funding	304.6	276.6
Kaikōura earthquake response	33.6	19.6
Investment in the state highway network	269.9	253.9
Transport Agency capitalised activities	1.1	3.1
Total capital expenditure	304.6	276.6
NET CAPITAL MOVEMENT	0.0	0.0
TOTAL MOVEMENT	0.0	0.0

Based on historical patterns, capital expenditure comprises an estimated 39% of total state highway maintenance expenditure (excluding Transport Agency operating activities).

LOCAL ROAD MAINTENANCE

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
OPERATING REVENUE AND EXPENSES		
National Land Transport Fund	690.2	668.9
Total operating revenue	690.2	668.9
Funding to approved organisations	690.2	668.8
Transport Agency operating activities	0.0	0.1
Total operating expenses	690.2	668.9
SURPLUS/(DEFICIT)	0.0	0.0

DRIVER LICENSING AND TESTING

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
OPERATING REVENUE AND EXPENSES		
Crown (core regulatory services)	8.4	0.0
Crown (driver licensing stop order)	0.1	0.1
Crown (driver test subsidy)	1.4	1.4
Crown (drug and alcohol assessments)	1.0	1.0
Crown (ministerial services)	0.5	0.5
Fees and charges	50.5	64.7
Total operating revenue	61.9	67.7
Drug and alcohol assessments	1.0	1.1
Ministerial services	2.0	2.7
Fees and charges funded activities	70.7	86.1
Total operating expenses	73.7	89.9
SURPLUS/(DEFICIT)	(11.8)	(22.2)

VEHICLE SAFETY AND CERTIFICATION

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
OPERATING REVENUE AND EXPENSES		
Crown (core regulatory services)	3.7	0.0
Crown (rules development)	0.8	0.8
Fees and charges	66.7	77.3
Total operating revenue	71.2	78.1
Fees and charges funded activities	79.8	65.6
Rules development	0.5	3.2
Total operating expenses	80.3	68.8
SURPLUS/(DEFICIT)	(9.1)	9.3

REGULATION OF COMMERCIAL TRANSPORT OPERATORS

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
OPERATING REVENUE AND EXPENSES		
Crown (core regulatory services)	1.8	0.0
Fees and charges	10.7	13.9
Total operating revenue	12.5	13.9
Fees and charges funded activities	22.0	19.7
Total operating expenses	22.0	19.7
SURPLUS/(DEFICIT)	(9.5)	(5.8)

REGULATION OF THE RAIL TRANSPORT SYSTEM

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
OPERATING REVENUE AND EXPENSES		
Crown (core regulatory services)	0.4	0.0
Fees and charges	1.5	3.0
Total operating revenue	1.9	3.0
Fees and charges funded activities	4.2	3.1
Total operating expenses	4.2	3.1
SURPLUS/(DEFICIT)	(2.3)	(0.1)

REVENUE COLLECTION AND ADMINISTRATION

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
OPERATING REVENUE AND EXPENSES		
Crown (core regulatory services)	0.7	0.0
National Land Transport Fund (refund of fuel excise duty)	0.7	0.7
National Land Transport Fund (road user charges investigation and enforcement)	3.8	3.8
National Land Transport Fund (road user charges refund)	0.5	0.5
Fees and charges (road user charges collections)	11.7	13.8
Fees and charges (tolling)	16.3	15.2
Regional fuel tax administration	0.8	0.8
Other	0.1	0.5
Total operating revenue	34.6	35.3
Refund of fuel excise duty	2.0	5.9
Regional fuel tax administration	1.5	0.3
Road user charges collections	15.3	14.1
Road user charges investigation and enforcement	0.7	1.5
Road user charges refund	2.1	0.1
Tolling	16.1	7.1
Total operating expenses	37.7	29.0
SURPLUS/(DEFICIT)	(3.1)	6.3

INVESTMENT MANAGEMENT

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
OPERATING REVENUE AND EXPENSES		
Crown (crash analysis system)	0.8	0.8
Crown (Provincial Growth Fund)	8.9	3.8
National Land Transport Fund	87.6	81.8
Total operating revenue	97.3	86.4
Crash analysis system	0.8	0.8
Funding to approved organisations (Provincial Growth Fund)*	8.9	3.8
Funding to approved organisations	31.4	32.4
Transport Agency operating activities	56.2	49.3
Total operating expenses	97.3	86.4
SURPLUS/(DEFICIT)	0.0	0.0

* includes funding to Waka Kotahi to administer the Provincial Growth Fund.

NATIONAL LAND TRANSPORT FUND

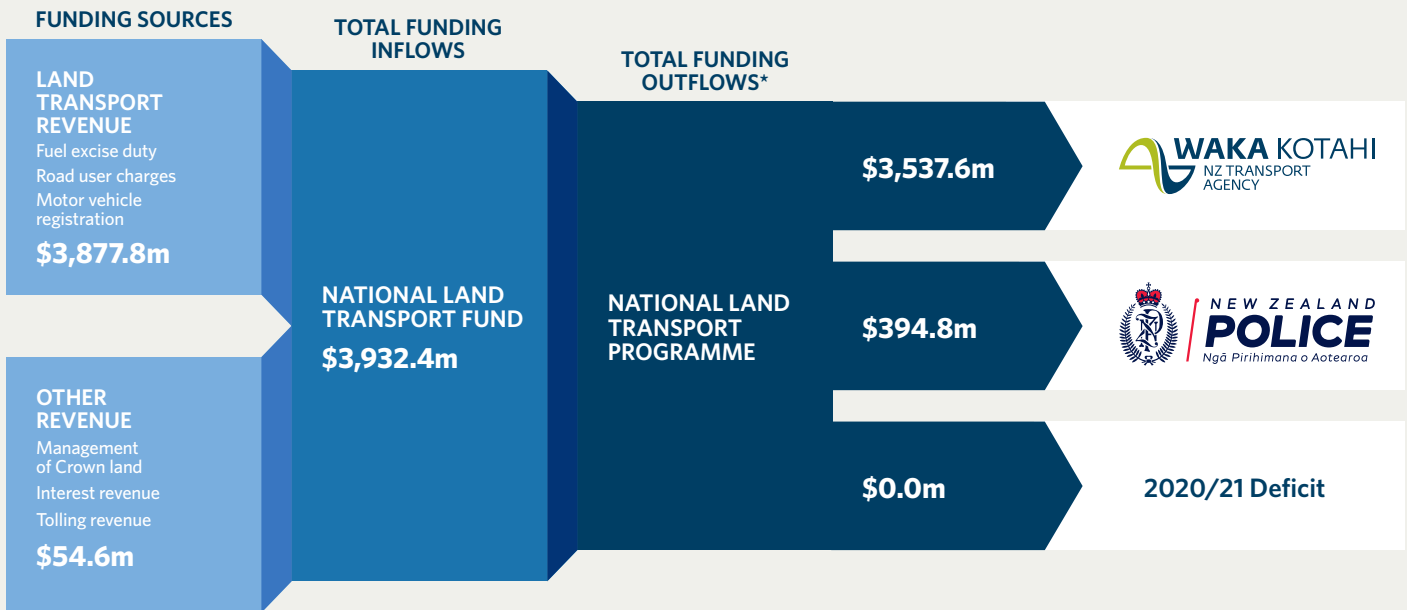
FINANCIAL OVERVIEW

The National Land Transport Fund facilitates the government’s investment in land transport on behalf of transport users. All revenue from fuel excise duty, road user charges, and motor vehicle registration and licensing fees, revenues from Crown appropriations and management of Crown land, interest and tolling are accounted for in the National Land Transport Fund (as shown in the figure below).

The National Land Transport Fund is used to manage the funding of:

- New Zealand Police road policing activities
- the National Land Transport Programme for:
 - activities delivered by approved organisations
 - state highway activities
 - sector research
 - other Waka Kotahi activities, such as transport planning and management of the funding allocation system.

2020/21 FUNDING INFLOWS AND OUTFLOWS (CURRENT)



* Forecast outflows in 2020/21 to fund the National Land Transport Programme (\$3,537.6 million) and NZ Police for the Road Policing Programme (\$394.8 million) equal annual inflows.

The full impact of COVID-19 is impossible to assess at this stage. We intend to review our commitments once the full effects on COVID-19 are more clearly understood.

PROSPECTIVE FINANCIAL STATEMENTS

NLTF PROSPECTIVE STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDING 30 JUNE

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
REVENUE INFLOWS*		
Land transport revenue	3,600.9	3,877.8
Management of Crown land	26.0	38.0
Tolling revenue	10.4	11.3
Interest revenue	5.3	5.3
Total revenue inflows	3,642.6	3,932.4
OUTFLOWS		
National Land Transport Programme	3,600.6	3,528.7
Road Policing Programme	373.7	394.8
Fuel excise duty/road user charges administration	5.0	5.0
Forecasting and strategy	3.8	3.9
Total outflows	3,983.1	3,932.4
SURPLUS/(DEFICIT) FROM CURRENT NATIONAL LAND TRANSPORT FUND BALANCE	(340.5)	0.0
Fair value gain on long-term payables	4.3	2.9
NLTF expenditure to be funded long-term	(1,156.2)	(866.4)
Finance charges	(8.1)	(8.3)
Deficit to be funded from future NLTF revenue	(1,160.0)	(871.8)
SURPLUS/(DEFICIT)	(1,500.5)	(871.8)

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

NLTF PROSPECTIVE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
ASSETS		
Cash and cash equivalents	0.0	0.0
Receivables	382.4	454.7
Total assets	382.4	454.7
LIABILITIES		
Payables	3,765.6	4,709.7
Total liabilities	3,765.6	4,709.7
NET ASSETS	(3,383.2)	(4,255.0)
GENERAL FUNDS BALANCE*	(3,383.2)	(4,255.0)

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

NLTF PROSPECTIVE STATEMENT OF CHANGES IN GENERAL FUNDS BALANCE FOR THE YEAR ENDING 30 JUNE

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
General funds - current	340.5	0.0
General funds - long term	(2,223.2)	(3,383.2)
BALANCE AT 1 JULY	(1,882.7)	(3,383.2)
Surplus/(deficit) from current National Land Transport Fund balance	(340.5)	0.0
Surplus/(deficit) funded from future National Land Transport Fund revenue	(1,160.0)	(871.8)
SURPLUS/(DEFICIT)	(1,500.5)	(871.8)
General funds - current	0.0	0.0
General funds - long term	(3,383.2)	(4,255.0)
BALANCE AT 30 JUNE	(3,383.2)	(4,255.0)

NLTF PROSPECTIVE STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 30 JUNE

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from land transport revenue	3,517.4	3,860.1
Payments to suppliers	(3,936.4)	(3,860.1)
Net cash flows from operating activities	(419.0)	0.0
NET INCREASE/(DECREASE) IN AMOUNTS HELD BY THE CROWN	(419.0)	0.0
Amounts held by the Crown at the beginning of the year	419.0	0.0
AMOUNTS HELD BY THE CROWN AT THE END OF THE YEAR*	0.0	0.0

* The National Land Transport Fund is a notional account only. There are no actual cash and cash equivalents as funds are held by the Crown. However, this statement has been provided to meet 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 were prepared in accordance with the Crown Entities Act 2004 for the purpose of providing information about the National Land Transport Fund's future operating intentions and financial position, 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.

Waka Kotahi 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 Waka Kotahi 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

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

CATEGORY	ASSUMPTION
Land transport revenue	The revenue forecast for the National Land Transport Fund includes estimates of fuel excise duty, road user charges and motor vehicle registration inflows into the fund. The forecasts for each are determined by the revenue forecasting model managed by the Ministry of Transport with input from Waka Kotahi, 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, growth in vehicle kilometres travelled and current price assumptions.
COVID-19	Revenue forecasts assume that 2019/20 revenue will be significantly reduced due to the impact of COVID-19 and that these impacts will continue in 2020/21. The reduction in revenue is unlikely to be offset by reduction in expenditure. Waka Kotahi has assumed that it will have Crown support in the form of funding or financing in order to continue to deliver its programme. Revenue may materially differ from that assumed.
Management of Crown land and interest	Forecast revenues are influenced by the management of rental properties and interest revenue on cash holdings. Assumptions are based on historical performance and trends.
National Land Transport Programme	The Government Policy Statement on land transport was taken into consideration when developing the National Land Transport Programme and preparing the 2020/21 budget for National Land Transport Programme expenditure. Depending on the lockdown situation the NLTP may materially differ from that indicated.

2 > GENERAL FUNDS

The National Land Transport Fund has a negative general funds balance. The negative general funds balance arises because certain programmes have been accelerated and funding was sourced from the Crown and through public-private partnerships. The funding received has been recognised as long-term payables.

Although the National Land Transport Fund has a negative general funds balance, it is considered a going concern because the:

- National Land Transport Fund's liquidity is actively managed
- Borrowing facilities with the Crown are in place to manage short-term imbalances between fund inflows and outflows
- National Land Transport Fund's main revenue source is land transport revenue, which is forecast to continue at a materially similar level for the foreseeable future, based on inputs sourced from other government departments.
- Expectation is that the Crown will provide additional funding or financing to manage the long-term imbalances between the fund inflows and outflows arising from the impact of COVID-19.

The negative general funds balance as at 30 June 2021 reflects the future commitment to repay public-private partnerships loans and Crown loans.

The components of the general funds balance are shown below:

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
General funds – current	0.0	0.0
General funds – long term	(3,383.2)	(4,255.0)
TOTAL GENERAL FUNDS BALANCE	(3,383.2)	(4,255.0)

3 > ENTITY INFORMATION

Reporting entity

The Land Transport Management Act 2003 includes a requirement for Waka Kotahi to prepare an annual report at the end of the financial year for the National Land Transport Fund.

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 National Land Transport Fund. The National Land Transport Fund is used to manage the funding of the:

- New Zealand Police Road Policing Programme
- National Land Transport Programme for:
 - activities delivered by an approved organisation
 - state highway activities
 - research
 - other Waka Kotahi activities, such as transport planning and management of the funding allocation system.

National Land Transport Fund cash funds are held as part of the total Crown funds. The Ministry of Transport is responsible for authorising any payments from the National Land Transport Fund and administration of appropriations.

The National Land Transport Fund, being a notional account, does not hold any physical assets.

Basis of preparation

The prospective financial statements of the National Land Transport Fund 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.

The National Land Transport Fund 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 going concern basis has been adopted based on a key assumption that the Crown will mitigate the significant revenue decreases caused by COVID-19.

The prospective financial statements are presented in New Zealand dollars and all values are in millions (\$M) and rounded to the nearest hundred thousand dollars.

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 will be in the National Land Transport Fund's 2019/20 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 National Land Transport Fund. Revenue is recognised when specific criteria have been met for each of the National Land Transport Fund activities and the revenue can be reliably measured.

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

Outflows

The National Land Transport Fund recognises outflows based on when the Waka Kotahi recognises operating or capital expenditure.

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

	PROJECTED 2019/20 \$M	BUDGET 2020/21 \$M
State highway improvements	889.7	1,091.5
Local road improvements	244.0	308.6
Road safety promotion and demand management	57.3	52.0
Road safety promotion and demand management - Road policing	2.5	5.8
Regional improvements	106.8	123.7
Public transport	651.8	626.4
Walking and cycling	58.1	122.8
Rapid transit	33.3	42.8
Transitional rail	44.8	100.0
State highway maintenance	734.5	304.3
Local road maintenance	690.2	668.9
Investment management	87.6	81.8
Funding to Waka Kotahi - current*	3,600.6	3,528.7
Road Policing Programme	373.7	394.8
TOTAL OUTPUT CLASS FUNDING	3,974.3	3,923.5
State highway improvements - Auckland Transport Package	(15.0)	(66.0)
State highway improvements - Repayment for Transmission Gully	0.0	(3.5)
State highway improvements - Public-private partnership	378.9	293.7
Borrowing (National Land Transport Fund borrowing facility)	626.0	61.7
Borrowing (notional borrowing)	0.0	581.6
Local road improvements - Housing Infrastructure Fund	30.0	20.0
Fair value changes in financial instruments charged to surplus or deficit	136.3	(21.1)
TOTAL OUTPUT CLASS FUNDING (LONG TERM)	1,156.2	866.4

* In the prospective financial statements of Waka Kotahi, output class funding includes National Land Transport Fund operating expenses, National Land Transport Fund capital expenditure (excluding public-private partnerships funded long term) and borrowing repayments funded by the National Land Transport Fund.


































APPENDIX 1






























MILESTONES FOR SIGNIFICANT CAPITAL PROJECTS















































This section includes our schedule for delivering significant capital projects. These projects have particular ministerial interest or receive direct or additional Crown funding to accelerate their delivery. Some roading projects include investment that supports walking and cycling and public transport facilities. More information about each project and its benefits – such as improving safety, resilience and regional connections – is available on our website www.nzta.govt.nz/projects





KEY

ROAD IMPROVEMENTS		PUBLIC TRANSPORT		WALKING AND CYCLING	
RAPID TRANSIT		RESILIENCE		SAFETY	

PROJECT	TYPE	INCLUDES INVESTMENT IN			
KAIKŌURA RECOVERY, MANAWATŪ GORGE REPLACEMENT AND TE ORE ORE REINSTATEMENT					
Kaikōura earthquake recovery					
Te Ahu a Turanga, Manawatū Tararua Highway (Manawatū Gorge replacement)					
SH4 Te Ore Ore reinstatement					
SIGNIFICANT STATE HIGHWAYS					
Pūhoi-Wellsford					
Pūhoi-Warkworth					
Warkworth-Wellsford					
Waikato Expressway					
Hamilton section					
Cambridge to Piarere					
Wellington Northern Corridor					
Transmission Gully					
Peka Peka to Ōtaki					
Let's Get Wellington Moving					
Early Delivery Central City and SH1 walking and cycling speed					
Early Delivery Golden Mile					
Early Delivery Thorndon Quay and Hutt Road					
Mass Rapid Transit					

PROJECT	TYPE	INCLUDES INVESTMENT IN			
Strategic Highway Improvements	☆				
Travel Demand Management	☆				
City Streets					
Christchurch Motorways					
Christchurch Northern Arterial Rural with QEII Drive	☆				
Christchurch Southern Motorway (Stage 2)	☆				
SIGNIFICANT INVESTMENTS IN AUCKLAND					
Northern Corridor Improvements	☆				
Additional Waitemata Harbour Connections	☆				
Supporting Growth Alliance	☆				
INVESTMENTS IN REGIONAL CONNECTIONS					
Accelerated Regional Roding Programme					
Whirokino Trestle Bridge Replacement	☆				
New Ōpaoa River Bridge (formerly Opawa Bridge Replacement)	☆				
Loop Road North to Smeatons Hill safety improvements	☆				
SH3 Awakino Tunnel Bypass	☆				
Mt Messenger and Awakino Gorge Corridor	☆				
Mt Messenger Bypass	☆				
Napier Port Access Package: Hawke's Bay Expressway Safety Treatments	☆				
Napier Port Access Package: Prebensen Hyderabad Intersection upgrade	☆				
Nelson Future Access (formerly Nelson Southern Link)	☆				

PROJECT	TYPE	INCLUDES INVESTMENT IN		
NEW ZEALAND UPGRADE PROGRAMME - TRANSPORT				
Northland Package				
SH1 Whangarei to Port Marsden	☆			
Auckland package				
Penlink	☆			
Mill Road Corridor	☆			
Papakura to Bombay	☆			
Northern Pathway Westhaven to Akoranga (formerly Auckland Harbour Bridge Walking and Cycling Facility and Seapath)				
Waikato and Bay of Plenty package				
SH1/SH29 intersection	☆			
Tauranga Northern Link	☆			
SH2 Omokoroa to Te Puna	☆			
Wellington package				
SH58 safety improvements - stage 2	☆			
SH2 Melling efficiency and safety improvements	☆			
Wellington Road of National Significance: Otaki to north of Levin	☆			
Canterbury package				
Rolleston access improvements	☆			
Brougham Street improvements	☆			
SH75 Halswell Road improvements	☆			
West Melton improvements	☆			
SH1 Walnut Avenue intersection improvements	☆			
SH1 Tinwald corridor improvements	☆			

PROJECT	TYPE	INCLUDES INVESTMENT IN		
Queenstown package				
SH6A corridor improvements	☆			
SH6 Grant Road to Kawarau Falls improvements	☆			

It has not been possible to fully assess the impact of COVID-19 on the setting of project milestones. The milestones below are based on programme and project plans prior to COVID-19.

KAIKŌURA RECOVERY, MANAWATŪ GORGE REPLACEMENT AND TE ORE ORE REINSTATEMENT

The Kaikōura Earthquake Response is Waka Kotahi's work to restore State Highway 1 through North Canterbury and Marlborough following the November 2016 earthquake. Funding for reinstatement is provided by the Crown, while funding for any improvements is provided by the National Land Transport Fund. State Highway 3 through the Manawatū Gorge is no longer a safe road option so has been closed indefinitely. Te Ahu a Turanga: Manawatū Tararua Highway will run from near the western entry of the closed State Highway 3 gorge route, then run across the Ruahine Ranges north of the gorge and reconnect to State Highway 3 at Woodville. As a result of a major slip in October 2019 on State Highway 4 between Raetihi and Whanganui, a long-term solution to improve resilience of that section of the state highway network will be delivered through the Te Ore Ore reinstatement.

PROJECT	MILESTONES		
	2020/21	2021/22	2022/23
Kaikōura earthquake recovery	Practical completion.		
Te Ahu a Turanga, Manawatū Tararua highway (Manawatū Gorge replacement)	Regional consents granted, land acquisition completed, management plans/outline plan of works approved, detailed design completed, enabling works completed and main construction works commenced.	Earthworks 50% completed. Construction of structures commenced.	Pavement and surfacing commenced.
SH4 Te Ore Ore reinstatement	Regional consents granted, land acquisition completed, alteration to designation accepted, detailed design completed, and main construction works completed. Practical completion.		

SIGNIFICANT STATE HIGHWAYS

Regional land use and transport studies have identified that the following state highways have strategically significant investment needs. These highways serve New Zealand's five largest population centres: Auckland, Hamilton, Tauranga, Wellington and Christchurch.

PROJECT	MILESTONES		
	2020/21	2021/22	2022/23
Pūhoi-Wellsford			
Pūhoi-Warkworth	All concrete and steel structures completed. Earthworks completed in all areas except Northern Zone. Pavements completed in Central South and South Zones.	Practical completion and open to traffic.	
Warkworth-Wellsford	Route protection application (designation and consents) decisions announced.	Route protection (designation and consents) appeals resolved.	Pre-implementation completed; awaiting implementation to be initiated.
Waikato Expressway			
Hamilton section	Open to traffic.	Practical completion.	
Cambridge to Piarere	Detailed business case completed and approved by Waka Kotahi Board. Pre-implementation phase commenced.	Consenting and property acquisition completed.	Specimen design and designations completed. Project tender ready.
Wellington Northern Corridor			
Transmission Gully	Open to traffic.	Final works completed.	
Peka Peka to Ōtaki	Asphalt plant consented and construction of structural asphaltic pavement underway.	Practical completion.	
Let's Get Wellington Moving			
Early Delivery Central City and SH1 walking and cycling speed	Central city safer speeds and pedestrian intersection improvements completed. Cobham Crossing and safer speeds east of Mt Victoria Tunnel completed.		

PROJECT	MILESTONES		
	2020/21	2021/22	2022/23
Early Delivery Golden Mile	Early improvements for bus priority and pedestrian amenity completed. Single stage business case for Golden Mile approved. Pre-implementation commenced.	Implementation contract awarded.	Practical completion.
Early Delivery Thorndon Quay and Hutt Road	Single stage business case approved. Pre-implementation commenced.	Implementation contract awarded.	Practical completion.
Mass Rapid Transit	Indicative business case completed.	Detailed business case commenced.	Preferred options consulted and draft detailed business case completed.
Strategic Highway Improvements	Indicative business case completed.	Detailed business case commenced.	Preferred options consulted and draft detailed business case completed.
Travel Demand Management	Indicative business case completed.	Travel demand management initiative implementation commenced.	
City Streets	Indicative business case completed. First wave of early works identified and implemented.	First detailed business case completed. All early works implemented.	Construction contract awarded for first detailed business case.
Christchurch Motorways			
Christchurch Northern Arterial Rural with QEII Drive	Practical completion.		
Christchurch Southern Motorway (Stage 2)	Practical completion.		

SIGNIFICANT INVESTMENTS IN AUCKLAND

The Auckland Transport Package is a programme of critical projects targeted for acceleration. Funding is from the National Land Transport Fund and is supported by borrowing from the Crown that will be repaid from the National Land Transport Fund.

PROJECT	MILESTONES		
	2020/21	2021/22	2022/23
Northern Corridor Improvements	Resource Management Act consent for Rosedale bus station approved. SH1 central median temporary traffic management plan switch implemented.	Practical completion.	Practical completion of Rosedale bus station.
Additional Waitemata Harbour Connections	Rapid transit connection across the Waitemata Harbour business case commenced.	Rapid transit connection across the Waitemata Harbour business case completed. Strategic Transport Networks business case commenced.	Strategic Transport Networks business case completed.
Supporting Growth Alliance	North strategic detailed business case completed.	North west strategic detailed business case completed.	Outstanding appeals resolved.

INVESTMENT IN REGIONAL CONNECTIONS

Waka Kotahi is investing in initiatives to provide better connections between regions. The Accelerated Regional Roding Programme is a Crown-funded programme of regional state highway projects targeted for acceleration.

PROJECT	MILESTONES		
	2020/21	2021/22	2022/23
Accelerated Regional Roding Programme			
New Ōpaoa River Bridge (formerly Opawa Bridge Replacement)	Practical completion.		
Loop Road North to Smeatons Hill safety improvements	Practical completion.		
SH3 Awakino Tunnel Bypass	Practical completion of Separable Portion 1 roadworks.	Final seals completed.	
Mt Messenger and Awakino Gorge Corridor	Rapanui Passing Lane and Tongaporutu Intersections – consents gained, land acquisition completed, and construction commenced.	Rapanui Passing Lane and Tongaporutu Intersections – Practical completion.	
Mt Messenger Bypass	Construction site established and major construction works commenced.	Compulsory land acquisition completed. Tunnel construction commenced.	Bridge construction completed. Pavement works commenced.

PROJECT	MILESTONES		
	2020/21	2021/22	2022/23
Napier Port Access Package: Hawke's Bay Expressway Safety Treatments	Additional works completed.		
Napier Port Access Package: Prebensen Hyderabad Intersection upgrade	Physical works awarded and completed.		
Nelson Future Access (formerly Nelson Southern Link)	Detailed business case completed to inform development of Nelson Regional Land Transport Plan.		

NEW ZEALAND UPGRADE PROGRAMME - TRANSPORT

The New Zealand Upgrade Programme will invest \$6.8 billion to get New Zealand cities moving, save lives and boost productivity. This programme is Crown-funded. The list below includes projects under the Northland, Auckland, Waikato and Bay of Plenty, Wellington, Canterbury and Queenstown packages.

PROJECT	MILESTONES		
	2020/21	2021/22	2022/23
Northland package			
SH1 Whangarei to Port Marsden	Detailed business case completed. Design developed. Notice of requirement and consenting strategy developed and lodged.	Project design tendered.	
Auckland package			
Penlink	Intellectual property transferred from Auckland Transport to Waka Kotahi. Design contract tendered.		
Mill Road Corridor	Design contract tendered.	Consent application lodged.	Construction contract awarded.
Papakura to Bombay	Construction for Stage 1A commenced. Consents and notice of requirement for stage 1B and 2 lodged.		Stage 1A physical works completed. Construction for Stage 1B and 2 commenced.
Northern Pathway Westhaven to Akoranga (formerly Auckland Harbour Bridge Walking and Cycling Facility and Seapath)	Preferred alliance team selected.	Physical works commenced.	

PROJECT	MILESTONES		
	2020/21	2021/22	2022/23
Waikato and Bay of Plenty package			
SH1/SH29 intersection	Pre-implementation professional services contract awarded. Designation, consents, design and property acquisition commenced.	Construction commenced.	
Tauranga Northern Link	Design and construct tendered and awarded.	Construction commenced.	
SH2 Omokoroa to Te Puna	Designation, consents, design and property acquisition commenced.	Property acquisitions commenced. Consents lodged.	Construction contract tendered and awarded.
Wellington package			
SH58 safety improvements - stage 2	Consents gained. Contract awarded. Construction in zones 1 and 3 commenced.	Consents gained. Land acquisition completed. Construction in zone 2 commenced.	Practical completion.
SH2 Melling efficiency and safety improvements	Designation and consent application lodged.	Property acquisition commenced. Construction contract tendered and awarded.	Construction commenced.
Wellington Road of National Significance: Otaki to north of Levin	Detailed business case and preferred alignment finalised. Pre-implementation design contract tendered.	Designation and consent application lodged.	
Canterbury package			
Rolleston access improvements	Single stage business case finalised. Pre-implementation commenced.	Construction commenced.	
Brougham Street improvements	Single stage business case finalised. Pre-implementation commenced.	Construction commenced.	
SH75 Halswell Road improvements	Professional services contract tendered and awarded.	Construction commenced.	
West Melton improvements	Design contract tendered.	Construction commenced.	
SH1 Walnut Avenue intersection improvements	Construction contract tendered and awarded.	Construction commenced.	
SH1 Tinwald corridor improvements	Preferred option assessed and developed.	Construction commenced.	
Queenstown package			
SH6A corridor improvements	Detailed business case finalised.	Pre-implementation commenced.	
SH6 Grant Road to Kawarau Falls improvements	Detailed business case finalised.	Pre-implementation commenced.	

APPENDIX 2

OUTPUT CLASS ALIGNMENT TO POSITION STATEMENTS

POSITION STATEMENTS	OUTPUT CLASSES WITH A PRIMARY CONTRIBUTION	OUTPUT CLASSES WITH A SECONDARY CONTRIBUTION
Transport safety Marutau waka	<ul style="list-style-type: none"> State highway improvements Local road improvements Road safety promotion and demand management Road policing (for which New Zealand Police is responsible) 	<ul style="list-style-type: none"> Regional improvements State highway maintenance Local road maintenance Driver licensing and testing Regulation of commercial transport operators Regulation of the rail transport system Vehicle safety and certification Revenue collection and administration
Inclusive access Haere tahi	<ul style="list-style-type: none"> Regional improvements Public transport SuperGold Card - administration of the Public Transport Concessions Scheme SuperGold Card - public transport concessions for cardholders 	<ul style="list-style-type: none"> Walking and cycling
Liveable communities Kāinga ora	<ul style="list-style-type: none"> Walking and cycling Rapid transit Transitional rail 	<ul style="list-style-type: none"> Public transport
Transport technology Hangarau waka		<ul style="list-style-type: none"> Investment management
Resilience Kia manawaroa	<ul style="list-style-type: none"> State highway maintenance Local road maintenance 	<ul style="list-style-type: none"> State highway improvements Local road improvements
Environment Manāki taiao	The transport system's impact on the environment is considered in all of our activities and investments	
Regulatory Whakaritenga	<ul style="list-style-type: none"> Driver licensing and testing Regulation of commercial transport operators Regulation of the rail transport system Vehicle safety and certification Revenue collection and administration 	
Waka Kotahi	<ul style="list-style-type: none"> Investment management 	

APPENDIX 3:

TECHNICAL NOTES FOR OUTPUT CLASS PERFORMANCE MEASURES

STATE HIGHWAY IMPROVEMENTS

SHI1 Proportion of state highway improvement activities delivered to agreed standards and timeframes assesses the delivery of state highway improvement programmes and projects against milestones and budget, as well as property acquisition programmes which are assessed against budget. Within each programme, delivery to milestones and budget are equally weighted. Aggregation to the overall result is based on the weighted programme expenditure across the entire programme in the given year. Delivery to quality standards are tested through the different gateways in the project management process. The measure includes programmes and projects funded by the National Land Transport Fund permanent legislative authority (PLA) and the National Land Transport Fund Capital PLA Crown appropriations.

SHI2 Length of the state highway network modified to align with safe and appropriate speed tracks the length of the state highway network that has speed limit reductions or engineering improvements completed during the year to ensure travel speeds are safe at current or higher speed limits where appropriate.

LOCAL ROAD IMPROVEMENTS

LRI1 Length of the state highway network modified to align with safe and appropriate speed tracks the length of the local road network that has speed limit reductions or engineering improvements completed during the year to ensure travel speeds are safe at current or higher speed limits where appropriate.

ROAD SAFETY PROMOTION AND DEMAND MANAGEMENT

RSP1 Proportion of road safety advertising campaigns that meet or exceed their agreed success criteria assesses the number and breadth of advertising campaigns used, the varied media in which they are presented, and the different aspects of the campaigns that are measured (including likeability, relevance, message takeout, likelihood to change attitude and prompted recall) against success criteria. The success of each individual campaign is assessed using weighted scores based on strategy priority.

REGIONAL IMPROVEMENTS

RI1 Proportion of regional improvement activities delivered to agreed standards and timeframes assesses the delivery of regional improvement programmes and projects against milestones and budget. Within each programme, delivery to milestones and budget are equally weighted. Aggregation to the overall result is based on the weighted programme expenditure across the entire programme in the given year. Delivery to quality standards are tested through the different gateways in the project management process. The measure includes programmes and projects funded by the National Land Transport Fund PLA appropriation.

RI2 Proportion of Waka Kotahi NZ Transport Agency projects funded by the Provincial Growth Fund delivered to agreed standards and timeframes assesses the delivery of Waka Kotahi transport infrastructure projects funded by the Provincial Growth Fund against agreed milestones and budget. Delivery to quality standards are tested through the different gateways in the project management process.

PUBLIC TRANSPORT

PT1 Number of boardings on urban public transport services (bus, train and ferry) is the sum of all public transport passenger boardings by bus, train and ferry across all regions. It includes boardings using SuperGold card concessions. A boarding is a single trip made on public transport, for example from when a person boards a bus to when they get off. This is reported on a rolling 12-month period.

PT2 Proportion of people with access to frequent public transport services at peak times in Auckland, Wellington and Christchurch reflects the number of people that is within 500m walking distance of a frequent bus-stop or ferry terminal, or within 1km of a frequent rapid transit stop (mainly trains, but also includes grade-separated bus ways). This covers public transport services scheduled every 15 minutes (or 30 minutes for ferry) during the morning peak Monday to Friday (7am–9am). The overall result is the weighted average based on population across the three centres.

PT3 Mode share of people travelling by bus and car on key Auckland corridors compares the number of people travelling by bus and car across key corridors in Auckland during the morning peak Monday to Friday (7am–9am).

SUPERGOLD CARD - ADMINISTRATION OF THE PUBLIC TRANSPORT CONCESSIONS SCHEME | SUPERGOLD CARD - PUBLIC TRANSPORT CONCESSIONS FOR CARDHOLDERS

SG1 Proportion of bulk funding payments of Crown SuperGold allocation paid to approved organisations within a month from funding amount agreement date is the number of authorised organisations whose bulk payments of SuperGold allocation for the forward year was paid by Waka Kotahi within a calendar month from the date the amount of funding was agreed, divided by the total number of authorised organisations with approved SuperGold allocation for the year.

SG2 Number of boardings using SuperGold concessions is the sum of all public transport passenger boardings across all regions where SuperGold card concessions were used. A boarding is a single trip made on public transport, for example from when a person boards a bus to when they get off. This is reported on a rolling 12-month period.

WALKING AND CYCLING

WC1 Network kilometres of walking and cycling facilities delivered is the total length of new walking and cycling facilities added to the network during the year and includes lengths of existing pathways and cycleways where improvements were made.

RAPID TRANSIT

RPT1 Proportion of rapid transit activities delivered to agreed standards and timeframes assesses the delivery of rapid transit programmes and projects against milestones and budget. Within each programme, delivery to milestones and budget are equally weighted. Aggregation to the overall result is based on the weighted programme expenditure across the entire programme in the given year. Delivery to quality standards are tested through the different gateways in the project management process. The measure includes programmes and projects funded by the National Land Transport Fund Capital PLA Crown appropriation.

TRANSITIONAL RAIL

TR1 Proportion of transitional rail projects delivered to plan assesses the delivery of transitional rail projects against business case process timelines or project milestones.

STATE HIGHWAY MAINTENANCE

SHM1 Proportion of state highway maintenance activities delivered to agreed standards and timeframes compares the physical achievement of pavement and surfacing renewals and maintenance activities against plan. Achievement on activities is measured in trackers (lane kilometres or sites) and assessed against programme baseline. Where programme information is not available, a financial proxy is used by comparing actual spend against budget allocation. Aggregation to the overall result is based on weighted programme expenditure for each asset type against the total spent for the financial year.

SHM2 Safe stopping: proportion of network above skid threshold reflects efficiency in meeting surface texture standards (to ensure safe stopping) as per sector research. Minimum acceptable levels of skid resistance are set in relation to the road environment. The annual programme of reseals (surface renewals) is driven, in part, by the need to improve skid resistance.

SHM3 Availability of state highway network: proportion of unplanned road closures resolved within standard timeframes is expressed as the sum of all unscheduled road closure incidences during the year (both urban and rural) that have a significant impact on road users addressed within standard protocol and timeframes (that is, urban less than 2 hours and rural less than 12 hours), divided by the total number of road closure incidences. Urban roads are roads within the boundary of either a 'Major Urban Area' or a 'Medium Urban Area' which has a population of 30,000 people or greater. All other roads outside this definition are rural roads. Performance against this measure is influenced by the frequency and severity of extreme weather events.

SHM4 State highway maintenance cost per lane kilometre delivered is calculated by dividing the amount spent on the maintenance of state highways by the total number of lane-kilometres in the network. This is adjusted for inflation based on the network outcomes index.

SHM5 Proportion of restoration and rebuild projects of State Highway 1 between Picton and Christchurch delivered to agreed standards and timeframes compares is the percentage of State Highway 1 between Picton and Christchurch projects delivered against plan across the four-year programme. Delivered projects are the individual projects that are handed over by the North Canterbury Transport Infrastructure Recovery alliance to Waka Kotahi following practical completion. The projects include recovery and resilience activities (restoration), as well as improvements (rebuild) on the corridors. The projects are funded from different sources including Crown funding for the Reinstatement of the South Island Transport Corridors.

LOCAL ROAD MAINTENANCE

LRM1 Smooth ride: proportion of travel on smooth roads is technically referred to as 'smooth travel exposure' and is the proportion of total vehicle kilometres travelled that occurs on 'smooth' roads.

LRM2 Local road maintenance cost per lane kilometre delivered is calculated by dividing the amount spent on the maintenance of local roads by the total number of lane-kilometres in the network. This includes maintenance operations and renewals (excluding emergency works) and is adjusted for inflation based on the network outcomes index.

DRIVER LICENSING AND TESTING

DLT1 Unit cost of providing user-facing driver licensing and testing services is the sum of expenditure on driver licensing or driver testing transactions, divided by the total transaction volume of these components.

DLT2 Proportion of driver licence tests booked online is the number of practical test bookings and rescheduled test bookings completed through the Waka Kotahi Transact website, divided by the total number of test bookings completed for driver licence tests in the same reporting period.

DLT3 Proportion of practical tests taken within 30 working days of booking is the number of driver licence applicants who took practical tests within 30 working days of booking, divided by the total number of driver licence applicants who took a practical test in the same reporting period.

DLT4 Proportion of audits for driver licence course providers completed against target is the total number of audits for driver licence course providers completed, divided by the total number of planned audits for driver licence course providers for the same reporting period.

DLT5 Proportion of non-compliance actions for driver licence course providers and testing officers that are under active management is the total number of non-compliance actions for driver licence course providers that are actively monitored and actioned, divided by the total number of non-compliance actions undertaken for driver licence course providers for the same reporting period.

VEHICLE SAFETY AND CERTIFICATION

VSC1 Unit cost of providing user-facing motor vehicle licencing services is the sum of expenditure on motor vehicle registration transactions, divided by the total volume of motor vehicle registration transactions.

VSC2 Proportion of motor vehicle licencing completed online is the total number of annual motor vehicle licencing (including reversals), new registrations and register maintenance actions (including vehicle licencing exemptions, change of ownership (buyer), change of ownership (seller), change of name or address, registered person name and address) completed on the Waka Kotahi Transact website, via Direct Connect or via an industry agent, divided by the total number of completed motor vehicle transactions that are available online.

VSC3 Proportion of vehicles relicensed on time is the proportion of vehicles that have been relicensed on or before the licence expiry date. The measure is calculated as the number of active or current licences for the period, divided by the total number of vehicles due for relicensing for the same period.

VSC4 Proportion of audits and reviews for inspecting organisations and vehicle inspectors completed against target is the total number of audits and reviews for inspecting organisations and vehicle inspectors completed, divided by the total number of planned audits and reviews for inspecting organisations and vehicle inspectors for the same reporting period.

VSC5 Proportion of non-compliance actions for vehicle inspecting organisations, vehicle certifiers and vehicle inspectors that are under active management is the total number of non-compliance actions for vehicle inspecting organisations, vehicle certifiers and vehicle inspectors that are actively monitored and actioned, divided by the total number of non-compliance actions undertaken for vehicle inspecting organisations, vehicle certifiers and vehicle inspectors for the same reporting period.

REGULATION OF COMMERCIAL TRANSPORT OPERATORS

CTO1 Proportion of commercial operators reviewed or audited against target is the total number of commercial operators investigated or audited during the reporting period, divided by the total number of planned reviews, audits or investigations for commercial operators for the same reporting period.

CTO2 Proportion of non-compliance actions for commercial operators that are under active management is the total number of non-compliance actions for commercial operators that are actively monitored and actioned, divided by the total number of non-compliance actions undertaken on non-compliant commercial operators for the same reporting period.

CTO3 Proportion of standard permits issued within 10 working days is the total number of commercial transport operator standard permits issued within 10 working days from the date of receipt of application, divided by the total number of commercial transport operator standard permit applications received for the same reporting period. This excludes applications that are on hold, queried and rejected.

REGULATION OF THE RAIL TRANSPORT SYSTEM

RTS1 Proportion of rail participants reviewed or audited against target is the total number of assessments or inspections of rail participants completed, divided by the total number of planned assessments or inspections of rail participants for the same reporting period.

RTS2 Proportion of non-compliance actions for rail participants that are under active management is the total number of non-compliance actions (i.e. remedial actions arising from an assessment) for rail participants that are resolved within a specified timeframe or escalated as permitted by the Railways Act, divided by the total number of non-compliance actions issued for rail participants for the same reporting period.

REVENUE COLLECTION AND ADMINISTRATION

REV1 Unit cost of providing user-facing road tolling services is the unit cost of delivering a toll service. Cost excludes write-offs, bad debts and net of administration fees recovered from toll payment notices.

REV2 Tolling revenue written off as proportion of current year revenue is total chargeable toll revenue that is not collected and therefore written off, divided by total chargeable revenue for the year. Chargeable tolling revenue includes administration revenues and revenues for all chargeable toll trips. This excludes exempt trips (for example, emergency services), technical loss (for example, camera fault) and unidentified toll trips. Write offs in any year include revenue from the prior year.

REV3 Proportion of road user charges licences completed online is the number of light and heavy vehicle road user charges licences purchased online, divided by the total number of road user charges licences purchased. Online refers to transactions via industry agents, Direct Connect, Waka Kotahi Transact website, e-RUC and automatic tellers.

REV4 Unit cost of providing user-facing road user charges services is the sum of expenditure of collecting road user charges, divided by the total volume of road user charges.

REV5 Proportion of Transport Service Licence holders that are assessed for road user charges compliance against target is the total number of Transport Service Licence holders (TSL) investigated or audited during the reporting period, divided by the total number of TSL holders profiled as likely to be non-compliant with their road user charges obligations for the same reporting period.

REV6 Proportion of unpaid road user charges identified through investigations and assessments that are collected is the total number of identified unpaid road user charges that are collected, divided by the total number of identified unpaid road user charges.

REV7 Average number of days to process road user charges, fuel excise duty and regional fuel tax refund applications is determined by how long it takes, on average, to process road user charges, fuel excise duty and regional fuel tax applications. Days to process refers to the number of working days between the date an application was received and the date when a decision of the application is made. This excludes the time that applications may be queried or audited.

INVESTMENT MANAGEMENT

IM1 Proportion of total cost of managing the investment funding allocation system to National Land Transport Programme expenditure is Waka Kotahi's service cost of managing the Investment Funding Allocation System (IFAS). IFAS activities are funded from the National Land Transport Fund and the Crown. It excludes local authority funding contributions for investments in local transport activities. This is reported cumulatively over the three-year period of the National Land Transport Programme.

IM2 Proportion of reviewed Waka Kotahi investment decisions that meet required process standards is the total number of investment decisions made by Waka Kotahi that are reviewed against investment quality assurance guidelines (post approval reviews), divided by the total number of investment decisions made during the reporting period.

IM3 Proportion of sector research activities delivered to agreed standards and timeframes is a measure that compares planned or contracted time, cost and quality of research investment with actual performance. It is a measure of the effectiveness of the Waka Kotahi as a contract manager. Assessment against time and cost standards is based on contracted timeframes and cost. Assessment against quality standards is done through peer review. All aspects contribute equally to the overall result.

IM4 Proportion of investment audit activities delivered to plan is the average of two components: investment audit programme and benefits realisation programme completed on time. Investment audit activities assess the performance of approved organisations in relation to activities approved by Waka Kotahi and the operation of the land transport disbursement accounts of approved organisations under section 95(1)(e) of the Land Transport Management Act 2003. Reporting is based on the latest assurance programme approved by Waka Kotahi's Risk and Assurance Committee.

IM5 Average number of days to action new funding approvals is determined by how long it takes, on average, to process and approve funding of a new National Land Transport Programme activity. Days to funding approval is defined as the number of working days between the date of receipt and the date the approval was recorded in the Transport Information Online system.

APPENDIX 4

VOTE TRANSPORT APPROPRIATIONS
PERFORMANCE MEASURES

APPROPRIATION	REFERENCE MEASURE		ESTIMATED ACTUAL 2019/20	BUDGET STANDARD 2020/21
Crash analysis	CAS1	Average number of days taken to enter fatal crash reports into the Crash Analysis System	7 working days	10 working days
Licensing activities	LIC1	Number of drug or alcohol assessments funded	750	700-850 ¹
	LIC2	Number of older driver licences subsidised	39,000	39,000-41,000 ¹
Ministerial servicing by Waka Kotahi NZ Transport Agency	MIN1	Proportion of requests completed within specified timeframes – Ministerial correspondence	99%	100%
	MIN2	Proportion of requests completed within specified timeframes – Parliamentary questions	95%	100%
	MIN3	Proportion of requests completed within statutory timeframes – Official Information Act	99%	100%
National Land Transport Programme PLA	IM1	Investment management – Proportion of total cost of managing the investment funding allocation system to total National Land Transport Programme expenditure	1.05%	1.1% or less
	RSP1	Road safety promotion – Proportion of road safety advertising campaigns that meet or exceed their agreed success criteria	100%	80% or greater
	LRI1	Local road improvements – Length of the local road network modified to align with safe and appropriate speed	New measure	Baseline setting
	SHI1	State highway improvements – Proportion of state highway improvement activities delivered to agreed standards and timeframes ³	88% ²	90% or greater
	SHI2	State highway improvements – Length of the state highway network modified to align with safe and appropriate speed	New measure	250 kms
	LRM1	Local road maintenance – Smooth ride: proportion of travel on smooth roads	87% ²	86% or greater
	LRM2	Local road maintenance – Local road maintenance cost per lane kilometre delivered	\$3,455 ²	\$3,000 or less
	SHM1	State highway maintenance – Proportion of state highway maintenance activities delivered to agreed standards and timeframes	94% ²	90% or greater
	SHM2	State highway maintenance – Safe stopping: proportion of network above skid threshold	New measure	98% or greater
	SHM3	State highway maintenance – State highway maintenance cost per lane kilometre delivered	\$22,997 ²	\$24,000-\$28,000

APPROPRIATION	REFERENCE	MEASURE	ESTIMATED ACTUAL 2019/20	BUDGET STANDARD 2020/21
National Land Transport Programme PLA (cont)	R11	Regional improvements – Proportion of regional improvement activities delivered to agreed standards and timeframes	98% ²	90% or greater
	TR1	Transitional rail – Proportion of transitional rail projects delivered to plan	New measure	90% or greater
	PT1	Public transport – Number of boardings on urban public transport services (bus, train, ferry)	181 million	To be determined ⁴
	PT2	Public transport – Proportion of people with access to frequent public transport services at peak times in Auckland, Wellington and Christchurch	29% ²	Increasing
	WC1	Walking and cycling – Network kilometres of walking and cycling facilities delivered	Increasing	Increasing
Road user charges investigation and enforcement	REV6	Proportion of unpaid road user charges identified through investigations and assessments that are collected	New measure	Baseline setting
Road user charges refunds	RUC1	Average number of days to process road user charges refund applications	New measure	20 working days or less
SuperGold card - administration of the Public Transport Concessions Scheme	SG1	Proportion of bulk funding payments of Crown SuperGold allocation paid to approved organisations within a month from funding amount agreement date	New measure	100%
Bad Debt Provision - Motor Vehicle Registration/Licences and Road User Charges	BDP1	Proportion of bad debt for road user charges against forecast revenue	0.41%	0.45% or less
SuperGold Card - public transport concessions for cardholders	SG2	Number of boardings using SuperGold concessions	16 million	To be determined ⁴
Urban cycleways - local routes	UC1	Proportion of urban cycleways projects for local routes completed as planned	New measure	100%
Housing Infrastructure Fund loans	HIF1	The loan will be drawn down for the purposes and on the terms agreed between Waka Kotahi NZ Transport Agency and the Minister of Transport	100%	100%
National Land Transport Programme Capital PLA	RPT1	Proportion of rapid transit activities delivered to agreed standards and timeframes	New measure	90% or greater
	SH11	SH11 Proportion of state highway improvement activities delivered to agreed standards and timeframes ³	88% ²	90% or greater
NLTF borrowing facility for short-term advances	NLTF1	The loan will be drawn down for the purposes and on the terms agreed between Waka Kotahi NZ Transport Agency and the Minister of Transport	100%	100%
Regional state highways	RSH1	Proportion of regional state highway activities delivered to agreed standards and timeframes	61% ²	90% or greater

APPROPRIATION	REFERENCE	MEASURE	ESTIMATED ACTUAL 2019/20	BUDGET STANDARD 2020/21
Reinstatement of the South Island transport corridors	SHM5	Proportion of restoration and rebuild projects of State Highway 1 between Picton and Christchurch delivered to agreed standards and timeframes	New measure	100% ⁵
	SHM5a	Proportion of restoration projects of State Highway 1 between Picton and Christchurch delivered to agreed standards and timeframes	New measure	100% ⁵
	SHM5b	Proportion of rebuild projects of State Highway 1 between Picton and Christchurch delivered to agreed standards and timeframes	New measure	100% ⁵
Tuawhenua Provincial Growth Fund – Transport projects	PGF1	Supporting Regional and Infrastructure Projects – Average number of days to provide feedback on Provincial Growth Fund funding applications	20 working days	20 working days or less
	PGF2	Enabling Infrastructure Projects – Average number of days to release Provincial Growth Fund infrastructure funding once approved	20 working days	20 working days or less
	RI2	Infrastructure Projects – Proportion of Waka Kotahi NZ Transport Agency projects funded by the Provincial Growth Fund delivered to standards and timeframes	90%	90% or greater
Capital investment package – roads, walking and cycling	CIP1	Proportion of roads and walking and cycling infrastructure delivered to agreed standards and timeframes	New measure	90% or greater
Waka Kotahi NZ Transport Agency regulatory loans	REG1	The loan will be drawn down for the purposes and on the terms agreed between Waka Kotahi NZ Transport Agency and the Minister of Transport	100%	100%
Waka Kotahi NZ Transport Agency Palmerston North Premises	PNP1	Proportion of operational expenditure spent to budget	Not available ⁶	100%
Protection of Waka Kotahi NZ Transport Agency's Core Regulatory Functions	REGP1	Funding is drawn down and utilised for the purposes and on the terms agreed to by Cabinet	100%	100%
COVID-19 NLTFC Borrowing Facility	NLTFC1	The loan will be drawn down for the purposes and on the terms agreed between Waka Kotahi NZ Transport Agency and the Minister of Transport	100%	100%

¹ Results are dependent on the number of applications received.


² The estimate for 2019/20 is not available because data is collected only at year-end. This figure is based on the reported result for 2018/19.

³ This measure is reported under the National Land Transport Programme PLA and the National Land Transport Programme Capital PLA appropriations.

⁴ Demand projections for 2020/21 from local authorities are not yet available and will be significantly impacted by COVID-19 effects. The budget standard in Vote Transport 2020/2021 will be corrected to reflect this.

⁵ The budget standard in Vote Transport 2020/21 will be corrected to reflect this.

⁶ Data is incomplete due to unreceived invoices as a result of the COVID-19 lockdown.



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

NZ Transport Agency
Private Bag 6995
Wellington 6141

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