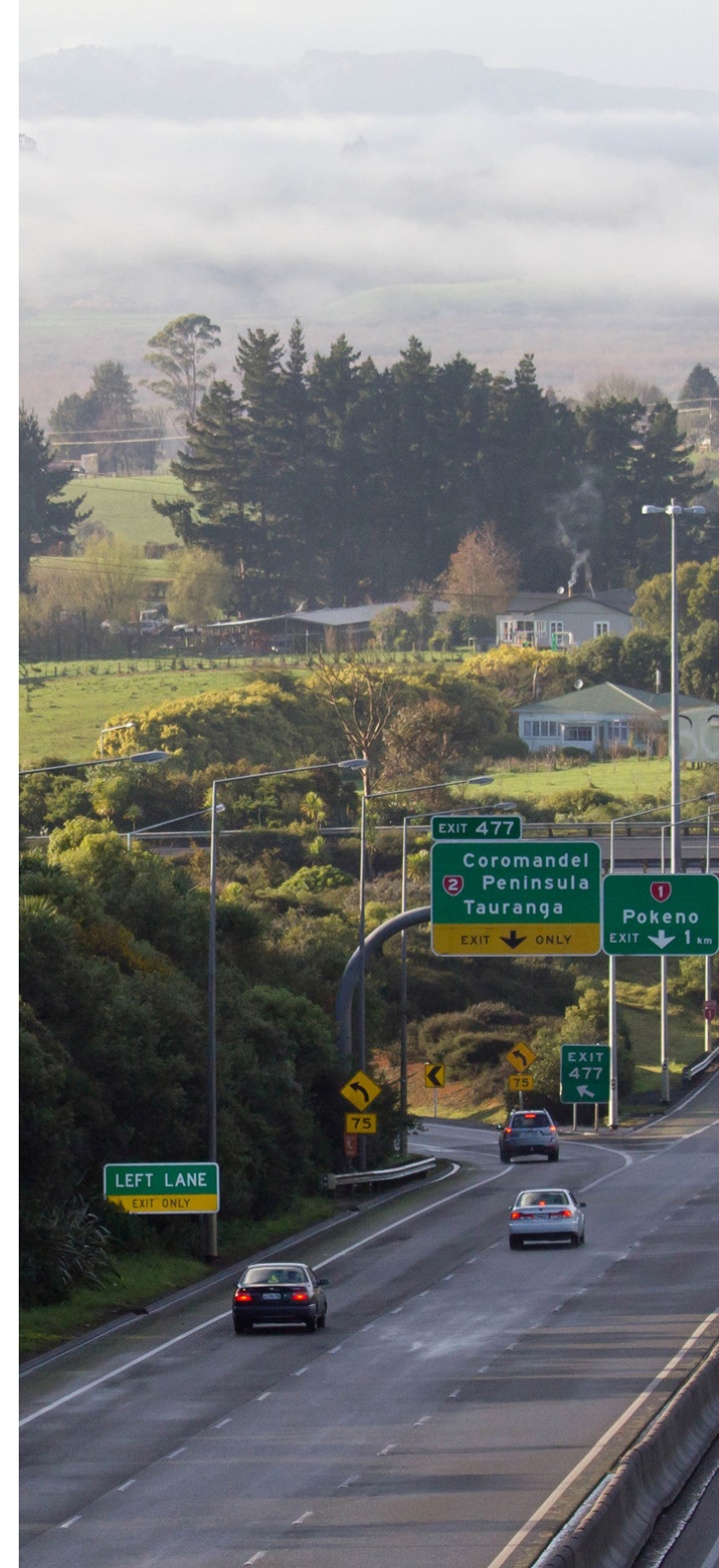




Transport Sector:

A case study of sector-level reporting



The transport sector

Transport plays a critical role in supporting New Zealand's social, economic, cultural, and environmental well-being by enabling people, businesses, and communities to connect and access what they want and need. Central government spends about \$7-8 billion on the transport system each year. To build and maintain the public's trust in the transport sector, it is vital that the public and Parliament have confidence that this money is being spent well.

Why we did this

To build and maintain trust and confidence in the public sector, it is important that Parliament and New Zealanders understand the value they are getting from public spending and how the government is performing.

Although the performance of individual agencies is important, issues that matter to Parliament and New Zealanders often relate to outcomes at a sector level. We did a case study of the transport sector to assess how public reporting can enable an understanding of performance at a sector level.

We chose the transport sector because we thought there are particular ways in which they report on their performance, major initiatives, and outcomes that other sectors could learn from. We also wanted to identify how the transport sector could improve how it reports on its performance more generally.

What we looked at

Given the complexity and breadth of the transport sector, we focused only on land transport for this case study.

Specifically, we looked at whether transport agencies' reporting gives an integrated view of what outcomes the sector wants to achieve and how it is aiming to achieve these outcomes through its activities* and resources. Our assessment focused on the meaningfulness of performance reporting. We did not focus on whether there are robust processes and controls over the data underpinning performance and measures, though we recognise that this is vitally important to the quality of the performance information.

We looked at the broad reporting that is publicly available, including annual reports and other public reporting. We did our analysis in the first half of 2023. We acknowledge that aspects of what we looked at may have changed since then.

We developed an assessment framework to examine performance reporting at a sector level and tested it with the transport sector (see the Appendices). Our assessment drew on the key principles and qualitative characteristics for service performance reporting by the public sector.

* Activities encompasses strategies, plans, initiatives, and programmes of work.

Overall reflections

Providing meaningful reporting on how the public sector is making a difference for New Zealanders can be complex and challenging.

The outcomes that matter to New Zealanders often span across a sector. Meaningful reporting on these outcomes need to have clearly defined outcomes at a sector level, measures for assessing progress towards outcomes, clear strategies and plans for achieving the outcomes, and consolidated and integrated reporting on what is being delivered and achieved.

What we found

We found several examples of good practice performance reporting that other sectors can learn from, including:

- a clearly defined set of meaningful outcomes and outcome indicators (for example, the Transport Outcomes Framework and indicators) that are relevant to the public and the performance of the sector;
- advanced reporting (for example, the Road to Zero monitoring report) in some outcome areas that provides a consolidated, integrated view of progress the transport sector is making on these outcomes; and
- meaningful and consolidated reporting on what is being achieved for some key activities and areas of spending (for example, Rail Network Investment Programme).

What could improve

We also found opportunities for the transport sector to improve how it demonstrates its performance, such as:

- providing a consolidated, and integrated account of how the sector intends to achieve its outcomes and reporting on what progress is being made across all outcomes of the Transport Outcomes Framework;
- addressing gaps in how the transport sector reports on outcomes that are relevant to Māori and indicators that reflect te ao Māori perspectives; and
- improving the quality of reporting and performance measures for key activities.

The Transport Outcomes Framework

In 2018, the Ministry of Transport published the Transport Outcomes Framework (the Framework). Government transport agencies are expected to set out how they will individually and collectively contribute to the outcomes of the Framework. The Framework is intended to set out the broader social and economic outcomes that are influenced by transport policy and investment decisions.

The Framework does not identify which outcomes the Government should choose to focus on, or how the Government will achieve those outcomes (for example, what are the strategies, plans, and specific policy interventions the Government intends to use to achieve a given outcome).



Inclusive access	Enabling all people to participate in society through access to social and economic opportunities, such as work, education, and healthcare.
Healthy and safe people	Protecting people from transport-related injuries and harmful pollution and making active travel an attractive option.
Environmental sustainability	Transitioning to net zero carbon emissions, and maintaining or improving biodiversity, water quality, and air quality.
Resilience and security	Minimising and managing the risks from natural and human-made hazards, anticipating and adapting to emerging threats, and recovering effectively from disruptive events.
Economic prosperity	Supporting economic activity via local, regional, and international connections, with efficient movements of people and products.

Source: Ministry of Transport's *Transport Outcomes Framework* at transport.govt.nz.

Broader government outcomes

The Framework overlaps and contributes to outcomes across the public sector. Therefore, this requires the transport sector to work with other sectors for a joined-up approach to achieving these outcomes.

The outcomes in the Transport Outcomes Framework align with the four capitals of the Treasury's Living Standards Framework.

Transport indicators

The Ministry of Transport uses 37 indicators to measure and report on progress against the five outcomes in the Framework.

Under each outcome there are specific "themes", which have several indicators that enable a detailed assessment of the outcomes.

The transport indicators were last updated in May 2022. The Ministry of Transport recognises that the indicators need to be updated, particularly to address environmental sustainability and resilience. The Ministry intends to update the indicators on an iterative basis. However, it is unclear when the updates will start.

Clear information is available about the reporting requirements, data sources, and limitations for the indicators that agencies are responsible for.

The Transport Outcomes Framework

Our assessment

The transport sector is advanced at setting out outcomes that it can influence and be held to account for its performance.



In general, the indicators are comprehensive and appropriate for measuring the Framework's outcomes. The outcomes (for example, the number of transport-related deaths and serious injuries in relation to understanding the road toll) are also relevant to the interests of Parliament and the public – the readers of this information.

The Ministry of Transport provides accessible reporting on the transport indicators on its website. This reporting provides a high-level view on what progress is being made on what the sector is seeking to achieve in the longer-term.

This reporting has useful infographics that show trend information on the indicators. However, the reporting could be improved by including more timely reporting and commentary and analysis on how to interpret the performance information.

The Ministry of Transport reports on some of the indicators in its annual report, which are focused on understanding how the system is performing and to help identify where further policy work is needed.

However, this reporting is not clearly connected to its performance story, strategic intentions, or how it is fulfilling its responsibilities as steward of the transport sector.

Māori continue to experience inequities in transport outcomes, including difficulties accessing transport for critical services (for example, GP services) and being overrepresented in road-related serious injuries and fatalities.

The quality and availability of reporting on how the transport sector is serving and performing for Māori is important for public accountability. The Framework misses an opportunity, in that it does not reflect outcomes and indicators that are important to Māori. An outcomes framework should have outcomes that are important to Māori and describe how the sector will achieve these outcomes.

The Ministry of Transport plans to update the Framework to better reflect Māori aspirations and te Tiriti o Waitangi. The Ministry is also working on improving outcomes for Māori in the transport system (He Waka Maiangi). This work is in early stages of development, but is a positive step.

Environmental sustainability

For this case study, we looked at two out of the five outcomes from the Framework. The first is environmental sustainability.

The transport sector contributes about 17% of New Zealand's total emissions and about 39% of CO₂ emissions (2019 levels). Major reductions in transport emissions are needed for New Zealand to meet its overall emissions targets.

The Framework's outcome for environmental sustainability involves the transport system transitioning to net zero carbon emissions and maintaining or improving biodiversity, water quality, and air quality. We looked specifically at how transport agencies were reporting on the "net zero carbon emissions" part of the outcome.

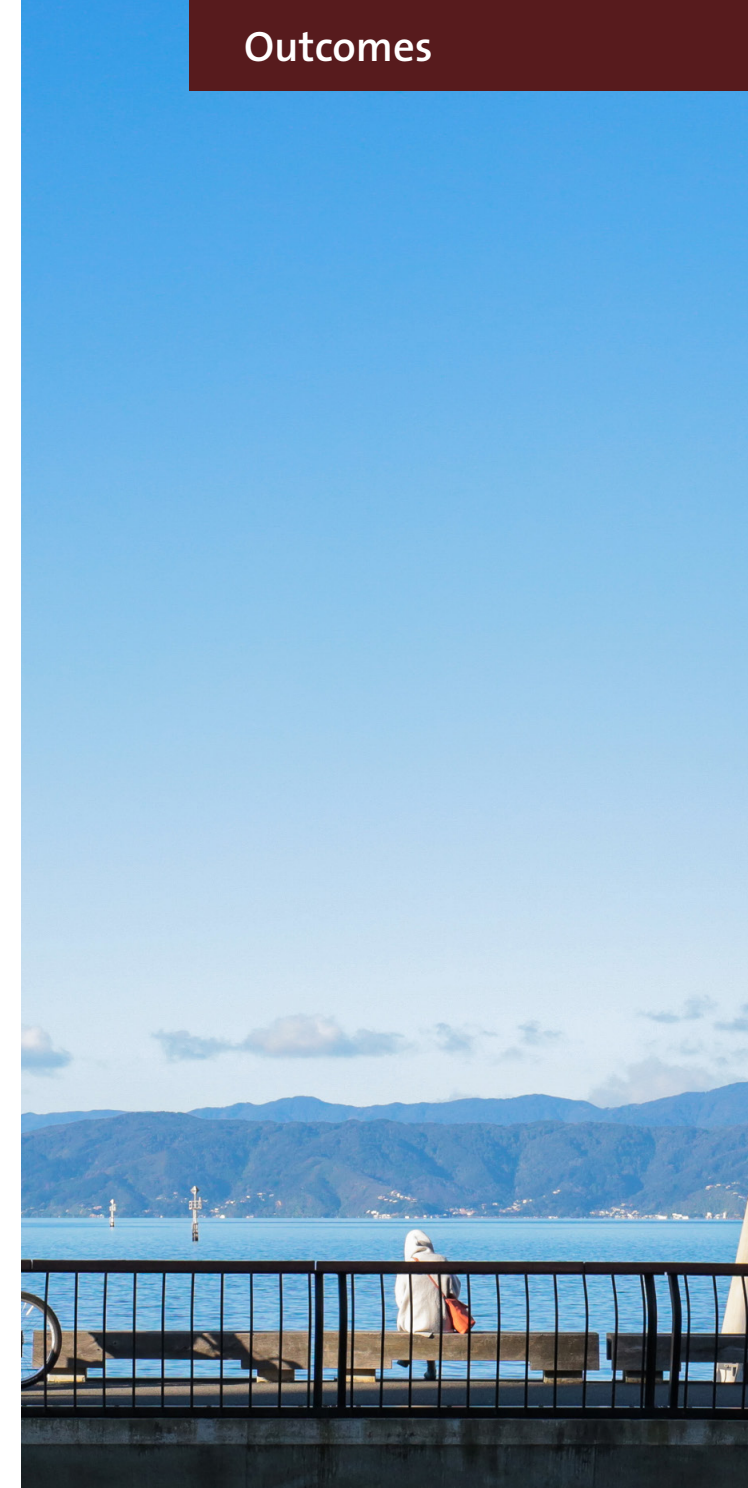
The Ministry of Transport's Green Paper *Hikina te Kohupara – Kia mauri ora ai te iwi |Transport Emissions: Pathways to Net Zero by 2050*, published in 2021, sets out a system-wide approach for reducing transport emissions.*

Hikina te Kohupara informed the transport section in the Government's first Emissions Reduction Plan (ERP), published in May 2022. The ERP contains the first three domestic emission budgets (2022-2025, 2026-2030, and 2031-2035) and outlines the Government's actions during the first budget period to stay within budget and lay the groundwork for future budgets. The ERP outlines actions needed to reduce transport emissions by 41% by 2035 and improve health, safety, equity, urban development, economic prosperity, and resilience.

The ERP's section on the transport sector has four focus areas supported by four related targets:

- Reduce reliance on cars and support people to walk, cycle, and use public transport through improved urban form and providing better travel options, particularly in larger cities.
 - Target 1: Reduce total vehicle kilometres travelled by the light vehicle fleet by 20% by 2035.
- Rapidly adopt low emissions vehicles.
 - Target 2: Increase zero-emissions vehicles to 30% of the light fleet by 2035.
- Begin to decarbonise heavy transport and freight.
 - Target 3: Reduce emissions from freight transport by 35% by 2035.
 - Target 4: Reduce the emissions intensity of transport fuel by 10%.

* The transport sector will need to consider how they respond and adapt to evolving legislation (for example, the Spatial Planning Act and the Natural and Built Environments Act) through its transport planning and investment (for example, key transport infrastructure and sequencing in Regional Spatial Strategies).



Environmental sustainability

- Advancing cross-cutting and enabling actions by aligning transport policy and long-term planning with the ERP, developing a strong evidence base for transport emissions reduction actions, and developing skills and capability to support the transition to a low-emissions future.

The Decarbonising Transport Action Plan 2022-25 (the Action Plan) builds on the ERP and sets out how the Government will implement its transport actions in the next three years.

The Action Plan provides more detail on how the transport sector will give effect to the principles of the ERP, including aspirations to empower Māori and ensure that there is an equitable transition for Māori under te Tiriti o Waitangi, particularly for enabling solutions to be co-designed.

The Action Plan also sets out clear accountabilities for individual initiatives, identifying the lead accountable agency, stakeholders who support the lead agency, and key milestones for each initiative.

Major investment is needed for the transport sector to meet its ambitious targets. The Action Plan sets out approved major investments from the Climate Emergency Response Fund that would support its delivery. These are set out below. However, funding for some of these initiatives has reduced and other initiatives have received new funding:

- \$569 million for a vehicle scrapping scheme (discontinued).
- \$22.5 million of the Climate Emergency Response Fund to support the development of a plan to reduce vehicle kilometers traveled.
- \$350 million of the Climate Emergency Response Fund to support the uptake of active and public transport (the Transport Choices package). This has since been reduced to \$300 million.

Many investments in the Action Plan involved various strategies (such as the New Zealand Rail Plan) and activity classes.

How performance is reported

The Parliamentary Commissioner for the Environment noted that the process for producing the first ERP did not result in a clear policy framework or clear strategic objectives, which is needed to enable coherent reporting. This is an issue that future ERPs need to address.

The ERP is relatively clear about the Government's approach to achieving the transport sector's objectives. However, the objectives of the other sectors and the Government's wider overall objectives for the ERP are less clear. This will make it difficult to assess the transport sector's performance within the context of the Government's wider activities and objectives.

Currently, public reporting on the Action Plan is fragmented across the agencies involved and the partnerships and stakeholders responsible for delivering individual actions in the Action Plan. The sector is developing consolidated reporting against the overall Action Plan and the Decarbonising Transport Monitoring Framework, which the Ministry of Transport continues to refine.

The Framework has several measures to measure environmental sustainability that are meaningful and appropriate (such as, "greenhouse gases emitted from the NZ transport system", "vehicle fleet compositions", and "mode share of short trips"). These measures are relevant to initiatives that aim to reduce private vehicles' emissions (for example, through the Clean Car Discount programme) and encourage or enable more walking and cycling (for example, through investments in cycle paths).

For each initiative, performance will also be assessed through detailed evaluations.

The Ministry of Transport established an Emissions Programme Office (EPO) to monitor and report frequently on delivery against the ERP's initiatives. The EPO collects information from all relevant agencies and prepares monthly and quarterly reports. They also co-ordinate transport input for the interagency six-monthly reports. We were told that outcome-based reporting will be incorporated into reporting products from late 2023.

At the broader government level, the Climate Change Chief Executives Board, an interdepartmental executive board consisting of eight public service chief executives, monitors and reports on the delivery of actions in the ERP and the National Adaptation Plan. The Climate Change Chief Executives Board monitors and reports on overall progress towards achieving the ERP, including sector sub-targets. The first report is not yet publicly available.

Road safety

For this case study, we looked at two out of the five outcomes from the Framework. The second is road safety, which is a component of the “healthy and safe people” outcome.

One of the outcomes of the Framework is *protecting people from transport-related injuries and harmful pollution and making active travel an attractive option*. We focused on how transport agencies report on road safety.

New Zealand has a poor record of road safety compared to similar countries. The transport sector’s key strategy for making progress on road safety is Road to Zero (published in late 2019). The strategy identifies several factors that contribute to New Zealand’s poor safety record, including New Zealand’s natural geography, high speed limits on many roads, insufficient safety infrastructure (such as median barriers), drivers under the influence of alcohol and drugs, and poor vehicle standards.

Road to Zero’s overall aim is to reduce road-related deaths and serious injuries by 40% (from 2018 levels) by 2030.

The five focus areas (“interventions”) of Road to Zero are:

- Infrastructure and speed (infrastructure improvements and tackling unsafe speeds).
- Vehicle safety (raising vehicle safety standards).
- Work-related road safety (strengthening work and commercial-related travel).
- Road user choices (prioritising road policing, enhancing drug testing, and access to licensing and training).
- System management (strengthening system leadership, support, and co-ordination).

The initial action plan for Road to Zero spans three years, from 1 January 2020, and subsequent action plans will be developed. Road to Zero has indicators that measure specific actions as well as indicators linked to the 40% reduction target.

Road to Zero is a new activity class in the 2021-24 National Land Transport Programme,* with \$2.9 billion to be invested in Road to Zero activities. This includes \$1.24 billion for road policing. There is also spending on road safety in other activity classes (such as road improvements that include safety features).

* Activities in the Road to Zero activity classes had previously been performed in other activity classes, primarily those relating to local road and state highway improvements.

Outcomes



Photo acknowledgement: Ginny Dunn

Road safety

How performance is reported

Reporting on the performance of the Road to Zero Strategy is advanced. Both Road to Zero and the reporting against it present a rich, evidence-based, and integrated view of how resources and levers across the sector (such as, regulatory levers, such as drivers, policing, and safety improvements to infrastructure) will be used for multiple years to achieve the road safety outcome.



The Ministry of Transport, Waka Kotahi NZ Transport Agency (Waka Kotahi), and the New Zealand Police jointly produce an annual Road to Zero monitoring report. The monitoring report provides comprehensive, accessible, balanced, and relevant reporting on the goal to reduce road user deaths and serious injuries by 40% by 2030. The 2022 monitoring report is not yet published.

Reporting includes monthly and regional breakdowns of the number of deaths and serious injuries and the contributing factors. There is also reporting on progress on the action plan. This reporting describes how the transport sector is using this performance information to take stock of, and review progress on, performance. The Road to Zero's annual monitoring report has Improving Road Safety Outcomes with Māori as an outcome with its own indicator. The reporting clearly links this outcome to

a wider obligation under te Tiriti o Waitangi, and includes detailed information on how the transport sector is tracking, what work will be carried out in phases, and how work will be co-designed with Māori.

The Ministry of Transport also publishes quarterly reporting on its website to support more timely reporting against the strategy. The reporting on the Road to Zero strategy goes beyond the statutory reporting government entities are required to do.

The Ministry of Transport, Waka Kotahi, and the New Zealand Police focus on their individual contributions to Road to Zero in their 2021/22 annual reports. For example, Ministry of Transport's 2021/22 annual report focused on its work on Road to Zero's governance arrangements, while the New Zealand Police focused on its operational role on road policing.

In its 2021/22 annual report, Waka Kotahi describes its contribution and performance to Road to Zero. This reporting provides a balanced view of progress on actions toward achieving outcomes, including descriptions of areas where performance has not met targets.

Strategies, plans, initiatives, and programmes of work

Strategies, plans, initiatives, and programmes of work play a key role in describing how and what public sector entities intend to do to achieve their desired outcomes.

When multiple strategies, plans, initiatives, and programmes of work contribute to a common outcome, there needs to be clarity on how they work together.

At a sector level, the transport sector has a large number of these, many of which are delivered by multiple agencies and span different time frames – short- medium- and long-term. These are in addition to those at an agency level.

The lists below are not exhaustive but provide an indication of the number of major strategies, plans, initiatives, and programmes of work across the transport sector and by individual agencies.

Our assessment

Although the major strategies, plans, initiatives, and programmes of work are often individually linked to the transport sector outcomes, there is no integrated account of how they “fit together” in contributing to common outcomes.

This makes it difficult to understand how the sector intends to achieve its broad outcomes and how progress will be assessed and reported.



STRATEGIES AND PLANS (AGENCY SPECIFIC)

- Strategic Intentions 2021-25 (**Ministry of Transport**).
- Transport Evidence Base Strategy (**Ministry of Transport**).
- He Waka Maiangi He Aotearoa (**Ministry of Transport** project to improve outcomes for Māori in the transport system).
- Hei Arataki (**Ministry of Transport's** Māori engagement and capability strategy).
- Te kāpehu (**Waka Kotahi** strategic direction).
- Te Ara Kotahi (strategy by **Waka Kotahi** on working with Māori).
- Tiro Rangi (climate adaptation plan by **Waka Kotahi**).
- Tū ake, Tū māia 2023-2032 – our regulatory strategy (**Waka Kotahi**).
- Arataki (**Waka Kotahi** 30-year plan).
- Keeping cities moving (**Waka Kotahi**).
- Toitū Te Taiao (**Waka Kotahi** sustainability action plan).
- KiwiRail 10-year strategy.
- Rautaki Whakauka KiwiRail Sustainability Strategy 2022-2025.
- Statement of Intent/Corporate Intent (specific to each Crown agency/organisation).
- Statement of Performance Expectations (specific to each Crown agency, where applicable).

Transport strategies, plans, initiatives, and programmes of work

As part of this case study, we examined:

- the Government Policy Statement on land transport and the National Land Transport Programme;
- the New Zealand Upgrade Programme;
- Let's Get Wellington Moving;
- the Auckland Transport Alignment Project;
- the New Zealand Rail Plan;
- Changing how people travel (mode shift); and
- Regulatory services.

The Government Policy Statement on land transport and the National Land Transport Programme

The transport sector publishes a Government Policy Statement on land transport every three years. It sets out the direction and funding ranges for land transport activities for the next 10 years. The most recent Government Policy Statement, published in 2021,^{*} has four priorities: safety, climate change, improving freight connections, and better travel options.

The National Land Transport Programme (NLTP) sets out a three-year programme of investment to give effect to the Government Policy Statement. Funding for the NLTP mainly comes from the National Land Transport Fund (NLTF), with inflows from fuel excise duty and road user charges. Vote Transport has provided further support for the NLTP in recent years through loan facilities and Crown top-ups of the NLTF (such as funding to manage Covid-19 cost pressures). Local government organisations also provide funding.

NLTF funding goes to local, regional, and national land transport activities. These activities are set out in Regional Land Transport Plans and the State Highway Investment Plan and are included in the NLTP as “activity classes”. Activity classes include public transport, state highway improvements, and local roads.

How performance is reported

There is a monitoring and evaluation framework in place for the Government Policy Statement.

For the 2018 Government Policy Statement, the Ministry of Transport published annual reports, which provided a concise, accessible, comprehensive, and integrated view of the use of resources, activities, and progress against the outcomes in the Government Policy Statement 2018. This goes beyond the transport sector’s statutory reporting requirements.

In February 2023, the Ministry of Transport published an evaluation of the 2018 Government Policy Statement. The evaluation could not establish how the Government Policy Statement contributed to transport sector outcomes. However, it did demonstrate the influence of the Government Policy Statement on the funding process (such as a shift towards funding for public transport improvements). The Covid-19 pandemic and other priorities resulted in one Government Policy Statement annual report being paused. The Ministry of Transport’s intention is to continue producing Government Policy Statement annual reports.

There are multiple levels of reporting on the NLTP. Waka Kotahi and the NLTF provide reporting on investment of the NLTF and progress of the NLTP in their annual reports. Waka Kotahi also provides clear and comprehensive information about spending and what is being achieved through the NLTP in its annual report.

Waka Kotahi also provides comprehensive data about NLTP funding on its website. This information about allocation of funds to activity classes and regions is timely and up to date. Each region also produces their own Regional Land Transport Plans (RLTP), as well as the corresponding monitoring reports.

Good performance reporting on asset management is important for the transport sector given that a significant amount of NLTP funding is spent maintaining local roads and state highway networks.**

In its annual report, Waka Kotahi reports on several measures that relate to state highway assets, such as the “proportion of state highway maintenance activities delivered to agreed programme”. However, these measures do not fully reflect the infrastructure gap and medium-to-long term asset condition.

* A draft Government Policy Statement 2024 was released in August 2023.

** In 2021/22, \$830 million was spent on state highway maintenance and \$736 million was spent on local road maintenance.

The New Zealand Upgrade Programme

The New Zealand Upgrade Programme (NZUP) is a \$12 billion package of infrastructure projects. The NZUP funds projects across different sectors, including the transport, health, and education sectors. NZUP projects for the transport sector are entirely Crown-funded and are in addition to projects funded by the NLTP.

There are 26 transport projects in the NZUP. Most of these are road projects. A smaller proportion are rail, walking and cycling, and public transport projects. These transport projects are intended to improve travel choices, support economic growth, enable housing development, and lower carbon emissions.

Most of the transport projects are in the North Island, including several large projects in terms of cost and scope (for example, PenLink in Auckland, Takitimu North Link stage one in the Bay of Plenty, and SH1 Papakura to Drury in Auckland).

When the NZUP was first announced in 2020, the transport projects collectively cost \$6.8 billion.

Budget 2023 also included additional funding for cost pressures, including \$111 million budgeted for 2022/23.

The increased cost pressures faced by several projects (for example, Mill Road and Takitimu North Link) have been a significant challenge for the NZUP. As a result, the transport projects were reprioritised and their scope, scale, and costs were re-evaluated in 2021. Several projects underwent significant changes or were removed from NZUP (such as the standalone bridge portion of the Northern Pathway project). The total cost of the NZUP's transport projects increased to \$8.7 billion and cost escalation in the construction section continues to put pressure on delivery of the programme.

We will separately report on aspects of the NZUP in our performance audit of this programme, including how its performance is reported on.

How performance is reported

Waka Kotahi and KiwiRail report on the delivery of projects in their annual reports, but there is no consolidated reporting on what has been spent and whether forecast outcomes are being achieved.



In its 2021/22 annual report, Waka Kotahi reports on the measure “proportion of Waka Kotahi NZ Transport Agency NZ Upgrade activities delivered to agreed standards and time frames”, and provides short, balanced commentary on the progress of individual projects. Waka Kotahi also publishes regular project delivery updates on its website. These updates include additional information on community engagement and project benefits.

Overall, the reporting provides some information of what is being done across projects. However, it does not make clear how, for all projects, spending is tracking against budget, how scope and costs have changed over time, and how benefits of the investment will be measured and reported over time.

Furthermore, without a consolidated view and oversight of the wider programme, it is unclear how Parliament and the public can understand how well the programme is performing.

We will separately report on aspects of the NZUP in our performance audit of this programme, including how its performance is reported on.

Let's Get Wellington Moving

Let's Get Wellington Moving (LGWM) is a joint initiative between Wellington City Council, Greater Wellington Regional Council, and Waka Kotahi.

LGWM consists of major investments over the next 30 years in mass rapid transit, walking and cycling, public transport, and state highway improvements. The intended benefits of LGWM include greater liveability, more efficient and reliable access, reduced carbon emissions through a change in how people travel, and improved safety and resilience.

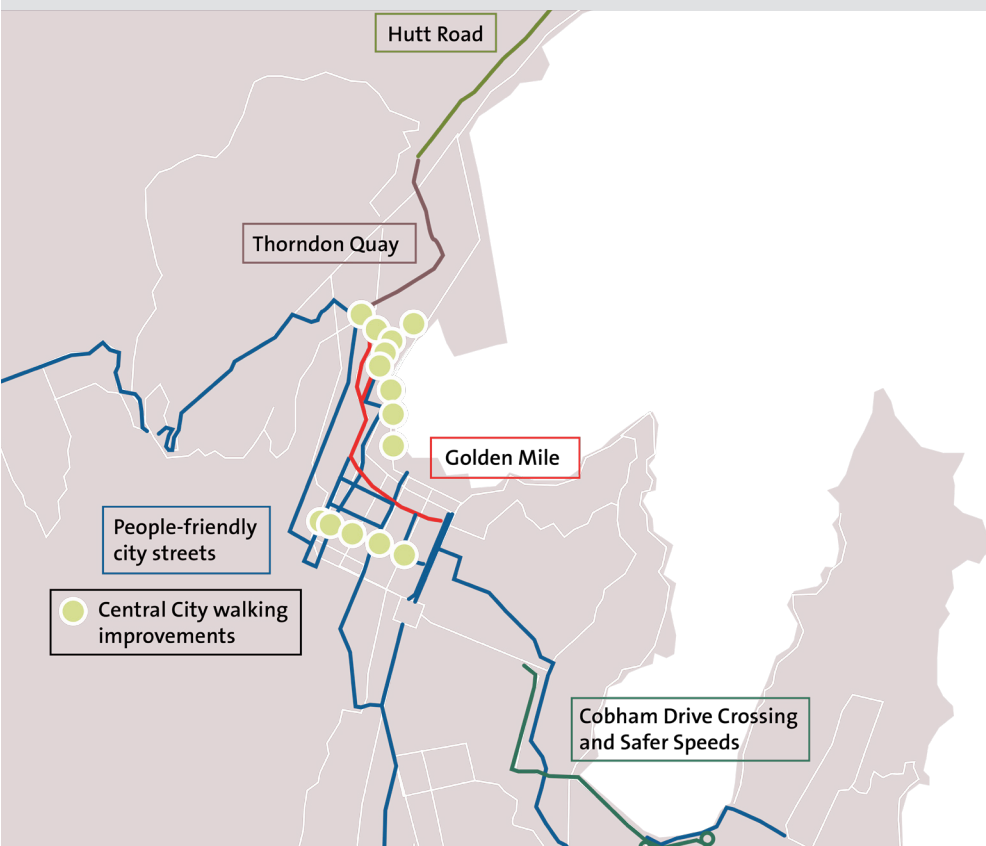
LGWM includes 12 projects across Wellington City at different stages of development and size (such as pedestrian projects in central Wellington, revitalisation of the "Golden Mile", and a second Mt. Victoria tunnel).

The funding for LGWM is split between central government (60%) and local government (40%). Greater Wellington Regional Council and Wellington City Council will decide independently how to fund their share.

LGWM is expected to cost \$7.4 billion over 30 years (as of June 2023). However, many projects are still at the business case stage.

Funding is provided through several activity classes in the NLTP, including local road improvements, state highway improvements, and public transport infrastructure.

Significant concerns and challenges have been raised about the performance of LGWM, including those described in the December 2020 "health check" of LGWM.



Note: Indication of LGWM projects under way, based on lgwm.nz

How performance is reported

As part of their statutory reporting requirements, Waka Kotahi and local councils are required to report on the LGWM projects they are accountable for.

LGWM reports on its status and what is being done about individual projects on its website.

Waka Kotahi publishes up-to-date data about the funding allocated to LGWM projects through the NLTP on its website.

Current reporting on individual LGWM projects focuses on what activities have been done. However, there is no information on whether spending is on track with budget or delivery against time frames. There is also no broad reporting framework or consolidated reporting on LGWM across central and local government. This makes it difficult to understand how individual projects and LGWM as a whole are performing.



Auckland Transport Alignment Project

The Auckland Transport Alignment Project (ATAP) aims to:

- encourage more people to use public transport, walk, and cycle;
- address congestion;
- increase accessibility;
- reduce negative impacts on the environment; and
- reduce road deaths and serious injuries.*

The ATAP involves a cross-agency partnership that includes the Ministry of Transport, Waka Kotahi, KiwiRail, the Treasury, Auckland Council, Auckland Transport, and Te Kawa Mataaho. The ATAP is focused on joined-up planning and prioritisation across central and local government.

Every three years, the ATAP publishes an indicative package of transport investments known as “the ATAP package”. This package informs, rather than replaces, statutory processes, including the NLTP and Auckland’s Regional Land Transport Plan.

The ATAP 2021-2031 package signals an investment package worth \$31.4 billion. About \$17 billion of the funding is for new projects such as rapid transit and safety.

* Priorities as set out in ATAP 2021-31.

City Rail Link

City Rail Link is the ATAP’s flagship project and is currently expected to cost \$5.493 billion to complete the main works. City Rail Link is funded equally by the Crown and Auckland Council.

Investment is also being made in KiwiRail and Auckland Transport for the City Rail Link’s operating costs for Day 1 readiness. Further investments will be required after the City Rail Link opens – such as investments in wider network improvements – to ensure that City Rail Link’s full benefits are realised.

How performance is reported



City Rail Link Limited provides clear and comprehensive performance reporting on the delivery of the main works.

City Rail Link Limited’s reporting describes how it engaged with mana whenua and their involvement in decision-making. It also includes reporting on activities (for example, rangatahi training programmes and Māori and Pasifika contracts) that contribute to wider outcomes for Māori.

City Rail Link Limited and mana whenua published a case study in June 2023 that highlighted best practice and lessons from their 10-year partnership. This case study is an industry tool for future partnerships.

There is currently limited information publicly available about the performance expectations and reporting against these expectations for Day 1 readiness and planning for benefits realisation by the entities responsible. We consider this a critical gap given the significance and complexity of the project.

We have raised this matter in our 2022 report *Governance of the City Rail Link project*.

Auckland Light Rail

Auckland Light Rail intends to improve public transport options for Aucklanders, support a more connected city, reduce congestion and transport emissions, and encourage urban development. Auckland Light Rail is jointly sponsored by the Crown, Auckland Council, and mana whenua.

The Auckland Light Rail Establishment Unit developed an indicative business case. In January 2022, the Government released its preferred option of a partially tunnelled light rail from Auckland's city centre to Auckland Airport.

Auckland Light Rail Limited was established in October 2022 to progress a detailed business case. This is expected to be completed by mid-2024.

NLTP originally funded Auckland Light Rail until June 2022.

Budget 2022 established a multi-year operating appropriation, totalling \$189 million, for the completion of detailed planning activities. Budget 2023 allocated a further \$131 million capital appropriation for the Early Property Programme.

The Ministry of Transport and the Treasury have an important role in progressing Auckland Light Rail's policy and funding work. Further details on scale of investments and the benefits they will bring is expected to be in the final business case.

How performance is reported

It is difficult to find performance information on Auckland Light Rail during the period in which it was funded by the NLTP up to Budget 2022. With the establishment of Auckland Light Rail Limited and the publication of its Statement of Performance Expectations and Statement of Intent, we expect greater transparency about financial spending and the performance of Auckland Light Rail and project delivery.

The Ministry of Transport does not have specific performance measures for this work. This makes it difficult to know what is planned to be achieved with its funding and to assess its performance in this area.



The New Zealand Rail Plan

The New Zealand Rail Plan (Rail Plan) sets out a 10-year vision of investment in New Zealand's rail network. The Rail Plan is not intended to be an exhaustive list of future investments. The key benefit of the Rail Plan (and rail more broadly) is that it contributes to all five outcomes of the Transport Outcomes Framework.

There are two parts to the Rail Plan:

- establishing a new long-term planning and funding framework under the Land Transport Management Act 2003; and
- outlining investment priorities for a resilient and reliable rail network. This includes restoring rail freight in the regions and investing in urban rail networks in cities.

In June 2021, KiwiRail published the first three-year Rail Network Investment Programme (RNIP 2021). RNIP 2021 applies from 2021/22 to 2023/24, and outlines the Government's investment priorities for rail and the changes needed to maintain, manage, renew, and improve rail. RNIP 2021 consists of \$1.4 billion of investments. Funding is mainly from the NLTF (Rail Network and Public Transport Infrastructure activity classes). Auckland Transport, Greater Wellington Regional Council, and other sources provide a small amount of funding.

How performance is reported

KiwiRail reports on the performance of RNIP 2021 in its annual report. KiwiRail also reports to Waka Kotahi on the performance of RNIP 2021. Waka Kotahi is responsible for monitoring RNIP 2021. KiwiRail's non-financial performance information is not externally audited.



As part of its monitoring and reporting responsibilities, Waka Kotahi published the *2021/22 Annual Report on the Rail Network Investment Programme*, which reports KiwiRail's performance against the delivery of funded activities and network measures in RNIP 2021.*

This report provides a rich and detailed account of progress on RNIP 2021 and KiwiRail's performance in delivering it. The reporting is based on the monitoring framework set out in RNIP 2021, and it includes a mix of quantitative measures and qualitative commentary on why certain indicators were or were not achieved.

The outcomes of RNIP 2021 have been usefully split into short-term outcomes (three to 10 years) and long-term outcomes (10 years and more). The outcomes also link to projects, funding, and performance.

The Rail Plan identified "enabling Māori to realise aspirations in all aspects of the economy" as one benefit of the investments in rail. However, we could not identify any specific indicators that mentions how the rail investments could help realise Māori aspirations. There is a lack of indicators and reporting on the benefits of rail for Māori and how KiwiRail plans to engage with iwi and hapū. KiwiRail's 2024-2026 Statement of Corporate Intent identifies "developing enduring relationships with mana whenua" as a strategic objective, supported by a Rautaki Māori strand of the strategy, where mana whenua are engaged in major projects.

* Section 102A of the Land Transport Management Act 2003 requires Waka Kotahi to produce an annual report on the Rail Network Investment Programme.

Changing how people travel (mode shift)

The Government Policy Statement on land transport aims to provide travel options to support highly liveable cities and towns with healthy environments that improve people's well-being and economic prosperity. Central and local government are working together on several plans aimed at supporting greater use of public transport and walking and cycling as modes of transport.

Waka Kotahi published Regional Mode Shift Plan Wellington, which provides a useful assessment of the initiatives that support increased use of public transport and walking and cycling.

Public transport and infrastructure

Waka Kotahi and councils invest in public transport services through the NLTP, along with other funding sources such as direct Crown funding. The services are run by councils and by a council-controlled organisation (Auckland Transport in the case of Auckland).

From 2020 to 2021, about \$900 million was invested into running public transport services, with \$200 million invested in building new public transport infrastructure, and \$100 million invested in maintaining public transport assets.

Other service improvement investments have been planned through the 2021-24 National Land Transport Plan, including \$238 million for implementing the National Ticketing Solution.

How performance is reported

Central and local government organisations report on the performance of public transport infrastructure and services. In general, councils report on a mix of performance measures that assess the use, access, and reliability of the public transport system and how satisfied people are with it. This informs central government reporting.



Not all councils measure each of these dimensions, and the definitions and methodologies for the measures vary across councils. The annual reporting by Waka Kotahi on the NLTF is comprehensive and easy to access. The reporting usefully describes how investments contribute to the priorities of the Government Policy Statement. The reporting also has a mix of meaningful measures.

However, in this reporting, we identified a key issue with how some councils define and assess the reliability of public transport services, which flows through to central government reporting.

Currently, the measure focuses on measuring the proportion of trips completed without a breakdown, where the calculation only includes completed services that left the origin stop broadly on time.* For 2021/22, it was reported that 95% and 97% of buses in Auckland and Wellington, respectively, were considered "reliable". However, this measure does not include trips that did not happen or trips that were not on time. In our view, the measure does not reflect the actual reliability that a commuter might experience. Also, the results of the 2022 Quality of Life Survey** showed that only 41% of respondents agreed that public transport is reliable.

* Calculation only includes completed services that left the origin stop between 59 seconds before and 4 minutes 59 seconds after the scheduled departure time.

** The survey is a council initiative targeting large urban populations to gather views on a range of matters, including public transport.

Changing how people travel (mode shift)

Walking and cycling

Improving access to walking and cycling is another main way the Government supports changing how people travel (mode shift).

Investments in walking and cycling are made through an activity class in the NLTP. Maintenance for footpaths is part of local road and state highway maintenance.

As well as NLTP investments, there are various Crown-funded walking and cycling improvements, such as individual initiatives under the NZUP (for example, SH73 West Melton improvements).

From 2020 to 2021, about \$200 million was invested into building new walking and cycling infrastructure. A further \$700 million was invested in maintaining existing infrastructure. \$200 million consisted of NLTP funding, with the rest from other sources such as Crown funding under specific NZUP initiatives. Additional walking and cycling investments can be made through activity classes, such as when there are new investments into new roads and highways.

How performance is reported

Local and central government organisations report on a broad suite of measures, including the delivery and maintenance of walking and cycling infrastructure and the uptake of walking and cycling and broader behavioural changes over time.



Councils generally report on the specific details of walking and cycling infrastructure in their annual reports (such as the percentage of footpaths in acceptable condition in a region).***

In its 2021/22 annual report, Waka Kotahi included a mix of meaningful measures relevant to its role. These measures focused on delivery (such as proportion of cycleways, pathways, and shared paths delivered against plan) use/uptake (such as cycling count in main urban areas and walking count in main urban areas), and particular priorities of the Government Position Statement. It is less clear how Waka Kotahi is assessing performance against the safety outcome for pedestrians and cyclists.

Waka Kotahi acknowledges that there are issues with the data quality of these measures, and these issues limit Parliament and the public's ability to understand performance. Waka Kotahi is doing work to address these issues.

The Ministry of Transport reports on actual time spent travelling by walking and cycling through a calculation on the Household Travel Survey.



*** See Auckland Transport's annual report 2022, which includes detailed information on the percentage of footpaths in acceptable condition.

Regulatory services

Across the transport sector, there are several transport agencies that have regulatory responsibilities. We have only assessed the relevant reporting by Waka Kotahi.

Safety is the primary outcome of the regulatory activities Waka Kotahi carries out. The relevant output classes, “Regulation of commercial transport operators”, “Regulation of the rail transport system”, “Driver licensing and testing”, and “Vehicle safety and certification”, are directly linked to the “Safe” outcome.

There have been changes to the legislative framework and several reviews of the role and performance of Waka Kotahi in these areas.

The current regulatory strategy from 2020 to 2025 (Tū ake, Tū māia) consists of five main capability shifts in Waka Kotahi: strong governance and accountability, trusted and valued relationships, robust and consistent decision-making, thriving regulatory culture and courageous people, and innovative technology and intelligence.

From 2021 to 2022, about \$166 million was spent on the regulatory function of Waka Kotahi. This was funded with about \$153 million of revenue (\$139 million was from fees and charges and \$13 million loaned from the Crown). A review of fees and funding led to changes taking effect from October 2023.

How performance is reported

In its 2021/22 annual report, Waka Kotahi provides reporting on its regulatory capability and performance. Waka Kotahi includes a mixture of performance measures on implementing findings from reviews and assessing compliance across different regulatory activities (for example, driver licensing).



The current suite of measures presents some useful information on how Waka Kotahi delivers its regulatory functions. However, they do not present a clear view of how Waka Kotahi has improved its performance or the effectiveness of its regulatory functions. For example, it is unclear whether the targets that are set relate to the number of compliance activities Waka Kotahi is resourced to undertake or whether the level of activity is appropriately benchmarked for a regulator of its nature.

Appendices

The transport system


Transport funding

Transport funding by region

Assessment framework

The transport system

The rail network, for freight and metro rail, includes 3700km of track and associated infrastructure such as bridges and tunnels and is managed by KiwiRail.

 Rail commuter services operate in Auckland and Wellington and three rail tourism services are operated by KiwiRail.

 Freight services for major industries operate across the country, connecting with coastal and inland ports and hubs, and transport around 20% of New Zealand's exports and imports.


 New Zealand has 41 domestic airports, most of which are owned by local authorities, with air traffic management services provided by Airways NZ.

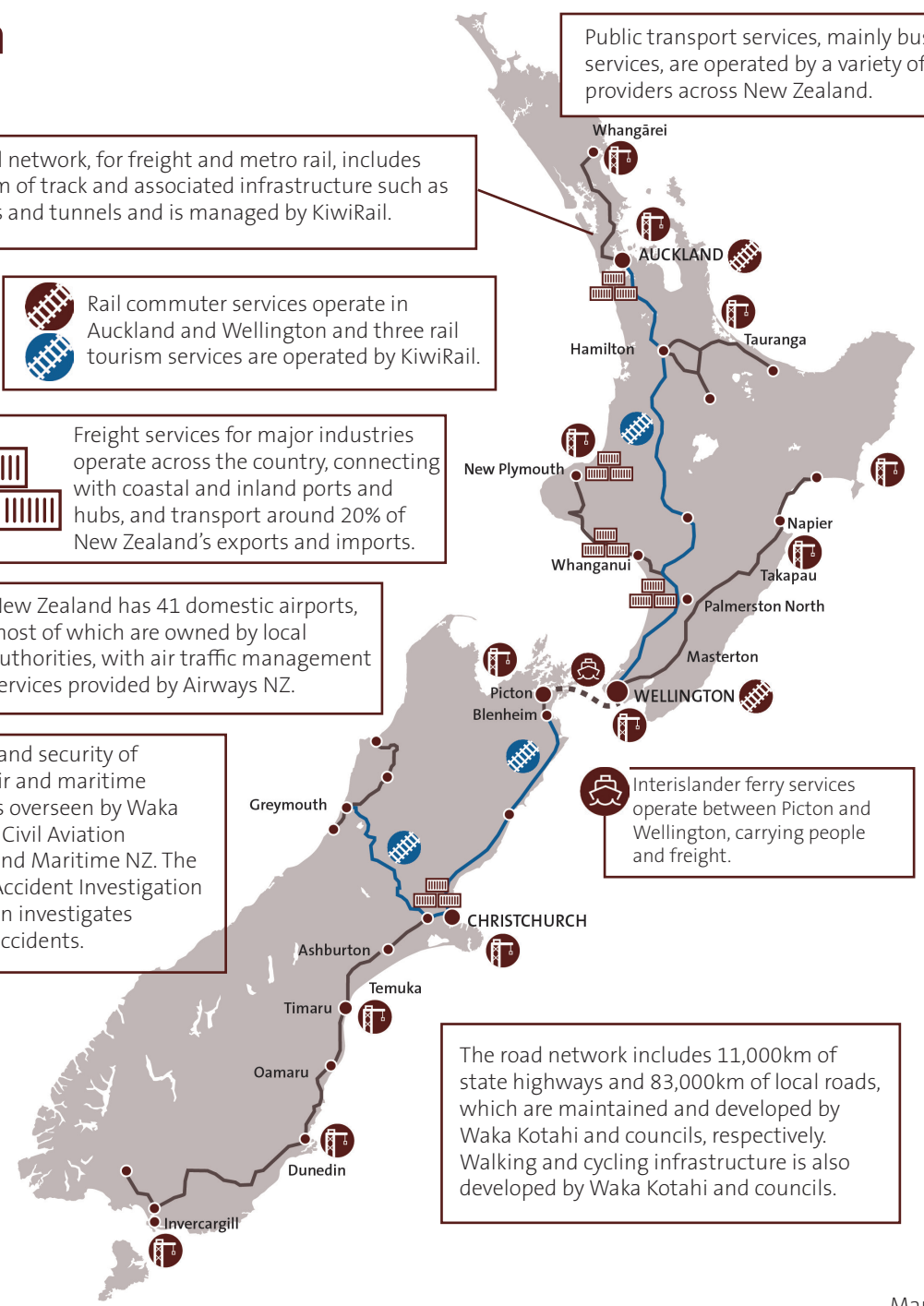
The safety and security of road, rail, air and maritime transport is overseen by Waka Kotahi, the Civil Aviation Authority and Maritime NZ. The Transport Accident Investigation Commission investigates transport accidents.

A range of new technologies, such as autonomous vehicles and wing-in-ground craft (sea gliders), are in various stages of development. These new technologies are likely to play a greater role in the transport system.

The road network includes 11,000km of state highways and 83,000km of local roads, which are maintained and developed by Waka Kotahi and councils, respectively. Walking and cycling infrastructure is also developed by Waka Kotahi and councils.

Public transport services, mainly bus services, are operated by a variety of providers across New Zealand.

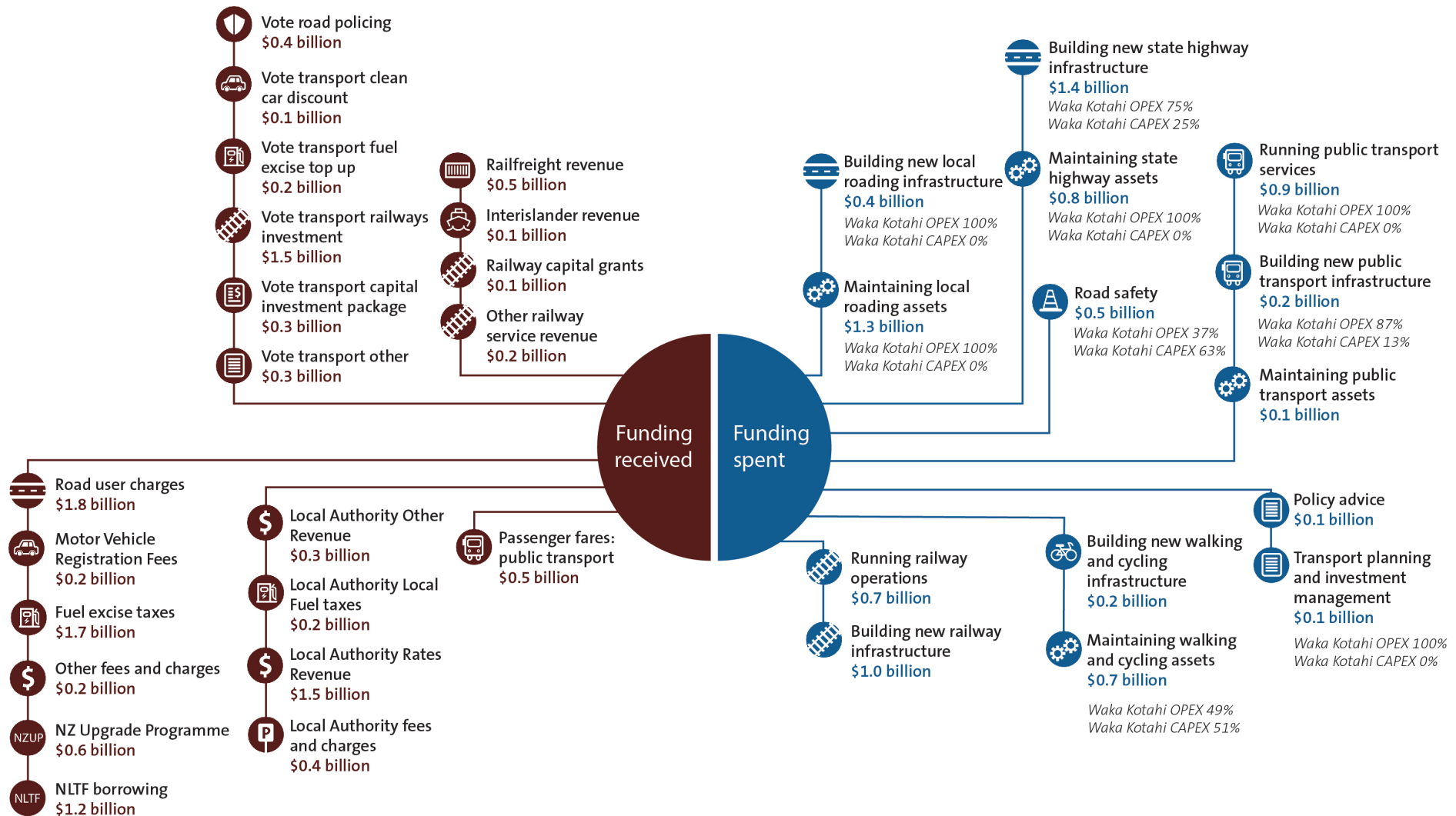
 Interislander ferry services operate between Picton and Wellington, carrying people and freight.



Transport funding

In our examination of different parts of the transport sector, we were often able to understand how funding was used to achieve particular outcomes and/or key strategies, plans, initiatives, and programmes of work. In our view, it is important that Parliament and the public can see and understand how the transport sector is funded and how this funding is spent across different activities, outputs, and outcomes.

We used publicly available information and data to create an overview of land transport funding and spending in relevant and meaningful areas.



Transport funding

The information and data included a mix of audited and unaudited information and does not reflect revenue and expenditure from the private sector, such as trucking firms, retail petrol services, or similar commercial operations.

It was difficult to pull together because we collected data and information from several sources:

- Most of the data contained in the diagram comes from the 2021-22 transport expenditure spreadsheets, which are on the Waka Kotahi website. Although information is not audited, it does provide the most comprehensive data set available about public spending on transport.
- Councils use rates and other revenue sources to fund their transport activities. For the most part, the information about revenue and the expenditure councils incur are in their annual reports. Due to delays in annual reports being published, about half of the results were for the year ending 30 June 2022 and the rest were for the year ending 30 June 2021. Not all councils reported consistently, which meant that some council data could not be included.
- Road safety expenditure included in the diagram includes the unaudited road safety expenditure incurred from the NLTF, which is predominately provided to councils (reported in the Waka Kotahi data sets), and expenditure incurred by the New Zealand Police for road safety.
- Vote revenue was obtained from the Ministry of Transport's 30 June 2022 annual report. Budget 2022 included new funding for emissions reduction initiatives (\$307 million for 2022/23), such as mode shift infrastructure and services.

- Railway revenue and expenditure information is from KiwiRail's 30 June 2022 annual report. It does not differentiate between the expenditure incurred on building new railway assets and on maintaining railway assets.
- Information about the capital and operational expenditure split is from the annual report of Waka Kotahi and does not reflect the spending incurred by councils.

Significant changes in funding and spending:

- The funding mix has changed with increasing amounts of funding provided from direct Crown funding, such as the NZUP and Covid-19 initiatives.
- Increasing use of debt facilities, such as \$2 billion financing in place to support the NLTP 2021-24, with \$201 million used during 2021/22.
- Ongoing increase in rail spending and direct Crown spending on roads, walking, and cycling (compared to 2020/21).
- The new regional spatial strategies that will be required as a result of the Resource Management Reform and the proposed Spatial Planning Act will generate transport infrastructure funding expectations, which will need a formal framework for prioritisation and decision-making at both a national and regional level.

Regional funding

North Island

The data in this diagram comes from the unaudited Regional Highlights from the 2021-22 NLF annual report. The council data is from councils' Funding Impact Statements and consolidated using the Waka Kotahi regional filters.

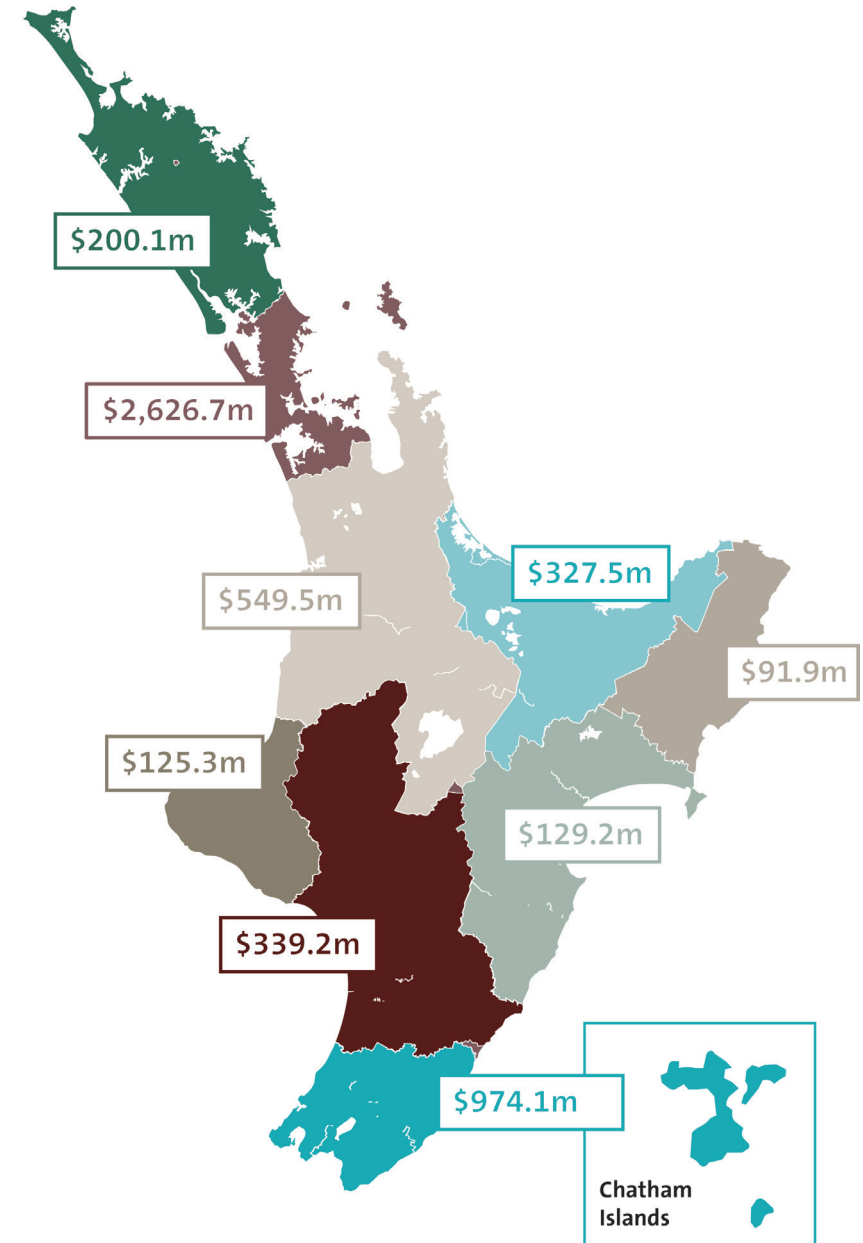
Urban development spending on transport has not been included in the diagram because this information could not be extracted from source material.

Northland

Funding from council rates and other charges	\$60.4 million
Funding from council borrowing for roading	\$11.3 million
Waka Kotahi public transport funding	\$1.6 million
Waka Kotahi local roading, walking, and cycling subsidy	\$49.9 million
Waka Kotahi other funding	\$8.1 million
Waka Kotahi state highway funding	\$68.8 million
Total	\$200.1 million

Auckland

Funding from council rates and other charges	\$1,083 million
Funding from council borrowing for roading	\$423 million
Waka Kotahi public transport funding	\$432 million
Waka Kotahi local roading, walking, and cycling subsidy	\$268.5 million
Waka Kotahi other funding	\$69.0 million
Waka Kotahi state highway funding	\$351.2 million
Total	\$2,626.7 million



Regional funding

Waikato

Funding from council rates and other charges	\$130.7 million
Funding from council borrowing for roading	\$13.2 million
Waka Kotahi public transport funding	\$17.6 million
Waka Kotahi local roading, walking, and cycling subsidy	\$105.1 million
Waka Kotahi other funding	\$31.3 million
Waka Kotahi state highway funding	\$251.6 million
Total	\$549.5 million

Bay of Plenty

Funding from council rates and other charges	\$109.2 million
Funding from council borrowing for roading	\$8.4 million
Waka Kotahi public transport funding	\$14.1 million
Waka Kotahi local roading, walking, and cycling subsidy	\$54.1 million
Waka Kotahi other funding	\$46.9 million
Waka Kotahi state highway funding	\$94.8 million
Total	\$327.5 million

Gisborne

Funding from council rates and other charges	\$14.4 million
Funding from council borrowing for roading	\$5.2 million
Waka Kotahi public transport funding	\$0.9 million
Waka Kotahi local roading, walking, and cycling subsidy	\$35.3 million
Waka Kotahi other funding	\$0.8 million
Waka Kotahi state highway funding	\$35.3 million
Total	\$91.9 million

Hawke's Bay

Funding from council rates and other charges	\$50.9 million
Funding from council borrowing for roading	\$1.3 million
Waka Kotahi public transport funding	\$2.8 million
Waka Kotahi local roading, walking, and cycling subsidy	\$45.2 million
Waka Kotahi other funding	\$6.9 million
Waka Kotahi state highway funding	\$22.1 million
Total	\$129.2 million

Regional funding

Taranaki

Funding from council rates and other charges	\$31.1 million
Funding from council borrowing for roading	\$0.3 million
Waka Kotahi public transport funding	\$2.4 million
Waka Kotahi local roading, walking, and cycling subsidy	\$25.0 million
Waka Kotahi other funding	\$10.9 million
Waka Kotahi state highway funding	\$55.6 million
Total	\$125.3 million

Manawatū-Whanganui

Funding from council rates and other charges	\$53.1 million
Funding from council borrowing for roading	\$7.2 million
Waka Kotahi public transport funding	\$4.2 million
Waka Kotahi local roading, walking, and cycling subsidy	\$65.3 million
Waka Kotahi other funding	\$16.1 million
Waka Kotahi state highway funding	\$193.3 million
Total	\$339.2 million

Wellington-Chatham Islands

Funding from council rates and other charges	\$237.7 million
Funding from council borrowing for roading	\$35.9 million
Waka Kotahi public transport funding	\$227.2 million
Waka Kotahi local roading, walking, and cycling subsidy	\$100.8 million
Waka Kotahi other funding	\$19.6 million
Waka Kotahi state highway funding	\$352.9 million
Total	\$974.1 million

Regional funding

South Island

The data in this diagram comes from the unaudited Regional Highlights from the 2021-22 NLTF annual report.

The council data is from councils' Funding Impact Statements and consolidated using the Waka Kotahi regional filters.

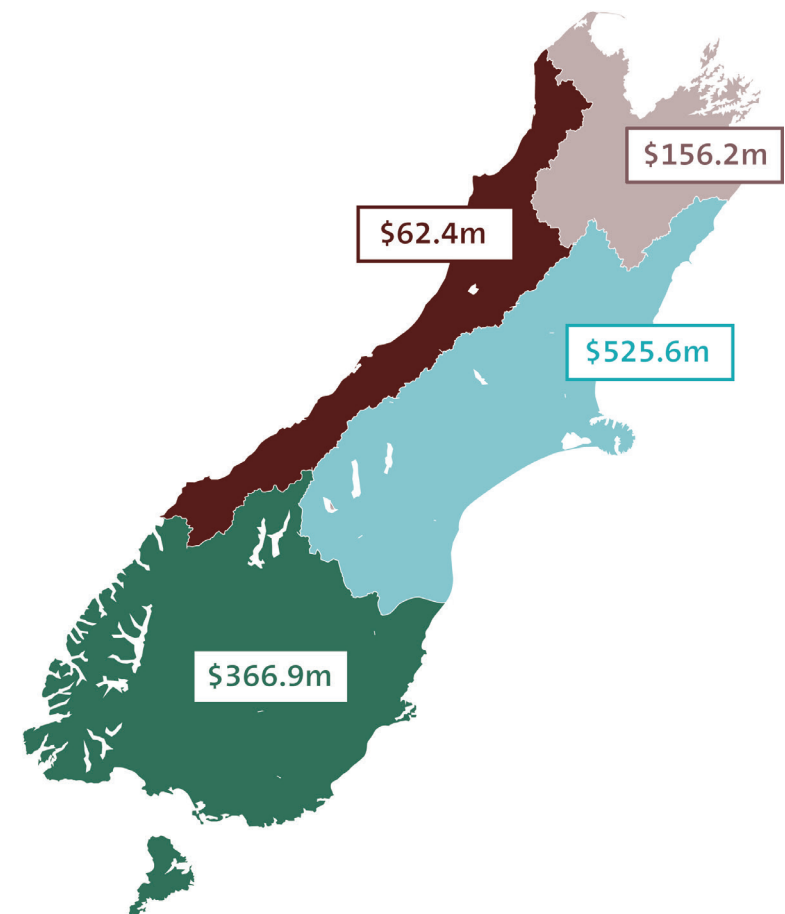
Urban development spending on transport has not been included in the diagram because this information could not be extracted from source material.

Marlborough-Nelson-Tasman

Funding from council rates and other charges	\$44.9 million
Funding from council borrowing for roading	\$1.1 million
Waka Kotahi public transport funding	\$1.6 million
Waka Kotahi local roading, walking, and cycling subsidy	\$58 million
Waka Kotahi other funding	\$2.7 million
Waka Kotahi state highway funding	\$47.9 million
Total	\$156.2 million

West Coast

Funding from council rates and other charges	\$8.4 million
Funding from council borrowing for roading	\$0.1 million
Waka Kotahi public transport funding	\$0.1 million
Waka Kotahi local roading, walking, and cycling subsidy	\$13.0 million
Waka Kotahi other funding	\$0.8 million
Waka Kotahi state highway funding	\$40.0 million
Total	\$62.4 million



Regional funding

Canterbury

Funding from council rates and other charges	\$179.8 million
Funding from council borrowing for roading	\$72.3 million
Waka Kotahi public transport funding	\$38.9 million
Waka Kotahi local roading, walking, and cycling subsidy	\$99.7 million
Waka Kotahi other funding	\$15.5 million
Waka Kotahi state highway funding	\$119.4 million
Total	\$525.6 million

Otago-Southland

Funding from council rates and other charges	\$111.4 million
Funding from council borrowing for roading	\$50.3 million
Waka Kotahi public transport funding	\$13.1 million
Waka Kotahi local roading, walking, and cycling subsidy	\$94.9 million
Waka Kotahi other funding	\$9.1 million
Waka Kotahi state highway funding	\$88.1 million
Total	\$366.9 million

Assessment framework

Project background

To build and maintain trust and confidence in the public sector, it is important that New Zealanders have confidence in, and understand the value they are getting from public spending and how the government is performing. We know that the issues and questions that matter to Parliament and the public often relate to outcomes at a whole-of-society and sector level.

However, although select committees are increasingly focusing on scrutinising performance at a sector level, existing reporting by the public sector tends to focus on the agency level. We see an opportunity to provide a more comprehensive and integrated view of performance at a sector level, and the extent to which existing reporting presents this view.

Purpose of project

- Test and explore what sector-level performance reporting could look like, drawing on publicly available information, and whether such reporting could improve how we support Parliament and the public.
- Examine the extent to which current reporting supports sector-level performance reporting.

Scope

To produce a broad assessment of what performance story can be told at a sector-level, using the land transport sector as a case study.

Key overarching questions

- Does the reporting generally reflect best practice features?
- Well-balanced account of sector performance (for example, what went well and what did not)?
- Meaningful, relevant, and focused on what is important to Parliament and the public?
- Clear and easily accessible for Parliament and the public?
- Māori perspectives and views on public accountability?
- Does the reporting enable an integrated view of the performance of the sector in reporting on what outcomes the sector aims to achieve and how strategies, plans, initiatives, and resources are being used to achieve these outcomes?

Assessment framework

Key performance element: What does the sector want to achieve? (sector outcomes)

Core questions

- Does the sector have a clear and coherent set of outcomes of what it is aiming to achieve, which are meaningful and important to users and meaningful to assess the performance of the sector?
- Is the reporting appropriately connected to relevant and broader Government outcomes (for example, the environment, urban development, and regional development)?
- Is there a set of clear and meaningful outcomes that reflect what is important for Māori?
- Are there comprehensive, appropriate, relevant, and meaningful measures for assessing progress against the outcomes?

Discretionary questions

- Are there clearly defined outcomes for different parts of the sector and the public?
- Have the public and service users (such as Māori, iwi, and communities) been involved in determining the sector's outcomes and measures?
- Do the measures align with international good practice?
- Does the reporting reflect external influences (for example, the Covid-19 pandemic) on sector outcomes?

Key performance element: What does the sector do? (strategies and plans, major services, initiatives, and projects)

Core questions

- Are there strategies and plans that clearly and coherently set out how the sector intends to achieve its outcomes through its major services, initiatives, and projects?
- Is there clear reporting on the cost and performance (for example, benefits and progress) against major services, initiatives, and projects?
- Is there evidence that strategies, policies, and major initiatives meet good practice for enabling a Māori-Crown relationship?

Discretionary questions

- Are the roles and accountabilities of key entities clearly defined for developing and delivering on the strategies and plans, major services, initiatives, and projects?
- Are the strategies and plans across central and local government entities well-aligned?
- Are there robust business cases and cost-benefit analysis for major initiatives and projects?
- Where there have been significant changes to a major initiative or project, is there clear reporting and/or updated business cases to demonstrate whether the initiatives and projects still reflect ongoing value for money?

Assessment framework

Key performance element: What are the sector's resources? (funding, human capital, etc)

Core questions

- Is there clear reporting on sources of funding, how funding is being spent on major services, initiatives, and projects, and how the sector intends to achieve its outcomes through the funding?
- Does the reporting enable an assessment of how well the sector is managing its assets in a cost-effective manner to meet the needs of present and future users?
- Is there clear reporting on how resources are being used to effectively serve Māori communities?

Discretionary questions

- Are spending, and spending trends, aligned with outcomes and priorities in the sector?
- Is there clear reporting on funding and spending trends for the sector?
- Does the reporting on funding and spending trends enable an assessment of the financial sustainability of the sector?
- Is there clear reporting on how the sector is balancing between proactive investment to manage risks and whole-of-life costs versus short-term fixes?
- Is there quality and comprehensive data? Is there efficient and effective sharing of data and resources in the sector?