



Annual Report
2023/24 | Pūrongo
ā tau 2023/24

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CHIEF EXECUTIVE'S INTRODUCTION

Chief Executive's introduction | Te whakataki ā Te Tumuwhakarae

Tēnā koutou katoa,
I am pleased to present the
Ministry of Transport Te Manatū
Waka 2023/2024 Annual Report.

Transport exists to make all our lives better. It connects us to friends and family, schools and job opportunities. Transport contributes to our economic growth and productivity through moving materials, equipment and services more efficiently and effectively.

Our role is to be the system lead for transport across government, providing leadership and stewardship. We work closely with a range of agencies and stakeholders to ensure we hear a wide range of ideas that feed into the advice and support that we provide to the Government and the Minister of Transport.

We delivered on the Government's transport priorities in 2023/24

We have achieved a lot in the past 12 months. During the first half of this financial year, we continued to support the Government by delivering against our strategic priorities, as agreed with the previous Minister. This included the launch of the New Zealand Freight and Supply Chain Strategy and release of a draft Government Policy Statement on land transport 2024 (GPS 2024).

Following the October 2023 General Election, the Ministry successfully implemented the transport components of the Government's 100-day Plan and the Government's Action Plan 1 April – 30 June, including leading work on stopping the Clean Car Discount, Auckland Light Rail, Let's Get Wellington Moving and the Auckland regional fuel tax.

We have also delivered a substantively revised GPS 2024, reflecting the new Government's priorities for the transport system, including the reintroduction of the Roads of National Significance programme.

Through our engagement with stakeholders and understanding of what is important to the Government we are refreshing our Strategic Intentions document for the coming four-year period to reflect the Government's transport objectives.

We have quickly made progress across several areas that will help achieve the Government's transport priorities. This includes working at pace on initial reform actions for the land transport revenue system, including looking at the role of additional funding and financing tools, developing legislation to enable time of use charging on our busiest and most congested roads and bringing EVs into the RUC system. We are also providing leadership for the transport system to apply a sharper focus on delivering value for money that makes best use of the substantive public investment that goes into transport.

Our work has also included progressing the new rule on speed limit settings, and continuing to implement the significant reforms that ensure our aviation regulations and rules are fit for purpose for the 21st century.

These priorities are reflected in our Strategic Intentions document for 2024–2028, which is expected to be published in October this year.

Delivering value for money

2023/24 has presented a challenging economic environment for the Government and all New Zealanders. The Ministry proactively took the decision to change ourselves so we could operate with less funding and best meet the Government's priorities going forward.

In November 2023, we refreshed our organisational form. This included disestablishing more than 20 vacant positions and a small number of filled positions. This work meant we were better poised to respond quickly to the Government's call for cost savings and at the same time be flexible to meet its transport priorities with some new roles in areas of high priority.

➤ **We have continued to deliver high quality advice to the Government, adapted to new challenges and priorities, and responded to the economic conditions.**

Looking ahead

I'm proud of the ambitious work programme we have delivered in the past year. We have continued to deliver high quality advice to the Government, adapted to new challenges and priorities, and responded to the economic conditions. I want to thank everyone who has contributed to this work.

I am also proud of the way we have worked with other agencies and our stakeholders to ensure the transport system delivers improved outcomes for New Zealanders.

There is still much work to be done.

The Government has signalled the importance of achieving results and delivering value for money and the Ministry has a strong focus on these issues, both for ourselves and for the wider transport sector.

We continue to look ahead to ensure we have a productive, efficient, safe and resilient transport system for future generations of New Zealanders.



Audrey Sonerson
Chief Executive,
Ministry of Transport
30 September 2024



STATEMENT OF RESPONSIBILITY

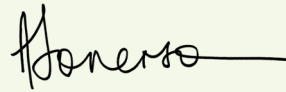
Statement of responsibility | Te taunākī kawenga

I am responsible, as Chief Executive of the Ministry of Transport Te Manatū Waka (the Ministry), for:

- the preparation of the Ministry's financial statements and statements of expenses and capital expenditure, and the judgements made in them
- having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting
- ensuring that end-of-year performance information on each appropriation administered by the Ministry is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this annual report
- the accuracy of any end-of-year performance information prepared by the Ministry, whether or not that information is included in this annual report.

In my opinion:

- the annual report fairly reflects the operations, progress, and the organisational health and capability of the Ministry
- the financial statements fairly reflect the financial position of the Ministry as at 30 June 2024 and its operations for the year ended on that date
- the forecast financial statements fairly reflect the forecast financial position of the Ministry as at 30 June 2025 and its operations for the year ending on that date.



Audrey Sonerson

Chief Executive, Ministry of Transport
30 September 2024

Section 01

**Who we are, what
we did and how
the transport system
is performing**

Who we are and what we do

Enabling New Zealanders to flourish – Hāpaitia ana ngā tāngata o Aotearoa kia eke.

Our role

We are the Government's system lead for transport.

We are the lead adviser on transport matters, helping to deliver the Government's transport priorities and meeting our other statutory responsibilities.

Our purpose

Our purpose is – *Enabling New Zealanders to flourish Hāpaitia ana ngā tāngata o Aotearoa kia eke.*

At the heart of our purpose is people. Transport touches people's lives in many ways and directly affects our wellbeing. It provides access to social and economic opportunities and plays a critical role in supporting the productivity of our economy.

What we do

We provide advice and influence Government decision-making.

We advise the Government across a range of areas including:

- transport policy, including advice on:
 - transport system direction and strategy
 - regulatory stewardship
 - investment, revenue and regulatory settings
 - development of international standards
- governance and Crown entity monitoring, including:
 - Board appointments
 - performance expectations for individual Crown entities
 - Crown entity performance monitoring.

➤ **Transport provides access to social and economic opportunities and plays a critical role in supporting the productivity of our economy.**

Purpose of our advice

Our advice supports the Minister of Transport and Cabinet to take informed decisions on transport related matters.

We provide compelling advice that has influence with government decision-makers. To do that, we ensure that our advice is:

- linked to the Government's wider policy objectives
- evidence-led
- cognisant of risks
- future focused and implementable.

We are the 'steward' for the transport system.

The transport system is increasingly complex, with central Government playing varying roles including as planner, funder, partner, regulator, and enforcer.

Our role as steward is to align, coordinate and monitor the transport sector to collectively deliver transport outcomes New Zealanders need today and in years to come.

Our small size, combined with the breadth and complexity of the transport system, means we must adopt a variety of approaches to do this, ranging from providing guidance through to direction setting.

Stewardship is a core principle of the public service. For the Ministry, being the transport system steward includes supporting Transport Ministers to act as a good steward of the public interest, by:

- maintaining public institutions, assets, and liabilities
- maintaining the currency of any legislation administered by their agency
- providing advice on the long-term implications of policies.

Using our data and evidence to build a system view of performance and inform evidence-based policy has been a central focus over the year. As an initial step, we are developing a Transport Sector Performance Dashboard, which measures key outcomes and network performance, such as capacity and reliability for each transport mode, and the trends and progress being made against each.

This is a novel way of reporting for the Ministry, building greater transparency of system performance and supporting identification of areas where early intervention may be considered.

We will continue to evolve our system performance framework, including using this information more systematically in our policy advice and monitoring frameworks.

We support an open and transparent public sector

A strong and transparent public sector is an important component of our democratic system.

In 2023/24, we completed 435 Official Information Act (OIA) requests and provided responses to 887 Written Parliamentary Questions. The number of OIA requests increased by 11% compared to 2022/23.

In 2023/24, we responded to 94% of Ministry OIAs within the statutory timeframe and provided 81% of draft responses to Minister(s) of Transport OIAs within agreed timeframes.

Our priorities for 2023/24

Our priorities for 2023/24 were:

- Deliver on the commitments in the Government's 100-day Plan, following the election
- Deliver on the Government's Action Plan 1 April – 30 June
- Deliver on the Ministry's strategic priorities
- Deliver our key functions
- Contribute to our long-term outcomes.

100-day Plan

The new Government set out its initial focus in a 100-day Plan, applying from 29 November 2023 to 8 March 2024. The Plan included the following six commitments under the broader goal to rebuild the economy and ease the cost of living, for which transport was the lead portfolio:

- Introduce legislation to remove the Auckland fuel tax
- Cancel fuel tax hikes
- Begin work on a new Government Policy Statement on land transport, reflecting the new Roads of National Significance and new public transport priorities
- Repeal the Clean Car Discount scheme by 31 December 2023
- Stop blanket speed limit reductions and start work on replacing the Land Transport Rule: Setting of Speed Limits 2022
- Stop work on the Auckland Light Rail project.

The Government's Action Plan

The 100-day Plan was followed by an Action Plan for the second quarter, from 1 April to 30 June 2024. It included the following commitments for transport to support goals on the economy and cost of living:

- Finalise the Government Policy Statement on land transport
- Freeze the fuel tax until the end of 2026
- Deliver significant investment for transport.

Strategic priorities

Our strategic priorities are agreed with the Minister and drive our annual work programme.

At the beginning of 2023/24, we focused on delivering against the five strategic priorities agreed with the previous Minister of Transport, which were:



Priority 1:
Start to decarbonise the transport system



Priority 2:
Improve road safety



Priority 3:
Support liveable cities



Priority 4:
Strengthen New Zealand's supply chains



Priority 5:
Enable emerging aviation technologies

This Report describes how we advanced these strategic priorities and delivered the transport actions of the Government's 100-day Plan and Action Plan.

We are refreshing our strategic priorities for 2024–2028 with agreement from the Minister of Transport.

Our annual work programmes and achievement of our strategic priorities contribute to our five long term outcomes and ultimately deliver on our purpose.

Key functions

During the year we also continued to deliver our key functions of:

- Policy advice
- Crown entity governance
- System leadership and stewardship.

Long-term outcomes

Our work contributes to five long-term outcomes agreed across government agencies supporting the transport sector. The Ministry's contribution to these outcomes is one part of a wider effort. We report transport sector performance against those outcomes as part of our system leadership role.

Economic prosperity

Supporting economic activity via local, regional and international connections, with efficient movement of people and products.

Environmental sustainability

Transitioning to net zero carbon emissions, and maintaining or improving biodiversity, water quality and air quality.

Healthy and safe people

Protecting people from transport-related injuries and harmful pollution, and making active travel an attractive option.

Inclusive access

Enabling all people to participate in society through access to social and economic opportunities, such as work, education, and healthcare.

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.

Our work in 2023/24

During 2023/24 we delivered on our key priorities, delivering improvements to the transport system and the daily lives of New Zealanders.

We initially focussed on the five strategic priorities agreed with the previous Minister of Transport. After the October election, we quickly pivoted to delivering against the new Government's 100-day Plan and, following that, the Government's Action Plan 1 April – 30 June. Our work over the year is described in two parts – delivery of the 100-day and 30 April to 1 June Action Plans, and delivery of our strategic priorities as agreed with the previous Minister.

Across the year we maintained our focus on delivering our key functions and on our role in supporting the broader system long-term outcomes. For 2023/24, the quality of our policy and governance advice papers was assessed as an average of 3.48 out of five, and our Ministerial satisfaction score was 4.0 out of five. Page 40 provides information on the results for some of our key performance measures. The Ministry's work that is described below was funded by the Policy advice, Governance and Ministerial servicing appropriation.

100-day and Action Plans

Following the October election, we rapidly realigned our resources and work programmes to focus on the transport-related priorities in the Government's Action Plans, working collaboratively with our sector partners to deliver on the Government's ambition.

Repeal of the Clean Car Discount scheme

Legislation was passed to end the Clean Car Discount on 31 December 2023.

The Ministry progressed a review of the Clean Car Standard's CO₂ targets, engaging closely with the vehicle industry.

Removal of the Auckland Regional Fuel Tax

We provided information and potential approaches to support the removal of the Auckland Regional Fuel Tax. The tax was revoked at the end of June 2024 by legislation passed in March 2024.

Stopping speed limit reductions

We developed and consulted on a new rule to stop speed limit restrictions.

Withdrawal of central government from Let's Get Wellington Moving

We assessed the Government's share of Let's Get Wellington Moving including the funding arrangement, identified policy implications of withdrawal, and provided advice on the pathway for government's withdrawal from the project. On 17 December 2023 the Government, Mayor of Wellington City Council, and Chair of Greater Wellington Regional Council jointly announced they had agreed in principle to dissolve Let's Get Wellington Moving.

Auckland Light Rail

We supported the implementation of the Government's priority to stop the Auckland Light Rail project. This included advising on the necessary shareholder actions, including stopping any remaining activities and winding-down the company to meet minimum requirements while a process is worked through to dispose of Auckland Light Rail Limited's remaining land holding. We are working with Auckland Council and New Zealand Transport Agency (NZTA) on potential options for the land and Auckland Light Rail Limited is expected to be wound up by the end of 2024 or early 2025.

Government Policy Statement on land transport

We commenced work on a fresh approach to the Government Policy Statement on land transport (GPS), reflecting the Government's new priorities for the Roads of National Significance and public transport initiatives.

The draft was released in March 2024 and the final GPS was published in June 2024. The GPS sets out the Government's plan for investing in land transport over the next 10 years by directing \$7 billion per year in expenditure from the National Land Transport Fund.

The GPS is focussed on economic growth and productivity, increased maintenance and resilience, safety, and value for money from transport expenditure.

Strategic priorities

During the first half of this reporting year, we supported the Government by delivering against our strategic priorities agreed with the previous Minister. These will be refreshed for 2024-2028.



Priority 1: Start to decarbonise the transport system

Develop the transport chapter for Emissions Reduction Plan

Under the Climate Change Response (Zero Carbon) Amendment Act 2019, New Zealand is committed to a series of emissions budgets and associated Emissions Reduction Plans to ensure that we are on track to meet our 2050 emissions reductions targets. We are working with the Ministry for the Environment to develop the transport-specific content for the second Emissions Reduction Plan. This will address the emissions budget for the years 2026 to 2030. This plan is required to be published before the end of 2024.

Implement the transport chapter of Emissions Reduction Plan

To meet our 2050 emissions reductions targets, we are working across agencies to deliver the transport chapter of the first Emissions Reduction Plan (ERP1). This addresses the emissions budget for the years 2022-2025.

Several actions have been completed for ERP1's transport chapter while other actions are ongoing or still being progressed. Some ERP1 actions were discontinued following decisions of the previous and current governments.

Encourage uptake of low and zero emissions vehicles

In October 2023, we published 'Charging Our Future: National electric vehicle charging strategy for Aotearoa New Zealand 2023-2035'. The Strategy and accompanying work programme set out a long-term vision and strategic plan for electric vehicle charging infrastructure.

WHO WE ARE, WHAT WE DID AND HOW THE TRANSPORT SYSTEM IS PERFORMING

To promote the adoption of low and zero emissions vehicles, we progressed the Clean Car Standard and the Clean Car Discount under the previous government. The Clean Car Discount was repealed following the change of Government in accordance with the 100-day Plan.

In 2024, we began policy work on the Government's intention to enable a network of 10,000 public EV charge points by 2030, subject to a robust cost-benefit analysis.

Lower emissions in aviation and maritime

Sustainable Aviation Aotearoa was established in November 2022 as part of the first Emissions Reduction Plan, as a government and industry-led group focused on decarbonising the aviation industry.

We engaged with the International Maritime Organization (IMO) on the development of measures that will aid the sector in reducing its emissions to reach net zero maritime emissions by, or around, 2050, as agreed in the IMO revised greenhouse gas reduction strategy in 2023. This work will continue into 2024/2025.

**Priority 2: Improve road safety****Complete actions under the Road to Zero Action Plan**

There have been a number of achievements within the Road to Zero programme despite several targets not yet being reached, in large part due to the long-term impacts of COVID-19 delaying the implementation of key initiatives and re-shaping travel behaviour.

Deliver annual monitoring reports

As part of our work programme to improve road safety, in April 2024 we published our Road to Zero Annual Monitoring Report 2022. This report marked the end of the first Road to Zero Action Plan.

Resetting road safety objectives

The Government has discontinued Road to Zero. A new direction is being developed to build on the commitments outlined in GPS 2024 to focus on safer roads, safer drivers, safer vehicles and resetting our approach to speed. We are developing new road safety objectives, which we expect to publish by the end of the year, subject to Ministerial consideration.

Drug driving legislation

To address implementation issues with the current oral fluid testing regulatory regime, we commenced work on legislative changes for a new regime that uses oral fluid testing devices as a roadside screening tool, with infringement notices issued based on evidential laboratory testing of oral fluid samples for specified drugs.

When implemented, this approach is intended to act both as a disincentive for drug driving and provide the NZ Police with a new tool to address the immediate safety risk presented by drug-impaired drivers.

**Priority 3: Support liveable cities****Auckland Transport Alignment Project**

Work through the Auckland Transport Alignment Project on a joint Government and Auckland Council 30-year transport plan for Auckland was deferred and has now been incorporated into broader work looking at arrangements for transport planning and governance in Auckland.

City Specific Programmes

This has been stopped as part of the 100-day Plan to stop Let's Get Wellington Moving.

Review of the Total Mobility Scheme

To meet our commitments under the Disability Action Plan 2019 – 2023, we began a review of the Total Mobility scheme in July 2023. The review considers how Total Mobility operates and how it can be improved to remove barriers and achieve better outcomes for disabled people. We have initiated work on key policy issues that need addressing.

Resource Management Act (RMA) reform

We supported the cross-government work that resulted in the passing of the Natural and Built Environment Act 2023 and the Spatial Planning Act 2023. From December 2023, the Ministry has worked across agencies to assist with the development of the Fast-track Approvals Bill and targeted changes to the RMA 1991. We led development of policy advice and targeted stakeholder engagement relating to extending port coastal permits under section 384A of the RMA.

Community Connect

We worked closely with key stakeholders to roll out the Community Connect package nationally from 1 July 2023. This package offered a 50% fare discount for Community Services Card holders, Total Mobility users and 13 to 24-year olds, with free fares for under 13s. In December 2023, we refocused the Community Connect package to target those who most need affordable fares, Community Services Card holders and Total Mobility users, from 1 May 2024.



Priority 4: Strengthen New Zealand's supply chains

Developing a National Freight and Supply Chain Strategy

To strengthen New Zealand's freight and supply chains, we led the development of the Aotearoa New Zealand Freight and Supply Chain Strategy. The Strategy, published in August 2023, sets out both a long-term vision and what needs to be done over the next 3, 10 and 30 year horizons. We initiated work on the Strategy's focus areas to improve data sharing and interoperability, road freight decarbonisation and international connections.

Port sector opportunities and decarbonising freight transport

During 2023/24 we commissioned specialist advice to strengthen our understanding of port sector opportunities and pathways for decarbonising freight transport. Alongside funding the ongoing Freight Information Gathering System, which provides data on containerised freight, we received advice on ways to improve the National Freight Demand Study. This will help us consider how to provide better data on freight to support government and sector decisions.

We also received advice on whether it would be technically feasible to locate a large-scale port on the Manukau Harbour, progressing our understanding of options to manage capacity constraints in the Upper North Island ports and to future-proof New Zealand's freight and supply chain system.

The third and final piece of advice analysed the potential barriers to zero emissions shipping in New Zealand's regulatory system, which will assist us to enable the maritime sector to decarbonise.



Priority 5: Enabling emerging aviation technologies

Drone integration

We continued to progress the Enabling Drone Integration package that aims to enhance the regulatory framework for drone operations. The package is the building block for supporting autonomous operations. We also worked collaboratively with the Ministry of Business, Innovation and Employment's (MBIE) Air Space Integration Trials Programme as well as the newly established Civil Aviation Authority (CAA) Emerging Technology Unit to provide regulatory pathways for drones and other emerging technologies.

Supporting the development of New Zealand's Aerospace Strategy

We provided ongoing support to MBIE for the development of the Aerospace Strategy, which was finalised in July 2023.

Civil Aviation Act implementation

In partnership with the CAA, we have a two year programme to establish a modern framework for a safe and secure civil aviation system and implement the Civil Aviation Act 2023. We made considerable progress over the last year including the development of operational policies, guidance and updated rules, ready for feedback from stakeholders and finalisation in 2024/25.

Once in force, the new Act will give effect to a range of substantive changes within the civil aviation system. Our work, implementing a modern statute that keeps pace with technological and regulatory advancements, will ensure the safety and business continuity of this system.

Interim Aviation Council & National Aviation Policy Statement

In 2023, an independent panel reviewed the air navigation system and made recommendations for system leadership in aviation and the development of a National Aviation Policy Statement.

An Interim Aviation Council was established to government agencies and the private sector together with a collective goal. The Council, led by the Secretary for Transport, is a demonstration of our stewardship role in practice.

The Council started work in March 2024 and the National Aviation Policy Statement is expected to be completed by June 2025.

WHO WE ARE, WHAT WE DID AND HOW THE TRANSPORT SYSTEM IS PERFORMING**Key functions**

We continued to deliver our core functions to provide policy advice, Crown entity monitoring and governance, and system leadership and stewardship.

Policy advice

We advised the Minister of Transport and Cabinet to take informed decisions on a wide range of transport-related matters, including the items referred to above. We delivered 515 policy and governance papers to our Ministers.

Crown entity governance

Crown entities play a vital role in funding and delivering essential transport services to all New Zealanders. These services range from building and maintaining the roading network, to providing public transport and aviation security services, to maritime and aviation regulatory services.

We monitored non-departmental appropriation expenditure of more than \$10 billion in 2023/24 and played a key role in maintaining the financial sustainability of the transport Crown entity portfolio, comprising: Civil Aviation Authority (including Aviation Security Service), Maritime New Zealand, New Zealand Transport Agency, the Transport Accident Investigation Commission, Auckland Light Rail Ltd and City Rail Link Ltd.

➤ **We monitored non-departmental appropriation expenditure of more than \$10 billion in 2023/24 and played a key role in maintaining the financial sustainability of the transport Crown entity portfolio.**

Board appointments

We facilitated the appointment or reappointment of members to Crown entity boards and transport committees (including the new Chair for the New Zealand Transport Agency), which will maintain effective governance of transport Crown entities. This year's appointment numbers were impacted by the General Election. We also responded to a number of unplanned vacancies (largely due to resignations).

Funding reviews

We progressed the funding review for the Civil Aviation Authority. This will assist it to return to a financially sustainable position following COVID-19, which had a significant and enduring impact on the aviation sector. We completed the Maritime NZ funding review during the year with Cabinet agreeing to new rates for the Maritime Levy and Oil Pollution Levy to come into effect on 1 July 2024.

Setting priorities and expectations

We assisted the responsible Minister in setting priorities and expectations for transport Crown entities. We also provided regular Crown entity performance and meeting briefings to our Ministers.

System leadership and stewardship

We delivered our function as steward of the transport regulatory system, working closely with the transport agencies. We took a whole of system view and a proactive, collaborative approach to monitoring, reviewing and maintaining the system.

We have a key stewardship and leadership role for the transport sector. We deliver on that role through advice and support to the Minister of Transport, and collaborative work with the transport Crown entities and other participants in the sector.

Important aspects of the Ministry's sector leadership include:

- articulating a clear long-term direction for the transport system
- influencing across the transport system
- leading purchase and policy advice to government
- ensuring the transport Crown entities are effective and efficient in delivering their service
- coordinating sector responses to key challenges and emergency events
- managing New Zealand's international connections.

Funding and financing, and our ongoing work on the Transport Sector Performance Dashboard, were two key leadership initiatives for the Ministry in 2023/24.

Funding and Financing

The Government has an ambitious transport work programme, including large scale infrastructure and service delivery in the land transport sector. We are providing advice to Ministers on new funding and financing tools – both to finance the delivery of significant infrastructure, and to modernise the revenue collection system for roading.

The outcome of these changes in the revenue system for land transport will be the most significant shift since the road user charges system was established in 1978. The effects of the large infrastructure investments funded by new funding and financing tools will last for decades.

Transport Sector Performance Dashboard

A key part of our stewardship role is to make greater use of data and evidence to build a system view of performance. Building this capability will inform evidence-based policy advice and is a central focus for us.

As an initial step, we are developing a Transport Sector Performance Dashboard, which measures key outcomes and network performance (e.g. capacity and reliability) for each transport mode, and the trends and progress being made against each. This is a novel way of reporting for us, and as we accumulate data and evidence, we build greater transparency of system performance and support clearer identification of areas where early intervention may be considered.

We will continue to evolve our system performance framework, including using this information more systematically in our policy advice and monitoring frameworks.

Other sector leadership initiatives

Other sector leadership initiatives in 2023/24 included:

- Finalising the Government Policy Statement on land transport
- Finalising the Aotearoa New Zealand Freight and Supply Chain Strategy
- Progressing the transport chapter for the second Emissions Reduction Plan
- Supporting the implementation of the Civil Aviation Act 2023
- Finalising the 'Charging Our Future: National electric vehicle charging strategy for Aotearoa New Zealand 2023–2035'.

How our 2023/24 work supported the achievement of our long-term outcomes

Our long-term outcomes and strategic priorities for 2023/24 were established in our Strategic Intentions 2021-2025. This section sets out progress across the five long-term outcome areas.

We are refreshing our strategic priorities for the next four years and will report on progress towards these next year.

There has been mixed progress across performance in the five long-term outcome areas. Our indicators of economic prosperity, healthy and safe people and environmental performance have been largely flat since 2020, with some minor

annual variation. The reasons for this performance are a complex mix of economic and social factors, including the impacts of the pandemic on factors such as public transport and travel demand.

The Ministry has begun or undertaken significant work in response to these challenges. For example, work to improve the efficiency of the transport system includes improving price signals in land transport (FED and RUC pricing and reforms), delivering a new GPS on land transport with a focus on productivity and efficiency, and supporting implementation of the new Civil Aviation Act. The approach to road safety has been reset, with a more focused and feasible set of actions. The approach to environmental performance now reflects the fact that all transport emissions are priced and offset through the Emissions Trading Scheme, and our focus is on addressing regulatory barriers to emissions reductions.

**Long-term outcome:
Economic prosperity**

How our work makes a difference

Our advice to government supports economic prosperity in a number of ways, including: improving the efficiency of the transport system, providing new and improved transport connections within and between regions, reducing unnecessary costs from the transport system, and promoting greater resilience within the transport system.

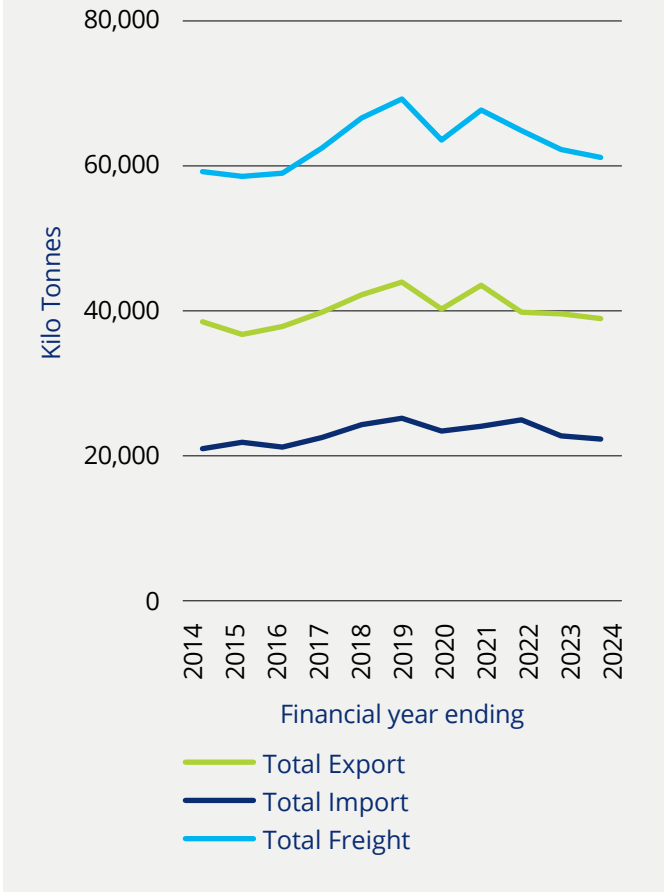
The performance trend

We use freight export and import data to understand the current state of our economic prosperity outcome. The trend for the economic prosperity outcome, as evidenced in the following graph is for a small reduction in import and export freight movements in 2023/24 compared to the 2022/23 year, this change in demand is consistent with broader economic trends here and overseas.

Our 2023/24 work

This year we led the development of the Aotearoa New Zealand Freight and Supply Chain Strategy, commissioned specialist advice to strengthen our understanding of port sector opportunities, and introduced the final Government Policy Statement on land transport 2024 (GPS 2024).

Figure 1: Freight export/import movements by financial year¹



1. Data source: Statistics New Zealand

WHO WE ARE, WHAT WE DID AND HOW THE TRANSPORT SYSTEM IS PERFORMING

**Long-term outcome:
Inclusive access**

How our work makes a difference

Our advice to government supports inclusive access in a number of ways, including: providing funding to enhance transport choices, improving the efficiency of the regulatory system, consideration of new services and improving equity.

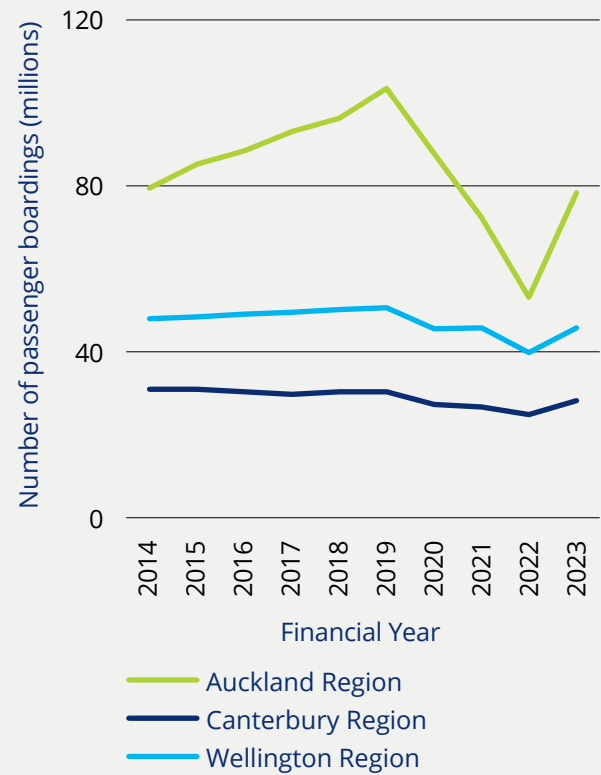
The performance trend

We use public transport boardings data to understand the current state of our inclusive access outcome. The trend shows there was a significant increase in public transport boardings compared to 2021/22 as demand continues to recover after COVID.

Our 2023/24 work

This year we began a review of the Total Mobility scheme, and worked closely with key stakeholders to roll out the Community Connect package nationally from 1 July 2023. This package offered a 50% fare discount for Community Services Card holders, Total Mobility users and 13 to 24-year olds, with free fares for under 13s.

Figure 2: Public transport boardings²



2. Data source: New Zealand Transport Agency

Long-term outcome: Healthy and safe people

How our work makes a difference

Our advice to government supports the healthy and safe people outcome in a number of ways, including advice on: strategy that provides leadership for a safer transport system, regulatory changes that improve safety and reduce harmful pollutants, promotion of transport choices for users and funding for new initiatives.

The performance trend

We use transport deaths and serious injuries, and walking and cycling data to understand the current state of our healthy and safe people outcome. The trends are:

- deaths and serious injuries have both had a small reduction compared to the 2022 calendar year
- mode share has had a small increase compared to the previous period (pedestrian trips increased and cycling remained steady).

Our 2023/24 work

This year we advanced work on new road safety objectives, which we expect to publish by the end of the year, commenced work on legislative changes for a new regime that uses oral fluid testing devices as a roadside screening tool, and progressed work to introduce changes to the driver licensing system to tackle wait times.

Figure 3: Deaths and serious injuries by all transport modes³

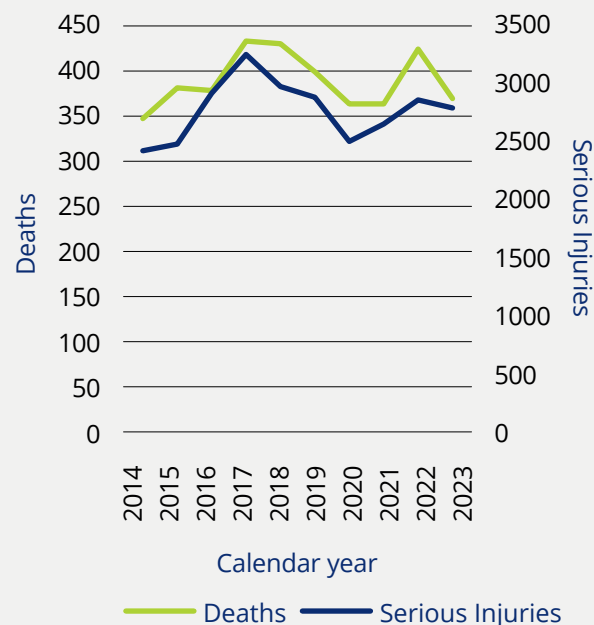
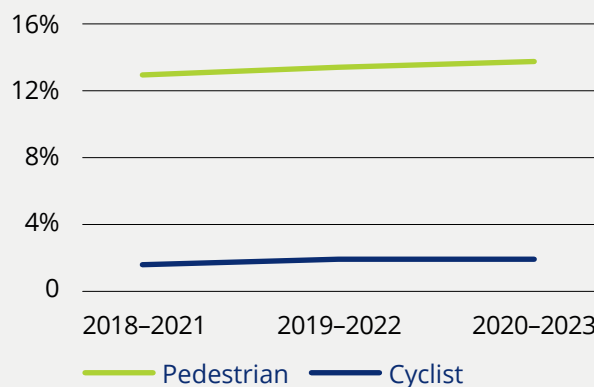


Figure 4: Mode share (%) of all trips in all major urban areas in New Zealand⁴



3. Data source: Civil Aviation Authority, Maritime New Zealand and New Zealand Transport Agency

4. Data source: Ministry of Transport

WHO WE ARE, WHAT WE DID AND HOW THE TRANSPORT SYSTEM IS PERFORMING

Long-term outcome: Resilience and security

This outcome is about minimising and managing the risks from natural and human-made hazards, anticipating and adapting to emerging threats, and recovering effectively from disruptive events.

We do not have a performance measure for this outcome as no data is available to appropriately measure transport system resilience and security.

The frequency and scale of extreme weather events continue to impact the reliability of the transport system and the connectivity of local communities.

How our work makes a difference

Work we have completed in recent years to support this outcome includes:

- **Supporting the recovery of communities impacted by the North Island Severe Weather Events** – this work supported the recovery of transport infrastructure damaged during Cyclone Gabrielle, ex-Cyclone Hale, and the Auckland Anniversary floods, including through the recovery and rebuild activities of the NZTA and KiwiRail.
- **Transport resilience and security as part of the National Resilience System** – through this ongoing work we support the National Resilience System to respond to significant domestic events requiring transport sector involvement, including:
 - the successful delivery of the FIFA Women's World Cup
 - the repatriation of stranded travellers during the civil unrest in New Caledonia
 - transport system awareness and readiness for the solar storm event in May 2024.
- **Regulatory Airport Spatial Undertakings** – this work implements measures under the Civil Aviation Act 2023 at New Zealand's international airports, which will enhance New Zealand's border security.

- **Critical Infrastructure Resilience** – supporting the work being led by Department of Prime Minister and Cabinet to take a coordinated approach to regulating critical infrastructure resilience, with a focus on transport infrastructure.
- **Maritime Security Strategy** – this provides direction for New Zealand's maritime security sector by setting out a vision that contributes to the advancement of New Zealand's national security through a common approach, coordinated investment decisions and effective resource prioritisation.

Long-term outcome: Environmental sustainability

How our work makes a difference

Our advice to government supports environmental sustainability in a number of ways, including: regulatory changes to reduce transport system emissions, supporting the uptake of low emissions vehicles and the availability of transport choices for system users.

The performance trend

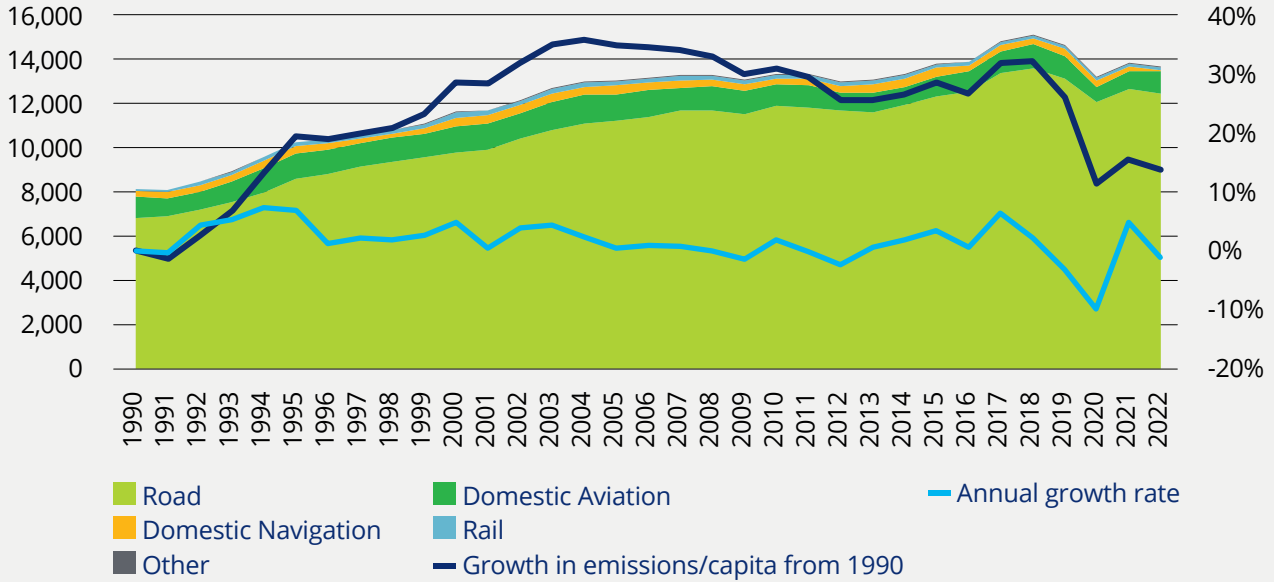
We use domestic transport system carbon emissions data to understand the current state of our environmental sustainability outcome. The data for this measure is provided with a lag, as we report on performance up to the year prior to the current reporting year. The trend is:

- for an overall reduction in the growth in emissions per capita over the last five years
- for the 2021/22 year, a reduction in the growth in emissions per capita compared to 2020/21.

The energy sector of the Greenhouse Gas Inventory was developed by MBIE. In this update from April 2022, MBIE revised the methodology by allocating some road transport emissions to residential. That is the main reason for a reduction in road emissions (and all transport emissions) compared to the reported emissions in the Ministry's 2022/23 annual report.



Figure 5: Carbon dioxide equivalent emissions (kt of CO₂-e) from domestic transport⁵



Note: New Zealand’s Greenhouse Gas Inventory is the official annual report of all anthropogenic emissions and removals of greenhouse gases (GHGs) in New Zealand. It is compiled by the Ministry for the Environment and this graph is a summary of the transport data that the Ministry has extracted from the Greenhouse Gas Inventory.

There is a level of inherent uncertainty in reporting greenhouse gas emissions. The scientific knowledge and methodologies to determine emissions factors and the processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards. The full disclosure on the New Zealand Greenhouse emissions, including inventory uncertainties, methodologies and assumptions used in the calculation, are included in the NZ latest inventory report: [New Zealand’s Greenhouse Gas Inventory 1990–2022](#) | Ministry for the Environment.

Emissions estimates across the entire time series are, at certain points in time, recalculated due to improvements introduced to the inventory.

Our 2023/24 work

This year we worked with the Ministry for the Environment to develop the transport-specific content for the second Emissions Reduction Plan. This will address the emissions budget for 2026 to 2030. We also began policy work on the Government’s intention to enable a network of 10,000 public EV charge points by 2030, subject to a robust cost-benefit analysis.

5. Data source: Ministry for the Environment

How the transport networks are performing

As part of our stewardship role, we are strengthening our understanding of how the transport system is performing.

We are developing a Transport Sector Performance Framework to better understand how the transport system is performing. A summary of transport network performance is shown below, and more detailed information on the performance of each of the networks can be found on the pages that follow.

As we accumulate data and refine our approach to tracking transport system performance over time, we will be able to identify trends and develop deeper insights to inform decision making.

Roading network performance

Total road usage has remained about the same (with only a small increase compared to 2022/23), yet the predictability of travel time and the conditions of the roads have recently both fallen.

Rail network performance

While measures of track quality have been maintained and on time freight deliveries have improved, total freight levels have fallen.

Ports network performance

While volumes have fallen, port productivity has increased.

Aviation network performance

Air travel continues to rebound and is almost at pre-COVID levels. Total departure delays have remained about the same. However, there is a significant number of delays now arising from airports.

Public transport network performance

Total boardings are rebounding following COVID-19 lows and fleet size continues to increase.

The roading network

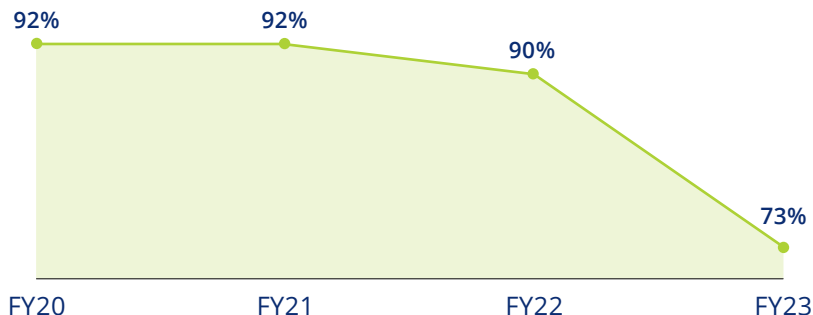
While we are travelling slightly more on our roads and the condition of our State highways has improved slightly, travel time predictability on our priority freight routes declined.

The Government invested more than \$5 billion in the roading network in 2023/24, more than \$4 billion in 2022/23 and more than \$3 billion in 2021/22.

Travel time predictability

Travel time predictability of priority national freight routes has dropped recently but the latest data remains a year-to-date estimate. The New Zealand Transport Agency attributes this to urban traffic congestion returning to pre-COVID-19 levels and the impacts of weather events and road closures.

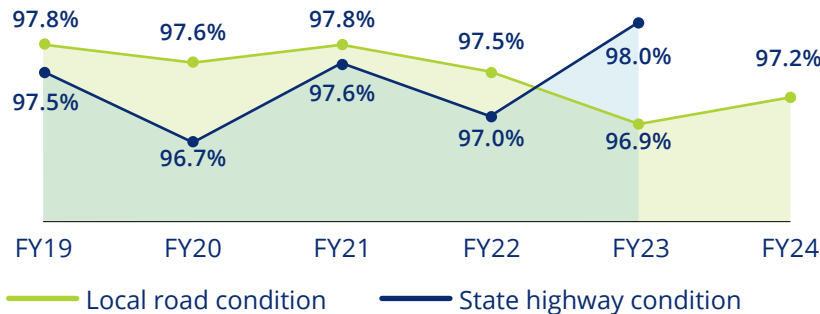
Priority freight route travel time predictability



Road condition

The condition of state highways and local roads have followed a similar trend over time.⁶

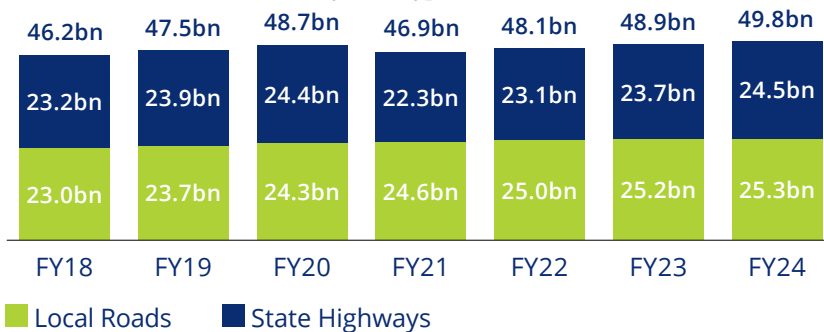
Proportion of road network that meets minimum condition requirements



Road usage (VKT)

Combined usage of local roads and State highways has remained about the same, with only a small increase compared to 2022/23.

Vehicle kilometres travelled by road type



6. The measure for local roads uses NZTA's condition index and the measure for state highways is as reported in NZTA's Statement of Performance Expectations 23/24.

WHO WE ARE, WHAT WE DID AND HOW THE TRANSPORT SYSTEM IS PERFORMING

The rail network

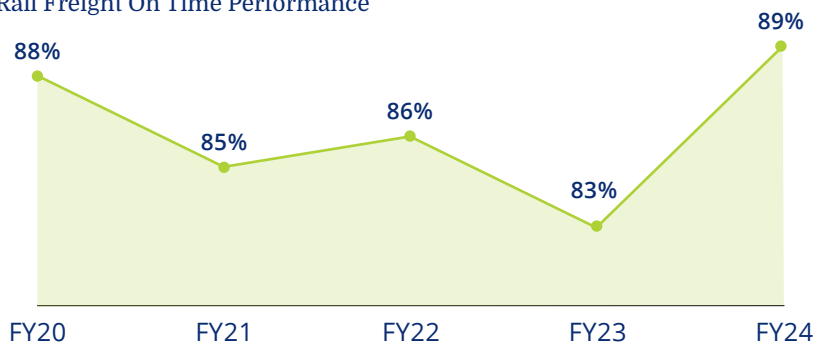
While track quality has been maintained and the percentage of rail freight delivered on time has improved compared to 2022/23, the total volume of rail freight has decreased.

The Government invested more than \$1.1 billion in rail freight in 2023/24, more than \$1.1 billion in 2022/23 and more than \$1.0 billion in 2021/22.

On-time performance

The proportion of national freight rail services arriving on-time has fluctuated, with a recent performance increase.⁷

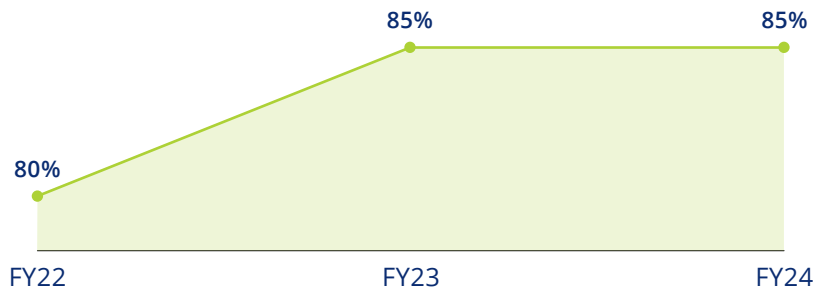
Rail Freight On Time Performance



Track quality

The percentage of national priority and secondary rail routes within track quality targets increased in 2022/23 by 5% to 85% and has remained at this level.⁸

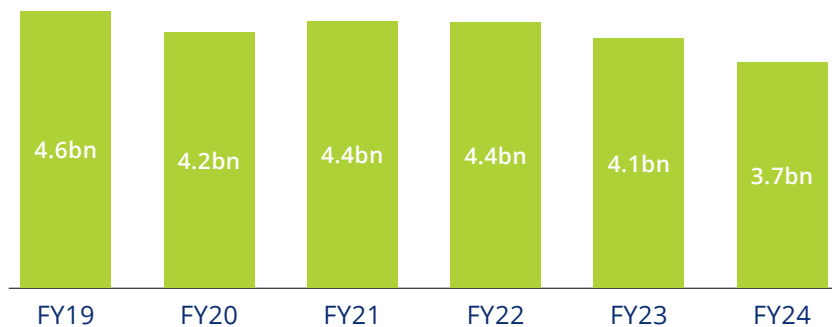
Percentage of national priority and secondary rail routes within track quality targets



Freight carried

Freight carried has remained steady with a recent fall, although it remains to be seen whether this will be sustained.⁹

Tonne-kilometres of rail freight



7. KiwiRail's integrated annual reports.
 8. [FIGS] MOT freight information gathering systems (FIGS)
 9. FIGS

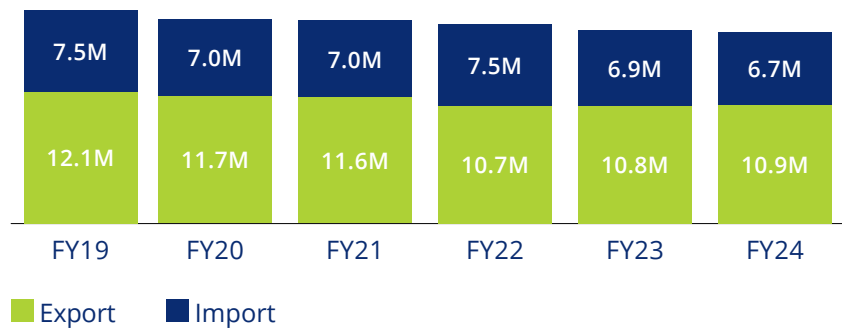
The ports network

Containers loaded per hour increased, although cargo throughput and container volumes for full TEUs decreased. This change in volume reflects broader economic trends here and overseas with reductions in demand across a range of tradable sectors, the goods of many of whom flow through the ports.

Cargo throughput

Cargo throughput has had small but sustained fall in volume over the measured period.¹⁰

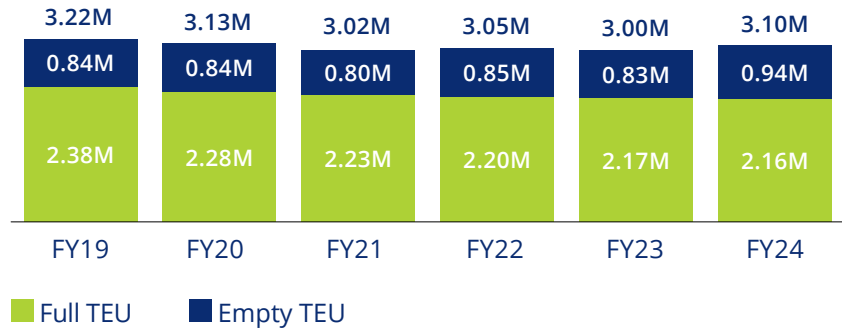
Container throughput



Container volumes

Full container volumes measured as twenty-foot equivalent units (TEUs), have had a sustained fall in volume, although this trend appears to now be slowing.

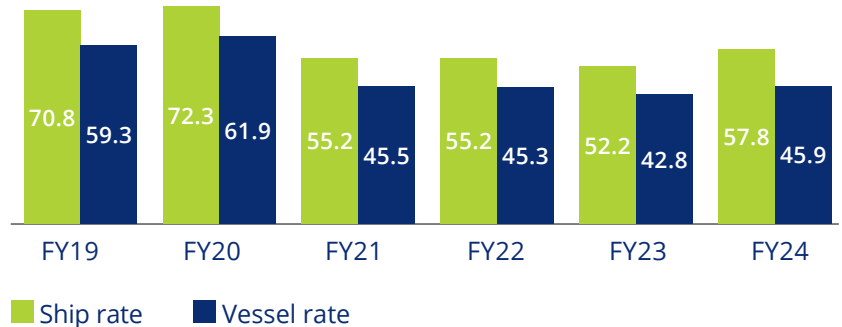
Container volumes



Containers loaded per hour¹¹

Productivity in container loading has generally increased over the last three financial years. The ship rate measures the combined hourly productivity of both capital and labour, while the vessel rate measures hourly labour productivity

Containers loaded per hour



10. All ports data shown is collected through the Ministry of Transport’s Freight Information Gathering System (FIGS).

11. Measures of port productivity are set out in this report: <https://www.transport.govt.nz/statistics-and-insights/freight-and-logistics/figs-port-container-handling>

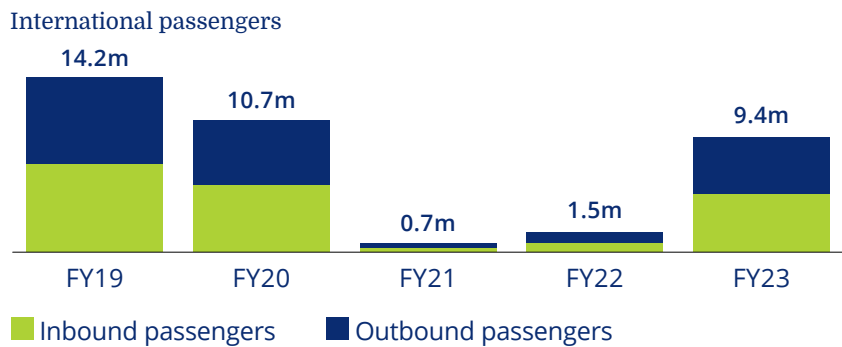
WHO WE ARE, WHAT WE DID AND HOW THE TRANSPORT SYSTEM IS PERFORMING

The aviation network

There was a significant increase in both international and domestic travel, while the total number of on-time departure delays remained constant. This change reflects the worldwide rebound in demand after the COVID period, but having come from a lower base and with challenging economic headwinds, volumes have not yet returned to pre-2020 levels.

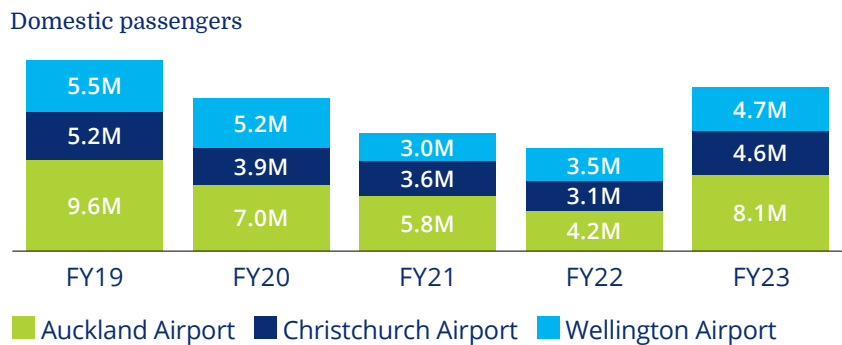
International passengers¹²

The volume of inbound and outbound international passengers is continuing its return to pre-COVID levels.



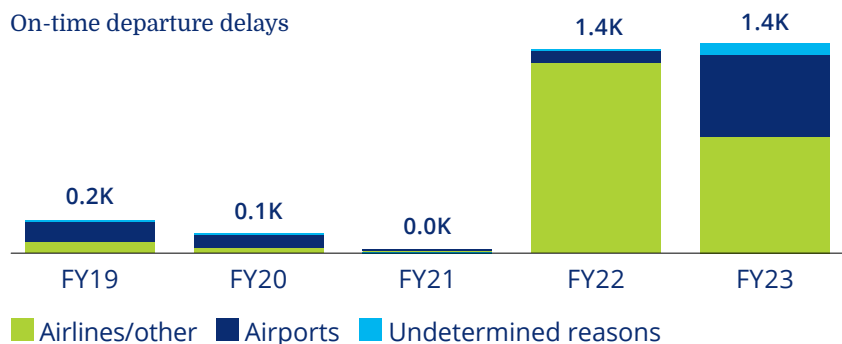
Domestic passengers¹³

Domestic passenger numbers have rebounded almost to pre-COVID levels.



On-time departure delays¹⁴

On-time departure delay (15 minutes or longer¹⁵) shows the number of delays and reasons for delays. There is a significant number of delays now arising from airports.



12. Data is collated from the Annual Reports of airports.

13. As above.

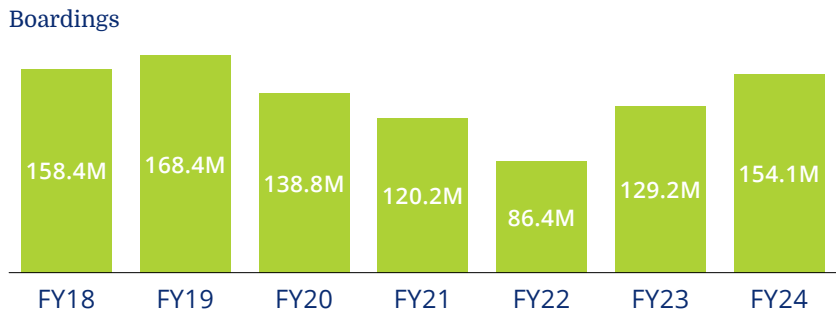
14. On-time departure delays are reported in airport annual information disclosure reports required by the Commerce Commission. They are a subset of all total delays, reporting on delays primarily because of interruptions to airport services. The Ministry has begun to publish complete on time performance data in September 2024 which will provide a fuller picture of performance. Those reports are available here: <https://www.transport.govt.nz/area-of-interest/air-transport/airline-on-time-performance.rt>

The public transport network

Total boardings increased significantly, with a stable fleet size. The increase in boardings reflects the steady recovery after significant COVID reductions, but as in many other jurisdictions changes in working patterns and other factors have contributed to volumes still not reaching pre-2020 levels. The Government invested more than \$1.8 billion in the public transport network in 2023/24, more than \$2.0 billion in 2022/23 and more than \$1.5 billion in 2021/22.

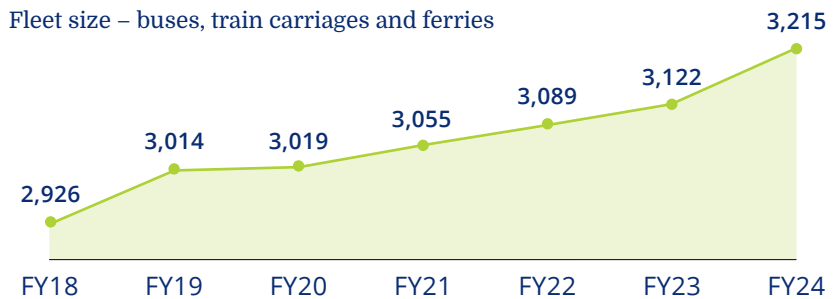
Boardings¹⁵

Total boardings (which includes passenger boardings on buses, ferries, and trains) are showing a sustained growth in patronage. However, numbers have not returned to the pre-COVID high.



Fleet size

Total fleet size continues to grow at a relatively stable rate.



15. Data is sourced from NZTA's public transport performance reporting.

Section 02

End-of-year performance information

End-of-year performance information

For the year ended 30 June 2024

Disclosures

The appropriations reported in this annual report are:

Departmental Output Expenses

- Search and Rescue Activity Coordination PLA
- Search and Rescue Training and Training Coordination
- Transport – Policy advice, ministerial servicing, governance, and other functions
 - Policy Advice, Governance and Ministerial Servicing
 - Milford Sound/Piopiotahi Aerodrome
 - Fuel Excise Duty Refund Administration

Departmental Capital Expenditure

- Ministry of Transport – Capital Expenditure PLA

Multi-category Expenses and Capital Expenditure

- Tuawhenua Provincial Growth Fund – Transport Projects (Non-departmental output expenses, non-departmental other expenses, non-departmental capital expenditure)
 - Supporting Regional and Infrastructure Projects
 - Enabling Infrastructure Projects
 - Infrastructure Projects
 - Rail Projects

Disclosures

Reporting Service Performance information

The New Zealand Accounting Standards Board (XRB) issued a Standard for Service Performance Reporting: Public Benefit Entity Financial Reporting Standard 48 Service Performance Reporting (PBE FRS 48).

The PBE FRS 48 Standard requires public benefit entities to apply the requirements to annual financial reports beginning on or after 1 January 2022. The Ministry has applied the new Standard for this 2023/24 Annual Report.

The Ministry's Service Performance information has been prepared in accordance with the requirements of the Public Finance Act 1989, which includes the requirement to comply with New Zealand generally accepted accounting practice. The Service Performance information has been prepared in accordance with Tier 1 PBE financial reporting standards.

PBE FRS 48 sets out the following attributes that apply to the Service Performance reporting environment:

- Service Performance reporting is an area of reporting that continues to evolve.
- Entities may be subject to a range of service performance reporting requirements, including legislative requirements, and may use a variety of performance frameworks.
- It provides flexibility for entities to determine how best to 'tell their story' in an appropriate and meaningful way.

Consistent with PBE FRS 48, the Ministry's approach to its Service Performance Reporting is to:

- provide users with:
 - sufficient contextual information to understand what the Ministry intends to achieve in broad terms over the medium to long term and how it goes about this
 - information about what the Ministry has done during the reporting period in working towards its broader aims and objectives
- present its Service Performance information and its financial statements together in the Annual Report. The Ministry's Service Performance information is for the same reporting period as the financial statements
- apply the following qualitative characteristics in the context as described in the Public Benefit Entities' (PBE) Conceptual Framework: Relevance, Faithful Representation, Understandability, Timeliness, Comparability and Verifiability
- disclose those judgements that have the most significant effect on the selection, measurement, aggregation and presentation of Service Performance information.
- provide comparative information.

Scope of Service Performance reporting

The Ministry's Service Performance information is contained within a number of sections of the Annual Report, in particular:

- **Section 1:** Who we are, what we did and how the transport system is performing
- **Section 2:** End-of-year performance information.

PBE FRS 48 requires that, in reporting on our objectives and how we intend to achieve them, information should be drawn from our founding documents, governance documents and accountability documents. The Ministry has drawn this information from our Strategic Intentions 2021–25 (our key strategic document). The Ministry's Strategic Intentions 2021–25 set out our purpose, role, long-term outcomes and strategic priorities to 2025.

The General Election in late 2023 led to a change of government and this has changed the focus of the Ministry's work since December 2023 and meant that many of the Ministry's previous priorities and work programmes were discontinued. The Ministry expects to publish its new Strategic Intentions 2024–2028 in October 2024. These Strategic Intentions will apply to our 2024/25 reporting year.

PBE FRS 48 recognises that judgement is required in deciding how much information to provide about the current reporting period and also how much information to provide about progress towards the long-term objectives. The Ministry has balanced the information provided with the need to report in an understandable and concise manner for readers of this annual report.

Selecting and Aggregating Service Performance Information

The level of aggregation used by the Ministry has been based on:

(a) Our long-term outcomes

The Ministry's annual report includes data on indicators for the five key outcomes to help us to quantify and measure the transport system's progress towards improving wellbeing and liveability for all New Zealanders.

(b) Our strategic priorities

Our five strategic priorities are set out in our Strategic Intentions 2021–25. They were the key areas where the Ministry wanted to make the greatest difference for New Zealand. While these priorities were impacted by the 2023 election, we have included some reporting information against the work that we said we would do (in our Strategic Intentions) and the extent to which that has been progressed.

(c) The Government's 100-day Plan and second Action Plan 1 April – 30 June

The Government issued a 100-day Plan following the October 2023 election and, following that, an Action Plan for 1 April – 30 June 2024. A number of action points in the two Plans related to transport priorities. We have provided information on our work to support the implementation of these priorities.

(d) Our funding appropriations

We have provided progress updates on some of the key work undertaken under our departmental expense appropriations. Alongside that, we have continued to report against appropriation performance measures as set out in the Estimates for the reporting year.

Further information on specific performance measures

The Ministry uses its judgment when selecting the measures used to monitor performance. In so doing, we have regard to both the quality characteristics and the pervasive constraints (materiality, cost-benefit and balance between timeliness, understandability and relevance of information for the end users).

The Ministry reports on the performance measures that it is directly responsible for and some other measures where it is the Appropriation Administrator. This means that in some instances, the reporting information is provided by other organisations for work that they have undertaken and are responsible for. The Ministry also reports, for its long-term outcomes, on measures that relate to transport system performance (which are outside the Ministry's direct control).

END-OF-YEAR PERFORMANCE INFORMATION**Long-term outcome measures****Environmental Sustainability outcome – carbon emissions measure**

We report on the domestic transport system's carbon equivalent emissions as an indicator for our long-term outcome for Environmental Sustainability.

New Zealand's Greenhouse Gas Inventory is the official annual report of all anthropogenic emissions and removals of greenhouse gases (GHGs) in New Zealand. It is compiled by the Ministry for the Environment and the Ministry extracts transport data from the Greenhouse Gas Inventory. There is a level of inherent uncertainty in reporting greenhouse gas emissions. The scientific knowledge and methodologies to determine emissions factors and the processes to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards. The full disclosure on the New Zealand greenhouse gas emissions, including inventory uncertainties, methodologies and assumptions used in the calculation, are included in the NZ latest inventory report: *New Zealand's Greenhouse Gas Inventory 1990–2022 | Ministry for the Environment*. Emissions estimates across the entire time series are, at certain points in time, recalculated due to improvements introduced to the inventory.

Healthy and Safe People – active transport modes measure

For the Ministry's Healthy and Safe People long-term outcome, we report using two measures:

- percentage of trips that are undertaken by walking and cycling
- deaths and serious injuries by all transport modes.

Our reporting on the percentage of trips that are undertaken by walking and cycling is based on data collected by the Ministry's Household Travel Survey. This is a survey that the Ministry has conducted for a number of years. It is a continuous survey, with data collected all year from a minimum of 1,670 households. The data we report covers trips made in the Auckland, Wellington and Christchurch major urban areas. The survey is designed to be representative at a regional level on a three-year basis. Due to changes that were made to the survey in 2018,

for this 2023/24 annual report, we can only report data for the 2018-21, 2019-22 and 2020-23 data points. Further three-year data points will be able to be reported in future years.

Appropriation: Transport – Policy advice, ministerial servicing, governance and other functions

The 'Transport – Policy advice, ministerial servicing, governance and other functions' appropriation is the Ministry's major ongoing appropriation. It funds Ministry work across a broad range of policy, governance and other areas.

Policy and governance advice

The Ministry's performance measures for our policy and governance advice, taken together, provide a broad perspective on our performance. Performance measures for our policy and governance advice cover areas including:

- ministerial satisfaction with advice services
- quality of policy and governance advice
- delivery against the Output Plan.

The measures relating to Ministerial satisfaction reflect the perspective of Ministers as the 'commissioner' and/or recipient of the Ministry's advice. While the measures for the quality of our policy and governance advice provide a more technical assessment of the quality of the advice we provide, the measure for performance against the Output Plan provides a third lens: what was delivered during the year.

Ministerial satisfaction measures

The Ministry has three measures in this area:

- satisfaction of the Transport Minister(s) with the policy advice service
- satisfaction of the Minister(s) with the governance advice service
- satisfaction of the Minister(s) with board appointments advice.

The performance measure for Ministerial satisfaction with the policy advice service is mandated by Cabinet for all significant policy agencies. A standard survey, developed by the Department of Prime Minister and Cabinet, is used for the survey. The Ministry's approach is to survey a Minister who has held their transport ministerial portfolio for more than four months. Where more than one Minister is surveyed, the Ministry averages the scores received from Ministers.

The Ministry has developed its own survey for the satisfaction of the Minister(s) with the governance advice service (this survey also covers board appointments advice). Again, the Ministry's approach is to survey a Minister who has held their transport ministerial portfolio for more than four months. Where more than one Minister is surveyed, the Ministry averages the scores from the Ministers.

The policy advice and governance advice surveys both ask Ministers to answer a series of questions using a five-point scale (19 questions for the policy advice survey and 12 questions for the governance advice survey). The scale is: 1 = Never, 2 = Some of the time, 3 = About half of the time, 4 = Most of the time and 5 = Always. The surveys also allow Ministers to provide other comments about the advice services.

Quality of policy and governance advice measures

The Ministry has four measures in this area:

Policy advice papers

- percentage of policy papers that score 4.0 or higher (standard is 40% or higher)
- percentage of policy papers that score 3.0 or higher (standard is 90% or higher)

Governance advice papers

- percentage of policy papers that score 4.0 or higher (standard is 40% or higher)
- percentage of policy papers that score 3.0 or higher (standard is 90% or higher).

The Ministry reduced the number of its advice papers that are reviewed this year to 40 (previously 60). This has reduced the cost of the annual review, which is undertaken independently by New Zealand Institute of Economic Research (NZIER). NZIER reviews the papers using the Department of Prime Minister and Cabinet's Policy Quality Framework.¹⁶ Papers are assessed using a five-point scale: 1 = Unacceptable, 2 = Poor, 3 = Acceptable, 4 = Good and 5 = Outstanding.

The papers to be reviewed are drawn from across the Ministry's advice papers. There are 34 policy advice papers and 6 governance advice papers. This enables a range of the Ministry's policy/governance teams to have some of their papers reviewed and to receive independent advice on the quality of their written advice.

The papers to be reviewed are selected by the Ministry's Accountability and Correspondence team and are drawn from papers submitted to Ministers between July and April. This timing enables the papers to be reviewed and the results included in the Ministry's annual report. As fewer papers are being reviewed, the selection process has focused on papers that provide advice and require Ministerial decisions.

Output Plan milestones measures

The Output Plan is an agreement between the Ministry and the Minister of Transport on specific initiatives the Ministry will strive to achieve to support the Minister to deliver on the Government's priorities. The purpose of the Output Plan is to provide clarity on what is expected of the Ministry throughout the year.

The performance measure is that 90% or higher of the milestones contained in the Output Plan are completed as agreed, or as subsequently amended by agreement between the Minister and the Chief Executive.

The initiatives that are included in the Output Plan and their milestone timeframes are agreed by the Minister and the Ministry's Chief Executive. To provide greater transparency on this measure, the Ministry will, following the completion of its annual audit, publish a table of the milestones that were completed during 2023/24.

16. Further information on the Policy Quality Framework can be found on the Department of Prime Minister and Cabinet's website www.dpmc.govt.nz

END-OF-YEAR PERFORMANCE INFORMATION

Budget significant initiatives

Where you can find information on these initiatives in this annual report.

The Ministry can receive new policy initiative funding through annual Budget processes. The table below identifies significant new policy initiatives since Budget 21 where the Ministry received Budget funding of \$1 million or more

(excluding funding for the Public Sector Pay Adjustment). The table also identifies the year that the significant new policy initiative was first funded since 2021/22 and, either:

- where you can find information in this annual report on how that initiative was progressed in 2023/24
- or
- when the initiative was completed.

Name of initiative	Year first funded since 2021/22	Location of information or status
Transport – Policy advice, ministerial servicing, governance, and other functions Governance and Monitoring for the New Zealand Upgrade Programme – Monitoring Transport Related Projects	2021/22	See page 39
Transport – Policy advice, ministerial servicing, governance, and other functions Extension of the Maintaining International Air Services Scheme to 31 March 2023	2021/22	This initiative was completed in 2022/23
Auckland Light Rail Unit (MYA) Auckland Light Rail Unit	2021/22	This initiative was completed in 2022/23
Transport – Policy advice, ministerial servicing, governance, and other functions Auckland Light Rail – Progressing the next phase of project delivery	2021/22	This initiative was completed in 2023/24 when the Government agreed to stop work on the Auckland Light Rail project.
Transport – Policy advice, ministerial servicing, governance, and other functions Decarbonising freight transport – Resourcing and seed funding	2022/23	See page 13

END-OF-YEAR PERFORMANCE INFORMATION

Name of initiative	Year first funded since 2021/22	Location of information or status
Transport – Policy advice, ministerial servicing, governance, and other functions Mode-Shift and reducing Light Vehicle Kilometres Travelled – Investments, planning, and enabling congestion charging	2022/23	This initiative was completed in 2022/23 (There was no expenditure in 2023/24)
Transport – Policy advice, ministerial servicing, governance, and other functions Port sector opportunities to support decarbonisation, resilience, and regional development	2022/23	See See page 13
Transport – Policy advice, ministerial servicing, governance, and other functions Resourcing the Ministry of Transport’s COVID-19 response and policy function	2022/23	This initiative was completed in 2022/23
Transport – Policy advice, ministerial servicing, governance, and other functions Support for Milford Sound/Piopiotaahi Aerodrome due to revenue loss from Covid-19 and increased operational costs	2022/23	See page 41
Transport – Policy advice, ministerial servicing, governance, and other functions Auckland Light Rail – Policy Work Programme	2023/24	See page 10
Transport – Policy advice, ministerial servicing, governance, and other functions Electric Vehicle Charging Infrastructure – Funding to Expand Immediate Investments, and Inform Future Investments	2023/24	See page 10
Transport – Policy advice, ministerial servicing, governance, and other functions Supporting the Ministry of Transport to Deliver the Emissions Reduction Plan Transport Chapter	2023/24	See page 11
Transport – Policy advice, ministerial servicing, governance, and other functions Civil Aviation Bill: Implementation	2023/24	See page 13

END-OF-YEAR PERFORMANCE INFORMATION

Departmental output expenses

Search And Rescue Activity Coordination PLA

Expenses of \$4.4m

In this appropriation, the Ministry hosts the Secretariat function of the New Zealand Search and Rescue (NZSAR) Council, which administers the search and rescue (SAR) sector in New Zealand.

It is intended to achieve the delivery of effective, well-coordinated search and rescue services.

The NZSAR Secretariat supports the NZSAR Council and provides strategic leadership for the wider search and rescue sector. The Secretariat manages and monitors much of the Government's investment into search and rescue and frontline water safety services. It has supported the delivery of search and rescue exercises and training. Exercise Whakarauora Tangata tested

the sector preparedness for a variety of nationally significant search and rescue scenarios. It has also conducted numerous collaborative workshops and forums on topics such as health and safety, training, cross-sector coordination and emerging technology, as well as the annual NZSAR Awards.

It has implemented or funded numerous initiatives including research into volunteering trends, environmental sustainability and the efficacy of prevention programmes. It has also run a behaviour change programme to encourage the purchase or hiring of distress beacons and developed policies and guidelines to support SAR agencies and the wider sector.

Financial performance

2023 Actual \$000		2024 Actual \$000	2024 Budget \$000	2024 Forecast \$000
5,863	Revenue Crown	5,072	5,026	5,072
5,466	Total expenses	4,358	5,026	5,072
397	Net surplus/(deficit)	714	-	-

Assessment of performance

2023 Actual	Performance measures	2024 Actual	2024 Standards/ Targets
100%	Survey results show that the New Zealand Search and Rescue Council is satisfied with the provision of effective support services and policy advice for the New Zealand search and rescue sector	88% ¹	100% ²
99%	Delivery of the National Search and Rescue Support Programme including the provision of governance, leadership, and strategic support for the Search and Rescue sector	97%	90%

Note 1: Most Council members were satisfied with the provision of support services and policy advice. Work is underway to address issues raised. Only one of eight Council members was not satisfied with the support services and policy advice provided. Council members are asked to score the provision of support services and policy advice through a survey asking specific questions. The calculation only includes responses that are scored. If a Council member does not score a question, the response is excluded from the calculation of the overall result.

Note 2: The performance standard for this measure increased from '95% or higher' in 2022/23 to '100%' in 2023/24 to better reflect the expected performance for the year.

Search And Rescue Training and Training Coordination

Expenses of \$1.4m

This appropriation is intended to achieve effective procurement and management of suppliers to deliver search and rescue skills acquisition training for people operating in the search and rescue sector.

Training supports the NZSAR Council's goal of a capable search and rescue sector.

This year, over 1,500 people attended 131 courses. Courses were delivered on a range of subjects including operational search techniques, search management, and leadership. Police were also funded to deliver multi-agency search and rescue exercises with volunteers from local search and rescue groups.

Financial performance

2023 Actual \$000		2024 Actual \$000	2024 Budget \$000	2024 Forecast \$000
1,194	Other revenue	1,411	700	1,782
1,194	Total expenses	1,411	700	1,782
-	Net surplus/(deficit)	-	-	-

Assessment of performance

2023 Actual	Performance measures	2024 Actual	2024 Standards/ Targets
65% ¹	Percentage of planned search and rescue training courses that are delivered	80%	80%

Note 1: Course cancellations due to illness and severe weather events resulted in under delivery. During the first two quarters of the financial year, courses could not be rescheduled as delivery runs over a full calendar year.

END-OF-YEAR PERFORMANCE INFORMATION

Transport – policy advice, ministerial servicing, governance, and other functions

Expenses of \$54m

This output class is for the provision of policy advice; services to support Ministers to discharge their portfolio responsibilities relating to transport; monitoring of and advice on the governance, performance and capability of transport Crown entities; administration of Fuel Excise Duty refunds; and the operation of Milford Sound/Piopiotahi Aerodrome.

This is the Ministry's major appropriation for the delivery of its ongoing policy and governance advice functions. More detailed information on the Ministry's performance under this appropriation is set out below under the following outputs:

- Policy Advice, Governance and Ministerial Servicing
- Milford Sound/Piopiotahi Aerodrome
- Fuel Excise Duty Refund Administration.

Financial performance

2023 Actual \$000		2024 Actual \$000	2024 Budget \$000	2024 Forecast \$000
64,528	Revenue Crown	62,447	69,696	62,447
1,264	Other revenue	1,007	445	1,060
65,792	Total revenue	63,454	70,141	63,507
60,734	Total expenses	53,998	70,141	63,507
5,058	Net surplus/(deficit)	9,456	-	-

Policy Advice, Governance and Ministerial Servicing

Expenses of \$49.3m

This appropriation funds the Ministry's day-to-day policy and governance activities.

This includes:

- Policy related activities:
 - Investment advice
 - Research, data gathering and evaluation
 - Revenue management
 - Vote management
- Governance related activities:
 - Crown entity monitoring and advice
 - Board appointments
- Ministerial servicing related activities:
 - Ministerial correspondence (478 items)
 - Minister Official Information Act requests (89 requests)
 - Ministry Official Information Act requests (346 requests)
 - Parliamentary questions (887 written questions).

How we used this funding

See pages 10 to 15 for information on some of the work that we delivered with this appropriation.

Governance and Monitoring for the New Zealand Upgrade Programme – Transport

This appropriation also enabled the Ministry to continue to work closely with the Treasury and with delivery agencies, NZTA and KiwiRail, to deliver the programme. As the programme faced significant cost escalations, the Ministry put in place a revised delegations structure to provide delivery agencies with greater flexibility to manage cost pressures and deliver the programme within the existing budget.

The updated delegation confirms the Joint Ministers' approval of NZTA's proposal to manage cost escalations within the existing \$6.54 billion funding package. The delegation also places accountability on the NZTA Board to deliver the programme's core transport outcomes and make choices around delivery, cost and scope options, whilst staying within or below the allocated funding. It is expected that core transport outcomes are prioritised and delivered, consistent with the new Government Policy Statement.

Financial performance

2023 Actual \$000		2024 Actual \$000	2024 Budget \$000	2024 Forecast \$000
59,108	Revenue Crown	57,857	63,865	56,762
892	Other revenue	549	-	615
60,000	Total revenue	58,406	63,865	57,377
55,452	Total expenses	49,286	63,865	57,377
4,548	Net surplus/(deficit)	9,120	-	-

END-OF-YEAR PERFORMANCE INFORMATION

Non-financial performance

2023 Actual	Performance measures	2024 Actual	2024 Standards/Targets
Policy advice			
Nil Result ¹	Satisfaction of the Transport Minister(s) with the policy advice service	4.0	Average score between 3 and 4 or higher
79%	Milestones contained in the output plan are completed as agreed, or as subsequently amended by the agreement between the Minister and the Chief Executive ^{2,3}	80% ²	90% or higher
100% ³	Percentage of policy papers that score 3.0 or higher	100% ³	90% or higher
30% ³	Percentage of policy papers that score 4.0 or higher	29% ^{3,7}	40% or higher
Governance			
Nil Result ¹	Satisfaction of the Transport Minister(s) with the governance advice service	4.0	Average score between 3 and 4 or higher ²
Nil Result ¹	Satisfaction of the Transport Minister(s) with board appointments' advice	4.0	Average score between 3 and 4 or higher ²
100% ⁴	Percentage of governance papers that score 3.0 or higher	100% ⁴	90% or higher
33% ⁴	Percentage of governance papers that score 4.0 or higher	0% ^{4,5}	40% or higher
Ministerial servicing			
95%	Percentage of Official Information Act requests to the Ministry replied to within statutory timeframes	94% ⁶	100%
79% ⁶	Ministerial correspondence replies and Ministerial Official Information Act replies completed within the timeframes agreed between the Ministry and the Office of the Minister	65% ⁶	90% or higher

Note 1: Due to changes in the Ministerial transport portfolio in 2023, no Ministerial Satisfaction Survey was undertaken for the 2022/23 year.

Note 2: The Ministry will publish on its website, following the completion of its annual audit, both the final Output Plan and advice on which of its deliverables were achieved.

Note 3: A sample of the Ministry's policy advice papers were independently assessed by NZIER using the DPMC Policy Quality Framework, using a five point scale with 1 = Unacceptable, 2 = Poor, 3 = Acceptable, 4 = Good and 5 = Outstanding.

Note 4: A sample of the Ministry's governance advice papers were independently assessed by NZIER using using a five point scale with 1 = Unacceptable, 2 = Poor, 3 = Acceptable, 4 = Good and 5 = Outstanding.

Note 5: Six governance advice papers were assessed by NZIER. This is a small sample size. In 2022/23, two of the six assessed papers scored four or higher. None of the assessed papers scored four or higher in 2023/24. The 40% standard is a stretch target for the Ministry. NZIER have identified particular aspects of our advice papers that we could look to improve, and the Ministry is developing a response to their recommendations.

Note 6: Performance was lower than expected due to competing demands for staff time on other work. In many instances the agreed timeframe was missed by only one or two days.

Note 7: The 40% standard is a stretch target for the Ministry. NZIER have identified particular aspects of our advice papers that we could look to improve, and the Ministry is developing a response to their recommendations.

Milford Sound/Piopiotahi Aerodrome

Expenses of \$0.9m

Funding of \$3.175 million over two years was provided to meet the costs of operating the aerodrome, and to cover any revenue shortfall Airways experienced in providing aerodrome flight information services (AFIS) at Milford.

The Ministry's arrangement to support Airways ended on 30 June 2024 and Airways now expects to cover its own costs.

In 2023/24, this appropriation also enabled the completion of all processes and documentation required for the aerodrome to become a qualifying aerodrome, as requested by the

Civil Aviation Authority. This required the Ministry to put in place new aerodrome managers. From 1 August 2023, the aerodrome became a qualifying aerodrome and is now run by a consortium led by Invercargill airport working together with QAOSH.

In July 2024, new landing charges were set for the aerodrome. The new charges take effect on 1 April 2025, responding to aerodrome users' request for advance notice of any increase. Once in place, the new charges will return the aerodrome to financial sustainability.

Financial performance

2023 Actual \$000		2024 Actual \$000	2024 Budget \$000	2024 Forecast \$000
1,361	Revenue Crown	843	2,084	1,938
247	Other revenue	356	325	325
1,608	Total revenue	1,199	2,409	2,263
1,103	Total expenses	863	2,409	2,263
505	Net surplus/(deficit)	336	-	-

Assessment of performance against Milford Sound/Piopiotahi Aerodrome measures for this output class

2023 Actual	Performance measures	2024 Actual	2024 Standards/ Targets
Achieved	The Milford Sound/Piopiotahi Aerodrome operation will conform with appropriate Civil Aviation Authority safety requirements	100%	100%
Not Achieved ¹	The operating costs for the Milford Sound/Piopiotahi Aerodrome are within third-party revenue	Not Achieved ²	Achieved

Note 1: Landing fee revenue has continued to be lower due to the ongoing impact of COVID-19.

Note 2: New landing charges, to take effect in April 2025, will enable the aerodrome to return to a position where operating costs are within third-party revenue.

END-OF-YEAR PERFORMANCE INFORMATION

Fuel Excise Duty Refund Administration

Expenses of \$3.8m

The delivery of fuel excise duty refunds is a Ministry responsibility that is undertaken on our behalf by New Zealand Transport Agency.

In 2022/23 the New Zealand Transport Agency processed more than 80,000 fuel excise duty refunds. The sudden decrease in fuel excise duty in March 2022 resulted in a significant increase

in claims. The reduction required claims to be lodged at both original and reduced prices, adding an additional workload of 90 percent. The continued implementation of process improvements through 2023/24 has led to a significant improvement in average processing times for fuel excise duty refunds.

Financial performance

2023 Actual \$000		2024 Actual \$000	2024 Budget \$000	2024 Forecast \$000
4,191	Revenue Crown	3,747	3,747	3,747
101	Other revenue	102	120	120
4,292	Total revenue	3,849	3,867	3,867
4,292	Total expenses	3,849	3,867	3,867
-	Net surplus/(deficit)	-	-	-

Assessment of performance against Fuel Excise Duty Refund Administration measure for this output class

2023 Actual	Performance measures	2024 Actual	2024 Standards/ Targets
14 working days	Average number of days taken to process refunds of fuel excise duty	10 working days	20 working days or less

Departmental capital expenditure

Ministry of Transport – Capital Expenditure PLA

Expenses of \$0.1m

This appropriation is limited to the purchase or development of assets by and for the use of the Ministry of Transport, as authorised by section 24(1) of the Public Finance Act 1989.

It is intended to achieve the renewal of assets in support of the delivery of the Ministry's services.

The Ministry incurred \$105,000 in capital expenditure in 2023/24 (2022/23 \$nil).

Financial performance

2023 Actual \$000		2024 Actual \$000	2024 Budget \$000	2024 Forecast \$000
-	Departmental capital expenditure	105	250	250

Assessment of performance

2023 Actual	Performance measures	2024 Actual	2024 Standards/ Targets
100%	Expenditure is in accordance with the Ministry's capital expenditure plan and asset management plan	100%	100%

END-OF-YEAR PERFORMANCE INFORMATION

Multi-category expenses and capital expenditure

Tuawhenua Provincial Growth Fund – Transport Projects

Expenses of \$26.3m

This appropriation is intended to achieve a lift in productivity potential in the regions through transport-related projects that enable regions to be well connected from an economic and social perspective.

The Ministry works with delivery agencies, KiwiRail and New Zealand Transport Agency, as part of its responsibility to ensure that the Ministry of Business, Innovation and Employment – Kānoa Regional Economic and Investment Development Unit (Kānoa – RDU) receives regular reporting to fulfil its oversight role of rail and State highway

projects funded by the Provincial Growth Fund (PGF) and NZ Upgrade Programme – Regional Investment Opportunities (RIO).

The oversight and assurance role sat with the Ministry, before transferring to Kānoa – RDU in September 2022 after the 2021/22 Memorandum of Understanding between the two ministries ended on 30 June 2022. The Ministry will continue to support Kānoa – RDU with monitoring PGF transport projects and its Vote Management and contract management responsibilities.

Financial performance

2023 Actual \$000		2024 Actual \$000	2024 Budget \$000	2024 Forecast \$000
1,185	Non-departmental output expenses: Supporting Regional and Infrastructure Projects	459	1,000	800
11,138	Non-departmental other expenses: Enabling Infrastructure Projects	(2,758)	5,550	4,037
12,887	Non-departmental capital expenditure: Infrastructure Projects	25,119	26,540	18,540
5,405	Non-departmental capital expenditure: Rail Projects	3,484	3,841	3,622
30,615	Total	26,304	36,931	26,999

Tuawhenua Provincial Growth Fund – Transport Projects

This appropriation is intended to achieve a lift in the productivity potential in the regions through transport-related projects and studies that enable regions to be well connected from an economic and social perspective.

Assessment of performance

2023 Actual	Performance measures	2024 Actual	2024 Standards/Targets
Achieved	Provincial Growth Fund funding is distributed by the Ministry in accordance with the terms and conditions of its memorandum of understanding	Achieved	Achieved
New Measure	Work is carried out per the agreed programme ¹	100%	100%

Note 1: This new performance measure was included to provide additional information on the Ministry's performance under this appropriation.

Supporting Regional and Infrastructure Projects

This category is limited to supporting transport-related regional economic development initiatives.

Assessment of performance

2023 Actual	Performance measures	2024 Actual	2024 Standards/Targets
0 ¹	Average number of days to release Provincial Growth Fund funding to support regional and infrastructure projects once approved	0 ²	20 working days or less

Note 1: There were no claims for supporting regional and infrastructure projects in 2022/23.

Note 2: There were no claims for supporting regional and infrastructure projects in 2023/24.

Enabling Infrastructure Projects

This category is limited to expenses incurred on local transport-related infrastructure projects that contribute to the outcome of a lift in the productivity potential in the regions.

Assessment of performance

2023 Actual	Performance measures	2024 Actual	2024 Standards/Targets
7 working days	Average number of days to release Provincial Growth Fund infrastructure funding once approved	9 working days	20 working days or less
100%	Work is carried out as per the agreed programme	100%	100%

END-OF-YEAR PERFORMANCE INFORMATION**Infrastructure Projects**

This category is limited to capital expenditure for transport-related infrastructure projects that contribute to the outcome of a lift in the productivity potential in the regions.

Assessment of performance

2023 Actual	Performance measures	2024 Actual	2024 Standards/ Targets
60% ¹	Proportion of Waka Kotahi NZ Transport Agency projects funded by the Provincial Growth Fund (PGF) delivered to budget and timeframes	86%	80% or greater
New Measure	Work is carried out as per the agreed programme ²	100%	100%

Note 1: The programme did not meet target in 2022/23 primarily due to disruptions and delays caused by cyclones Hale and Gabrielle, particularly in the Tairāwhiti region where some of the larger projects are located.

Note 2: This is a new measure for 2023/24 that provides additional information on the progress made on infrastructure projects.

Rail Projects

This category is limited to a capital injection to KiwiRail Holdings Limited to finance approved rail-related projects that contribute to the outcome of a lift in the productivity potential in the regions.

Assessment of performance

2023 Actual	Performance measures	2024 Actual	2024 Standards/ Targets
100%	Work is carried out as per the agreed programme	100%	100%

Section 03

Financial Performance

This section sets out
our detailed financial
statements for 2023/24.

FINANCIAL PERFORMANCE

Financial Performance

Column definitions

The source of the financial information contained in each column of the tables that follow is:

- **2023 Actual** – as published in the Ministry's Annual Report for the year ended 30 June 2023.
- **2024 Actual** – the audited actual figures for the current financial year.
- **2024 Budget** – as published in the Ministry's Budget Estimates Fiscal Update (BEFU) for the 2023 year and the Annual Report for the year ended 30 June 2023. This information is unaudited.
- **2025 Forecast** – as published in the Ministry's BEFU for the 2024 year. This information is unaudited.

Refer to Note 1 for more information on 2025 Forecast figures.

Statement of Comprehensive Revenue and Expense

For the year ended 30 June 2024

The Statement of Comprehensive Revenue and Expense details the revenue and expenses relating to all outputs produced by the Ministry during the financial year.

Actual 2023 \$000		Note	Actual 2024 \$000	Unaudited budget 2024 \$000	Unaudited forecast 2025 \$000
Revenue					
77,833	Revenue Crown	2	67,519	74,722	59,844
2,458	Other revenue	3	2,418	1,145	1,903
80,291	Total Revenue		69,937	75,867	61,747
Expenses					
38,645	Personnel expenses	4	35,079	40,876	38,900
5,784	Contractual payments to Crown entities	5	5,449	6,267	6,188
507	Depreciation and amortisation expense	9, 10	211	397	397
141	Capital charge	6	141	154	154
29,760	Other operating expenses	7	18,886	28,173	16,108
74,837	Total expenses		59,766	75,867	61,747
5,454	Net surplus		10,171	-	-
5,454	Total comprehensive revenue and expense		10,171	-	-

Explanations of major variances against the 2023/24 budget are provided in Note 18.

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2024

The Statement of Financial Position reports the total assets and liabilities of the Ministry as at 30 June 2024. Equity is represented by the difference between the assets and liabilities.

Actual 2023 \$000		Note	Actual 2024 \$000	Unaudited budget 2024 \$000	Unaudited forecast 2025 \$000
Current assets					
9,530	Cash and cash equivalents		10,375	9,860	4,322
6,346	Debtors, prepayments and other receivables	8	7,640	3,421	6,348
15,876	Total current assets	16	18,015	13,281	10,670
Non-current assets					
1,097	Property, plant and equipment	9	992	1,193	736
1	Intangible assets	10	-	275	-
1,098	Total non-current assets		992	1,468	736
16,974	Total assets		19,007	14,749	11,406
Current liabilities					
4,281	Creditors and other payables	11	1,963	8,710	5,105
3,179	Employee entitlements	12	2,943	2,065	2,317
115	Provisions	13	17	-	42
5,456	Return of operating surplus		10,171	-	-
13,031	Total current liabilities		15,094	10,775	7,464
Non-current liabilities					
1,118	Employee entitlements	12	1,089	1,150	1,118
1,118	Total non-current liabilities		1,089	1,150	1,118
14,149	Total liabilities		16,183	11,925	8,582
2,824	Net assets		2,824	2,824	2,824
Equity					
1,947	Taxpayers' funds	14	1,947	1,947	1,947
877	Revaluation reserve – aerodrome and land	14	877	877	877
2,824	Total equity		2,824	2,824	2,824

Explanations of major variances against the 2023/24 budget are provided in Note 18.

The accompanying notes form part of these financial statements.

FINANCIAL PERFORMANCE

Statement of Changes in Equity

For the year ended 30 June 2024

Actual 2023 \$000		Note	Actual 2024 \$000	Unaudited budget 2024 \$000	Unaudited forecast 2025 \$000
2,824	Balance at 1 July		2,824	2,824	2,824
5,454	Total comprehensive income		10,171	-	-
	Owner transactions				
(5,454)	Return of operating surplus to the Crown		(10,171)	-	-
2,824	Balance at 30 June	14	2,824	2,824	2,824

Explanations of major variances against the 2023/24 budget are provided in Note 18.

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2024

The Statement of Cash Flows summarises the cash movements in and out of the Ministry during the financial year.

Actual 2023 \$000		Note	Actual 2024 \$000	Unaudited budget 2024 \$000	Unaudited forecast 2025 \$000
Cash flows from operating activities					
68,237	Crown revenue		67,519	74,722	59,844
2,037	Receipts from departments/Crown entities		1,861	820	1,578
570	Other revenue		455	325	325
(38,110)	Personnel costs		(35,465)	(25,241)	(38,900)
(29,304)	Operating expenses		(21,372)	(43,825)	(16,223)
(5,784)	Contractual payments to Crown entities		(5,449)	(6,267)	(6,188)
306	Goods and services tax (net)		(1,004)	-	-
(141)	Capital charge		(141)	(154)	(154)
(2,189)	Net cash flows from operating activities	15	6,404	380	282
Cash flows from investing activities					
-	Purchase of property, plant and equipment		(105)	-	(250)
-	Purchase of intangible assets		-	(250)	-
-	Net cash flows from investing activities		(105)	(250)	(250)
Cash flows from financing activities					
(1,741)	Return of operating surplus		(5,454)	-	-
(1,741)	Net cash flows from financing activities		(5,454)	-	-
(3,930)	Net increase/(decrease) in cash and cash equivalents		845	130	32
13,460	Cash and cash equivalents at the beginning of the year		9,530	9,730	4,290
9,530	Cash and cash equivalents at the end of the year		10,375	9,860	4,322

Explanations of major variances against the 2023/24 budget are provided in Note 18.

The accompanying notes form part of these financial statements.

FINANCIAL PERFORMANCE

Statement of Commitments

As at 30 June 2024

Capital commitments

Capital commitments are the aggregate amount of capital expenditure contracted for acquiring property, plant, and equipment and intangible assets that have not been paid for or not recognised as a liability at balance date.

The Ministry has no capital commitments as at 30 June 2024 (2023: nil).

Non-cancellable operating lease commitments

The Ministry leases property in the normal course of business.

In Wellington, the Ministry rents space at 3 Queens Wharf. The Ministry has varied the lease to include an 18-month right of renewal commencing 1 September 2024. The Ministry entered an agreement to lease part of the building at 167B Victoria Street West, Auckland from 1 April 2024 until 30 June 2027. These commitments are disclosed below.

Actual 2023 \$000		Actual 2024 \$000
	Operating lease as lessee	
	The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:	
1,239	Not later than 1 year	1,479
214	Later than 1 year and not later than 5 years	1,097
-	Later than 5 years	-
1,453	Total non-cancellable operating lease commitments	2,576

There are no restrictions placed on the Ministry by its leasing arrangements. The amount disclosed is based on the projected rental rate. Total operating lease cost is expensed on a straight-line basis over the life of the lease.

Statement of contingent liabilities and contingent assets

As at 30 June 2024

The Ministry has no contingent assets or liabilities as at 30 June 2024 (2023: nil).

Notes to the Departmental Financial Statements and Non-departmental Schedules

As at 30 June 2024

Note 1: Statement of Accounting Policies

Reporting Entity

The Ministry of Transport (the Ministry) is a government department as defined by section 5 of the Public Service Act 2020 and is domiciled and operates in New Zealand. The relevant legislation governing the Ministry's operations includes the Public Finance Act 1989 (PFA), the Public Service Act 2020, and the Land Transport Management Act 2003. The Ministry's ultimate parent is the New Zealand Crown.

The Ministry reports on the departmental financial statements and separately on the non-departmental schedules, which present financial information on public funds managed by the Ministry on behalf of the Crown.

The primary objective of the Ministry is to provide policy services to the Government rather than making a financial return. Accordingly, the Ministry has designated itself as a public benefit entity (PBE) for the purposes of complying with New Zealand generally accepted accounting practice (NZ GAAP).

The departmental financial statements and the financial information reported in the non-departmental schedules are consolidated into the Financial Statements of the Government and therefore readers of these schedules should also refer to the Financial Statements of the Government for the year ended 30 June 2024.

The financial statements of the Ministry are for the year ended 30 June 2024. These financial statements were authorised for issue by the Chief Executive on 30 September 2024.

Basis of Preparation

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

Statement of compliance

The financial statements and unaudited forecast financial statements of the Ministry have been prepared in accordance with the requirements of the PFA, which includes the requirement to comply with NZ GAAP and Treasury Instructions. Measurement and recognition rules applied in the preparation of the non-departmental schedules are consistent with NZ GAAP and Crown accounting policies and are detailed in the Financial Statements of the Government. These Financial Statements have been prepared in accordance with Tier 1 NZ PBE accounting standards.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

New or amended standards adopted

2022 Omnibus Amendment to PBE Standards

The 2022 Omnibus Amendments issued by the External Reporting Board (XRB) include several general updates and amendments to several Tier 1 and Tier 2 PBE accounting standards, effective for reporting periods starting 1 January 2023. The Ministry has adopted the revised PBE standards, and the adoption did not result in any significant impact on the Ministry's financial statements.

FINANCIAL PERFORMANCE

Other Changes in accounting policies

There have been no other changes in the Ministry's accounting policies since the date of the last audited financial statements.

Standards issued and not yet effective and not early adopted

Standards and amendments, issued but not yet effective and that have not been early adopted and that are relevant to the Ministry are:

Disclosure of Fees for Audit Firms' Services – Amendments to PBE IPSAS 1

Amendments to PBE IPSAS 1 Presentation of Financial Reports change the required disclosures for fees relating to services provided by the audit or review provider, including a requirement to disaggregate the fees into specified categories. The amendments to PBE IPSAS 1 aim to address concerns about the quality and consistency of disclosures an entity provides about fees paid to its audit or review firm for different types of services. The enhanced disclosures are expected to improve the transparency and consistency of disclosures about fees paid to an entity's audit or review firm. This is effective for the year ended 30 June 2025.

The Ministry has not yet assessed in detail the impact of these amendments and the new standard.

Significant accounting policies

Revenue Crown – Non-exchange

Revenue from the Crown is measured based on the Ministry's funding entitlement for the reporting period.

The funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year. The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to the funding from the Crown. However, the Ministry can incur expenses only within the scope and limits of its appropriations.

The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement.

Revenue Other – Exchange

Other revenue is recognised when earned and is reported in the financial period to which it relates. Revenue is measured at the fair value of the consideration received or receivable.

Equity

Equity is the Crown's investment in the Ministry and is measured as the difference between total assets and total liabilities.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand and deposits on call with banks.

The Ministry is permitted to expend its cash and cash equivalents only within the scope and limits of its appropriations.

Income tax

The Ministry is a public authority and consequently is exempt from income tax. Accordingly, no provision has been made for income tax.

Goods and Services Tax (GST)

All items in the financial statements, including appropriation statements, are stated exclusive of GST, except for receivables and payables, which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Statement of cost allocation policies

The Ministry has determined the cost of outputs using the following cost allocation system:

- Direct costs are expenses incurred from activities specifically attributable to producing an output. These costs are charged directly to the relevant output classes.
- Indirect costs are those costs that cannot be identified with a specific output. Indirect costs are allocated to each output through a two-stage process. The costs are assigned to cost centres within the Ministry, and then the costs are allocated to outputs based on a proportion of staff time attributable to the outputs of that cost centre.

There have been no changes in general cost allocation policies since the date of the last audited financial statements.

Budget and Forecast figures

Basis of preparation

The 2024 budget figures are for the year ended 30 June 2024 and were published in the 2022/23 annual report. They are consistent with the Ministry's best estimate financial forecast information submitted to the Treasury for the Budget Economic and Fiscal Update (BEFU) for the year ending 30 June 2024.

The forecast figures, representing the Forecast Financial Statements, are those published in the BEFU for the year ended 30 June 2024, and are prepared in accordance with PBE FRS 42 Prospective Financial Statements.

The forecast financial statements have been prepared as required by the Public Finance Act 1989 to communicate forecast financial information for accountability purposes. Forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

The significant assumptions underlying the forecast financial statements are:

- the functions performed and the appropriations administered by the Ministry will not change over the forecast period
- personnel costs were based on established roles' wages and salary costs, adjusted for anticipated remuneration changes
- operating costs were based on historical experience and other factors that are believed to be reasonable in the circumstances and are the Ministry's best estimate of future costs that will be incurred
- the Ministry will not receive any additional funding beyond that voted in the Estimates of Appropriations during the forecast period.

The actual financial results achieved for 30 June 2025 are likely to vary from the forecast information, and the variations may be material.

Authorisation statement

The Forecast Financial Statements were authorised for issue by the Chief Executive of the Ministry on 17 April 2024. The Chief Executive is responsible for the Forecast Financial Statements presented, including the appropriateness of the underlying assumptions and all other required disclosures.

Although the Ministry regularly updates its forecasts, it will not publish updated forecast financial statements for the year ending 30 June 2025.

Critical accounting estimates and assumptions

There are no critical accounting estimates and assumptions made in preparing these Financial Statements.

We have performed a sensitivity analysis of increases in expected credit losses relating to motor vehicle registration fees and road user charge revenue in Note 5 of the non-departmental financial statements.

FINANCIAL PERFORMANCE

Note 2: Revenue Crown

Actual 2023 \$000		Actual 2024 \$000
64,528	Transport – Policy advice, ministerial servicing, governance, and other functions	62,447
5,863	Search and Rescue Activity Coordination PLA	5,072
7,442	Auckland Light Rail Unit	-
77,833	Total revenue crown	67,519

Note 3: Other Revenue

Actual 2023 \$000		Actual 2024 \$000
1,871	Crown entities and other departments	1,924
247	Milford Sound/Piopiotaahi Aerodrome landing fees	356
340	Other recoveries	138
2,458	Total other revenue	2,418

Note 4: Personnel Expenses**Accounting policy****Salaries and wages**

Salaries and wages are recognised as an expense as employees provide services.

Superannuation schemes**Defined contribution schemes**

Employee contributions to the State Sector Retirement Savings Scheme, KiwiSaver, and the Government Superannuation Fund are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Actual 2023 \$000		Actual 2024 \$000
36,724	Salary and wages	33,387
975	Employer contributions to defined contribution schemes	1,022
720	Other personnel costs	913
226	Increase in employee entitlements	(243)
38,645	Total personnel expenses	35,079

Note 5: Contractual Payments to Crown Entities

Actual 2023 \$000		Actual 2024 \$000
	NZ Transport Agency:	
4,184	For fuel excise duty refund activity	3,849
	Civil Aviation Authority:	
800	For rules programme activity	800
	Maritime New Zealand:	
800	For rules programme activity	800
5,784	Total contractual payments to Crown entities	5,449

Note 6: Capital Charge

Accounting policy

The capital charge is recognised as an expense in the financial year that the charge relates to.

The Ministry pays a capital charge to the Crown based on its taxpayers' funds as at 30 June and 31 December each year for the previous 6 months. The capital charge rate for the year ended 30 June 2024 was 5% (2023: 5%).

Note 7: Other Operating Expenses

Accounting Policy

Other expense

Other expenses are recognised as goods and services are received.

Actual 2023 \$000		Actual 2024 \$000
	Fees to auditor:	
169	• fees to Audit New Zealand for audit of financial statements – 2023/24	172
-	• fees to Audit New Zealand for audit of financial statements – 2022/23 and prior	85
22	• fees to Audit New Zealand for other services	-
21,236	Consultant, research and legal expenses	11,843
3,511	Information technology expenses	3,195
1,594	Operating lease payments	1,530
384	Advertising and publicity	169
2,844	Other operating expenses	1,892
29,760	Total other operating expenses	18,886

In 2022/23 the fees for other services from the auditor were for assurance services over the procurement of a feasibility study to develop Manukau Harbour.

FINANCIAL PERFORMANCE

Note 8: Debtors, Prepayments and Other Receivables**Accounting policy**

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL). The Ministry applies the simplified ECL model of recognising lifetime ECLs for short-term receivables.

In measuring ECLs, short-term receivables have been assessed on a collective basis because they possess shared credit risk characteristics. They have been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

We have excluded receivables from government departments and Crown entities as there has been no indication that these receivables will not be collected.

Short-term receivables are written off when there are no reasonable expectations of recovery. Indicators that there are no reasonable expectations of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

Actual 2023 \$000		Actual 2024 \$000
	Receivables from non-exchange transactions	
5,611	Due from the Crown	5,611
-	GST receivable	971
	Receivables from exchange transactions	
181	Other receivables	265
554	Prepayments	793
6,346	Total debtors, prepayments and other receivables under exchange transactions	7,640

The carrying value of debtors, prepayments and other receivables approximates their fair value. Other receivables greater than 30 days in age are considered to be past due. Receivables of \$73 were past due as at 30 June 2024 (2023: \$27).

A doubtful debt is created when there is no reasonable expectation of recovery for specific debts. The Ministry has no doubtful debt provisions as at 30 June 2024 (2023: Nil).

Note 9: Property, Plant and Equipment

Accounting policy

Property, plant and equipment consists of the following asset classes: leasehold improvements, plant and equipment, and Milford Sound/Piopiotahi Aerodrome.

Individual assets or groups of assets are capitalised if their cost is greater than \$5,000.

Revaluation

Milford Sound/Piopiotahi Aerodrome (the aerodrome) is revalued on a five yearly cycle. The aerodrome was valued at 31 March 2020 by an independent valuer, M Wyatt (Principal Engineer – Strategic Asset Management) of AECOM NZ Limited. The valuation was based on the aerodrome's optimised depreciated replacement cost. Impairment of the valuation is reassessed annually. During the 2022/23 financial year depreciation of the runway was accelerated based on a recommendation from BECA Limited.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Ministry and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Ministry and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are expensed in the surplus or deficit as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit. When a revalued asset is sold, the amount included in the property revaluation reserve in respect of the disposed asset is transferred to taxpayers' funds.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Ministry and the cost of the item can be measured reliably.

Depreciation/Amortisation

Depreciation/Amortisation is provided on a straight-line basis on all property, plant, equipment.

The useful lives and associated depreciation rates of major classes of property, plant, and equipment have been estimated as follows:

Asset class	Useful life	Depreciation rate
Leasehold improvements	To lease expiry date	18.18% per annum
Milford Sound/Piopiotahi Aerodrome	3-100 years	1-33.3% per annum
Plant and equipment	2-10 years or to lease expiry date	10-50% per annum

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

FINANCIAL PERFORMANCE

Impairment

Property, plant, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount that the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to its recoverable amount. For revalued assets, the impairment loss is recognised in other comprehensive revenue and expense and decreases the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in surplus or deficit.

	Leasehold improvements \$000	Plant and equipment \$000	Milford Sound/ Piopiotahi Aerodrome \$000	Total \$000
Cost or valuation				
Balance at 1 July 2022	931	174	1,286	2,391
Additions	-	-	-	-
Revaluations	-	-	-	-
Disposals	-	-	-	-
Balance at 30 June 2023	931	174	1,286	2,391
Additions	-	105	-	-
Disposals	-	(90)	-	-
Balance at 30 June 2024	931	189	1,286	2,406
Accumulated depreciation				
Balance at 1 July 2022	554	110	123	787
Depreciation	175	7	324	506
Disposals	-	-	-	-
Balance at 30 June 2023	729	117	447	1,293
Depreciation	174	9	28	211
Disposals	-	(90)	-	-
Balance at 30 June 2024	903	36	475	1,414
Carrying amounts				
At 30 June 2022	376	63	1,163	1,602
At 30 June 2023	202	57	839	1,098
At 30 June 2024	28	153	811	992

Work in progress

There was no work in progress asset as at 30 June 2024 (2023: \$nil).

Restrictions

There are no restrictions over the title of the Ministry's plant, property and equipment.

Note 10: Intangibles

Accounting policy

Software Acquisitions

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire the specific software and bring it to use.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Where software is provided under a Software-as-a-Service (SaaS) arrangement, costs of configuration and customisation are recognised as an intangible asset only if the activities create an intangible asset that the Ministry controls and asset recognition criteria are met. Costs, including ongoing fees for use of software, that do not result in an intangible asset, or a software finance lease are expensed as a service contract as incurred. However, where fees represent payment for future services to be received, the Ministry recognises these as a prepayment and expenses these as subsequent services are received.

Costs associated with development and maintenance of the Ministry's website are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Software	3-5 years	20-33.3% per annum
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Impairment

For further details, refer to the policy for impairment of property, plant, and equipment in Note 9. The same approach applies to the impairment of intangible assets.

FINANCIAL PERFORMANCE

	Total Acquired Software \$000
Cost or valuation	
Balance at 1 July 2022	433
Additions	-
Disposals	-
Balance at 30 June 2023	433
Additions	-
Disposals	(433)
Balance at 30 June 2024	-
Accumulated amortisation	
Balance at 1 July 2022	431
Amortisation	1
Disposals	-
Balance at 30 June 2023	432
Amortisation	1
Disposals	(433)
Balance at 30 June 2024	-
Carrying amounts	
At 30 June 2022	2
At 30 June 2023	1
At 30 June 2024	-

Restrictions

There are no restrictions over the title of the Ministry's intangible assets, nor are any intangible assets pledged as security for liabilities.

Note 11: Creditors and Other Payables**Accounting policy**

Short-term payables are recorded at the amount payable.

Actual 2023 \$000		Actual 2024 \$000
Payables under exchange transactions		
2,835	Trade creditors under exchange transactions	841
1,147	Accrued expenses	923
266	Revenue received in advance	199
Payables under non-exchange transactions		
-	Due to the Crown	-
33	GST payable	-
4,281	Total creditors and other payables under exchange transactions	1,963

Note 12: Employee Entitlements

Accounting policy

Short-term employee entitlements

Employee entitlements that are expected to be settled wholly before 12 months after the end of the reporting period that the employees provide the related service in are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to but not yet taken at balance date, and sick leave.

Long-term entitlements

Employee entitlements that are not expected to be settled wholly before 12 months after the end of the reporting period that the employees provide the related service in, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlements information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Critical accounting estimates and assumptions

The present value of retirement and long service leave obligations depends on a number of factors. Two key factors are the discount rate and the salary-inflation factor. These are detailed below. Any changes in these assumptions will change the carrying amount of the liability.

Discount rate	2024	2023	Salary Inflation	2024	2023
Year 1	5.43%	5.43%	Year 0	0.00%	0.00%
Year 2	4.85%	4.85%	Year 1	3.60%	3.60%
Year 3+	4.84%	4.84%	Year 2+	3.35%	3.35%

Actual 2023 \$000		Actual 2024 \$000
	Current portion	
908	Annual salary	894
1,946	Annual leave	1,747
173	Long service leave	152
119	Retirement leave	117
33	Sick leave	33
3,179	Total of current portion	2,943
	Non-current portion	
220	Long service leave	237
898	Retirement leave	852
1,118	Total of non-current portion	1,089
4,297	Total employee entitlements	4,032

FINANCIAL PERFORMANCE

Note 13: Provisions**Accounting policy**

A provision is recognised for future expenditure of an uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for net deficits from future operating activities.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre tax discount rate based on market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated timing of the future cash outflows.

	Holidays Act Compliance \$000	Other Provisions \$000	Total \$000
Balance at 1 July 2022	17	98	115
New provision	-	-	-
Release of provision	-	-	-
Balance at 1 July 2023	17	98	115
New provision	-	-	-
Release of provision	-	(98)	(98)
Balance at 30 June 2024	17	-	17
Current liabilities	17	-	17
Non-current liabilities	-	-	-

The Ministry's payroll system was non-compliant with the Holidays Act 2003. The Ministry has been working with an external consultant to find a solution to ensure compliance with the Act. A provision has been created based on the current estimate of the Ministry's liability to remediate any payroll underpayments due to the non-compliance with the Act. A number of payments have been made to both previous and current employees. No additional provision was made in 2023/24.

Note 14: Equity

Actual 2023 \$000		Actual 2024 \$000
	Taxpayers' funds	
1,947	Balance at 1 July	1,947
5,454	Net surplus/(deficit)	10,171
-	Capital contribution	-
(5,454)	Return of operating surplus to the Crown	(10,171)
1,947	Balance at 30 June	1,947
	Property revaluation reserve	
877	Balance at 1 July	877
877	Balance at 30 June	877
2,824	Total equity	2,824

Note 15: Reconciliation of the Net Surplus in the Statement of Comprehensive Revenue and Expense with Net Cash Flows from Operating Activities in the Statement of Cash Flows

Actual 2023 \$000		Actual 2024 \$000
5,454	Net surplus	10,171
	Add non-cash items	
507	Depreciation and amortisation expense	211
507	Total of non-cash items	211
	Add/(deduct) movements in statement of financial position items	
(4,633)	(Increase)/decrease in debtors and other receivables	(1,294)
(3,911)	Increase/(decrease) in payables and provisions	(2,419)
394	Increase/(decrease) in employee entitlements	(265)
(8,150)	Net movements in statement of financial position items	(3,979)
(2,189)	Net cash flows from operating activities	6,404

FINANCIAL PERFORMANCE**Note 16: Financial Instrument Categories**

The carrying amounts of financial assets and liabilities in each of the PBE EPSAS 41 financial categories are as follows:

Actual 2023 \$000		Actual 2024 \$000
	Financial assets measured at amortised cost	
9,530	Cash and cash equivalents	10,375
5,792	Debtors, prepayments and other receivables	6,847
15,322	Total financial assets measured at amortised cost	17,222
	Financial liabilities measured at amortised cost	
4,281	Creditors and other payables	992
4,281	Financial liabilities measured at amortised cost	992

Note 17: Related Party Information

The Ministry is a wholly owned entity of the Crown.

The Ministry has not made related party disclosures for transactions with related parties within a normal supplier or client/recipient relationship, on terms and conditions no more or less favourable than those it is reasonable to expect the Ministry would have adopted, in dealing with the party at arm's length in the same circumstances. In addition, the Ministry has not disclosed as related transactions any transactions with other government agencies (e.g. departments and Crown entities), when the transactions are consistent with the normal operating arrangements between government agencies and undertaken on normal terms and conditions.

The Ministry received revenue from other entities controlled by the Crown to reimburse it for costs – detailed in Note 3.

The Ministry also purchased transport outputs from other transport entities controlled by the Crown – detailed in Note 5.

Transactions with key management personnel

The Ministry did not enter into any transactions with key management personnel or their close families in 2023/24 (2023: nil).

Key management personnel compensation

Actual 2023 \$000		Actual 2024 \$000
	Leadership team, including the Chief Executive	
2,107	Remuneration	2,376
7.0	Full-time equivalent staff	6.8

The key management personnel remuneration disclosure includes the Chief Executive and seven other members of the Senior Leadership Team and those formally acting in these positions during the financial year on a full-time equivalent basis. The above key management personnel disclosure excludes the Minister of Transport. The Minister's remuneration and other benefits are not received only for his role as a member of key management personnel of the Ministry. The Remuneration Authority sets the Minister's remuneration and other benefits under the Members of Parliament (Remuneration and Services) Act 2013, and they are paid under permanent legislative authority on behalf of the Crown by the Department of Internal Affairs, not by the Ministry of Transport.

Note 18: Explanation of Major Variances against Budget 2024 Figures

Explanations for major variances from the Ministry's original 2023/24 budget figures are as follows:

Statement of Comprehensive Revenue and Expense

Revenue

Revenue Crown

Crown revenue was \$7.203 million lower than originally budgeted mostly due to a change in government priorities and funds no longer being required.

Other Revenue

Other revenue was above budget by \$1.273 million due to higher than budgeted expenditure within Search and Rescue Training and third party funded initiatives.

Expenses

Personnel Expenses

Personnel costs were lower than budget by \$5.797 million due to a restructure within the Ministry, staff turnover and a tight labour market providing challenges with securing recruitment.

Other Operating Expenses

Other operating expenses were under budget by \$9.287 million primarily due to savings generated from programmes including Climate Emergency Response Fund (CERF) and Auckland Light Rail (ALR), that were stopped, delayed or slowed to align with new government priorities.

Statement of Financial Position

Assets

Debtors, prepayments and other receivables

Debtors, prepayments and other receivables were higher than budgeted by \$3.248 million due to higher than anticipated prepayments and Crown debtor at year end.

Liabilities

Creditors and other payables

Creditors and other payables were lower than budgeted by \$7.718 million primarily due to lower accrued expenses in relation to additional initiatives delivered during the year.

Provision to repay surplus

Due to the underspend in 2023/24, the Ministry has recognised a surplus of \$10.171 million which will be repaid to the Crown in 2024/25.

Statement of Cash Flows

Variances in the statement of cash flows are in line with variances in the statement of comprehensive revenue and expense and statement of financial position as explained above.

Note 19: Events after Balance Sheet Date

There have been no significant events after balance date.

FINANCIAL PERFORMANCE

Non-departmental Statements and Schedules

The following non-departmental statements and schedules record the revenue, capital receipts, expenses, assets, liabilities, commitments, contingent liabilities, contingent assets, and trust accounts that the Ministry manages on behalf of the Crown.

Schedule of Non-Departmental Revenue and Receipts

For the year ended 30 June 2024

This schedule summarises revenue and receipts the Ministry collects on behalf of the Crown.

Actual 2023 \$000		Note	Actual 2024 \$000	Unaudited budget 2024 \$000
1,582,313	Indirect taxation	2	2,004,352	2,090,072
170,753	Other 'sovereign power' revenue	3	249,556	252,699
136,788	Other operational revenue	4	13,850	8,760
(127,235)	Share of net asset increase/(decrease) in joint ventures	6	(22,849)	-
1,762,619	Total non-departmental revenue and receipts		2,244,909	2,351,531

Schedule of Non-Departmental Expenses

For the year ended 30 June 2024

This schedule summarises expenses the Ministry administers on behalf of the Crown.

Further details are provided in the appropriation statements.

Actual 2023 \$000		Note	Actual 2024 \$000	Unaudited budget 2024 \$000
4,824,200	Non-departmental output classes		4,212,325	4,473,952
532,569	Other expenses to be incurred by the Crown		396,634	179,725
89,721	Non-departmental multi category appropriation expenses		526,506	499,403
15,131	Net impairment on receivables		18,929	18,000
800,842	GST expense		746,684	775,534
6,262,463	Total non-departmental expenses		5,901,078	5,946,614

Explanations of major variances against budget are provided in Note 10.

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2024.

Schedule of Non-Departmental Assets

For the year ended 30 June 2024

This schedule summarises the assets and liabilities the Ministry administers on behalf of the Crown.

Actual 2023 \$000		Note	Actual 2024 \$000	Unaudited budget 2024 \$000
Current assets				
77,636	Cash and cash equivalents		46,294	69,121
263,618	Receivables	5	423,165	46,304
Non-current assets				
1,477,503	Investment in joint ventures	6	1,784,664	2,016,303
1,818,757	Total non-departmental assets		2,254,123	2,131,728

In addition, the Ministry monitors four Crown entities:

- Civil Aviation Authority (which includes the Aviation Security Service)
- Maritime New Zealand
- NZ Transport Agency
- Transport Accident Investigation Commission.

The Crown's investment in those entities is consolidated in the Financial Statements of the Government on a line-by-line basis. The investment in those entities is not included in this schedule.

Schedule of Non-Departmental Liabilities

For the year ended 30 June 2024

This schedule summarises the liabilities the Ministry administers on behalf of the Crown.

Actual 2023 \$000		Note	Actual 2024 \$000	Unaudited budget 2024 \$000
Current liabilities				
996,694	Payables	8	879,793	588,916
996,694	Total non-departmental liabilities		879,793	588,916

Explanations of major variances against budget are provided in Note 10.

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2024.

FINANCIAL PERFORMANCE**Schedule of Non-Departmental Commitments**

For the year ended 30 June 2024

This statement records those expenses to which the Crown is contractually committed and which will become liabilities, if and when the terms of the contracts are met.

Actual 2023 \$000		Unaudited budget 2024 \$000
	Operating commitments	
132,289	Other non-cancellable contracts for the supply of goods and services	101,057
132,289	Total operating commitments	101,057
	Term classification of commitments	
31,232	Not later than 1 year	32,690
101,057	Later than 1 year and not later than 5 years	68,367
-	Later than 5 years	-
132,289	Total operating commitments	101,057

Statement of Non-Departmental Contingent Liabilities and Contingent Assets

For the year ended 30 June 2024

This statement discloses situations which exist at 30 June 2024, the ultimate outcome of which is uncertain and will be confirmed only on the occurrence of one or more future events after the date of approval of the financial statements.

Contingent liabilities**Unquantifiable contingent liability****Public Works Act claims**

As of 30 June 2024, there is one claim before the Land Valuation Tribunal or Courts where City Rail Link Limited is either directly or indirectly involved as a party. This case relates to compensation payable under sections 60 and 62 of the Public Works Act 1981 in relation to land acquired for the City Rail Link. City Rail Link Limited continues to assess the compensation payable to those landowners to resolve outstanding claims. However, it is not possible to reliably estimate the obligations of City Rail Link Limited or accurately predict whether any compensation offer will be acceptable to the landowner, each property owner being entitled to have compensation determined by the Land Valuation Tribunal.

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2024.

Quantifiable contingent liabilities

Actual 2023 \$000		Actual 2024 \$000
10,000	Transport Accident Investigation Commission emergency guarantee	10,000
84,000	New Zealand Transport Agency Clean Car Standards credits scheme	193,000
94,000	Total contingent liabilities	203,000

Emergency guarantee

The Minister of Finance has issued a \$10 million guarantee to the Transport Accident Investigation Commission, for use in the event of a major transport accident (air, rail or marine) where the Commission would have to hire specialist recovery equipment. This is expected to be a near permanent guarantee.

Clean Car Standards credit scheme

The Clean Car Standard scheme became effective from 1 January 2023. Cars that are imported with a CO₂ level above the Government mandated standard pay a charge. Cars that are imported with a CO₂ level below the Government mandated standard receive a credit. The credit can either be used to offset a current charge, keep offsetting future charges or sold to another importer.

As at 30 June 2024 the debtor balance relating to charges was \$65 million and the provision liability relating to credits was \$258 million. NZTA's judgement is that the current import trends (with more imported cars receiving credits than incurring charges) will not sufficiently reverse to enable use of the current level of excess credits. The full amount of \$193 million is recorded as a contingent liability.

The Ministry on behalf of the Crown has no other contingent liabilities (2022/23: \$nil).

Contingent assets

The Ministry had no contingent assets held on behalf of the Crown as of balance date (2022/23: \$nil).

The accompanying notes form part of these financial statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2024.

FINANCIAL PERFORMANCE

Notes to Non-departmental Schedules and Statements

For the year ended 30 June 2024

Note 2: Indirect Taxation

Indirect taxation, Clean Car Discount fee and Clean Car Standard Charge are deemed to be non-exchange revenue, for the purposes of these financial statements. All other revenue is deemed to be exchange.

Revenues from road user charges, track user charges, motor vehicle registration fees, Clean Car Discount fees and Clean Car Standard Charges are recognised on an accrual basis. Revenues from tolling and infringement fees are recognised on a cash basis.

Actual 2023 \$000		Actual 2024 \$000
1,399,334	Road user charges	1,821,467
14,974	Track User Charges	17,610
236,056	Motor vehicle registration fees	232,278
1,650,364	Sub-total	2,071,355
(68,051)	Fuel excise duty refunds	(67,003)
1,582,313	Total indirect taxation	2,004,352

Note 3: Other 'Sovereign Power' Revenue

Actual 2023 \$000		Actual 2024 \$000
169,134	Clean Car Discount Fee	103,337
1,464	Clean Car Standard Charges	146,087
155	Infringement fees – tolls and other	132
170,753	Total other 'sovereign power' revenue	249,556

In 2023/24, the Ministry has aligned its accounting policy of recognising revenue for Clean Car Standard Charges with NZTA using the accrual basis (2022/23: cash basis). No retrospective changes were made by the Ministry as the impact is not material.

Note 4: Other Operational Revenue

Actual 2023 \$000		Actual 2024 \$000
10,762	Tolling revenue (see note 7)	13,726
459	Road user charges administration fees	124
125,567	Revenue from vesting of assets from City Rail Link Limited	-
136,788	Total other operational revenue	13,850

Note 5: Receivables

Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses. The Ministry applies the simplified expected credit loss model of recognising lifetime expected credit losses for short-term receivables.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due. We have excluded receivables from government departments and Crown entities as there has been no indication that these receivables will not be collected.

Short-term receivables are written off when there are no reasonable expectations of recovery. Indicators that there are no reasonable expectations of recovery include the receivable being more than one year overdue.

Actual 2023 \$000		Actual 2024 \$000
	Non-exchange receivables	
65,971	Motor vehicle registration fees	34,761
45,093	Road user charge revenue	61,930
3,560	Track user charges	4,150
16,240	Clean Car Discount Fees	-
13	Clean Cars Standard scheme	64,657
159,982	Output funding receivable from New Zealand Transport Agency	282,981
3,034	Output funding receivable from Civil Aviation Authority	-
	Output funding receivable from KiwiRail	8,872
	Output funding receivable from Maritime New Zealand	387
293,893	Total non-exchange receivables	457,938
	Exchange receivables	
2,681	Tolling revenue	3,303
2,681	Total exchange receivables	3,303
296,574	Sub-total	461,241
(32,955)	Provision for doubtful debts	(38,076)
263,619	Total receivables	423,165

For Motor Vehicle Registration fees and Road User Charge revenue, debts are assessed for impairment regularly and provision made for non-collectable debts using the simplified expected credit loss model of recognising lifetime expected credit losses for receivables, as shown above.

There has been an increase in the Road User Charges and Truck User Charges receivable balance at the end of the current financial period (2024: \$66.080 million) compared to last financial year (2023: \$48.653 million). This is due to an increase in debt invoiced from \$75 million in 2022/23 compared to \$99 million in 2023/2024 and only an increase in debt received from \$58 million in 2022/23 to \$73 million in 2023/24. The RUC bad debt write-off was lower in the current financial year (2024: \$15.694 million) than the last financial year (2023: \$16.220 million), despite the increase in RUC debt.

Motor Vehicle Registration Fees receivables represent fees collected mainly via the agents network and they are current i.e. not past due. The decrease in current year end balance compared to the prior period is because of the timing of the agents' pay overs.

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The ageing profile of receivables is shown below:

2022/2023				2023/2024		
Gross \$000	Impairment \$000	Net \$000		Gross \$000	Impairment \$000	Net \$000
258,806	2,923	255,883	Not past due	414,173	3,252	410,921
4,208	2,446	1,762	Past due 1-30 days	6,898	3,599	3,299
2,777	1,858	919	Past due 31-60 days	3,990	2,415	1,575
7,454	6,090	1,363	Past due 61-90 days	9,051	6,419	2,632
22,927	19,638	3,288	Past due > 90 days	27,129	22,391	4,738
296,172	32,955	263,217	Total	461,241	38,076	423,165

The expected credit loss rates for receivables at 30 June 2024 are based on the payment profile of revenue on credit over the prior one year at the measurement date. The corresponding historical credit losses experienced for that period are adjusted for current and forward-looking macroeconomic conditions in place at balance date. Receivables have been assessed on a collective basis as they possess shared credit risk characteristics, except for the significant debtors (with a customer total debt owing of over \$10k) whose recovery rate has been assessed individually. The receivables have been grouped on the days past due.

The allowance for credit losses at 30 June 2024 was determined as follows:

30 June 2024	Receivable days past due					Total
	Current	More than 30 days	More than 60 days	More than 90 days	More than 180 days	
Expected credit loss rate	0.79%	52.17%	60.53%	70.92%	82.54%	8.26%
Gross carrying amount (\$000)	414,173	6,898	3,990	9,051	27,129	461,241
Lifetime expected credit loss (\$000)	3,252	3,599	2,415	6,419	22,391	38,077

A sensitivity analysis of increases in the expected credit losses due to impact of current economic conditions is presented below. The scenarios are based on various percentages of potential increase in the outstanding Road User Charges debt assessments which will result in a proportional increase in the respective expected credit loss over the lifetime of debt. The resulting increases in the impairment of receivables as a direct result of the impact of current economic conditions on the expected credit losses is not considered to have a material impact on the balance sheet.

	Actual increase	10% increase	15% increase	20% increase	30% increase
Not past due	3,251	3,384	3,530	3,675	3,967
Past due 1-30 Days	3,599	3,921	4,082	4,243	4,565
Past due 31-60 days	2,415	2,613	2,712	2,811	3,009
Past due 61-90 days	6,419	6,855	7,038	7,039	7,039
Past due over 90 days	22,391	22,391	22,391	22,391	22,391
Total	38,076	39,164	39,753	40,160	40,971
Movement		1,088	1,677	2,084	2,895
Percentage of movement		3%	4%	5%	8%

Note 6: Investment in Joint Ventures

Actual 2023 \$000		Actual 2024 \$000
16,753	Joint venture airports	20,373
1,460,751	City Rail Link Limited	1,764,291
1,477,504	Total investment in joint ventures	1,784,664

Joint Venture Airports

Actual 2023 \$000		Actual 2024 \$000
-	Gains/(losses) generated by joint ventures	(890)
-	Share of net asset increase/(decrease) in joint ventures	(890)
264	Capital payments made during the year	4,510
264	Total change in investment value	3,620

Investments in joint venture airports are accounted for using the equity method, represented by the increase or decrease in post-acquisition net assets.

The Crown has a 50 percent interest in each airport (Taupō, Whanganui, Westport, Whakatāne, Whangārei), with the other 50 percent held by the local council. The Crown has a commitment to 50 percent of operating losses and 50 percent of capital expenses once jointly approved. The value of the investment at 30 June 2024 is based on the annual financial statements of each airport for the year ended 30 June 2023, plus capital contributions from the Crown during the year ended 30 June 2024.

City Rail Link Limited

Actual 2023 \$000		Actual 2024 \$000
(127,234)	Gains/(losses) generated by joint ventures	(21,960)
(127,234)	Share of net asset increase/(decrease) in joint ventures	(21,960)
454,500	Capital payments made during the year	325,500
327,266	Total change in investment value	303,540

City Rail Link Limited (CRL) is a jointly controlled Crown Entity company, co-funded by the Government with Auckland Council, set up to design and construct the Auckland City Rail Link (an underground rail line between the city centre and the existing western line).

For the year ended 30 June 2024, CRL recognised revenue of \$7 million (2023: \$6 million), a deficit of \$42 million (2023: \$256 million), assets of \$3,586 million (2023: \$2,992 million), liabilities of \$58 million (2023: \$72 million) and equity of \$3,528 million (2023: \$2,920 million).

The Government's share of CRL commitments excluding claims is \$300 million (2023: \$338 million). The decrease in commitments in 2024 is due to the completion of capital works during the year. There was no change in the amount of funding provided by the Government in the 2023/24 financial year.

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Note 7: Investment in the Northern Gateway Toll Road

The Crown contributed \$158 million to the construction of the Northern Gateway toll road. It issued infrastructure bonds to fund this. The toll revenue from the road is intended to cover the costs of the bonds. Tolling began in February 2009 and this revenue is recorded as other operational revenue in Vote Transport (Note 4).

It was agreed a notional account would be kept of the 'cost' of the project, with an estimated interest rate charged on the contribution. The interest charge is calculated daily, based on the outstanding balance, plus interest, less tolling revenue received. The interest rate used is 3.09 percent – the weighted average cost of the Treasury's nominal bonds outstanding as at 30 June 2024 which includes 15 basis points for administration costs (2023: 2.85 percent). This rate will be reviewed annually.

Since the commencement of the project

2023 Actual \$000		2024 Actual \$000
158,000	Funding provided for construction	158,000
167,420	Notional interest charged since funding first drawn	168,040
(126,199)	Tolling revenue since February 2009	(139,925)
199,221	Balance at 30 June	186,115

Current Year

2023 Actual \$000		2024 Actual \$000
204,189	Balance at 1 July	199,221
5,794	Notional interest charge for the year	620
(10,762)	Tolling revenue for the year	(13,726)
199,221	Balance at 30 June	186,115

Note 8: Payables

Accounting policy

Short-term payables are recorded at the amount payable.

Actual 2023 \$000		Actual 2024 \$000
841,532	National Land Transport Fund revenue and output funding payable to New Zealand Transport Agency	715,123
31,439	GST payable	21,818
19,166	Motor vehicle registration third party collections	84,747
58,322	Output funding payable to KiwiRail	51,476
3,541	Road user charges refunds	2,646
3,244	Output funding payable to Maritime New Zealand	250
2,450	Output funding payable to Civil Aviation Authority	-
34,092	Output funding payable to Auckland Light Rail	-
487	Output funding payable to City Rail Link Limited	230
2,421	Output funding payable to other parties	2,377
-	Payable to Crown	1,126
996,694	Total payables	879,793

Note 9: Financial Instruments

The carrying amounts of financial assets and financial liabilities in each of the PBE IPSAS 29 categories are as follows:

Actual 2023 \$000		Actual 2024 \$000
Financial assets measured at amortised cost		
77,636	Cash and cash equivalents	46,294
181,949	Receivables	360,400
259,585	Total financial assets measured at amortised cost	406,694
Financial liabilities measured at amortised cost		
942,548	Payables	770,582
942,548	Total financial liabilities measured at amortised cost	770,582

Credit risk is the risk a third party will default on its obligation, causing a loss to be incurred. Credit risk arises from debtors and deposits with banks.

Funds must be deposited with Westpac, a registered bank.

The maximum credit exposure for each class of financial instruments is represented by the total carrying amount of cash and cash equivalents and net debtors. There is no collateral held as security against these financial instruments, including those instruments that are overdue or impaired. Other than Westpac, there are no significant concentrations of credit risk.

FINANCIAL PERFORMANCE**Note 10: Explanation of Major Variances against Budget**

Explanations for major variances from the Ministry's non-departmental 2023/24 budget figures are as follows:

Schedule of non-departmental revenue and receipts

Total revenue and receipts were \$107 million lower than originally budgeted mainly due to Road User Charge (RUC) revenue being \$98 million lower than budgeted. This was mainly due to less revenue from light vehicle RUC. This was a result of economic activity varying from what had been expected and RUC purchased in advance in 2022/23 (while rates were discounted) causing lower receipts in 2023/24.

There was also the recognition of the Crown's share of City Rail Link Limited's losses of \$22 million, which was not budgeted for. The losses made by City Rail Link Limited primarily relate to the vesting of assets associated with the City Rail Link project to Auckland Transport and KiwiRail.

Schedule of non-departmental expenses

Non-departmental expenses were \$46 million lower than originally budgeted. This is largely due to changes to transport initiatives or the phasing of spending agreed after Budget 2023. The following initiatives were stopped or scaled in 2023/24:

- Mode-shift third-party projects and activities. Community connect programme – Public Transport Concessions, due to ending free public transport for 5 to 12-year-olds and half-price fares for under 25-year-olds.
- Auckland Light Rail.

These decreases were partially offset by increases due to:

- The establishment of the Clean Vehicle Standard – Issue of Credits appropriation as a result of a change in accounting treatment for the Clean Vehicle Standard Credits. This is purely a technical transaction.
- The timing of the Eastern Busway Project.
- Additional funding provided and reprioritisation from existing appropriations for the reinstatement of local roads and rail impacted by the North Island weather events.

Schedule of non-departmental assets

The Crown's investment in joint ventures was \$232 million lower than budgeted. This was primarily due to \$149 million losses in 2022/23 and 2023/24 and \$78 million less contribution than budget from the Crown to City Rail Link Limited.

Receivables were \$377 million higher than originally budgeted. Receivables can fluctuate significantly depending on the timing of recognising expenditure by transport sector entities and the timing of payments by the Ministry. With payments made in the month before the expenditure recognition, this will create a Receivable.

Schedule of non-departmental liabilities

Non-departmental liabilities were \$291 million more than originally budgeted. Payables can fluctuate significantly depending on the timing of claims from transport sector entities and the timing of payments.

Note 11: Events after Balance Sheet Date

There have been no significant events after balance date.

Appropriation Statements

The following statements report information about the expenses and capital expenditure incurred against each appropriation, or other authority administered by the Ministry for the year ended 30 June 2024.

Annual and permanent appropriations for Vote Transport

2023 Actual \$000	Appropriation title	2024 Actual \$000	2024 Budget \$000	2024 Approved appropriation** \$000	End-of year performance information location*
Departmental Output Expenses					
7,442	Auckland Light Rail Unit MYA	-	-	-	1
5,466	Search and Rescue Activity Coordination PLA	4,358	5,026	5,072	1
1,194	Search and Rescue Training and Training Coordination	1,411	700	1,782	1
60,735	Transport – Policy advice, ministerial servicing, governance, and other functions	53,998	70,141	63,507	1
74,837	Total departmental output expenses	59,767	75,867	70,361	
Departmental Capital Expenditure					
-	Ministry of Transport – Capital Expenditure PLA	105	250	250	1
-	Total departmental output expenses	105	250	250	
Non-departmental output expenses					
7,247	Accident or Incident Investigation and Reporting	9,273	9,273	9,273	2
179	Administration of the Automatic Dependent Surveillance – Broadcast Transponders Rebate Scheme	-	-	-	4
76,762	Auckland Light Rail – Detailed Planning Phase MYA	40,238	70,443	36,378	11
3,422	Civil Aviation and Maritime Security Services	3,375	3,375	3,375	4

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2023 Actual \$000	Appropriation title	2024 Actual \$000	2024 Budget \$000	2024 Approved appropriation** \$000	End-of year performance information location*
11,179	Clean Car Standard – Operation	12,571	11,842	15,571	3
4,598	Clean Vehicle Discount Administration Costs PLA	4,911	8,000	8,000	3
250,000	Cyclone Gabrielle-NLTF Opex Pressure Funding	17,400	275,000	17,400	3
1,554,019	Funding for Temporary Decreases in Fuel Excise Duty, Road User Charges, Public Transport Fares and Railway Track User Charges MYA	-	-	-	3
-	Ground-Based Navigation Aids for Aviation Safety	-	400	400	6
1,201	Health and Safety at Work Activities – Civil Aviation	4,001	4,001	4,001	4
10,544	Health and Safety at Work Activities – Maritime	10,814	10,814	10,814	5
5,269	Land Transport Regulatory Services	7,043	10,873	9,873	3
9,299	Maritime Regulatory and Response Services	11,499	10,499	11,724	5
2,121,549	National Land Transport Programme PLA***	3,167,661	3,191,841	3,138,310	3
140,000	National Land Transport Programme Additional Crown Funding (2021-2024) MYA	60,673	60,673	60,673	3
71,576	Protection of Transport Sector Agency Core Functions MYA	89,188	97,568	89,457	4,5
529	Public Transport Bus Decarbonisation MYA	4,192	8,965	6,500	3
30,625	Rail – Grants MYA	42,814	42,810	44,580	6,7
455,456	Rail – Maintenance and Renewal of the Rail Network MYA	610,389	530,841	631,280	6,7
2,933	Retaining and Recruiting Bus Drivers MYA	15,589	32,100	19,277	3
6,986	Road User Charges Investigation and Enforcement	7,595	3,779	7,595	3
3,120	Road User Charges Refunds	3,010	3,010	3,010	3
26,633	Search and Rescue and Recreational Boating Safety Activities PLA	31,537	29,293	31,543	6
1,500	Social Leasing Scheme Trial (M72) (A26)	-	-	-	3
3,850	Waka Kotahi Regulatory Functions PLA	31,350	31,350	31,350	3
25,724	Weather Forecasts and Warnings	27,202	27,202	27,202	6
4,824,200	Total non-departmental output expenses	4,212,325	4,473,952	4,217,586	

2023 Actual \$000	Appropriation title	2024 Actual \$000	2024 Budget \$000	2024 Approved appropriation** \$000	End-of year performance information location*
Non-departmental other expenses					
2,904	Auckland City Rail Link – Operating MYA	3,819	6,527	3,742	6,7
1,730	Auckland City Rail Link Targeted Hardship Fund MYA	1,212	2,206	1,397	9
2,896	Automatic Dependent Surveillance- Broadcast Transponders Rebate Scheme MYA	-	-	-	4
14,935	Bad Debt Provision – Land Transport Revenue collected by Waka Kotahi New Zealand Transport Agency	18,929	18,000	18,000	3
174,660	Clean Vehicle Discount Rebates PLA	98,426	154,984	86,984	6
167,163	Clean Vehicle Discount Scheme – Rebates MYA	55,893	-	60,009	6
-	Clean Vehicle Standard – Issue of Credits	139,905	-	150,000	3
30,614	Eastern Busway Project	76,736	-	84,968	3
1,129	KiwiRail Holidays Act Remediation	-	-	-	7
3,312	Maintaining Essential Transport Connectivity MYA	-	-	-	6
122,575	Maintaining international air services MYA	-	-	-	6
828	Membership of International Organisations	895	863	903	8
230	Recreational Aviation Safety Activities PLA	274	-	286	6
5,471	Supporting a Chatham Islands Replacement Ship	4,329	-	4,329	6
2,411	Transport Connectivity with Isolated Communities	-	-	1,000	6
1,500	Waka Kotahi NZ Transport Agency Palmerston North Premises	-	-	-	3
15,145	Water Search, Rescue and Safety Frontline Services	15,145	15,145	15,145	6
547,504	Total non-departmental other expenses	415,563	197,725	426,763	

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2023 Actual \$000	Appropriation title	2024 Actual \$000	2024 Budget \$000	2024 Approved appropriation** \$000	End-of year performance information location*
	Non-departmental capital expenditure				
454,500	Auckland City Rail Link MYA	325,500	386,500	295,000	9
25,414	Auckland Light Rail Limited – Capital Injection	-	302	250	11
-	Auckland Light Rail Strategic Land Acquisition MYA	33,000	92,600	33,000	11
477,880	Capital Investment Package – Funding for Crown Assets MYA	606,139	1,013,748	662,549	3
20,471	Civil Aviation Authority – Capital Injection MYA	19,707	60,071	22,508	4
10,915	Clean Car Standard – Capital	1,511	1,000	1,511	3
28,500	Housing Infrastructure Fund Loans MYA	-	-	-	3
-	Housing Infrastructure Fund Loans 2023-2028 MYA	21,500	50,000	102,950	3
264	Joint Venture Airports – Crown Contribution MYA	-	-	-	6
-	Joint Venture Airports – Crown Contribution 2023-2028 MYA	4,510	1,490	4,056	6
800	Maritime New Zealand – Capital Injection	300	100	300	5
150	Maritime New Zealand Capital Expenditure PLA	60	105	105	5
285,640	National Land Transport Programme Capital PLA***	67,058	280,512	99,412	3
300,000	National Land Transport Programme Loan 2021 – 2024 MYA	1,500,000	1,060,000	1,500,000	3
21,214	Ngauranga to Petone Shared Pathway Project	28,100	-	30,600	3
500,000	NLTF Borrowing Facility for Short-Term Advances	250,000	750,000	750,000	3
-	Rail – KiwiRail Equity Injection	2,091	7,500	9,400	6,7
125,567	Rail – KiwiRail Equity Injection for Transfer of Auckland City Rail Link Assets	-	-	-	6,7
723,371	Rail – KiwiRail Holdings Limited	641,381	1,047,843	641,381	6,7
12,284	Rail – New Zealand Railways Corporation Equity Injection MYA	29,922	30,338	70,604	6,10
11,295	Regional State Highways MYA	12,705	4,000	11,998	3
-	Transport Accident Investigation Commission – Capital Injection	500	500	500	2
9,000	Waka Kotahi NZ Transport Agency Regulatory Loans MYA	-	14,000	35,000	3
3,007,265	Total non-departmental capital expenditure	3,543,984	4,800,609	4,271,124	

2023 Actual \$000	Appropriation title	2024 Actual \$000	2024 Budget \$000	2024 Approved appropriation** \$000	End-of year performance information location*
	Multi category appropriations (MCA)				
	Capital Investment Package - Operating MCA				
-		-	24,690	26,640	3
	Non-Departmental Output Expenses				
-	Operating costs	-	23,690	25,640	
	Non-Departmental Other Expenses				
-	Third party projects	-	1,000	1,000	
1,204	Clean Car Upgrade MCA	-	-	-	3
	Non-Departmental Output Expenses				
1,204	Administration of the Clean Car Upgrade	-	-	-	
5,272	Community Connect Programme MCA	68,016	109,047	77,527	3
	Non-departmental output expenses				
3,257	Administration of the Community Connect Programme	1,638	1,977	4,527	
	Non-departmental other expenses				
1,014	Community Connect Programme – Public Transport Concessions	53,098	94,070	60,000	
1,000	Total Mobility Scheme Local Share Funding Shortfall	1,144	1,000	1,000	
-	Total Mobility Services Concessions	12,136	12,000	12,000	
17,563	COVID-19 – NLTF Funding for Cost Pressures and Revenue Shocks MCA	18,680	1,000	65,770	3
	Non-Departmental Output Expenses				
17,563	COVID-19 – NLTF Operating Cost Pressure and Revenue Shortfall Funding	18,680	500	65,270	
	Non-Departmental Capital Expenditure				
-	COVID-19 – NLTF Capital Cost Pressure Funding	-	500	500	

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2023 Actual \$000	Appropriation title	2024 Actual \$000	2024 Budget \$000	2024 Approved appropriation** \$000	End-of year performance information location*
-	Improving Resilience of the Rooding Network MCA	15,892	55,000	33,500	3
	Non-Departmental Output Expenses				
-	Improving Resilience of the Rooding Network – Operating Costs	-	1,000	-	
	Non-Departmental Other Expenses				
-	Improving Resilience of the Rooding Network – Local Roads	-	19,000	-	
	Non-Departmental Capital Expenditure				
-	Improving Resilience of the Rooding Network – State Highways	15,892	35,000	33,500	
15,606	Mode-Shift – Planning, Infrastructure, Services, and Activities MCA	109,226	303,500	100,000	3
	Non-Departmental Output Expenses				
4,732	Mode-Shift – Operating Costs	6,756	24,500	4,900	
	Non-Departmental Other Expenses				
10,874	Mode-Shift – Third-Party Projects & Activities	102,470	278,000	94,100	
	Non-Departmental Capital Expenditure				
-	Mode-shift Crown Assets	-	1,000	1,000	
	North Island Weather Events – Road Response and Reinstatement MCA	947,860	-	1,026,000	3
	Non-Departmental Output Expenses				
-	Local Road Recovery Costs	91,551	-	256,400	
-	Local Road Response Costs	202,991	-	207,200	
-	State Highway Recovery Costs – Operating	-	-	-	
	Non-Departmental Capital Expenditure				
-	Equity Injection to Waka Kotahi NZTA	79,000	-	72,000	
-	Minor Resilience Works	35,877	-	55,000	
-	State Highway Recovery Costs – Capital	538,441	-	435,400	
4,268	Reinstatement of the South Island Transport Corridors MCA	830	-	876	3
	Non-Departmental Output Expenses				
4,268	Restoration of State Highway 1 between Picton and Christchurch	830	-	876	

FINANCIAL PERFORMANCE

2023 Actual \$000	Appropriation title	2024 Actual \$000	2024 Budget \$000	2024 Approved appropriation** \$000	End-of year performance information location*
33,700	SuperGold Card Enhanced Public Transport Concessions Scheme MCA	37,511	36,116	37,906	3
	Non-Departmental Output Expenses				
95	Administration of the Public Transport Concessions Scheme	95	95	95	
	Non-Departmental Other Expenses				
33,605	Public Transport Concessions for Cardholders	37,416	36,021	37,811	
30,203	Tuawhenua Provincial Growth Fund – Transport Projects MCA	26,304	36,931	26,999	1,3,7
	Non-Departmental Output Expenses				
969	Supporting Regional and Infrastructure Projects	459	1,000	800	
	Non-Departmental Other Expenses				
11,138	Enabling Infrastructure Projects	(2,758)	5,550	4,037	
	Non-Departmental Capital Expenditure				
12,691	Infrastructure Projects	25,119	26,540	18,540	
5,405	Rail Projects	3,484	3,841	3,622	
107,817	Total multi category appropriations	1,224,319	566,284	1,395,218	
8,561,623	Total annual and permanent appropriations	9,456,063	10,114,687	10,381,302	

*The numbers in this column represent where the end-of-year performance information is reported for each appropriation administered by the Ministry, as detailed below:

1. The Ministry's annual report
2. The Transport Accident Investigation Commission's annual report
3. NZ Transport Agency's annual report
4. The Civil Aviation Authority's annual report
5. Maritime New Zealand's annual report
6. To be reported by the Minister of Transport in a report appended to this annual report
7. KiwiRail's annual report
8. Not reported, as an exemption exists under section 15D of the Public Finance Act 1989
9. City Rail Link Limited's annual report
10. New Zealand Railways Corporation's annual report
11. Auckland Light Right Limited

**These are the appropriations from the Supplementary Estimates, adjusted for any transfers under section 26A of the PFA.

***These appropriations are permanent legislative authority appropriations (PLAs) that relate to the National Land Transport Fund (the NLTF). The total of these appropriations is limited by the revenue hypothecated to the NLTF and the appropriation sizes in the Estimates are indicative only.

FINANCIAL PERFORMANCE

Details of multi-year appropriations

	Commences	Expires	Appropriation at 1 July 2023 \$000	Increase/ (decrease) in funding \$000
Auckland City Rail Link – Operating MYA	1 July 2020	30 June 2025	19,080	-
Auckland City Rail Link MYA	1 July 2020	30 June 2025	2,253,147	(636,647)
Auckland City Rail Link Targeted Hardship Fund MYA	1 July 2021	30 June 2025	6,000	-
Auckland Light Rail – Detailed Planning Phase MYA	1 October 2022	30 June 2025	153,465	(30,442)
Auckland Light Rail Strategic Land Acquisition MYA	12 December 2022	30 June 2026	131,000	(98,000)
Auckland Light Rail Unit MYA	1 May 2022	30 June 2025	10,000	(2,558)
Capital Investment Package – Funding for Crown Assets MYA	1 July 2022	30 June 2027	4,367,600	1,079,000
Civil Aviation Authority – Capital Injection MYA	1 July 2021	30 June 2026	113,219	-
Clean Car Discount – Administration MYA	1 July 2021	30 June 2026	110,828	-
Clean Vehicle Discount Scheme – Rebates MYA	1 July 2022	30 June 2027	287,172	(60,000)
Housing Infrastructure Fund Loans 2023 – 2028 MYA	1 July 2023	30 June 2028	251,500	52,950
Joint Venture Airports – Crown Contribution 2023-2028 MYA	1 July 2023	30 June 2025	4,641	7,566
National Land Transport Programme Additional Crown Funding (2021-2024) MYA	11 April 2023	30 June 2025	200,673	-
National Land Transport Programme Loan 2021 – 2024 MYA	1 December 2021	30 June 2025	2,000,000	-
Protection of Transport Sector Agency Core Functions MYA	1 April 2020	30 June 2024	464,342	(60,213)
Public Transport Bus Decarbonisation MYA	1 July 2022	30 June 2027	54,340	(2,000)
Rail – Maintenance and Renewal of the Rail Network MYA	1 July 2022	30 June 2025	1,438,295	203,676
Rail – New Zealand Railways Corporation Equity Injection MYA	1 April 2020	30 June 2024	142,064	-
Rail – Grants MYA	1 July 2022	30 June 2027	126,968	(15,722)
Regional State Highways MYA	1 July 2020	30 June 2025	115,953	-
Retaining and Recruiting Bus Drivers MYA	1 September 2022	30 June 2027	110,300	(47,090)
Waka Kotahi NZ Transport Agency Regulatory Loans MYA	1 March 2020	30 June 2024	95,000	-
			12,199,446	646,661

FINANCIAL PERFORMANCE

Total funding \$000	Cumulative expenses to 1 July 2023 \$000	Current year expenses \$000	Cumulative expenses to 30 June 2024 \$000	Balance of appropriation remaining at 30 June 2024 \$000
19,080	5,968	3,819	9,787	9,293
1,616,500	1,277,500	325,500	1,603,000	13,500
6,000	2,795	1,212	4,007	1,993
123,023	76,762	40,238	117,000	6,023
33,000	-	33,000	33,000	-
7,442	7,442	-	7,442	-
5,446,600	477,880	606,139	1,084,019	4,362,581
113,219	24,211	19,707	43,918	69,301
110,828	110,828	-	110,828	-
227,172	167,163	55,893	223,056	4,116
304,450	-	21,500	21,500	282,950
12,207	-	4,510	4,510	7,697
200,673	140,000	60,673	200,673	-
2,000,000	500,000	1,500,000	2,000,000	-
404,129	314,672	89,188	403,860	269
52,340	529	4,192	4,721	47,619
1,641,971	455,456	610,389	1,065,845	576,126
142,064	71,460	29,922	101,382	40,682
111,246	30,625	42,814	73,439	37,807
115,953	100,955	12,705	113,660	2,293
63,210	2,933	15,589	18,522	44,688
95,000	60,000	-	60,000	35,000
12,846,107	3,827,179	3,476,990	7,304,169	5,541,938

FINANCIAL PERFORMANCE

Statement of Expenses and Capital Expenditure Incurred without or in Excess of, Authority, Appropriation or Other Authority

For the year ended 30 June 2024

Vote Transport	Actual 2024 \$000	Appropriation Voted 2024 \$000	Unappropriated 2024 \$000
Non-Departmental Other Expenses			
Bad Debt Provision – Land Transport Revenue collected by Waka Kotahi New Zealand Transport Agency	18,929	18,000	929
Supporting a Chatham Islands Replacement Ship	4,329	4,329	529
Multi-Category Appropriation			
Mode-Shift - Planning, Infrastructure, Services, and Activities	109,226	100,000	9,226

Expenses and capital expenditure incurred without appropriation or outside scope or period of appropriation

Supporting a Chatham Islands Replacement Ship

This expenditure relates to the costs of short-term maintenance of the existing vessel supporting the Chatham Islands until a replacement ship is delivered.

In the 2022/23 financial year, there was a \$6 million appropriation that authorised payment for costs to support the replacement of the current shipping vessel supporting the Chatham Islands, including the costs of short-term maintenance of the existing vessel until a replacement ship is delivered. No equivalent appropriation existed for this type of expense for the 2023/24 financial year as work was expected to be completed by June 2023. Repair work of \$0.529 million continued into the start of the 2023/24 financial year which resulted in expenditure being incurred without appropriation.

The authority for the expenditure was authorised under imprest supply in September 2023 and included in the Supplementary Estimates of Appropriations 2023/24 in Vote Transport.

Expenses and capital expenditure incurred in excess of appropriation

Bad Debt Provision – Land Transport Revenue collected by Waka Kotahi New Zealand Transport Agency

This expenditure relates to the provision for bad debts that arise from the forecast non-payment of land transport revenue collected on behalf of the Crown by NZ Transport Agency.

In June 2024 it was identified that the historical accounting for bad debt write-off was incorrect. Once the correction to the accounting treatment was made, the increase in the provision for bad debts resulted in expenditure being incurred in excess of the amount authorised.

Mode-Shift – Planning, Infrastructure, Services, and Activities Transport

This appropriation is to reduce reliance on cars and support the uptake of active and shared travel modes, such as walking, cycling and public transport. This appropriation funds two programmes – Transport Choices and Vehicle Kilometres Travelled Reduction Planning.

The Transport Choices programme is a multi-year programme which funded Local Councils to deliver agreed projects. The programme was originally due to expire on 30 June 2024 but was extended to 30 June 2025. Many Councils delivered their projects to the 30 June 2024 timeline so claims exceeded NZTA's anticipated spend in 2023/24. The timing of the expenditure resulted in expenditure that exceeded the multi-category appropriation in 2023/24.

Statement of departmental capital injections

For the year ended 30 June 2024

The Ministry has not received any capital injections during the year.

Statement of Departmental Capital Injections Without, or in Excess of, Authority

For the year ended 30 June 2024

The Ministry has not received any capital injections during the year without, or in excess of, authority (2023:Nil)

Section 04

Developing our people and meeting our responsibilities

How we develop our people,
deliver on our responsibilities
to Māori and manage our
carbon emissions.

Developing and looking after our people

The Ministry is committed to developing people in their role and their career.

Some ways we support the development of our people are outlined below:

Performance management

The Ministry encourages high performance and there is a strong focus on improving overall skills and capability. This occurs through various internal tools such as our performance expectations framework, job descriptions, performance objectives and development plans that are set by reporting managers. Standards of performance are able to be identified, articulated, and reinforced to staff.

Continuous Improvement

We take a continuous improvement approach, regularly checking in on our progress, refining our approach and providing new resources and offerings. The foundations that support us to develop our people include:

- Performance and development planning, conversations and review.
- Expectations frameworks, which provide detailed expectations at different role levels.
- A structured approach to development documented in our learning and development policy and on our intranet.
- A talent management approach that supports quality career conversations and targeted development planning, and provides an organisational view of talent to inform workforce planning.
- A commitment to building policy capability guided by our internal Policy Quality Steering Group.

- Our progression framework, which recognises the importance of growing our own talent and supporting people to progress in their careers.
- Our rotation policy, which provides a mechanism for people to rotate to different teams.
- Aligning to the Leadership Development Centre's (LDC) leadership success profile framework, supporting our leaders to be public service leaders.

Our centralised training programme targets the common capability needs of our people. Course offerings are based on the needs of our people year on year. These needs are identified through performance and development plans, organisational priorities, talent conversations and general feedback.

Organisational systems and processes

The Ministry is committed to continuous improvement of our systems and processes to support delivery in our role as the Government's system lead on transport. Initiatives include:

- Regular review of our progression framework, to recognise the importance of growing our own talent and supporting our people to progress in their careers.
- A Remuneration Committee to enhance pay equity and transparency across the organisation.
- Refresh of our Performance and Development process and guidance.

DEVELOPING OUR PEOPLE AND MEETING OUR RESPONSIBILITIES**Diversity and inclusion**

Our Diversity, Equity and Inclusion work aligns with the Public Service Commission's Papa Pounamu focus areas:

- Cultural competence | Te āheinga ā-ahurea
- Addressing bias | Te Urupare i te Mariu
- Inclusive leadership | Hautūtanga Ngākau Tuwhera
- Fostering diverse leadership | Hautūtanga Kākano Rau
- Employee-led networks | Ngā tūhononga e kōkiritia ana e ngā kaimahi

Cultural competence | Te āheinga ā-ahurea

We are focused on building understanding and valuing differences among the people we work and interact with.

Addressing bias | Te Urupare i te Mariu

We aim to raise awareness, challenge, and systematically mitigate bias from our policies and processes.

We have continued to use unconscious bias training modules to raise awareness, requiring all new starters to complete the modules, and are using a new suite of modules for in house training use.

Inclusive leadership | Hautūtanga Ngākau Tuwhera

We expect all leaders to treat people fairly, value diversity and create an environment where people feel they can speak up and be heard.

We are committed to the continuous development of our leaders to support inclusive leadership. This year we launched a People Leaders @ MoT Kete (Kit). This aims to be a core self service capability uplift for our managers regarding the key areas of our employee lifecycle.

Employee-led networks | Ngā tūhononga e kōkiritia ana e ngā kaimahi

We encourage people to come together to initiate, build and participate in employee-led networks.

We currently have the following employee-led networks: Wāhine Network, Rainbow Network, Eco Group and Māori and Pasifika Network.

We are continuing to build alignment and support across our networks and embed employee-led network representatives into our wider work that supports people development.

Key people metrics and core capacity

As at 30 June	2023/24 (as at 31.3.2024)	2022/23	2021/22	2020/21	2019/20
Number of employees					
Policy development	147	129	138	110	106
Management	36	37	36	27	28
Administration	55	87	76	54	41
Total headcount	238	253	250	191	175
Turnover	29%	34%	27%	26%	26%
Gender					
Women	55%	56%	56%	55%	51%
Men	45%	44%	44%	45%	49%
Ethnicity distribution					
NZ European	63%	62%	43%	71%	66%
NZ Māori	6%	4%	3%	2%	3%
Pacific peoples	2%	2%	1%	2%	1%
Asian	6%	9%	8%	8%	8%
Other European	12%	13%	16%	16%	16%
Middle Eastern, Latin American and African	2%	2%	2%	1%	-
Age distribution					
20 – 29	21%	27%	29%	27%	21%
30 – 39	34%	33%	34%	30%	31%
40 – 49	22%	18%	16%	18%	19%
50 – 59	14%	18%	17%	20%	23%
60+	9%	4%	4%	5%	6%

Equal Employment Opportunities

In accordance with the Public Service Act 2020, the Ministry is committed to fair treatment of employees and equality of employment opportunities.

All employees will have equal opportunity for recruitment, development and promotion regardless of gender, marital status, family responsibilities, ethnicity, disabilities, sexual orientation or age. Our Diversity, Equity and Inclusion programme and people policies support our equal employment opportunities programme.

Gender Ethnic Pay Gap Action Plan

The Ministry is committed to supporting the goals of the Public Service Kia Toipoto Action Plan to:

- Make substantial progress toward closing gender, Māori, Pacific, and ethnic pay gaps.
- Accelerate progress for wāhine Māori, Pacific wāhine, and wāhine from ethnic communities.
- Create fairer workplaces for all, including disabled people and members of rainbow communities.

We published our Kia Toipoto Gender Ethnic Pay Action Plan 2023–2024 in November 2023. (www.transport.govt.nz/about-us/work-for-us/gender-pay-analysis-and-action-plan)

DEVELOPING OUR PEOPLE AND MEETING OUR RESPONSIBILITIES

At that time our overall gender pay gap (GPG) was 10.72% (mean) and 7.78% (median). As a relatively small agency, our pay gaps fluctuate. **As at 30 June 2024, the overall gap is 7.1% (mean).** This is an indicator of our pay gap trending down following our initial Gender Ethnic Pay Gap report (November 2023).

We are confident that we are paying our women and men equitably for the same or substantially similar mahi (work); however, occupational segregation continues to be a driver of our overall gender pay gap. Aligned with the pattern in New Zealand, we have a pattern of horizontal segregation.

We have more women than men in bands 12-14 which consists of our administration, support, and entry level positions.

A sample of our key achievements against the six milestones are:

- We undertook our Bias and Discrimination Survey, with SLT endorsement on future actions.
- We helped our staff navigate flexible work at the Ministry via a Flexible Mahi (work) Hub.
- We improved our ethnicity data holdings up to 97% through a data audit and staff disclosure.
- We created a Remuneration Committee to help enhance pay equity and transparency across the organisation.
- We broadened our adviser progression framework to include corporate specialist roles, expanding opportunities for internal progression.
- We embedded and enhanced awareness of unconscious bias throughout our recruitment practices and processes.
- We enrolled all our leaders in a six-month conscious leadership programme.

Building from our last year pay gap reporting, the Ethnic Pay Gap (EPG) between European and non-European women is 11.80% (mean), and 9.17% (median). Our ethnic pay gap has increased in our 2023 reporting on EPG. We could attribute this to having more ethnic data captured which enables us to identify the gap more accurately and confirms that we do have ethnic pay gaps at the Ministry.

Wellbeing, health and safety

The Ministry values wellbeing, health and safety within its workforce and recognises its benefits to a positive and inclusive environment. A well workforce can make it easier for employees to balance their work, personal life and other commitments and manage their career as they move through different phases of their life.

Supporting our people to be well starts with our foundations which is a continued focus for this year. We have refreshed our Wellbeing, Health and Safety Committee (made up of representatives across all staff groups) who are key contributors to enabling our foundations.

We are also seeking to update policies and processes that are related to wellbeing, health, and safety across the Ministry.

Type	2023/24
Incidents	2
No injury/near miss	2
Work-related ACC	1
Incidents requiring notification to WorkSafe	0
Other	0

We continue to support activities and offerings such as the promotion of wellbeing events and training, annual health checks, eye tests, flu vaccines, wellness days, an Employee Assistance Programme, and access to discounted health insurance.

We continue to provide comprehensive quarterly reports to the Senior Leadership Team and we regularly make improvements to facilities based on feedback to ensure the safety of our people.

Crown Treaty settlement commitments

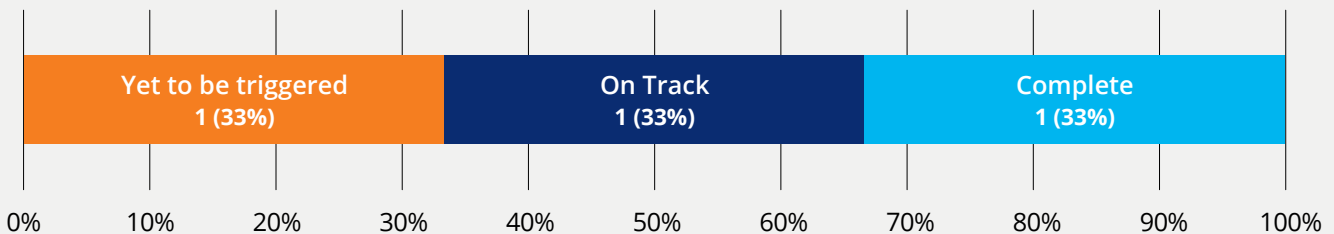
He Korowai Whakamana, a Cabinet agreed framework, enhances the Crown’s accountability for its Treaty settlement commitments.

He Korowai Whakamana requires core Crown agencies to record and track the status, and report annually on, their settlement commitments. Te Arawhiti is the lead agency and is responsible for tracking the Crown’s overall progress with delivering on Treaty settlement commitments.

In 2023, core Crown agencies used Te Haeata – the Settlement Portal to record whether each of their commitments is complete, on track, yet to be triggered or has delivery issues. As part of He Korowai Whakamana, core Crown agencies will report on the status of their settlement commitments from financial year 2023/24.

The Ministry is responsible for commitments relating to right of first refusal, participation arrangements over natural resources and relationship redress. As of 30 June 2024, Te Haeata records the Ministry as having responsibility for three Treaty settlement commitments and the status of these commitments is summarised below:

Figure 6: Status of commitments



Two thirds of the commitments we are responsible for have been completed (33%) or are on track (33%). The final commitment (33%) is yet to be triggered.

Māori Crown relations capability

The Ministry uses its Hei Arataki Māori Strategy to guide efforts for improving transport outcomes for Māori.

As the transport system steward, we are committed to advancing Hei Arataki and adapting our approach and systems to ensure we are increasing our internal capability and external engagements with Te Iwi Māori.

A key part of Hei Arataki is to develop staff cultural competencies to better engage with and understand our Treaty partners. The Ministry has continued to make progress to lift staff capability and engagement in this area in the past year, with achievements including:

- the Director Māori leading further implementation of the Hei Arataki Māori Strategy, and providing support on Ministry policy work and engagements
- the use of te reo in staff communications and stakeholder engagements
- expanding our understanding of te ao Māori worldview through events such as Matariki celebrations.

Over the past year, Māori engagement has been undertaken across a number of important work programmes. This included engagement with:

- Tairāwhiti iwi as part of the Cyclone Response Rebuild programme
- the Manukau Harbour Feasibility Study
- the proposed extension to coastal port permits
- the development of the Government Policy Statement on land transport 2024
- Haumarū Tāngata Ki Uta Ki Tai/Recreational Safety and Search and Rescue Review
- consultation on the transport chapter of the draft second Emissions Reduction Plan.

Engaging better with Iwi also involved working more collaboratively across government agencies and our work programmes. This has included working closely with the New Zealand Transport Agency and the Ministry for the Environment across various workstreams.

Māori language planning

Our Hei Arataki Māori Strategy recognises the value of Māori language and customary practices in the workplace.

One of the strategy's priority areas is developing capability and capacity in te reo and tikanga Māori, and knowledge and application of te Tiriti o Waitangi.

Ongoing activities in support of our goals for developing te reo Māori capability include:

- providing te reo lessons for staff
- regular waiata sessions hosted by internal staff to practise waiata and create a space for waiata and reo to be practised
- a Te Tiriti workshop held this year covering Te Tiriti o Waitangi history and te ao Māori worldview, Te Tiriti text and New Zealand history, the Māori Crown relationship, the Government's Te Tiriti obligations and responsibilities, and recommendations on how to consider Te Tiriti within our work.

Carbon Neutral Government Programme Report

Our emissions in 2023/24 were estimated to be 33% lower than in our base year.

Carbon Neutral Government Programme (CNGP)

The Ministry of Transport is committed to the requirements of the Carbon Neutral Government Programme (CNGP) to measure, report and reduce our greenhouse gas emissions.

Our 2023/24 emissions data has been independently verified against the ISO 14064-1:2018 standard by Toitū Envirocare.

Total annual emissions and their source

In 2023/24, we emitted 262 tCO₂e (tonnes of carbon dioxide equivalent). Air travel, staff commute and imported energy were the largest emissions sources.

Our emissions for FY23/24 are down 7% on the year prior largely due to a reduction in domestic air travel.

Table 1: Emissions profile broken down by scope and total emissions (tCO₂e) for financial years

Category	Scope	2019/20	2020/21	2021/22	2022/23	2023/24
1 Direct emissions	Scope 1	0	0	0	0	0
2 Indirect emissions from imported energy	Scope 2	57	52	49	49	51
3 Indirect emissions from transportation	Scope 3	311	50	68	216	195
4 Indirect emissions from products and services used by organisation		19	20	20	18	16
5 Indirect emissions associated with the use of products and services from the organisation		0	0	0	0	0
6 Indirect emissions from other sources		0	0	0	0	0
Total gross emissions (All measured emissions) in tCO ₂ e		387	122	137	283	262
Change in gross emissions (all Categories) from previous financial year			-68%	13%	106%	-7%
Change in gross emissions (all Categories) since base year				-64%	-27%	-32%

Notes

- The Ministry of Transport hosts the New Zealand Search and Rescue secretariat (NZSAR), which has been excluded from our emissions reporting as we do not have direct control over their operations.
- These emissions results align with the relevant yearly Ministry for the Environment measurement guide i.e. 2023/24 emission factors are based on the latest MfE 2024 Measuring Emissions Guidance.

Table 2: Total emissions breakdown by emission sources 2023/24

Category	FY2019/20 tCO ₂ e	FY2022/23 tCO ₂ e	FY2023/24 tCO ₂ e
Air travel international*	222.5	86.89	98.28
Air travel domestic*	72.8	58.68	26.29
Employee commuting	-	48.15	55.42
Electricity*	15.83	17.58	10.60
Electricity distributed T & D losses*	1.57	1.61	0.77
Natural gas*	40.96	31.16	40.84
Natural gas distributed T & D losses*	3.62	1.85	1.52
Paper use	1.34	1.54	1.44
Taxis*	1.85	3.40	1.48
Travel accommodation*	6.3	5.87	6.15
Waste landfilled*	3.72	0.31	0.28
Wastewater services*	8.24	11.80	10.36
Working from home*	4.94	11.93	6.95

Note: Staff commute was added as a new emissions source in 2022/23.

*Mandatory emissions sources under the CNGP

Emissions intensity by FTE and expenditure

Although our headcount and expenditure decreased compared with the previous year, our emissions intensity was very similar. Emissions per person reduced by 49% compared to our base year. Emissions per million dollars of expenditure per tCO₂e reduced by 40% compared to our base year.

KPI	2019/20	2020/21	2021/22	2022/23	2023/24
Headcount	170	184	241	244	227
Expenditure (\$m)	47.99	44.24	55.42	60.74	54.44
Emission Intensity					
Total gross emissions per person in tCO ₂ e	2.27	0.66	0.56	1.15	1.15
Million dollars of expenditure per tCO ₂ e	8.06	2.75	2.47	4.66	4.81

Note: The figures in this table exclude the NZ Search and Rescue secretariat.

DEVELOPING OUR PEOPLE AND MEETING OUR RESPONSIBILITIES

Our reduction targets

The Ministry has set reduction targets for all of the CNGP’s mandatory emissions sources to contribute to the global goal of keeping warming to less than 1.5 degrees Celsius.

We have set the following emissions targets:

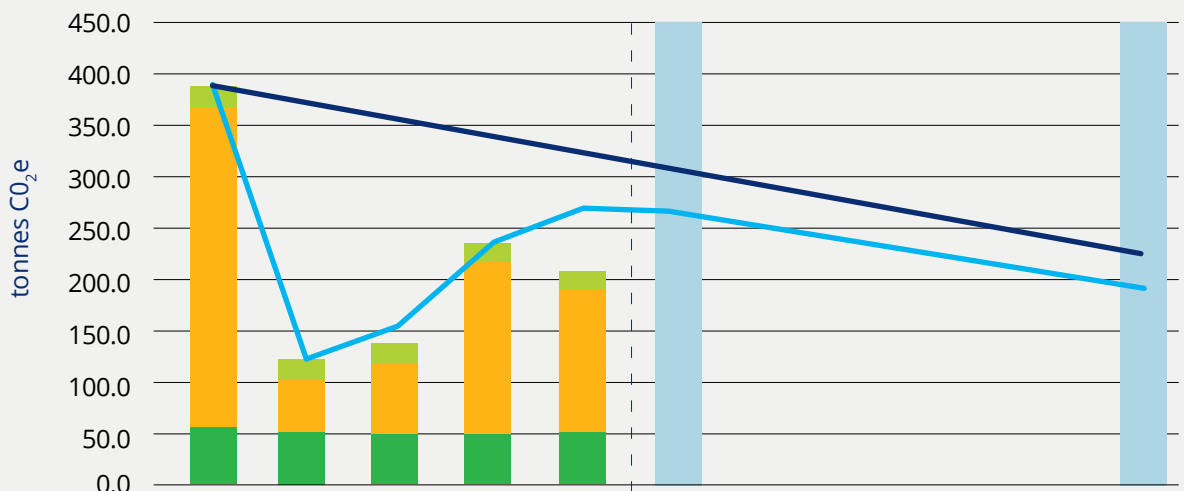
- 2025 target: Gross emissions (all mandatory emissions sources) to be no more than 305 tCO₂e, or a 21% reduction compared to our base year FY19/20
- 2030 target: Gross emissions (all mandatory emissions sources) to be no more than 224 tCO₂e, or a 42% reduction compared to our base year FY19/20.

No targets have been set for additional emissions sources such as Staff Commute.

Progress towards our targets

Current projections, that factor in our emissions reduction potential across the mandatory emissions sources of the CNGP, are set to be 31% and 50% less than base year in 2025 and 2030, respectively. We are well on target to meet these projections. If we exclude staff commute (which was not base year and progress against targets), in 2023/24 we emitted 207 tCO₂e, which is a reduction of 46% against our base year total.

Figure 7: Projections and target setting for the Ministry of Transport



	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Category 4 (Actual)	19.2	19.9	20.4	18.0	15.3	0.0	0.0	0.0	0.0	0.0	0.0
Category 3 (Actual)	310.6	49.5	68.2	167.7	140.3	0.0	0.0	0.0	0.0	0.0	0.0
Category 2 (Actual)	56.8	52.2	48.5	48.7	51.4	0.0	0.0	0.0	0.0	0.0	0.0
Target years	0	0	0	0	0	1	0	0	0	0	1
1.5°C requirement	387	370	354	338	322	305	289	273	257	240	224
Total projected emissions	387	122	155	235	270	266	254	238	223	209	192

Note: Staff commute was added as a new emissions source in 2022/23. It is not included in the total emissions figure for FY2023 and ongoing projections.

Our reduction plan and future reporting

Highlights

- Established annual international travel carbon budget and accompanying strategic framework
- Finalised meeting rooms upgrade to facilitate remote meeting capabilities
- Reduced domestic business travel
- Reduced waste to landfill
- Reported our staff commuting emissions for a second year running which was further enhanced by the introduction of a Summer and Winter survey

As part of our commitment to continuous improvement, our future plans include consideration of the following:

- A centralised dashboard to allow greater real time tracking of our emissions output
- Working with external suppliers to gain better data for our wider supply chain Scope 3 emissions
- Travel policy review and assessing viability of lower emission transport options
- Undertaking a NABERSNZ assessment to further ascertain the energy efficiency of our office space.

Section 05

Independent Auditor's Report

This section is the Ministry's auditor's report on matters including the:

- Financial statements
- Performance information
- Schedules of non-departmental activities that are managed by the Ministry on behalf of the Crown.

Independent Auditor's Report

To the readers of the Ministry of Transport's annual report

for the year ended 30 June 2024

The Auditor-General is the auditor of the Ministry of Transport (the Ministry). The Auditor-General has appointed me, Ingrid Harris, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- the financial statements of the Ministry on pages 47 to 67, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2024, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the performance information for the appropriations administered by the Ministry for the year ended 30 June 2024 on pages 10 to 21 and 28 to 46; and
- the statements of expenses and capital expenditure of the Ministry for the year ended 30 June 2024 on pages 79 to 89; and
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown on pages 68 to 78 that comprise:
 - the schedules of assets; liabilities; commitments; and contingent liabilities and contingent assets as at 30 June 2024;
 - the schedules of expenses; and revenue and receipts for the year ended 30 June 2024;
 - the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- the financial statements of the Ministry:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2024; and
 - its financial performance and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards.
- the performance information for the appropriations administered by the Ministry for the year ended 30 June 2024:
 - presents fairly, in all material respects:
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
 - complies with generally accepted accounting practice in New Zealand.
- the statements of expenses and capital expenditure of the Ministry are presented, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
- the schedules of non-departmental activities which are managed by the Ministry on behalf of the Crown present fairly, in all material respects, in accordance with the Treasury Instructions:
 - the assets; liabilities; commitments; and contingent liabilities and contingent assets as at 30 June 2024; and
 - expenses; and revenue and receipts for the year ended 30 June 2024.

Our audit was completed on 30 September 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below and we draw attention to inherent uncertainties in the measurement of greenhouse gas emissions. In addition, we outline the responsibilities of the Secretary for Transport and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.

Emphasis of matter – Inherent uncertainties in the measurement of greenhouse gas emissions

The Ministry has chosen to include a measure of the domestic transport sector's greenhouse gas (GHG) emissions in its performance information. Without modifying our opinion and considering the public interest in climate change related information, we draw attention to page 21 of the annual report, which outlines the inherent uncertainty in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG sources is still evolving, as are GHG reporting and assurance standards.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Secretary for Transport for the information to be audited

The Secretary for Transport is responsible on behalf of the Ministry for preparing:

- financial statements that present fairly the Ministry's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- performance information that presents fairly what has been achieved with each appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand.
- statements of expenses and capital expenditure of the Ministry, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989.
- schedules of non-departmental activities, in accordance with the Treasury Instructions, that present fairly those activities managed by the Ministry on behalf of the Crown.

The Secretary for Transport is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Secretary for Transport is responsible on behalf of the Ministry for assessing the Ministry's ability to continue as a going concern. The Secretary for Transport is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Ministry, or there is no realistic alternative but to do so.

The Secretary for Transport's responsibilities arise from the Public Finance Act 1989.

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Ministry's Strategic Intentions 2021-25, the relevant Estimates and Supplementary Estimates of Appropriations 2023/24 and the 2023/24 forecast financial figures included in the Ministry's 2022/23 annual report.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Secretary for Transport.
- We evaluate the appropriateness of the reported performance information for the appropriations administered by the Ministry.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Secretary for Transport and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ministry's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Ministry to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Secretary for Transport regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

INDEPENDENT AUDITOR'S REPORT**AUDIT NEW ZEALAND**

Mana Arotake Aotearoa

Other information

The Secretary for Transport is responsible for the other information. The other information comprises the information included on pages 1 to 11, 22 to 27, 90 to 109 and 107 to 118, but does not include the information we audited, and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Ministry in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

For the year ended 30 June 2024 and subsequently, the External member of the Audit and Risk Committee of the Ministry is a member of the Auditor-General's Audit and Risk Committee. The Auditor-General's Audit and Risk Committee is regulated by a Charter that specifies that it should not assume any management functions. There are appropriate safeguards to reduce any threat to auditor independence, as a member of the Auditor-General's Audit and Risk Committee (when acting in this capacity) has no involvement in, or influence over, the audit of the Ministry.

Other than the audit, and the relationship with the Auditor-General's Audit and Risk Committee, we have no relationship with or interests in the Ministry.


Ingrid Harris

Audit New Zealand

On behalf of the Auditor-General Wellington,
New Zealand



Report on additional non-departmental appropriations

REPORT ON ADDITIONAL NON-DEPARTMENTAL APPROPRIATIONS

Report on additional non-departmental appropriations

For the year ended 30 June 2024

Produced pursuant to Section 19B of the Public Finance Act 1989. B.14 (TRANSPORT)

Foreword

The Minister of Transport is required under section 19B of the Public Finance Act 1989 to report against the following non-departmental appropriations in Vote Transport:

Non-departmental output expenses:

- Ground-Based Navigation Aids for Aviation Safety
- Rail – Grants
- Rail – Maintenance and Renewal of the Rail Network
- Search and Rescue and Recreational Boating Safety Activities PLA
- Weather Forecasts and Warnings

Non-departmental other expenses:

- Auckland City Rail Link – Operating
- Clean Vehicle Discount Rebates PLA
- Clean Vehicle Discount Scheme – Rebates
- Recreational Aviation Safety Activities PLA
- Supporting a Chatham Islands Replacement Ship
- Transport Connectivity with Isolated Communities
- Water Search, Rescue and Safety Frontline Services

Non-departmental capital expenditure:

- Joint Venture Airports – Crown Contribution 2023 – 2028
- Rail – KiwiRail Equity Injection
- Rail – KiwiRail Holdings Limited
- Rail – New Zealand Railways Corporation Equity Injection

This report has been appended to the annual report of the Ministry of Transport for publication. It is not subject to audit.



Hon Simeon Brown
Minister of Transport

Non-departmental output expenses

Ground-Based Navigation Aids for Aviation Safety

This appropriation is limited to expenses incurred by Airways New Zealand for the annual operating costs of maintaining ground-based navigation aids.

Financial performance

Actual 2023 \$000	Performance measures	Actual 2024 \$000	Budget 2024 \$000	Forecast 2024 \$000
-	Non-departmental output expenses: Ground-Based Navigation Aids for Aviation Safety	-	400	400

Assessment of overall performance

2023 Actual	Performance measures	2024 Actual	2024 Standards/ Targets
New measure ¹	Equipment operational in accordance with agreed standards and timeframes	Not Achieved	Achieved

Note 1: This new measure was selected as it reflects the need for the Ground-Based Navigation Aids for Aviation Safety to be brought online following completion of the procurement phase, which is measured under Vote Finance.

Rail – Grants

This appropriation is limited to payments under section 7 of the State-Owned Enterprises Act 1986 to KiwiRail Holdings Limited for non-commercial activities.

Financial performance

Actual 2023 \$000	Performance measures	Actual 2024 \$000	Budget 2024 \$000	Forecast 2024 \$000
30,625	Non-departmental output expenses: Rail – Grants MYA	42,814	42,810	44,580

Assessment of overall performance

2023 Actual	Performance measures	2024 Actual	2024 Standards/ Targets
Achieved	Work is carried out on establishing a local wagon assembly plant in Dunedin in line with the agreed outcomes	100%	100%
100%	Work is carried out on maintaining the existing electric locomotive fleet in line with the agreed outcomes	100%	100%
Achieved	A safer railway system and public policy projects are carried out in line with the programme	Achieved	Achieved

REPORT ON ADDITIONAL NON-DEPARTMENTAL APPROPRIATIONS

Rail – Maintenance and Renewal of the Rail Network

This appropriation is limited to expenses incurred on the approved Rail Network Investment Programme.

Financial performance

Actual 2023 \$000	Performance measures	Actual 2024 \$000	Budget 2024 \$000	Forecast 2024 \$000
455,456	Non-departmental output expenses: Rail – Maintenance and Renewal of the Rail Network MYA	610,389	530,841	631,280

Assessment of overall performance

2023 Actual	Performance measures	2024 Actual	2024 Standards/ Targets
92% ¹	Work is carried out as per the agreed programme	97%	100%

Note 1: Work carried out was lower than budgeted due to capacity constraints in part caused by the reallocation of resources to North Island weather events recovery works.

Search and Rescue and Recreational Boating Safety Activities PLA

The estimated amount to be spent in relation to search and rescue and recreational boating safety activities, as authorised under Section 9(1) of the Land Transport Management Act 2003.

Financial performance

Actual 2023 \$000	Performance measures	Actual 2024 \$000	Budget 2024 \$000	Forecast 2024 \$000
26,633	Non-departmental output expenses: Search and Rescue and Recreational Boating Safety Activities PLA	31,537	29,293	31,543

Assessment of overall performance

2023 Actual	Performance measures	2024 Actual	2024 Standards/ Targets
	Develop and maintain Service Level Agreements with key providers in the Search and Rescue community. Key performance measures within the Agreements for Search and Rescue services are:		
99%	Provision of appropriate Search and Rescue services to Coordination Authorities on request	99%	99% ¹
86%	Provision of agreed Search and Rescue services	93%	95% ²
100%	Provision of agreed New Zealand avalanche hazard advisory services	89%	100%

Note 1: The performance standard for this measure was reduced from '100%' in 2022/23 to '99%' in 2023/24 to more accurately reflect expected performance.

Note 2: The performance standard for this measure was reduced from '100%' in 2022/23 to '95%' in 2023/24 to more accurately reflect expected performance.

REPORT ON ADDITIONAL NON-DEPARTMENTAL APPROPRIATIONS

Weather Forecasts and Warnings

This appropriation is limited to severe-weather warnings and a level of weather forecast services for land, coastal waters and oceanic areas for which New Zealand has international responsibility.

Financial performance

Actual 2023 \$000	Performance measures	Actual 2024 \$000	Budget 2024 \$000	Forecast 2024 \$000
25,724	Non-departmental output expenses: Weather Forecasts and Warnings	27,202	27,202	27,202

Assessment of overall performance

2023 Actual	Performance measures	2024 Actual	2024 Standards/ Targets
As per contract	Provision of agreed services	As per contract	As per contract
91%	Minimum percentage of forecasts of severe-weather events (heavy rain) which successfully predicted the event (probability of detection)	91%	Greater than 90%
11%	Maximum percentage of forecasts of severe-weather events (heavy rain) which are subsequently found to be false alarms (false alarm ratio)	11%	Less than 15%

REPORT ON ADDITIONAL NON-DEPARTMENTAL APPROPRIATIONS

Non-departmental other expenses

Auckland City Rail Link – Operating

This appropriation is limited to the operating expenses incurred by the Crown for the Auckland City Rail Link project.

Financial performance

Actual 2023 \$000	Performance measures	Actual 2024 \$000	Budget 2024 \$000	Forecast 2024 \$000
2,904	Non-departmental other expenses: Auckland City Rail Link – Operating MYA	3,819	6,527	3,742

Assessment of overall performance

2023 Actual	Performance measures	2024 Actual	2024 Standards/ Targets
73 ¹	Work is carried out as per the agreed programme	25% ²	100%

Note 1: Eight out of eleven milestones were delivered. Link Alliance has released a target programme (TAP7) delaying much of the work and practical completions. This has affected some of the Be Ready milestones. Lifecycle Management Plans delayed acknowledging it will continue to be developed alongside the final version of the Asset Management Plan.

Note 2: The programme has been aligned to match the Link Alliance Target Alliance Programme 7.08 schedule, 6 of 8 milestones are now expected to be completed in first quarter 2024/25. The safety case variation for CRL testing and commissioning was approved by the Rail Regulator in July 2024.

Clean Vehicle Discount Rebates PLA

This appropriation is intended to achieve reduced transport emissions by encouraging car purchasers to choose low emission options by providing a rebate to make these vehicles more affordable, funded by fees collected on high emission vehicles imported into New Zealand.

Financial performance

Actual 2023 \$000	Performance measures	Actual 2024 \$000	Budget 2024 \$000	Forecast 2024 \$000
174,660	Non-departmental other expenses: Clean Vehicle Discount Rebates PLA	98,426	154,984	86,984

REPORT ON ADDITIONAL NON-DEPARTMENTAL APPROPRIATIONS

Assessment of overall performance

2023 Actual	Performance measures	2024 Actual	2024 Standards/ Targets
18% ¹	Sales of electric vehicles (battery electric and plug-in hybrid electric) as a share of the new passenger car segment for the 12 month period ending 30 June	22%	20%
13% ²	Sales of electric vehicles (battery electric and plug-in hybrid electric) as a share of all vehicles entering New Zealand (new and used passenger and commercial light vehicles) for the 12 month period ending 30 June	12%	10%

Note 1: The performance standard for this measure in 2022/23 was 15%.

Note 2: The performance standard for this measure in 2022/23 was 9%.

Clean Vehicle Discount Scheme – Rebates

This appropriation is intended to achieve reduced transport emissions by encouraging car purchasers to choose low emission options by providing a rebate to make these vehicles more affordable.

Financial performance

Actual 2023 \$000	Performance measures	Actual 2024 \$000	Budget 2024 \$000	Forecast 2024 \$000
167,163	Non-departmental other expenses: Clean Vehicle Discount Scheme – Rebates	55,893	-	60,009

Assessment of overall performance

2023 Actual	Performance measures	2024 Actual	2024 Standards/ Targets
18% ²	Sales of electric vehicles (battery electric and plug-in hybrid electric) as a share of the new passenger car segment for the 12 month period ending 30 June (see Note 1)	22%	20%
13% ³	Sales of electric vehicles (battery electric and plug-in hybrid electric) as a share of all vehicles entering New Zealand (new and used passenger and commercial light vehicles) for the 12 month period ending 30 June (see Note 1)	12%	10%

Note 1: The Estimated Actual performance for 2023/24 and the Budget Standard for 2024/25 have been impacted by the Government's decision to discontinue the Scheme. For the period July-December 2023, actual performance was about 33% for the first measure and 18% for the second measure, which are higher than and close to the Estimate Standard of 25% and 20% respectively. Following the discontinuation of the Scheme, actual performance has fallen to about 7% and 3% over the January/February 2024 period. The introduction of Road User Charges on EVs from April 2024 may slow EV growth. It is assumed that year to date 2024 uptake rates shall persist through to June 2024. The revised forecasted reductions shown above are based on averaging the relevant July-December 2023 actual figure and the relevant actual January-February 2024 figure.

Note 2: The performance standard for this measure in 2022/23 was 15%.

Note 3: The performance standard for this measure in 2022/23 was 9%.

REPORT ON ADDITIONAL NON-DEPARTMENTAL APPROPRIATIONS**Recreational Aviation Safety Activities PLA**

This appropriation is intended to achieve a sustained reduction in the identified systemic risks within the New Zealand Search and Rescue system to reduce the number of preventable Search and Rescue related fatalities in New Zealand.

Financial performance

Actual 2023 \$000	Performance measures	Actual 2024 \$000	Budget 2024 \$000	Forecast 2024 \$000
230	Non-departmental other expenses: Recreational Aviation Safety Activities PLA	274	-	286

Assessment of overall performance

2023 Actual	Performance measures	2024 Actual	2024 Standards/ Targets
New Measure	The development, maintenance and support services for Instrument Flight Procedures, as agreed with the Aviation Federation (see Note 1)	Achieved	Achieved

Note 1: This new measure reports on services being carried out with due diligence, care and skill, and in a manner that meets or exceeds best industry practice, and by appropriately trained, qualified and experienced persons.

Supporting a Chatham Islands Replacement Ship

This appropriation is limited to funding to support the replacement of the current shipping vessel supporting the Chatham Islands, including the costs of short-term maintenance of the existing vessel until a replacement ship is delivered.

Financial performance

Actual 2023 \$000	Performance measures	Actual 2024 \$000	Budget 2024 \$000	Forecast 2024 \$000
5,471	Non-departmental other expenses: Supporting a Chatham Islands Replacement Ship	4,329	-	4,329

Assessment of overall performance

2023 Actual	Performance measures	2024 Actual	2024 Standards/ Targets
100%	Maintenance of the Southern Tiare complete	100%	100%

REPORT ON ADDITIONAL NON-DEPARTMENTAL APPROPRIATIONS

Transport Connectivity with Isolated Communities

This appropriation is limited to providing direct financial support to ensure transport services that are critical for isolated communities continue to operate.

Financial performance

Actual 2023 \$000	Performance measures	Actual 2024 \$000	Budget 2024 \$000	Forecast 2024 \$000
2,411	Non-departmental other expenditure: Transport Connectivity with Isolated Communities	-	-	1,000

Assessment of overall performance

2023 Actual	Performance measures	2024 Actual	2024 Standards/ Targets
New Measure	Procurement and signing of contract for charter transportation services occurs before 30 June 2024 ¹	Not Achieved ²	Achieved

Note 1: This is a new measure as new funding was received in 2023/24 to cover the charter costs of transporting livestock from the Chatham Islands.

Note 2: No suitable vessel was found by 30 June 2024. Funding for this activity was carried over to 2024/25 to support livestock removal from the Chatham Islands.

Water Search, Rescue and Safety Frontline Services

This appropriation is intended to ensure critical frontline services delivered by Surf Life Saving New Zealand and Coastguard New Zealand are maintained at existing levels.

Financial performance

Actual 2023 \$000	Performance measures	Actual 2024 \$000	Budget 2024 \$000	Forecast 2024 \$000
15,145	Non-departmental other expenses: Water Search, Rescue and Safety Frontline Services	15,145	15,145	15,145

Assessment of overall performance

2023 Actual	Performance measures	2024 Actual	2024 Standards/ Targets
97%	Provision of agreed Water Safety services	100%	100%

REPORT ON ADDITIONAL NON-DEPARTMENTAL APPROPRIATIONS

Non-departmental capital expenditure

Joint Venture Airports – Crown Contribution 2023-2028

This appropriation is intended to achieve maintenance of the Crown's interest in joint venture airports, making air travel available in centres that would otherwise not have airports. The Crown has a 50 percent stake in the following five airports, with the other 50 percent held by the local councils:

- Taupō
- Westport
- Whakatāne
- Whanganui
- Whangārei

Financial performance

Actual 2023 \$000	Performance measures	Actual 2024 \$000	Budget 2024 \$000	Forecast 2024 \$000
-	Non-departmental capital expenditure: Joint Venture Airports – Crown Contribution 2023-2028 MYA	4,510	1,490	4,056

Assessment of overall performance

2023 Actual	Performance measures	2024 Actual	2024 Standards/ Targets
100% ¹	Percentage of compliance with the joint venture	100%	100%

Note 1: This performance result was for the same performance measure in 2022/23 under the 'Joint Venture Airports – Crown Contribution' appropriation.

REPORT ON ADDITIONAL NON-DEPARTMENTAL APPROPRIATIONS**Rail – Kiwirail Equity Injection**

This appropriation is intended to achieve equity injections to KiwiRail Holdings Limited resulting from property transactions by New Zealand Railways Corporation.

Financial performance

Actual 2023 \$000	Performance measures	Actual 2024 \$000	Budget 2024 \$000	Forecast 2024 \$000
-	Non-departmental capital expenditure: Rail – KiwiRail Equity Injection	2,091	7,500	9,400

Assessment of overall performance

2023 Actual	Performance measures	2024 Actual	2024 Standards/ Targets
0% ¹	Property transactions are carried out in line with agreed outcomes	22% ²	100%

Note 1: Property transactions are difficult to forecast as it can be very difficult to predict when/if an agreement will be signed and then settle. If a settlement does not occur in a particular year, then it is likely that it will move into the following year. Performance reflects the change in focus away from land disposals to land acquisitions for big projects. As most disposals are now driven by third party requirements (other public works) an allowance must be made for unknown requirements each year.

Note 2: Non-cash appropriation. Property transactions are difficult to forecast as it can be very difficult to predict when/if an agreement will be signed and then settle. If a settlement does not occur in a particular year, then it is likely that it will move into the following year. As most disposals are now driven by third party requirements (other public works) an allowance must be made for unknown requirements each year. This reflects the change in focus away from land disposals to land acquisitions for large projects.

Rail – Kiwirail Holdings Limited

This appropriation is intended to achieve capital investment in the New Zealand rail system.

Financial performance

Actual 2023 \$000	Performance measures	Actual 2024 \$000	Budget 2024 \$000	Forecast 2024 \$000
723,371	Non-departmental capital expenditure: Rail – KiwiRail Holdings Limited	641,381	1,047,843	641,381

Assessment of overall performance

2023 Actual	Performance measures	2024 Actual	2024 Standards/ Targets
94%	Capital is invested in the New Zealand rail system as approved by shareholding Ministers	100%	100%

REPORT ON ADDITIONAL NON-DEPARTMENTAL APPROPRIATIONS**Rail – New Zealand Railways Corporation Equity Injection**

This appropriation is intended to achieve an equity injection to New Zealand Railways Corporation relating to property transactions funded by KiwiRail Holdings Limited.

Financial performance

Actual 2023 \$000	Performance measures	Actual 2024 \$000	Budget 2024 \$000	Forecast 2024 \$000
12,284	Non-departmental capital expenditure: Rail – New Zealand Railways Corporation Equity Injection MYA	29,922	30,338	70,604

Assessment of overall performance

2023 Actual	Performance measures	2024 Actual	2024 Standards/ Targets
23% ¹	Property transactions are carried out in line with agreed outcomes	42% ²	100%

Note 1: Property transactions are difficult to forecast as it can be very difficult to predict the likely value, and when/if an agreement will be signed and then settle. If a settlement does not occur in a particular year, then it is likely that it will move into the following year. Performance reflects the change in focus away from land disposals to land acquisitions for big projects. An allowance must be made for higher than expected land purchase prices also.

Note 2: Non-cash appropriation. Property transactions are difficult to forecast as it can be very difficult to predict the likely value, and when/if an agreement will be signed and then settle. If a settlement does not occur in a particular year, then it is likely that it will move into the following year. Also, an allowance is made for higher than expected land purchase prices (contingency). This reflects the change in focus away from land disposals to land acquisitions for large projects.

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