



Draft Investment Prioritisation Method (IPM) Consultation

Consultation document on the draft Investment Prioritisation
Method for the 2024-27 National Land Transport Programme

4 October 2023

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More information

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Introduction

Waka Kotahi NZ Transport Agency is required to develop the 3-year National Land Transport Programme (NLTP).

The Waka Kotahi Investment Prioritisation Method (IPM) is used to support Waka Kotahi to give effect to the Government Policy Statement (GPS) on land transport through the NLTP.

The draft Investment Prioritisation Method (IPM) for 2024-27 has been developed to give effect to the draft GPS 2024 and will replace the IPM 2021-24. It is envisaged that it will be used to:

- prioritise activities for inclusion in the NLTP 2024-27 to be adopted by the Waka Kotahi Board
- confirm an activity's prioritisation when a business case is prepared, and a National Land Transport Fund (NLTF) investment decision is made.

The draft IPM applies to phases of activities proposed for the 2024–27 NLTP and will not usually affect activities approved in the 2021–24 NLTP.

Input during the development of the draft IPM 2024-27 has been sought through targeted engagement with key sector stakeholders.

You can see the draft Investment Prioritisation Method (IPM) for the 2024-27 National Land Transport Programme – October 2023 here:

<https://www.nzta.govt.nz/assets/planning-and-investment/docs/draft-investment-prioritisation-method-for-2024-27-nltp-october-2023.pdf>

Purpose of consultation

Feedback is sought from Approved Organisations (AOs), Waka Kotahi, and KiwiRail whose activities will be prioritised in the 2024-27 NLTP.

This feedback will help us finalise the IPM 2024-27.

Current state and the case for change

How the IPM is used currently

The IPM 2021-24 was developed to give effect to GPS 2021 and is used by Waka Kotahi as the basis for prioritising an activity or combination of activities for inclusion in the 2021-24 NLTP.

The Waka Kotahi Board sets the investment threshold based on the funds available for each activity class and the priority order for all activities proposed.

The IPM informs the priority order of activities - those that achieve a priority order above the investment threshold in an activity class are included in the 2021-24 NLTP.

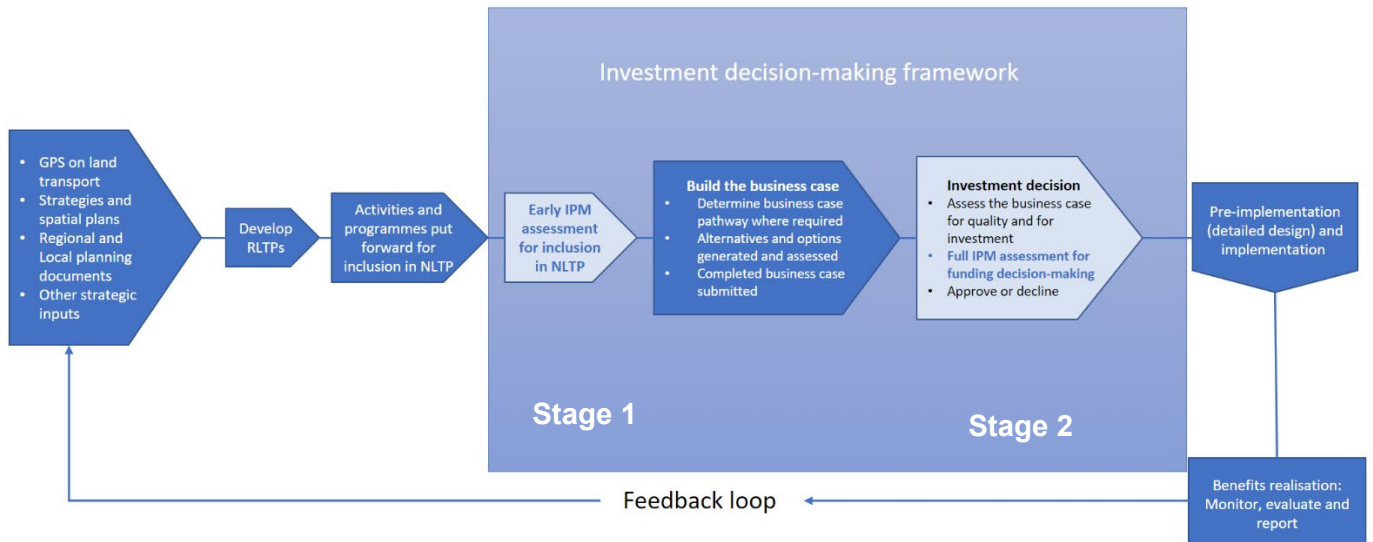
Why we have developed the draft IPM 2024-27

The draft GPS 2024 requires Waka Kotahi to amend the IPM to apply to activities in the 2024-27 NLTP.

The draft IPM has been developed to give effect to the draft GPS 2024 and to consider feedback received from the sector about what works well and what doesn't work so well with the 2021-24 IPM.

Where the IPM is applied in the investment decision-making process

Figure 1 IPM is applied at the NLTP development early assessment) phase (stage 1) and the investment decision-making phase (stage 2)



As with the current IPM, it is envisaged the draft IPM will to be used to:

- prioritise activities into activity classes in the NLTP 2024-27
- confirm an activity's priority when a business case is prepared and an NLTF investment decision is made.

Draft GPS 2024 provides NLTF funding ranges in each activity class and indicates that Waka Kotahi may recommend activities for Crown funding.

In response to the draft GPS, and as part of the development of the NLTP, we propose that the IPM will be applied to all activities proposed for inclusion in the NLTP – regardless of whether they are to be funded out of the NLTF or recommended for direct Crown funding.

Figure 2. All eligible activities assessed using the IPM whether NLTF or Crown funded



How the draft IPM 2024-27 was developed

We engaged with the Ministry of Transport, local government representatives and internal Waka Kotahi teams to develop the draft IPM for consultation.

The draft IPM aims to support the Government’s priorities and provides greater certainty for AOs on how we will assess all activities proposed for the NLTP and/or Crown funding.

Overview of draft IPM for feedback

Table 1: Draft IPM proposed changes from IPM 2021-24 and questions for your feedback

Topic	Key changes proposed	Expected benefits/improvements	Questions/Feedback sought
Investment prioritisation factors	<p>Retaining, with some changes, the 3 factors:</p> <ul style="list-style-type: none"> • GPS alignment • scheduling • efficiency. <p>Clarification on how the factors are applied to assessment and prioritisation of activities for inclusion in the 2024-27 NLTP.</p>	Makes it easier for Waka Kotahi and AOs to understand and apply the IPM prioritisation factors.	<p>Please tell us your views on:</p> <ul style="list-style-type: none"> • retaining the three prioritisation factors • what further guidance is needed to help you apply these factors, in addition to the worked examples and frequently asked questions (FAQs)?
GPS alignment - different requirements for NLTP development and investment approval stages	<p>For NLTP inclusion</p> <p>Stage 1: Less information required at the prioritisation stage for inclusion in the NLTP than currently.</p> <p>And</p> <p>For investment approval</p> <p>Stage 2: Quantitative information required at the investment approval stage.</p>	Reduces the time/cost associated with assessment and preparation and the NLTP prioritisation stage but would still provide sufficiently robust information to support investment decisions.	<p>Please tell us your views on:</p> <ul style="list-style-type: none"> • the proposed dual approach to assessment • any issues, benefits or risks that might arise for your processes/organisation because of this proposed change.
GPS alignment factor	<p>The GPS alignment factor would require information and an assessment of an activity in relation to all 6 strategic priorities in the GPS.</p> <p>This is a change from the current IPM 2021-24 which determines alignment based on the highest rated strategic priority.</p>	Enables consideration of alignment with multiple strategic priorities	<p>Please tell us your views on:</p> <ul style="list-style-type: none"> • the proposed change to the IPM to require assessment of an activity against all 6 strategic priorities in the GPS (rather than selecting the highest alignment with a single strategic priority).

Topic	Key changes proposed	Expected benefits/improvements	Questions/Feedback sought
<p>Applying the IPM to all eligible activities proposed for inclusion in the NLTP</p>	<p>The IPM would be applied to all eligible activities proposed for inclusion in the NLTP, whether they are to be funded from the NLTF or from direct Crown funding.</p> <p>Note: In addition to the IPM, there is potentially additional criteria that Crown funded activities would need to be assessed against e.g., the Transport Resilience Fund criteria.</p>	<p>This would use the same prioritisation process for all activities.</p> <p>This would enable Waka Kotahi to identify a prioritised list of activities in each activity class for funding from the NLTF and a list of activities it recommends for direct Crown funding.</p>	<p>Please tell us your views on:</p> <ul style="list-style-type: none"> • how this proposed change would affect your activities and application process • how you think the proposed change could be improved.
<p>Regional priorities</p>	<p>The draft IPM is applied to activities in each region's RLTP to form a prioritised programme in each activity class. The Waka Kotahi Board considers the NLTP as a whole and can adjust, taking into account high priorities in RLTPs. Waka Kotahi can also recommend activities for Crown funding.</p>	<p>Strengthens consideration of regional priorities in the development of the NLTP.</p>	<p>Please tell us your views on how the draft IPM proposes to take into account the priorities set out in RLTPs.</p>
<p>Adjusting prioritised programme across the NLTP</p>	<p>Before adopting the 2024–27 NLTP, Waka Kotahi may consider adjusting the prioritised programme, that arises from the application of the IPM, to ensure that the NLTP (as a programme) contributes to the purpose of the Land Transport Management Act 2003 and gives effect to the GPS 2024.</p>	<p>Enables consideration of other factors besides the three factors in the IPM including¹:</p> <ul style="list-style-type: none"> • the contribution to Government commitments • Te Tiriti o Waitangi obligations • regional priorities • right-size of a programme • distribution of activities across regions. 	<p>Please tell us your views on:</p> <ul style="list-style-type: none"> • the proposal to consider adjusting the prioritised programme • any concerns or suggestions to resolve those concerns.

¹ See full list of considerations in the draft IPM in the section 'Waka Kotahi may adjust prioritised programme'.

Topic	Key changes proposed	Expected benefits/improvements	Questions/Feedback sought
Local road low-cost, low-risk programme assessment approach	The proposal is to assess each programme's likely contribution to the 6 strategic priorities and determine its size and priority and affordability relative to other organisations' programmes. The draft IPM doesn't require an IPM rating of each activity in a low-cost, low-risk programme.	Aims to focus assessment on the programme, rather than each activity within it, and take greater account of the affordability of a programme relative to other activities and programmes in the activity class.	Please tell us your views on the proposed approach.
Continuous programmes assessment approach	The draft IPM changes the way continuous programmes ² are prioritised by assessing alignment with GPS strategic priorities and right-sizing a programme.	Brings in a right-sizing approach to help assess affordability of a programme relative to the activity class.	Please tell us your views about how the proposal to change the way continuous programmes are prioritised would work for your continuous programmes.
Scheduling factor	The scheduling factor has been clarified to identify the phases of activities that are most needed in the 2024-27 period.	Makes it easier to interpret and determine what really needs to be delivered in 2024-27.	Please tell us your views on amending the scheduling factor to require identification of the phases of activities that need to occur in the 2024-27 period and the consequences if they are not included.
Priority matrix	The draft IPM amends the priority order matrix to give greater weighting to GPS alignment and increased emphasis on scheduling those activities that need to be delivered or started in the 2024-27 NLTP.	Helps ensure activities that most align with GPS strategic priorities meet the threshold for inclusion in the NLTP and for potential investment. This ensures prioritisation of available funds and contribution to strategic outcomes.	Please tell us your views on the proposed adjustment to the priority matrix to give greater weighting to GPS alignment.
Overall process			Please tell us your views on whether the draft IPM simplifies and reduces the time for your assessment of activities or makes the prioritisation process more complex and lengthy.
Specific wording	Feedback is sought on wording and terminology in the draft IPM.		Please tell us any suggested changes to the wording of the draft IPM that you think would aid clarity.

² Continuous programmes comprise maintenance operations and renewals programmes, public transport continuous programmes, road safety partnerships and road safety promotions.

Topic	Key changes proposed	Expected benefits/improvements	Questions/Feedback sought
General feedback	General feedback is sought on the draft IPM.		Please tell us any other general feedback you have on the draft IPM.

Consultation timeline

Timeline	
Consultation opens, draft Investment Prioritisation Method 2024-27 released	4 October
Webinar to outline the draft Investment Prioritisation Method and answer questions	18 October
On request, present to Regional Transport Committees and relevant officer groups	As required
Consultation closes	17 November
Submissions analysed and considered	30 November
Consultation summary available	5 December
Final Investment Prioritisation Method decision	After final GPS 2024 is published. Date to be confirmed.

How to provide feedback

All feedback on the draft Investment Prioritisation Method (IPM) must be sent through our online feedback form https://nzta.au1.qualtrics.com/jfe/form/SV_ezaKLSe1mrdXodE

As part of the consultation process, Waka Kotahi will run a webinar to present the draft IPM and provide you with the opportunity to ask questions.

Next steps

Your next steps

1. Please review the draft IPM <https://www.nzta.govt.nz/assets/planning-and-investment/docs/draft-investment-prioritisation-method-for-2024-27-nltp-october-2023.pdf> and the consultation questions and discuss them with your team.
2. For your reference you can read the current [IPM 2021-24](#)
3. Once you and/or your team/organisation have decided what feedback you'd like to provide, please complete the online feedback form https://nzta.au1.qualtrics.com/jfe/form/SV_ezaKLSe1mrdXodE

4. If you'd like to ask questions and/or understand more about the aspects of the draft IPM we're consulting on, please attend the webinar. We'll post a recording of the webinar to the IPM consultation page <https://www.nzta.govt.nz/draft-ipm-consultation-2024-27> for those who can't attend to view.
5. If you need support or have questions, please contact us at IPMQuestions@nzta.govt.nz

Our next steps

1. Once consultation closes, we'll review your feedback and consider the changes we need to make.
2. We'll publish a summary of the feedback we've received from the consultation.
3. The IPM will need to be reviewed to account for the final GPS 2024 (when published by the Minister of Transport). Depending on the timing for publication of the final GPS we may not have sufficient time to consult further on any changes deemed necessary to the IPM.
4. Our review team will complete the design process to respond to the final GPS and the feedback we've received and finalise the IPM.
5. The final IPM will be published once approved by Waka Kotahi.

Acknowledgement

Waka Kotahi, together with the Ministry of Transport, would like to thank you for your ongoing involvement in making improvements to the investment decision-making framework.

For more information

Go to our web page <https://www.nzta.govt.nz/draft-ipm-consultation-2024-27>

See our frequently asked questions <https://www.nzta.govt.nz/assets/planning-and-investment/docs/draft-investment-prioritisation-method-for-2024-27-nltp-faq-october-2023.pdf>