NZ TRANSPORT AGENCY
WAKA KOTAHI

AGENDA NO.

4.2

BOARD PAPER

Paper no:	14/07/0822
Meeting date:	4 July 2014
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Recommended by:	Dave Brash, Group Manager (Planning and Investment)
Board function:	Setting sector and organisational direction
Subject:	**2015-18 NLTP development process changes**

PURPOSE

1. To update the Board on the 2015-18 NLTP development, including risks to the timing of the planned implementation, and agree the way forward.

SUMMARY

2. The delayed release of the Government Policy Statement on Land Transport (GPS) for consultation (final release likely in late 2014) requires a change in the 2015-18 NLTP development process. This includes changing the implementation plan to ensure approved organisations, the Transport Agency, NZ Police and regional transport committees can continue to develop their programmes and draft regional land transport plans, using an Investment Assessment Framework (IAF) based on the proposed GPS, until the final versions are released.

3. Notwithstanding this change, the NLTP development process is tracking well. The One Network Road Classification and Activity Management Planning assessment remains a concern for approved organisations. Workshops are planned and guidelines are scheduled to alleviate these uncertainties. The ongoing development of evidence, policy decisions and planning are building towards a final communications pack in August.

RECOMMENDATION

4. That the NZ Transport Agency Board **agrees** to the development of an Investment Assessment Framework and communications plan based on the draft Government Policy Statement for approval by the Board in August.

BACKGROUND

5. The 2015-18 NLTP development project is tracking well overall. However, ongoing risks associated with the delayed draft GPS release, and subsequent impacts on the timing of the release of our Investment Assessment Framework (one of our key tools to give effect to the GPS) may have significant impacts on the development of transport programmes and regional land transport plans.

6. In setting 2015-18 NLTP timelines, we anticipated that a draft GPS would be released during April 2014, with the final published in July. However, the draft was released for consultation on 15 June 2014. The Ministry of Transport has signalled the final will be delayed until late 2014.

7. Most regional transport committees have released their regional land transport plan development timeframes, with many requiring contributing organisations to have submitted draft programmes during September. Consultation on the regional land transport plans will occur between November and February.

8. Regional transport committees must develop their regional land transport plans to be consistent with the GPS. To help us give effect to the GPS, all activities put forward for inclusion in the NLTP must be assessed using our Investment Assessment Framework.

PROPOSED GUIDANCE BASED ON DRAFT GPS

9. We propose releasing a draft Investment Assessment Framework and related guidance based on the draft GPS. This will allow Approved Organisations and regional transport Committees to continue with their programme and plan development in order to meet the NLTP completion timeline of 30 June 2015.

10. We need to be responsive to the possibility that the draft GPS could change substantially as a result of the engagement process. The most likely area of change would probably be an adjustment to the funding ranges for specific activity classes (and hence their weighting in the overall programme). The new Regional Improvements activity class and its relationship to other regional activities in other classes may also generate discussion and adjustment. On the other hand the total revenue is unlikely to change, meaning that it is the balance of activities within the overall NLTP that would need to be adjusted. Our existing processes enable just this, through optimising across the regional RLTP's (there are usually more projects and services that can be funded than funds available).

11. We also need to ensure that guidance on RLTP development at this stage is not seen to pre-empt the GPS engagement process by the Government. That means that we must carefully communicate our intentions and process and ensure that our early planning signals leave open the possibility of change and adjustment once the Government's decisions are made and communicated direct to local government and other stakeholders.

12. We propose to come to the Board in August with a paper covering:

    - the draft Investment Assessment Framework

- indicative activity class investment levels (our positioning of investment within each activity class GPS funding range, so that the overall investment level matches the likely revenue level)
- investment signals and guidance (based on the GPS and framework, including process signals which underpin assessment)
- forward expectations for the sector.

PROJECT UPDATE

13. Investment signals were released to the sector on 22 May 2014. These were indicated in the February NLTP update to you (14/02/0800). Due to the timing of the GPS, these signals were focussed on process rather than priorities. They included information on co-investment, optimising programmes, business case approach, activity management planning and a number of other key areas.

Developing the evidence base

14. We are focussing on getting a Transport Agency view of problems, opportunities and priorities for investment and making this available (including geospatially) to help contextualise regional land transport plan conversations and programme development.

15. Additional emphasis is being placed on improving the data quality of existing tools (such as the Public Transport Information Tool) and generally working to update or upgrade our data sources.

16. These tools and data sources will allow us to test the submitted activities for optimisation and scenarios in terms of safety and travel time efficiency, support the national programme development, and demonstrate how the NLTP gives effect to the GPS.

One Network Road Classification implementation and Activity Management Plans

17. Development of the One Network Road Classification is tracking one month behind schedule. Customer Levels of Service performance measures are to be completed in July and further workshops with road controlling authorities are to be held around the country later in the month. The workshops will also include information and updates on expectations for Activity Management Plans, linking these to investment issues and discussions for the NLTP development.

18. Tools will be available for local authorities to help classify their networks. Support will be provided where needed to help implement the One Network Road Classification and improve activity management planning and plans.

RISKS

19. Our recommended approach could entail substantial rework by some organisations if the final GPS differs substantially from the current engagement draft. On the other hand, deferring further work until the GPS is final would most likely mean deferring the start of the next NLTP until after 30 June 2015 and disruption to works programmes and service delivery.

FINANCIAL IMPLICATIONS

20. There are no financial implications to this paper.

COMMUNICATION AND ENGAGEMENT

21. The draft 2015-18 NLTP Communications and Engagement Plan will be provided to you in August for your endorsement.

22. The proposed key messages for this stage are:

- The GPS is a government policy document managed by the Ministry of Transport.
- As usual, we will update stakeholders with key information as soon as we know it.
- Due to the lead-in time required to develop regional land transport plans and the NLTP, we need to continue the development process, and be flexible to variations.
- If there are any substantial changes in the final GPS, we will review our position and establish guidance to respond to the changes.

ATTACHMENTS

23. There are no attachments to this paper.