

# THE LAND TRANSPORT BENEFITS FRAMEWORK AND BENEFITS MANAGEMENT

Waka Kotahi NZ Transport Agency and our investment partners invest in land transport to provide benefits to New Zealanders. But in order to know that our investment is successful, and that the money was well-spent, we need to know whether it has provided the expected benefits.

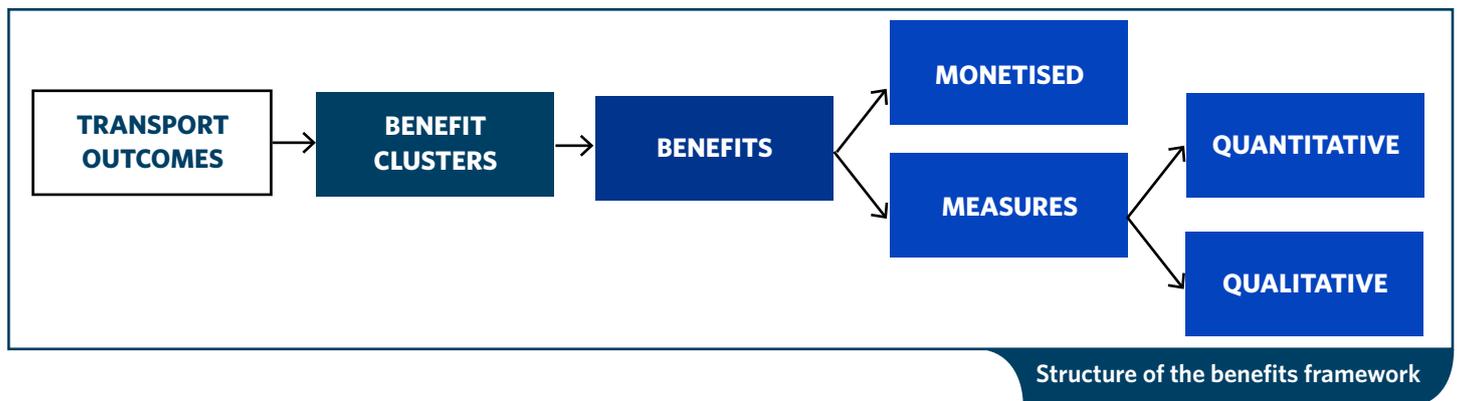
## Why have a benefits framework?

We developed the Land Transport Benefits Framework so we and our investment partners have a consistent way of measuring benefits across all projects and across time. This means we can make sure we're investing in the things that matter to the government and New Zealanders, and that our investments are delivering the expected outcomes.

## What is the benefits framework?

The Land Transport Benefits Framework is a consistent set of benefits and measures that makes it possible to consider, measure and report on all impacts of our investment in land transport.

The benefits framework is made up of 25 benefits, 12 of which can be monetised. Beneath the benefits are associated measures, which are either quantitative or qualitative. The benefits sit beneath five transport outcomes and are grouped into 12 clusters. The benefits framework is aligned with the Ministry of Transport's Transport Outcomes Framework and Treasury's Living Standards Framework.



### What is a benefit?

A benefit is a measurable change resulting from an investment. It could be either an advantage (positive/benefit) or disadvantage (negative/disbenefit). The term 'impact' is also used in the benefits framework as a substitute for the term 'benefit' to recognise the multi-directional flow of benefits.

### What are monetised benefits, and quantitative and qualitative measures?



A **monetised benefit** translates the forecast long-term (multiple decades) accrued costs and benefits (taking into account broader context, economic considerations and impacts) into a common unit (dollar value), so it can be readily comparable.



A **quantitative measure** is a benefit measure concerned with a quantity – it is often based on a number or percentage. It measures an impact you can count.



A **qualitative measure** is a benefit measure concerned with a quality. It is often descriptive. It measures an impact you can describe.

## Example monetised benefit and measures

The benefit 8.1 *Impact on greenhouse gas emissions* can be monetised, and also has both quantitative and qualitative measures:



### 8.1 Impact on greenhouse gas emissions

\$ damage cost/tonne of CO<sub>2</sub> as a function of motor vehicle fuel consumption



### 8.1.1 CO<sub>2</sub> emissions

Tonnes of CO<sub>2</sub> equivalents emitted



### 8.1.2 Mode shift from single occupancy private vehicle

User to describe

## Centralised data for quantitative measures

Having a framework of consistent benefits and measures also means that benefits data collected can be used to identify land transport problems, and to inform investment decisions. We have introduced the Benefits Data Tool to share centralised data related to quantitative measures.

To request access to the Benefits Data Tool, email [investment.benefits@nzta.govt.nz](mailto:investment.benefits@nzta.govt.nz).

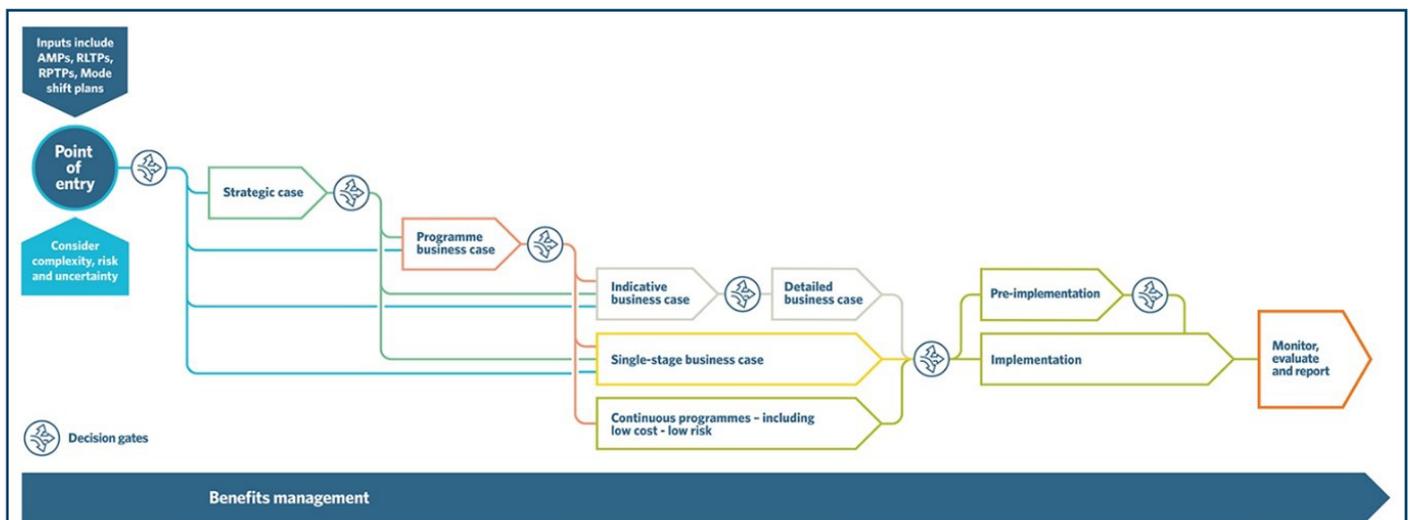
## How are benefits managed in the National Land Transport Programme?

Benefits management in the National Land Transport Programme (NLTP) is made up of these key stages:

1. Identify the benefits: in planning documents and business cases, identify the appropriate benefits and measures from the benefits framework for each transport investment.
2. Decide on the investment: the expected benefits of proposed investments inform optioneering and decision-making during business case development. Waka Kotahi uses benefits to help with prioritisation and making investment decisions.
3. Evaluate benefit realisation: through monitoring and reporting we can evaluate whether benefits were achieved as expected.

## How do benefits relate to the Business Case Approach?

The Business Case Approach (BCA) is the method Waka Kotahi and its investment partners use to develop business cases for transport investments. A key principle of the BCA is 'Investing for benefits', and this should drive thinking through all phases of the BCA. Through the BCA you will identify, assess and evaluate benefits and measures. Having a consistent framework will make it easier for you to identify benefits and measures, and the centralised measures data will help in your planning and evidence base.



## Who needs to use the benefits framework?

All approved organisations (AOs) and Waka Kotahi must use benefits and measures from the benefits framework when applying for funding through the NLTP. This includes in all the documents and processes relating to funding and investment, including planning documents such as regional land transport programmes (RLTPs) and activity management plans (AMPs), and all stages of business case development.

## How do I use the benefits framework?

You will need to choose from the framework the benefits and measures that most appropriately relate to your investment. At later stages in business case development, your benefits and measures will need to be more specific than at earlier stages. Benefits will need to be included in your planning or business case document, and in Transport Investment Online (TIO). We provide guidance on how to do this for different stages of your investment planning.

## When do I need to start using the benefits framework?

The benefits framework must be used for all new business cases that began from August 2020, and the whole benefits management approach will be used from the 2021–24 NLTP. We also encourage you to start using benefits from the framework in planning that is already underway. For example, 2021–31 RLTPs are already underway, but we encourage a transitional approach, where benefit framework measures are run alongside historical measures.

### Where can I find out more?

- For more about the benefits framework and how to use it, read our [benefits management guidance on the Waka Kotahi website](#).
- For more about quantitative and qualitative benefit measures, read *Non-monetised benefits manual: qualitative and quantitative measures*.
- For more about monetised benefits and costs and how to calculate them, read *Monetised benefits and costs manual*.
- Download a [table of all the benefits and measures in the benefits framework](#).