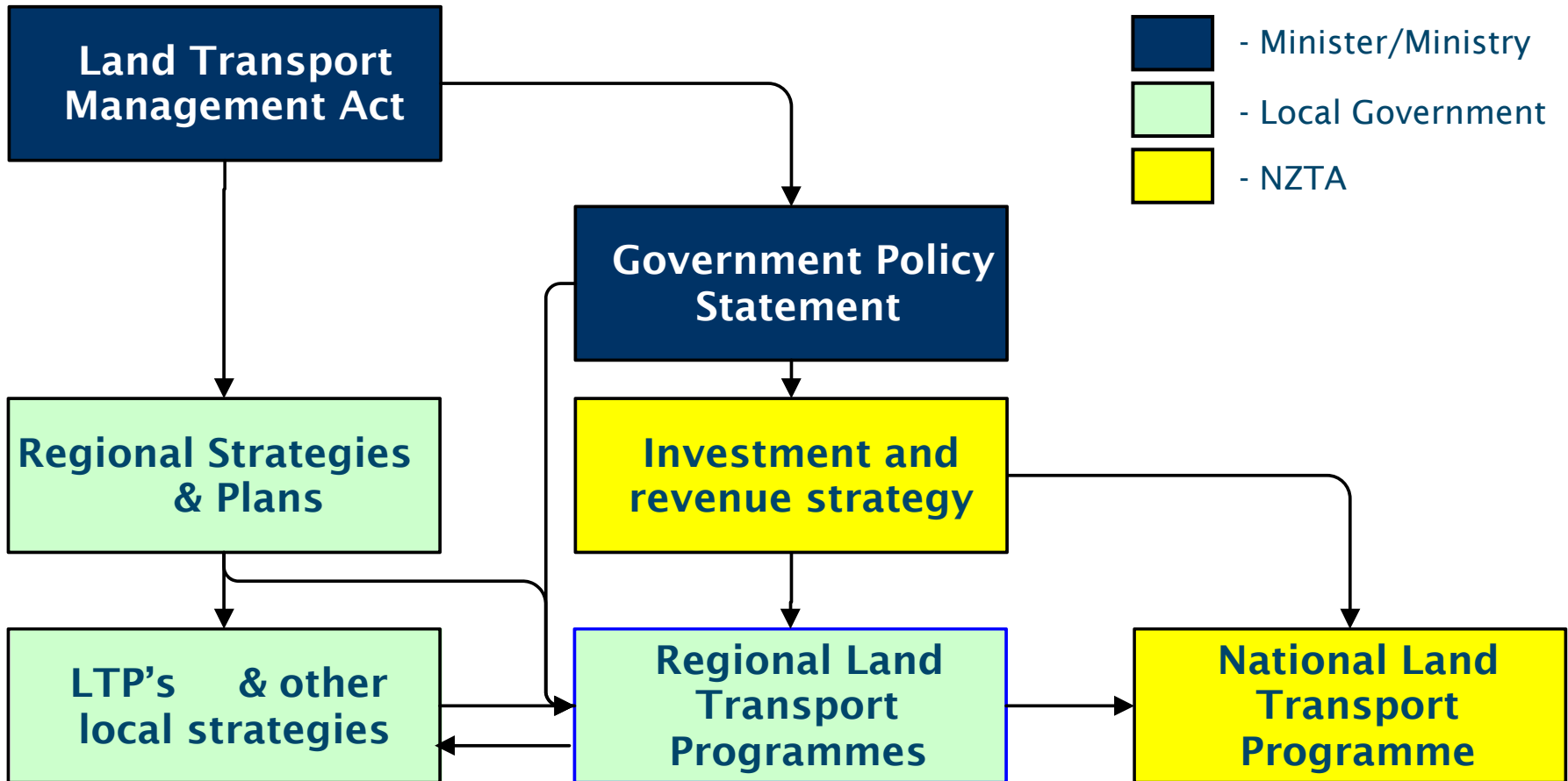


1 PURPOSE

CREATING TRANSPORT SOLUTIONS FOR A THRIVING NEW ZEALAND

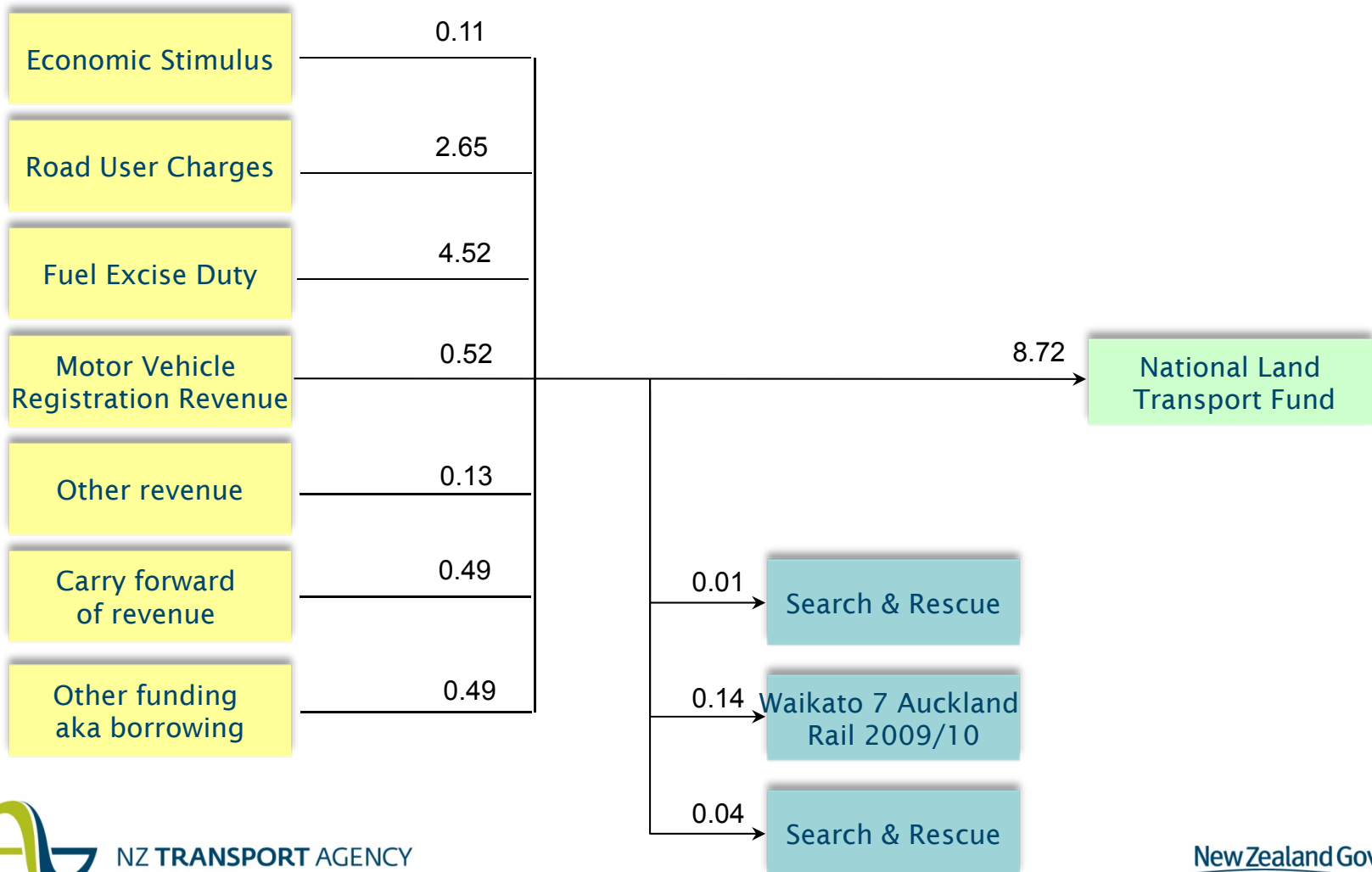
NLTP PLANNING & INVESTMENT

Respective roles of the Minister, Local Government & NZTA



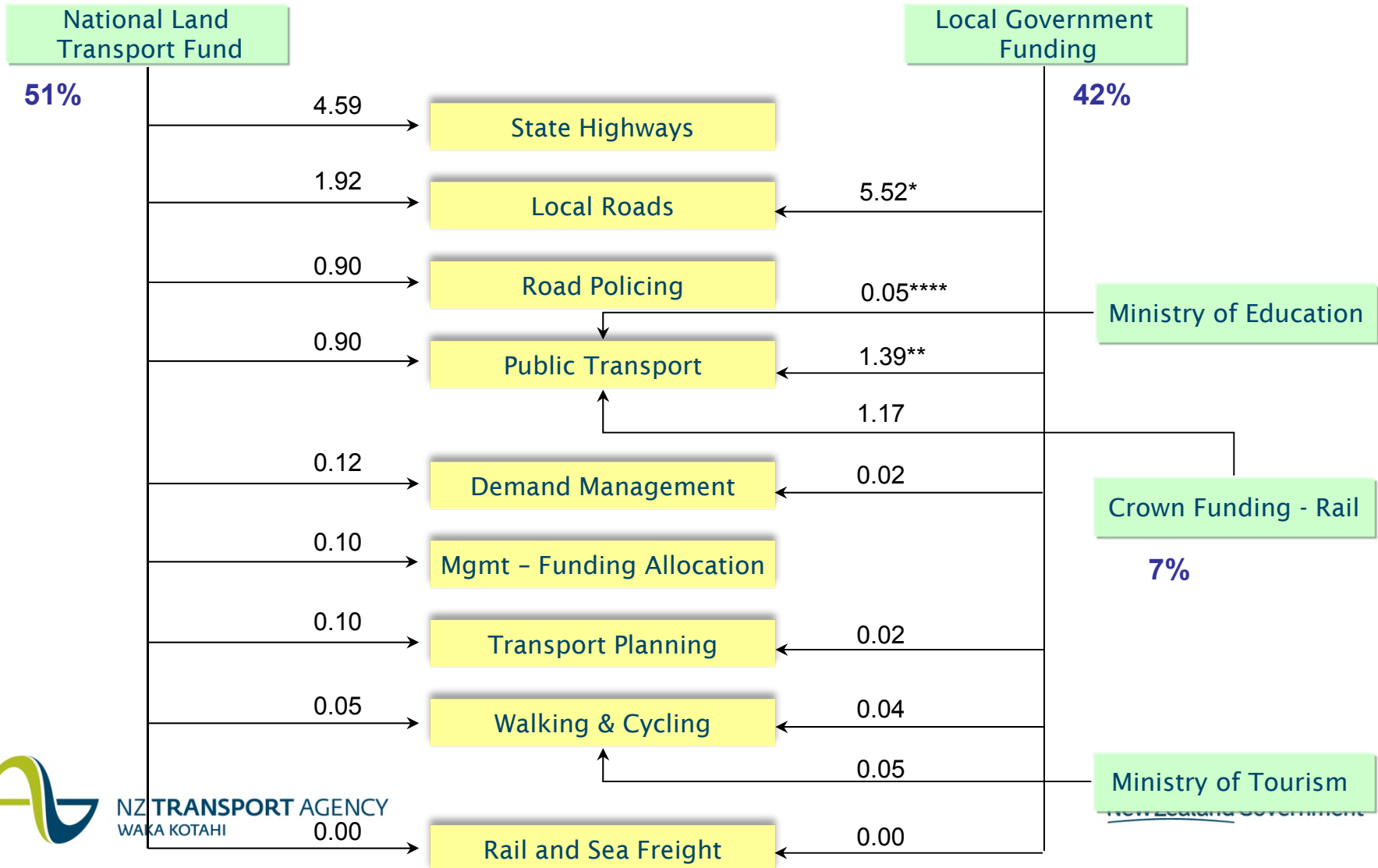
LOOKING BACK

A record level of revenue (\$8.7bn) from the NLTF



LOOKING BACK

A record level of investment in land transport (around \$17bn)



OUR NEW (BUT SIMILAR) BRIEF

Objective for the 2012/15 NLTP

“If we are to realise our full potential as a nation, we will need our land transport system to move people and freight as quickly, efficiently and safely as possible”

(Hon Stephen Joyce, Government Policy Statement on land transport funding 2012/13 – 2021/22)

Transport system
investment and
management

Access to
transport
networks

Economic growth
and productivity

Quality of life



OUR NEW CHALLENGE

Government priorities for the 2012/15 NLTP

1. Economic growth
2. Road safety
3. Value for money

... with an estimated **\$9bn** in NLTF revenue and a (to be determined) level of local government investment

NZTA INVESTMENT DECISION-MAKING

Our decision criteria

Strategic fit

- Alignment with the Government's direction

Effectiveness

- How well the project/package achieves the strategic outcomes

Economic efficiency

- Benefit cost ratio (or cost effectiveness)

High, Medium or Low assessment for each

STRATEGIC FIT

The policy test

The priorities

- **Construct RONS and connections**
- **Establish and develop freight routes, including for HPMVs**
- **Establish and develop tourism routes**
- **Planning and services to get the most from networks for customers**
- **Helping customers get the best services from networks**
- **Address high risk road safety locations and behaviours**
- **Support peak-time PT services in major urban areas**



EFFECTIVENESS

The best practice test

Low	Medium	High
<p>Minimum</p> <ul style="list-style-type: none">○ Meets LTMA/NZTS objectives○ Affordable○ Considers appropriate alternatives and options○ Considers adverse effects or impacts○ Appropriate scale	<p>Low criteria PLUS</p> <ul style="list-style-type: none">○ Part of a strategy, package or plan○ Optimised○ Enduring benefits○ Considers land use strategies and implementation plans	<p>Low + Med PLUS</p> <ul style="list-style-type: none">○ Integrated between transport modes○ Integrated with land use and other infrastructure○ Supports networks from national perspective

EFFICIENCY

The value test

For improvements the primary measure of economic efficiency is benefit cost ratio

Low	Medium	High
$BCR \geq 1$ and < 2	$BCR \geq 2$ and < 4	$BCR > 4$

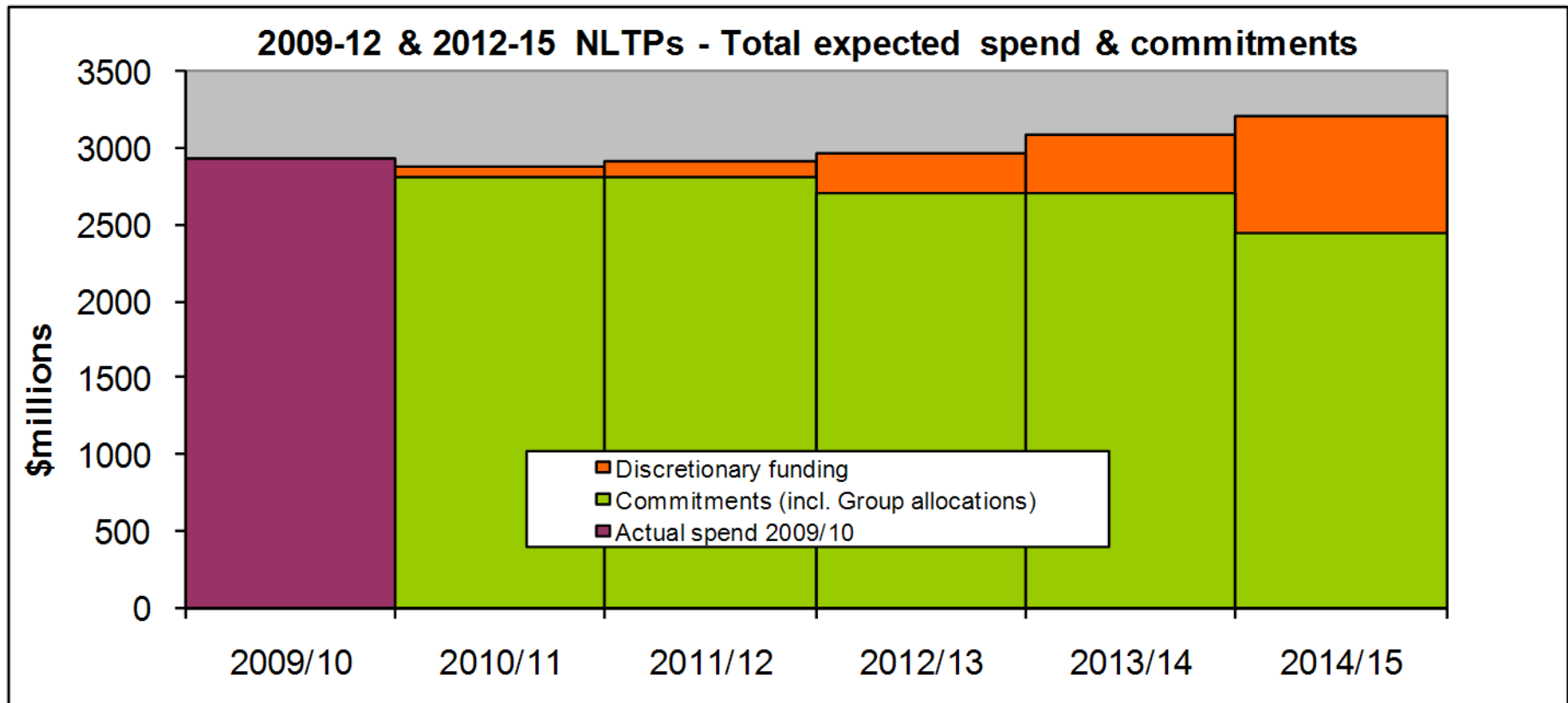
BCR < 1 only considered in exceptional circumstances and at discretion of Board



STARTING POINTS (1)

The forward commitments for 2012 and beyond are huge

Most forecast revenue will be committed to maintaining and optimising what we've got and investing in planned improvements



STARTING POINTS (2)

Key drivers for the 2012 NLTP

- GPS 2012
- Safer Journeys (and Road Safety Action Plans)
- RLTS, RLTPs
- State highway classification
- RONS programming
- Auckland Spatial Plan
- Christchurch rebuild
- Public Transport – sector action plan
- Freight efficiency – sector action plans



EMERGING THEMES (1)

Sharpening our strategic intent

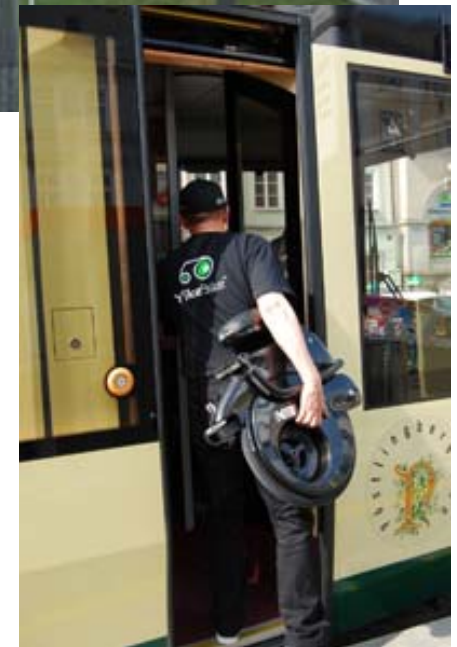
- **Clearer strategy required** e.g. defining the role and functions of the components of all our transport networks
- **Stronger alignment required** - of projects to programmes, and programmes to strategy; revenue policies with the strategic intent
- **Improved planning required** e.g. public transport networks



EMERGING THEMES (2)

Lifting the efficiency equation

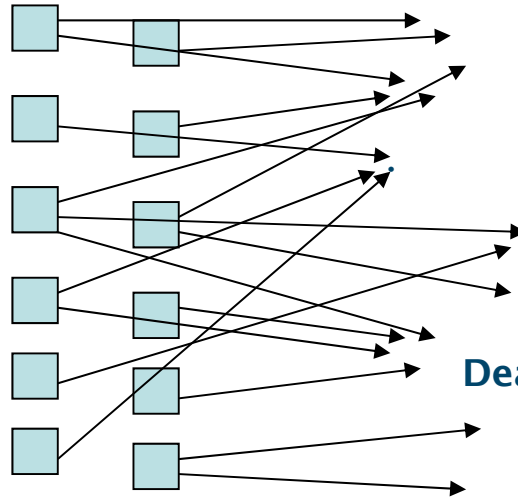
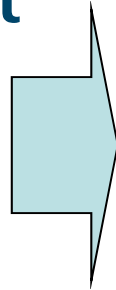
- **Improved costing** e.g. whole of life costing of programmes and projects
- **Greater optimisation**
 - extracting maximum value from past/current investment
 - Targeting investment to highest marginal returns



Example: new road safety investment modelling tools

NLTP
Investment

\$\$\$

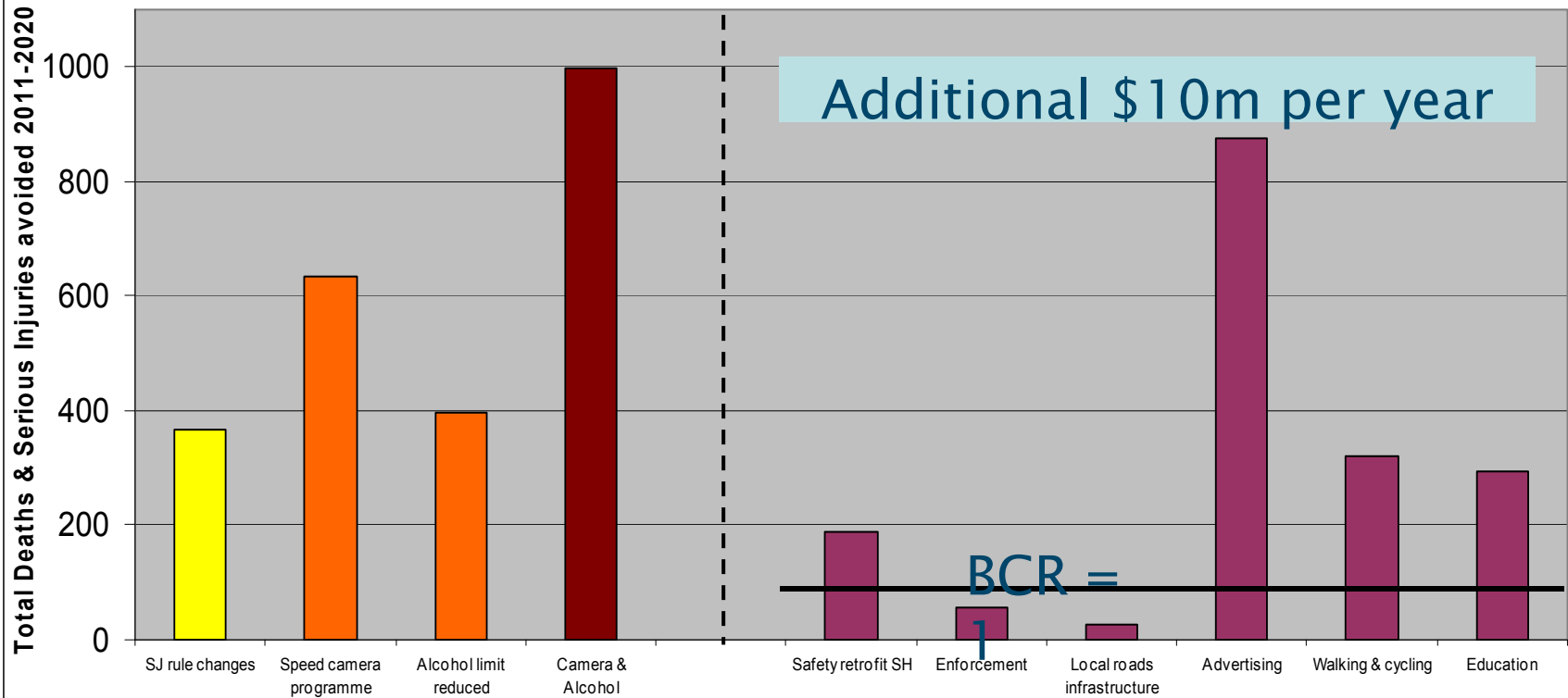


Deaths & Serious Injuries



Example: new road safety investment modelling tools

Additional benefits over 10 years for various intervention choices

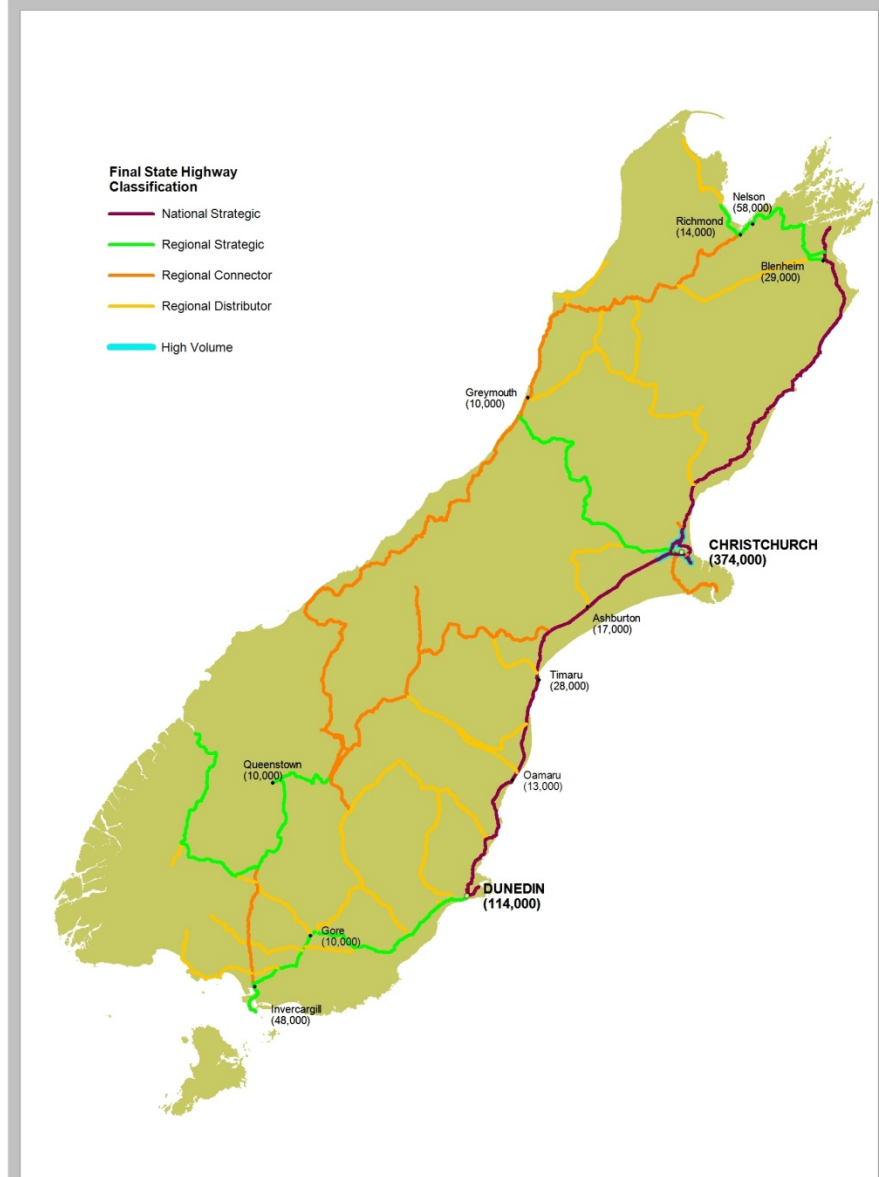
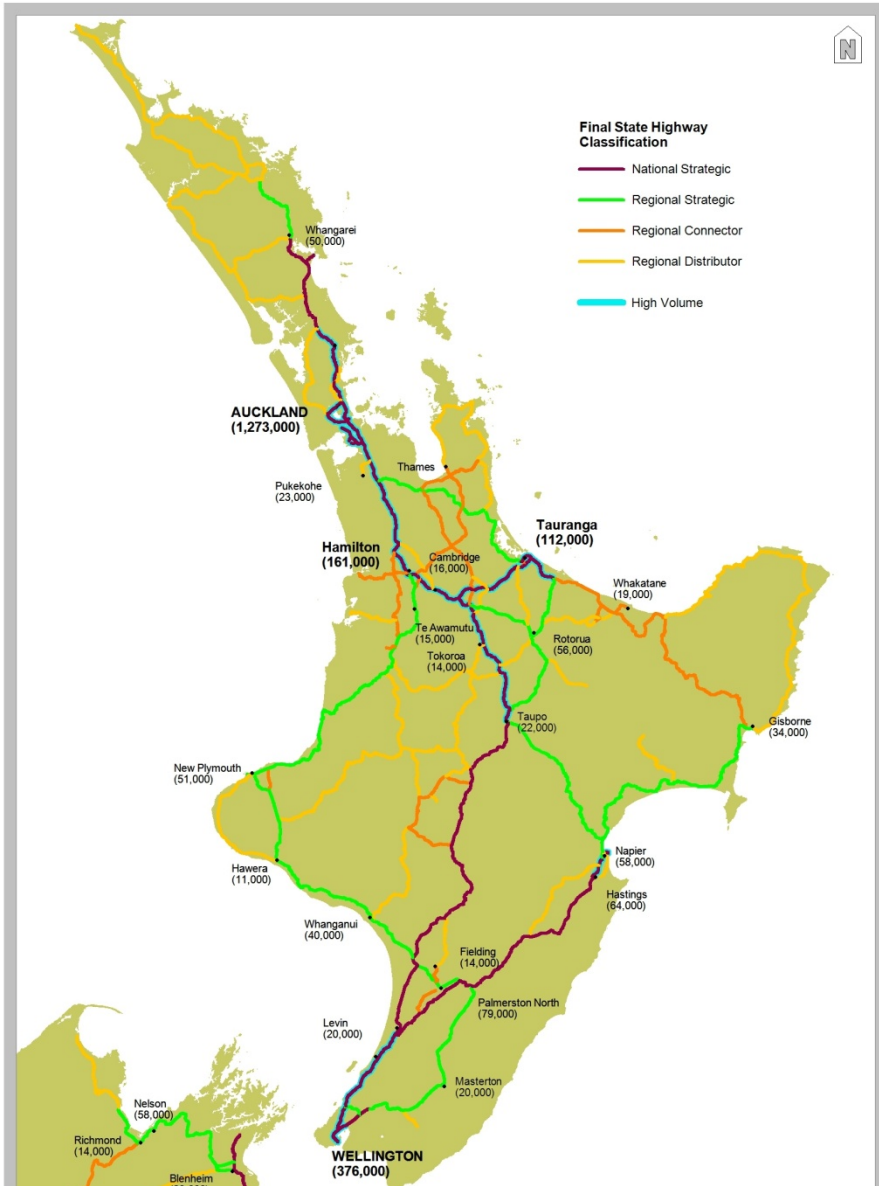


EMERGING THEMES (3)

Lifting the effectiveness of our investments

- **Increased focus on road user perspectives** (simulating ‘private good’ perspectives) in setting levels of service:
 - Better definition of the desired levels of service e.g. KiwiRAP
 - Basis for future understanding for network access charging i.e. when there is ‘contestability’
- **Sound land use and transport planning** - reducing the need for future transport investment

Example: road classification and levels of service

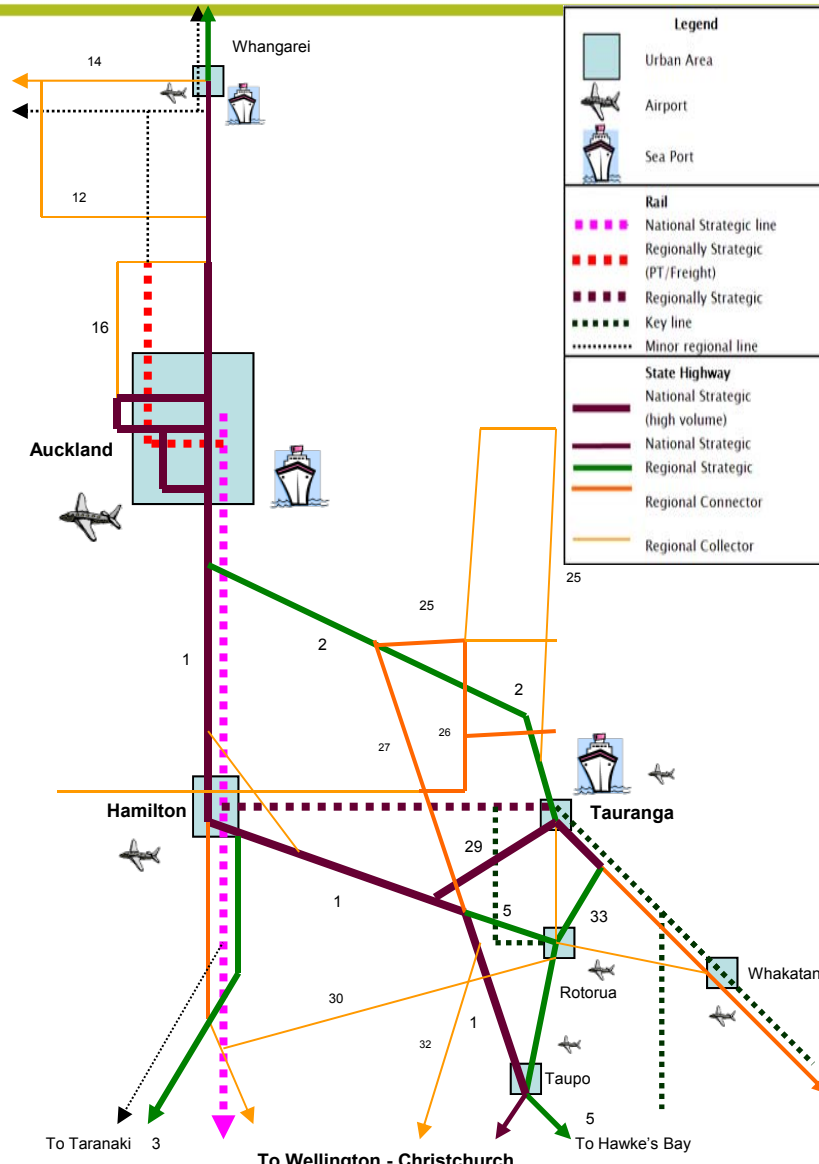


EMERGING THEMES (4)

Investing in one integrated land transport system



Example - Upper North Island Freight Plan



THE TOUGH INVESTMENT CHOICES

Hot topics as we put the 2012-15 NLTP together

Funding Canterbury's
recovery

Very large projects vs
the rest

National vs regional
priorities

Public transport,
outside
metropolitan areas

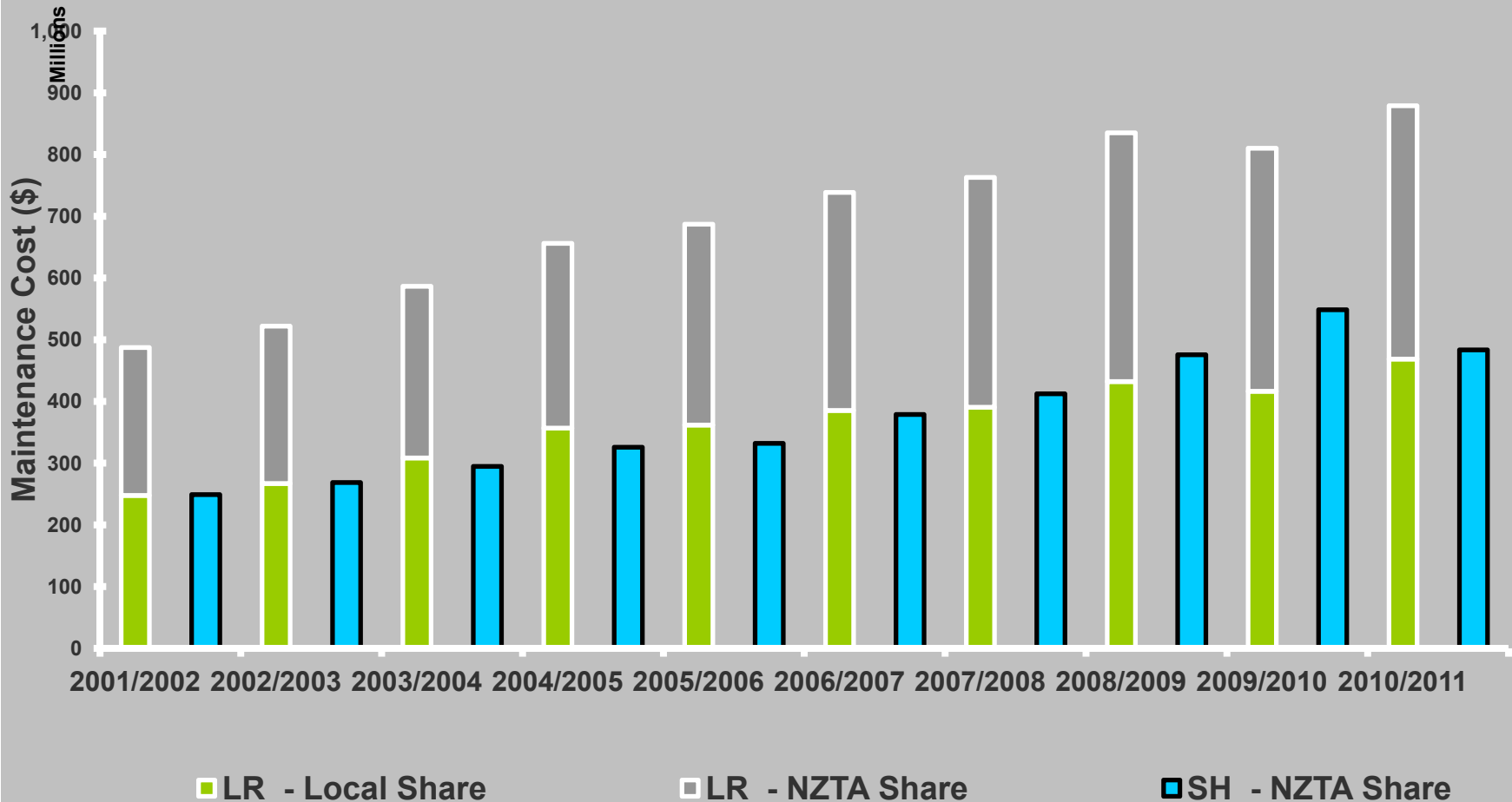
Good walking and
cycling investment
opportunities



NZ TRANSPORT AGENCY
WAKA KOTAHI

Example: Road maintenance

Maintenance Costs for New Zealand 2001/2002 - 2010/2011



QUESTIONS? COMMENTS?

