



NZ TRANSPORT AGENCY
WAKA KOTAHI

Investment and Revenue Strategy

2012/15

Sandy Fong
Strategy and Performance

National Land Transport Programme



Funding direction

Government direction

Land
Transport
Management
Act

Government Policy
Statement on Land
Transport Funding



GOVERNMENT POLICY STATEMENT ON LAND TRANSPORT FUNDING

2012/13–2021/22

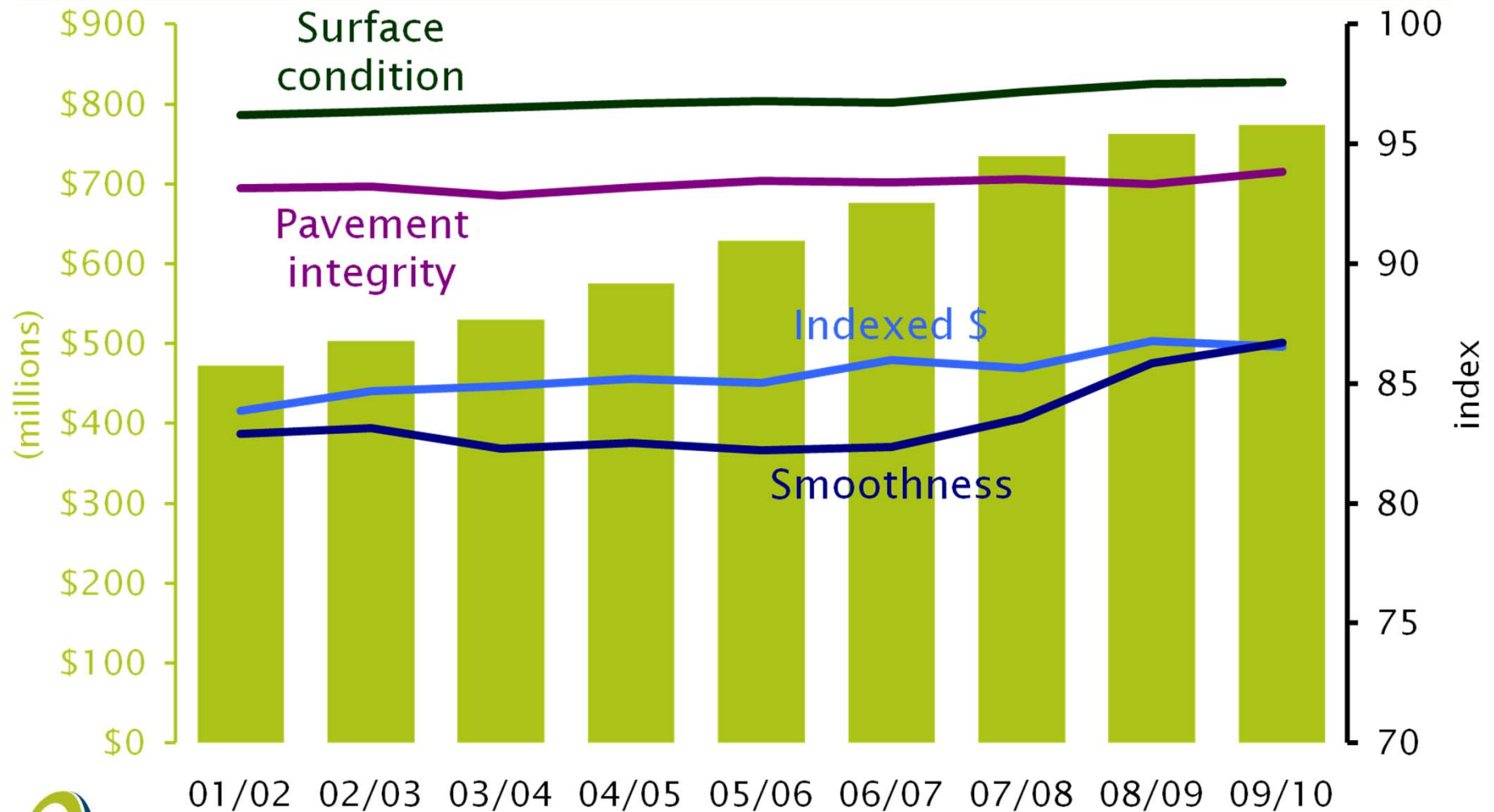
JULY 2011

Government Policy Statement

Sets

- o Funding allocation to activity classes
- o Describes impacts it wants it achieve
- o Three focus areas
 - o Economic growth and productivity
 - o Value for money
 - o Road safety

Maintenance costs and network condition

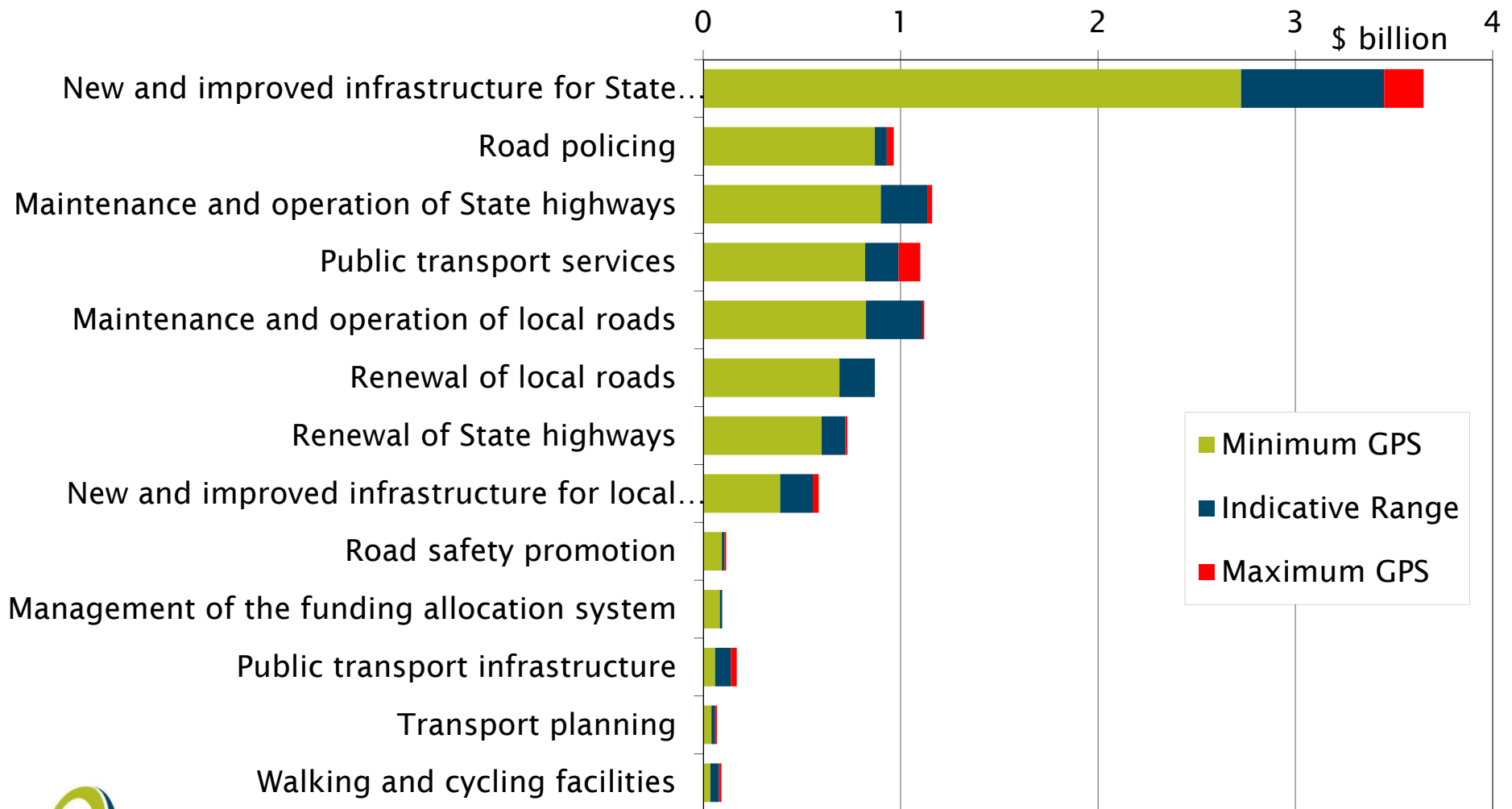


Changes from engagement and consultation

Raised the upper funding ranges for:

- o Maintenance and operation of local roads from \$260 million to \$300 million per year
- o Renewal of local roads activity class from \$240 to \$250 million

Activity class ranges



Funding framework

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NZTA implementation

Investment
and
Revenue
Strategy

Assessment

Strategic Fit
Effectiveness
Economic Efficiency

Prioritisation



NZTA investment and revenue strategy

Documents strategic investment intent of the NZTA

- o Direction setting and prioritisation tool
- o Helps balance competing priorities

Short term

- o Ensures the NLTP gives effect to GPS

Long term

- o Ensures investment, revenue and business priorities aligned with LTMA, GPS and NZTA priorities

Assessment and prioritisation

Assessment criteria with high, medium, low ratings

- o 'Strategic fit' to the GPS impacts
- o 'Effective' in addressing the impact
- o 'Economically efficient' in using resources

Creates a three factor assessment profile

Changes from the current IRS

- o Raised priority for Safer Journeys areas of high concern
- o Better supporting tools
 - o High Risk Rural Road Guide
 - o State Highway Classification System
- o Focus on congestion relief and safe system

Strategic fit

Strategic fit determined by GPS impacts



Effectiveness – delivering strategic fit

How well can the impacts be delivered?

Low	Medium	High
Minimum	Low +	Med +
Meets agreed level of service	Supported strategies, endorsed packages and plans	Integration with land use and multi-modal approach

Economic efficiency ratings

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	$BCR > 4$

Cost effectiveness measures used for maintenance and operations

- o Benchmarking to understand cost differences

Profile prioritisation

Prioritisation order changes from

- o Strategic fit, **economic efficiency** and **effectiveness**
- to
- o Strategic fit, **effectiveness** and **economic efficiency**



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The funding process

What we're funding

Transport monitoring

Managing the network

Our investment direction for 2012/15

Updated: 18 August 2011

The NZTA has just announced its direction for investment in the land transport system from 2012 to 2015.

This is an important early step for us and our investment partners to determine the priority of transport activities to be considered for the three-year National Land Transport Programme 2012-15 (NLTP).

We've reviewed our investment priorities for the 2012-15 NLTP, which has resulted in adjustments to some funding assistance rates and a refresh of our Investment and Revenue Strategy.

We've also made other decisions that will help shape the land transport programme for each region and the NLTP. These include the three yearly review of base funding assistance rates and determination of indicative activity class funding ranges for the 2012-15 NLTP.

The changes we've made to our investment priorities for the 2012-15 NLTP respond to the Government's signals for land transport through its **Government Policy Statement on Land Transport Funding 2012/13 – 2014/15** (GPS 2012). It wishes to see investment in land transport making a strong contribution to the

Funding assistance rates

We have announced the FAR changes for 2012/15 to:

- o Base
- o Public Transport
- o Transport Planning Studies and Strategies
- o Road user safety