

Draft Regional Transport Programme Prioritisation Process

Context

The options for helping achieve the vision of the Regional Land Transport Strategy (RLTS) are many and varied, but the resources available to implement them are limited. Despite significant increases in land transport funding made available to the region in recent years there is still not enough funding identified to undertake all the desired land transport improvements within 10 years. There is therefore a requirement to make choices in the sequencing of projects and packages. These choices in sequencing are known as prioritisation.

In order to assist the prioritisation process and ensure its transparency and responsiveness, the following framework has been developed. One objective is to ensure that funding is directed to those projects that address the desired RLTS outcomes in the most efficient and effective manner. Another is to ensure that projects or packages scheduled for medium or longer term implementation are identified and continue to be prepared in readiness.

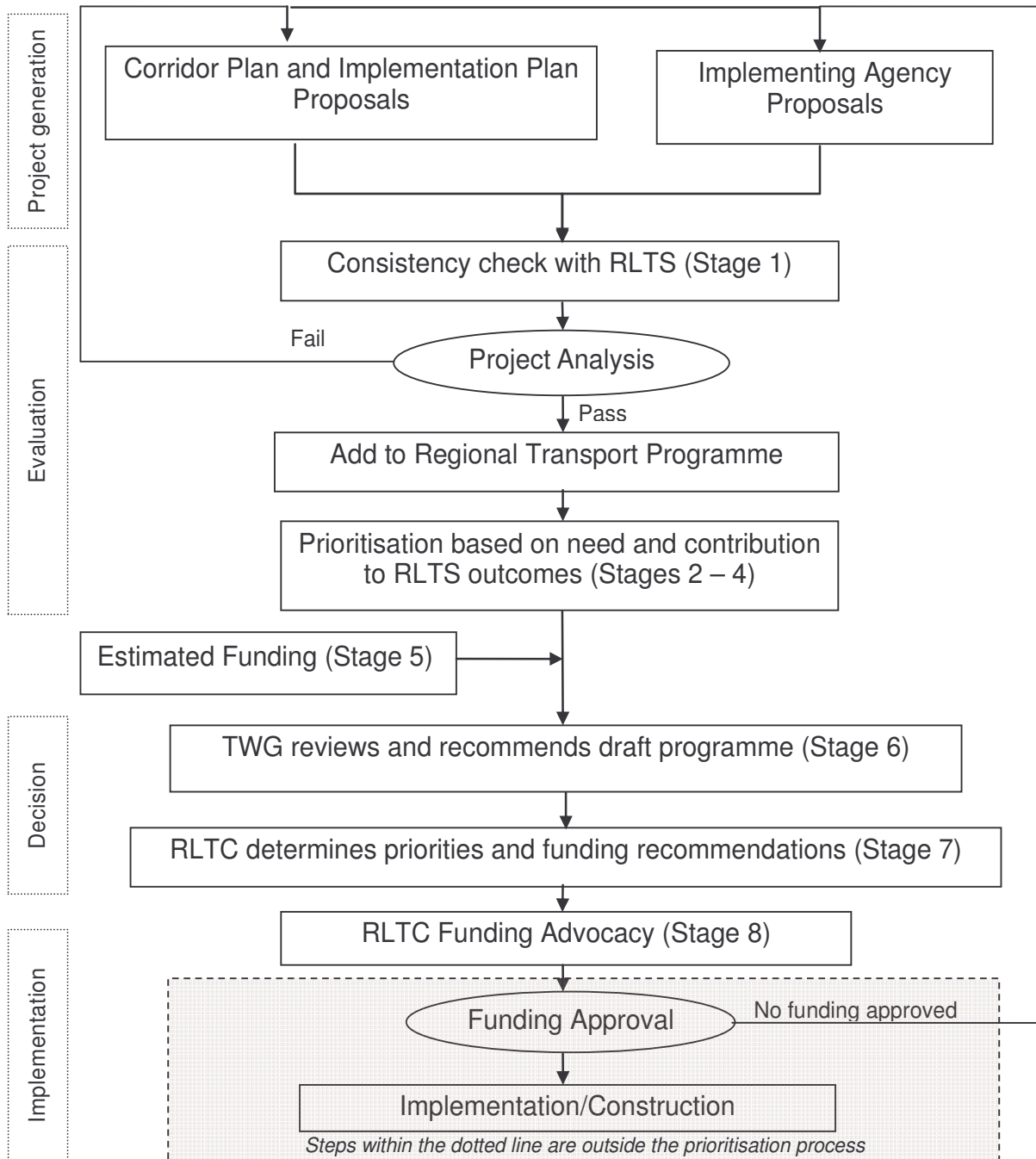
Process Overview

The process is intended for large projects or packages, i.e. capital costs over 10M. The following items are outside the scope of this process:

- Non discretionary activities (such as maintenance, safety, traffic management, and existing PT services) which have a “first call” on any available funding.
- Committed works that have had construction approved.
- Small projects and packages costing less than \$10M. Note that while funding allowance maybe made for these in the RTP, prioritisation will be a matter left to the implementing agencies. Implementing agencies are encouraged to use the same prioritisation process as for large projects to ensure consistency across both regional and local transport programmes.

Please note that the following sets out the general process proposed. It does not include detail of the tools to be used. The Regional Land Transport Committee’s (RLTC) Technical Working Group (TWG) is currently working on developing the detailed evaluation methodology for report to the RLTC in early 2008.

The prioritisation process ensures that resources are directed toward the realisation of the RLTS outcomes as set out in the diagram, below:



Stage 1 Regional Land Transport Strategy Fit

Large projects are usually first identified through a corridor plan or implementation plan. During that process the project will be subject to testing and consultation that is the equivalent of Stage 1 in this process. The outcome of the corridor or implementation plan process may see projects recommended for inclusion within the overall Regional Transport Programme (RTP), however their priority within the RTP is a separate process.

Other large projects or packages can arise from the ongoing work of implementing agencies and the proposed process allows this to happen. The agency proposing a project for inclusion in the RTP must undertake an initial check of the proposal using a scoring template derived from RLTS objectives and policies. If inconsistencies with the established policy framework are identified, the agency will need to justify why it is nevertheless appropriate that the project proceed.

Stage 2 Project/Package Scoring

The relevant lead agency scores all proposals using the detailed methodology aligned to national assessment criteria (still to be finalised).

Stage 3 Draft Ranking

Higher scores will demonstrate greater contributions to RLTS outcomes. GWRC officers collate the proposals and rank projects and packages in the descending order.

Stage 4 Draft Prioritisation

The TWG develops a draft programme of projects or packages. In doing so it:

- reviews the draft ranking;
- makes (and records) adjustments where considered necessary taking into account RLTS prioritisation policies.

Stage 5 Draft Allocations

This stage may happen in parallel with stage 3, but it is important to note it is a separate exercise. Greater Wellington officers receive estimates of available N, R, C, L and any supplementary funds from Land Transport NZ and relevant authorities, and prepare a draft funding allocation that conforms to the various rules of the various funds.

Stage 6 Draft Programme

This stage brings together the two work streams, project prioritisation and funding allocation. The TWG reviews draft allocations and draft prioritising, records any adjustments it makes, and recommends the draft programme to the RLTC.

Stage 7 Determined Priorities and Allocations

The RLTC considers the recommendations forwarded from the TWG. It takes account of any other factors considered appropriate, including any agreed weightings. It adopts priorities and allocations, resulting in the RTP.

Stage 8 Advocacy

The RLTC submits the RTP to other processes such as LTNZ's National Land Transport Programmes or Council LTCCPs.

Revising the Regional Transport Programme

Due to the dynamic nature of the region and the political environment, an assessment of a project or package made at one time does not stand for all time. As progress is made, projects get funded, completed and move out of the RTP. Funding availability also changes over time. Each review of the RTP can result in a different assessment for each project in response to these factors.

Currently, review and adjustment is scheduled annually. It is anticipated a more thorough review will occur triennially.

Weighting

Wherever there are several criteria influencing a decision, the issue of what weight should be given to each criterion naturally arises. The default position is that each criterion is of the same weight unless there are prior agreements to the contrary. Prior agreements might arise for example from national or regional strategy directions.

Weighting of some kind will probably be necessary to resolve the final programme. Weighting is a subjective judgement, taking into account all relevant factors and available information, and as such is appropriately the responsibility of the political level. Hence, any weighting applied in this process should be transparent, and made by RLTC at Stage 7. This does not prevent the TWG from recommending weightings, but does ensure any such recommendations and their effects are made clear and that their acceptance lies with the RLTC.

Programme Prioritisation & Funding Policies

This group of RLTS policies (8.8) guide the regional transport programme prioritisation process.

- a Develop an agreed prioritisation process and methodology to be applied when carrying out review of the Regional Transport Programme.
- b Ensure that projects or packages that contribute significantly to key national or regional outcomes are given priority.

- c Ensure that prioritisation decisions in the Regional Transport Programme take account of a project or package's effectiveness, including its potential risks and its contribution towards the achievement of the Regional Land Transport Strategy's objectives and outcomes.
- d Ensure that prioritisation decisions for each project or package includes consideration of:
- Seriousness: The relative magnitude and significance of the transport problem to which the project or package responds;
 - Urgency: The consideration of need to hasten project/package implementation;
 - Economic Efficiency: A rating of the economic returns on the funds invested as measured by a benefit cost ratio;
 - Volumes: The numbers of those people affected;
 - Affordability;
 - Practicality and readiness: The consideration of factors that may influence timely implementation;
 - Perceived safety benefits.
- e Ensure that once a project or package is committed and construction or implementation has been approved, then that project or package's funding is deemed to be committed and will not be reallocated to another purpose unless significant new information comes to light.
- f Ensure that Western Corridor passenger rail infrastructure and other improvements are in place prior to the opening of the Transmission Gully Motorway.
- g Ensure the following applies to the allocation of Crown "C" funds:
- (i) The use of "C" funds should be used early to maximise buying power as these funds are not indexed against inflation.
 - (ii) The highest priority for the use of C funds for assisting local share will be passenger rail improvement projects.
 - (iii) The Kapiti Western Link Road Stage 1 design and construction is the second priority for assistance with the local share.
 - (iv) C1 and C2 funds will be used to achieve an effective FAR of 90% for passenger rail improvement projects.
 - (v) C1 funds will be used to achieve an effective FAR of 90% for Stage 1 of the Western Link Road, but will not be available to assist the local share of Stages 2 and 3 of this project.

- (vi) Up to \$45 million of C1 funds are available to assist the local share of the Grenada to Gracefield Stage 1 project (assistance to the level of half the local share), noting that this project is still subject to further investigations.
 - (vii) All C3 funds will be used to develop the proposed Transmission Gully Motorway as the long term solution to address access reliability for State Highway 1 between Kapiti and Wellington.
- h Ensure the following applies to the allocation of Regional “R” funds:
- (i) To accelerate otherwise unfunded projects or packages that bring an identified regional benefit;
 - (ii) May be used to offset local financial assistance rates;
 - (iii) May be used for either passenger transport or roading projects or packages.