Attachment 2 to Report 14.228

Regional Land Transport Plan 2015

Regional Programme Prioritisation Methodology

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Version 1

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Version	Date	Author	Notes
1	17/03/2014	Mark Edwards	Prioritisation approach as provisionally agreed by TAG on 12 March 2014 Significant Amendments; RLTS policy 8.8 now RLTP 2015 Delete references to priority 1&2 projects, priority 3 now "significant activities" Amended order of priority assessment (now effectiveness, strategic fit and then BCR) Tables 1, 2 and 5 updated Resilience outcome added to prioritisation process, report text and appendix b updated for new outcome classes Appendices C and D updated
2	27/03/2014	Mark Edwards	Package text added in section 4 bottom page 12
3	31/03/14	Mark Edwards	Updated text regarding "regional network plan" and "regional programme"
4	2/4/14	Mark Edwards	Updated outcome terms in text & template sheets
5	22/4/14	Mark Edwards	Added text in the introductory section to remind users that non-prioritised activities also must deliver against regional strategic objectives.

Executive summary

This document sets out the prioritisation methodology that has been agreed by and will be used by the Technical Advisory Group to develop a prioritised list of projects for consideration by the Regional Transport Committee for inclusion in the draft RLTP 2015.

Significant transport activities and projects must be prioritised in accordance with Section 16 (3) (d) of the Land Transport Management Act (as amended 2013). The RLTP 2015 includes a policy to determine which activities are considered to be "significant" and policies to guide the prioritisation of significant activities.

Approved Organisations (i.e. local authorities and NZTA) are required to identify and assess their own activities and projects. The assessment of the significant activities (essentially "new large new improvement projects >$5million") must be undertaken in accordance with this prioritisation methodology using an Excel template provided by Greater Wellington Regional Council. The Technical Advisory Group will peer review the whole draft programme 2015 but will focus on prioritisation of the significant activities - large new improvement projects in order to develop a draft regional programme for RTC to consider.

Assessment profiles, based on strategic fit, Regional effectiveness and economic efficiency will be generated by Approved Organisations for each of the significant activities as follows:

1. Evaluate strategic fit in accordance with NZTA requirements

2. Evaluate Regional effectiveness as Low, Medium or High against the RLTP 2015 regional outcomes, using the regional prioritisation criteria in this document

3. Evaluate economic efficiency in accordance with NZTA requirements

Once the assessment profiles have been generated all significant activities will be prioritised as follows:

1. The NZTA assessment profiles that combine strategic fit, Regional effectiveness and economic efficiency will be used to determine priority order for projects.

2. Projects of equal priority will be separated based on Regional effectiveness score.

3. Projects with the same priority band and effectiveness score will be separated by strategic fit.

4. Should projects still be the same priority after testing against effectiveness and strategic fit then they will be separated by Economic Efficiency (BCR value).

The list of prioritised that results (with any Amendments made by the Regional Transport Committee) will then be included in the draft RLTP for consultation, and

subsequently, included in the final RLTP 2015 with any subsequent changes made by the RTC following consideration of public feedback.

Contents

1. Introduction

This document sets out the prioritisation methodology that has been agreed by and is being used by the Technical Advisory Group (TAG) to develop and recommend an agreed list of prioritised projects for consideration by the Regional Transport Committee (RTC) and inclusion in the draft RLTP 2015 (regional programme).

This methodology has been developed to provide a simple, consistent and transparent decision-making framework that reflects the current political and funding environment. It will continue to be updated as required and is originally based on the *Discussion Document on prioritisation methodology Mark 2* presented to the TWG meeting in July 2011. This updated methodology replaces that used in order to develop the 2012-15 programme and that which was also previously distributed to the TAG.

NB: The revised prioritisation methodology has built of the success and agreement to the previous version but has made minor alterations in order to take account of and be reflective of the 2013 amendment to the 2003 Land Transport Management Act.

1.1 Background

The Land Transport Management Act 2003 (LTMA) as amended 2013 requires the Regional Transport Committee (RTC) to prepare a Regional Land Transport Plan 2015 (RLTP 2015). From 2015 the RLTP will have two main elements namely the **Regional Network Plan** and the **Regional Programme.**

The Regional Network Plan helps support strategic framework and strategic approach for the developing and investing in the region's land transport network. This forms the framework and strategic context underpinning the RLTP. The RLTP will include the statutory objectives, policies and measures required by the Land Transport Management Act 2003.

The Regional Programme sets out the programme of proposed land transport activities over a six year period and the related policies. It includes a statement of transport priorities for the region over the next ten financial years and a ten year financial forecast.

Preparation of the regional programme is guided by the prioritisation policy and the related to the Significance policy. The process requires Approved Organisations (NZTA and Local Authorities) to identify, evaluate and submit activities and projects that they want to be included in the RLTP 2015.

Greater Wellington is responsible for leading the prioritisation of submitted activities and projects in accordance with RLTP 2015, NZTA and LTMA requirements. This is undertaken in partnership with Approved Organisation, with a Technical Advisory Group (TAG) responsible for finalising and agreeing the detailed prioritisation methodology. Greater Wellington must submit the completed RLTP 2015 to NZTA.

The NZTA will then prepare a National Land Transport Programme (NLTP) based all the submitted RLTPs from across the country. The NLTP sets out the funding for the next three years (2015-18) and is required to give effect to the GPS. The NLTP process includes a moderation exercise to ensure consistency between all the RLTPs and ensure the overall programme is delivered in accordance with the GPS funding levels.

2. Programme prioritisation policy

The RLTP 2015 regional programme policy framework provides the general approach required to prioritise transport activities and projects in the region. The LTMA also identifies a number of activities and projects that are not subject to prioritisation. The programme prioritisation requirements are set out in Table 1.

Table 1: RLTP 2015 transport activities and projects and prioritisation (from LTMA)

Priority	Description	Reference
Not prioritised	Not prioritised. Automatically included: Certain activities associated with business as usual. These are: • Local road maintenance and renewals (including demand management activities) • Local road minor capital works (<$5.0 million, no R or C funding) • Existing public transport services (incl. minor PT maintenance) Committed activities: Existing commitments arising from approved activities Other non-prioritised activities costing less than $5Million: *For example*: • State Highway maintenance and minor improvements • Public transport maintenance and minor improvements • New minor walking and cycling projects • Minor road safety projects and programmes • Transport studies	LTMA s16(3) (a) (c) NZTA guidance in regard to existing commitments

Priority	Description	Reference
Prioritised Projects	Significant activities (large new improvement projects) as defined in the revised significance policy that have a total cost of >$5Million.	LTMA s16(3)(d) RLTP Policy

Local road maintenance and renewals (including demand management activities), Local road minor capital works (<$5.0million, no R or C funding) or existing public transport services (incl. minor PT maintenance) are automatically included in the RLTP 2015. The RTC has no discretion in relation to these activities. Additionally, as detailed above, there are a set of "non-prioritised" activities that cost less than $5.0 million. Whilst not subject to prioritisation all of these activities must still be seen to contribute to and deliver the RLTP regional strategic objectives, not just those assessed and prioritised against the regional strategic objectives within the prioritisation process.

This group of policies guides the prioritisation process for activities in the programme.

a Maintain an agreed prioritisation process and methodology to be applied when carrying out development or review of the Regional Land Transport Plan.

b Ensure that prioritisation of significant activities or packages within the Regional Land Transport Plan includes consideration of:

(i) Strategic Fit: how the identified problem, issue, or opportunity to be considered by the project or package aligns with the NZ Transport Agency's strategic investment direction which is derived from the Government Policy Statement.

(ii) Regional Effectiveness: the extent to which the package or project contributes to the broad policy objectives set out in the RLTP and the effectiveness of the project or package to deliver against the outcomes sought by the RLTP.

(iii) Economic efficiency: a rating that demonstrates how well the proposed solution maximises the value of what is produced from the resources used, as measured by a benefit cost ratio.

Particular consideration shall also be given to safety issues when considering the priority order of these activities and packages.

c 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.

d Ensure that Western Corridor passenger rail infrastructure and other public transport improvements are in place prior to the opening of the Transmission Gully project.

3. The prioritisation methodology

The prioritisation methodology used in the past remains fit for purpose and the basis of the revised and updated methodology that reflects the 2013 amendments to the LTMA. This has been developed to give effect to the RLTP regional network plan strategic policy framework and is accordingly the agreed prioritisation methodology.

3.1 General prioritisation process

The general prioritisation process is guided by NZTA requirements and the RLTP prioritisation policy. The process is set out in Table 2 and is similar to previous years.

Table 2: Proposed general RLTP prioritisation process

Stage	Process steps
Programme setup	1. The TAG recommends the RLTP regional network plan strategic policy framework and methodology for the RLTP 2015 to RTC 2. RTC considers and agrees the methodology
Activity and project development	3. Approved Organisation identify and evaluate the transport activities and projects they want included in the RLTP 2015 in accordance with NZTA requirements 4. Approved Organisations enter all activity and project details into TIO (Transport Investment Online) 5. Approved Organisations complete for "Significant Activities" (large new projects >$5Million) the Excel project assessment template provided by GW.
Programme construction	6. Greater Wellington compiles a table of all activities entered into TIO and categorises these into committed, non- prioritised (automatically included and other) and prioritised – consistent with the agreed prioritisation and significance policy. 7. The TAG reviews the activity and project categorisation undertaken by Greater Wellington and adjustments are made as appropriate 8. Greater Wellington adds the non-prioritised activities and projects to the draft RLTP 2015 as per above 9. The TAG prioritises "Significant Activities" (large new

Stage	Process steps
	projects >$5Million) as per the agreed prioritisation methodology. 10. RTC considers the first draft list of prioritised activities and provides feedback for TAG 11. TAG considers feedback and makes adjustments to the priority order as required. 12. Greater Wellington adds "Significant Activities" (large new projects >$5Million) to the draft RLTP 2015 in priority order as per above
Programme consultation and approval	13. The TAG recommends the draft RLTP 2015 to the RTC for public consultation 14. The RTC will approve the draft RLTP 2015, with any modifications, for public consultation 15. The TAG will review feedback from public consultation and recommend a final RLTP 2015 to the RTC for approval 16. The RTC will approve the final RLTP 2015, with any modifications, and submit it to NZTA for inclusion in the NLTP
Implementation	17. The NZTA will prepare an NLTP taking account of the RLTP 2015 18. Activities and projects will be approved and funded in accordance with NLTP as per usual NZTA processes.

3.2 Role of Approved Organisations

Approved Organisations (i.e. local authorities and NZTA) are required to identify their own projects in accordance with NZTA requirements. For significant activities (large new improvement projects) Approved Organisations identify, and then assess, their own projects in accordance with this prioritisation methodology.

For these significant activities Approved Organisations will be required to fill and submit to Greater Wellington an Excel template provided by Greater Wellington, based on the assessment forms in Appendix A of this prioritisation methodology.

3.3 Role of the Technical Advisory Group

The primary role of the Technical Advisory Group (TAG) is to agree the prioritisation methodology (this document), peer review / moderate the assessment of activities and recommend a prioritised list of significant activities and projects relating to the RTC for consideration.

Non-prioritised activities and projects will be included in the programme by Greater Wellington with the information provided by the Approval Organisations and reviewed by the TAG.

The prioritisation methodology for significant activities (large new improvement projects) is more interactive and will require significant TAG support and input to agree the methodology and carry out the prioritisation. The detailed methodology for significant activities is set out below.

The TAG will also consider any other relevant matters, including changes to activities and projects or potential packaging of individual projects as appropriate.

TAG has also a role in reviewing the results of prioritisation, moderating these and reflecting the feedback from the RTC in order to develop a draft and final RLTP 2015 regional programme.

4. Prioritisation of Significant large new projects

The activities and projects that still are the subjects of prioritisation are termed "Significant activities" by the Act and these "Significant Activities" are defined by the RLTP regional network plan significance policy.

From the definition in the significance policy these significant activities are in essence large new improvement projects that have regional or inter regional effects and regionally significant expenditure, this has been agreed as having a total cost of >$5million.

Significant activities, when prioritised, will be allocated funding only after all non-prioritised activities and projects are funded (subject to NZTA category funding limits).

The RLTP 2015 prioritisation policy requires the prioritisation of significant activities consider strategic fit, regional effectiveness and economic efficiency. The definitions of strategic fit and economic efficiency are the same as that used by NZTA; however the definition of regional effectiveness is not. The RLTP 2015 evaluation measures "regional" effectiveness against the RLTP 2015 outcomes and objectives set out in the regional network plan whereas the NZTA evaluation measures effectiveness against delivery of strategic fit. The use of this regionally orientated effectiveness allows regional importance to be captured and reflected in the RLTP. It is reflective not only of the important regional outcomes that have been agreed and are desired but also seeks to determine the degree to which projects and activities promoted by Approved Organisations enable the delivery of these regional priorities and the vision contained in the regional network plan.

The overarching vision for the region is;

'To deliver a safe, effective and efficient land transport network that supports the region's economic prosperity in a way that is environmentally and socially sustainable'

Eight regional outcomes underpin this vision and are used to form the basis of assessing regional effectiveness in relation to prioritising significant activities. These are;

- *A high quality, reliable public transport network*
- *An attractive and safer walking and cycling network*
- *A reliable and effective strategic road network*
- *An effective network for the movement of freight*
- *A safer system for all users of our regional transport network*
- *An efficient and optimised transport system that minimises the impact on the environment*
- *A well planned and integrated transport network*
- *An increasingly resilient transport network*

Of these the last one, the regional resilience outcome, is a new aspect reflecting the importance of resilience to the region and anticipated changes to the Land Transport Government Policy Statement (due in 2014).

The different regional definition of effectiveness was used successfully in the prioritisation methodology in developing the RLTP 2012-15 and thus has been retained as the means of assessing regional effectiveness for the RLTP 2015.

Packages involving a number of agencies are actively encouraged within the RLTP process by both Greater Wellington Regional Council and NZTA as they give the best outcomes not only for the region but also in terms of their strategic fit, regional effectiveness and economic efficiency. For the purposes of RLTP 2015 prioritisation, packages are NOT seen as significant activities even if the sum of their parts totals greater than $5Million. However, if an individual element(s) of a package does pass the agreed $5Million threshold then these will be treated as significant activities and would be subject to project prioritisation. Approved organisations may pull together a group of projects of their own into a package and if this package meets the significant definition then prioritise this cluster of projects as though they are a single project.

4.1 Creating an assessment profile

To best take into account regional priorities all large new projects in the significant activities category will be evaluated against the assessment factors set out in the RLTP 2015 in the following order:

1. Regional effectiveness – alignment with the strategic objectives and outcomes of the RLTP 2015 regional network plan

2. Strategic fit – problem/issue /opportunity alignment with NZTA and GPS requirements

3. Economic efficiency – calculated benefit-cost ratio in accordance with NZTA requirements

Activities and projects will be evaluated and gain an overall rating for each of these three assessment elements. These will vary from Low through Medium to High. On gaining a rating against each of these three overarching assessment factors a combined rating will be developed for the activity or project (refer table 5). For example, a RoNS project may score Medium for effectiveness, Low for economic efficiency and High for strategic fit which would mean an assessment profile of "HML" (noting that assessment profiles are reported in order of strategic fit, effectiveness, economic efficiency).

The assessment profile template illustrated in Appendix A will need to be completed for each project being assessed. Greater Wellington will provide an Excel template that each Approved Organisation will need to complete.

4.1.1 Assessing regional effectiveness

The regional effectiveness assessment considers the contribution of the proposed activity or project towards achieving the outcomes of the RLTP 2015. This differs from NZTA's assessment of effectiveness mentioned earlier. NZTA's assessment of effectiveness is detailed in Appendix D.

The assessment of regional effectiveness will be undertaken against each of the RLTP 2015 policy framework outcomes and objectives. The RLTP 2015 policy framework outcomes and objectives, and the links from these to the new directives of the amended LTMA are set out in Appendix B.

There are two main steps in assessing effectiveness:

- Step 1: Determine project effectiveness ratings against each RLTP 2015 regional outcome area. Then

- Step 2: Calculate the project's overall effectiveness rating

These steps are detailed below;

(a) Step 1: Determine project regional effectiveness ratings against each RLTP 2015 policy framework outcome area

The first step is to determine an effectiveness rating for each project based on its performance against each of the following RLTP 2015 regional outcome areas:

- A high quality, reliable public transport network
- An attractive and safer walking and cycling network
- An efficient and optimised transport system that minimises the impact on the environment
- A reliable and effective strategic road network
- A safer system for all users of our regional transport network
- An integrated transport network that supports and enables economic growth
- An effective network for the movement of freight
- An increasingly resilient transport network.

The regional effectiveness analysis will be undertaken for each RLTP 2015 regional strategic objective area set out in Assessment Form A-2 illustrated in Appendix 1. The order of these regional strategic objective areas purely reflects their order as set out in policy rather than an implicit order of importance. The regional effectiveness ratings derived from this step and appraisal are then used in step 2 to calculate the overall regional effectiveness rating.

Note: The relevant project outcomes and target / measures columns provide a list of project outcomes that are relevant for consideration when assessing that project in relation to the strategic objective. The assessment will need to take into account whether a project is providing a small contribution to a large number of project outcomes. target / measures or a large contribution to a limited number of project outcomes, target / measures; as either case may justify a higher rating.

(b) Step 2: Calculate the project's overall regional effectiveness rating

The second step is to calculate an overall regional effectiveness rating (Low, Medium or High) for each project reflecting the combined effectiveness for the 8 outcome areas assessed in step 1.

The overall regional effectiveness rating for each project is based on its outcome score as set out in Table 3. The overall score is calculated by adding up the number of Low, Medium and High ratings from Step 1, having first converted the Low, Medium and High ratings to their relevant number;

- Low effectiveness rating for an outcome area = 1.
- Medium effectiveness rating for an outcome area = 3 or
- High effectiveness rating for an outcome area = 5

For example, a project scoring HMMHLMLH against the 8 outcome areas would be scored 5+3+3+5+1+3+1+5=26).

The outcome score bands in Table 3 are based on an even distribution of scores, with the highest possible scoring being 40 and the lowest 8. If there are a number of projects scoring near the outcome score boundaries then an adjustment may be required to ensure projects with similar scores are rated the same.

Note: The TAG previously agreed the 1,3,5 scoring scale in relation to the RLTP 2012 prioritisation process in order to provide a greater spread of scores than would be achieved by a narrower scale of 1,2,3 for Low, Medium and High ratings. The scoring scale can of course be reviewed by the TAG and may be adjusted once all projects have been assessed to ensure outputs are logical, but it is not proposed initially to alter the scoring scale or individual values.

Note: There is no explicit weighting between the various outcome areas. Weightings are implicit in the defined requirements for low, medium and high ratings. Essentially, the more outcome areas a project contributes to the higher its overall regional effectiveness rating.

Table 3: Regional effectiveness rating based on outcome scores

Outcome scores	Regional Effectiveness rating
Less than or equal to 18	Low
Between 19 and 29 inclusive	Medium
Greater than or equal to 30	High

4.1.2 Assessing strategic fit

"A strategic fit assessment considers how an identified problem, issue or opportunity aligns with NZTA's strategic investment direction, which derives from the GPS. Strategic fit demonstrates the potential contribution to issues that are significant from a national perspective" (NZTA Knowledge Base).

The assessment of strategic fit will be undertaken in accordance with NZTA requirements and depends on the activity class of a particular activity or project. The NZTA strategic fit assessment criteria are outlined in Appendix C.

4.1.3 Assessing economic efficiency

"The economic efficiency assessment considers how well the proposed solution maximises the value of what is produced from the resources used" (NZTA Knowledge Base).

The assessment of economic efficiency will be undertaken in accordance with NZTA requirements which uses Benefit Cost Ratio (BCR) to rate the economic efficiency of activities and projects. The possible assessment ratings for economic efficiency are based on the calculated BCR as set out in Table 4.

Table 4: Assessment ratings for economic efficiency

Calculated BCR	Efficiency assessment rating
Less than 2	Low
Greater than or equal to 2 and less than 4	Medium
Greater than or equal to 4	High

If there are a number of projects scoring near the assessment rating boundaries then an adjustment may be required to ensure projects with similar BCRs are rated the same. For example, if Project A has a BCR of 1.9 and Project B has a BCR of 2.1 it would make more sense for both projects to be rated the same (i.e. either Low or both Medium) rather than one project rated Low and one Medium, as the economic efficiency of both projects is essentially the same. Appendix C has more details regarding the NZTA economic efficiency assessment

4.2 Prioritising activities based on assessment profiles

The prioritisation of activities is primarily based on the priority order of assessment profiles as defined by NZTA although the regional process further focuses on effectiveness to rank projects within each assessment profile.

4.2.1 Priority order of assessment profiles

The NZTA has identified a priority order for assessment profiles as set out in Table 5 (refer NZTA Knowledge Base). These priorities are based on NZTA's approach which first assesses strategic fit, then effectiveness and finally economic efficiency. This reflects the priority NZTA must give to delivery on the government expectations as set out in the GPS.

Table 5: NZTA assessment profile rankings

NZTA Profile (Strategic fit, effectiveness, Economic efficiency)	Priority order
HHH	1

HHM, HMH, MHH	2
HHL, HMM	3
HLH, MHM, MMH	4
LHH, HML	5
HLM, MHL, MMM	6
MLH, LHM, LMH	7
HLL, MML, MLM, LHL	8
LMM, LLH	9
MLL, LML, LLM	10
LLL	11

4.2.2 Prioritisation process

The prioritisation process will be undertaken based on the above assessment profiles in order to generate a three letter consistent overall assessment:

1. Project assessment profiles will be reviewed and moderated by the TAG

2. Projects will be ranked based on the profile priority order in Table 5

3. Projects in the same priority band will be separated based on their assessed regional effectiveness score as determined in Step 2 of the regional effectiveness assessment (refer section 4.1.1 (b)).

4. Projects with the same priority band and effectiveness score will be separated by strategic fit (High, Medium or Low).

5. Should projects still be the same priority after testing against regional effectiveness and strategic fit then they will be separated by Economic Efficiency (High, Medium or Low).

Note: Consideration of regional priorities or "flavour" comes through the assessment of regional effectiveness against RLTP 2015 network plan strategic objectives. It also comes through with projects within the same priority band being further prioritised based on strategic fit then regional effectiveness score and finally economic efficiency.

5. Conclusion

The prioritisation process will result in a prioritised list of significant projects for consideration by the Regional Transport Committee. The projects included in the final RLTP 2015 will and reflect any changes made by the Regional Transport Committee following public consultation.

Appendix A – Assessment profile templates

PROJECT REGIONAL EFFECTIVENESS ASSESSMENT FORM A-1: Summary Assessment Profile

Project Name _____

Project Description _____

Estimated cost _____

Project regional assessment effectiveness rating

Complete Assessment Form A-2: Project Outcomes prior to completing the following table.

Strategic Objective area	Rating (tick one)				Notes
	N/a	Low	Med.	High	
1 A high quality, reliable public transport network	☐	☐	☐	☐	
2 An attractive and safer walking and cycling network	☐	☐	☐	☐	
3 An efficient and optimised transport system that minimises the impact on the environment	☐	☐	☐	☐	
4 A reliable and effective strategic road network	☐	☐	☐	☐	
5 A safer system for all users of our regional transport network	☐	☐	☐	☐	
6 An integrated transport network that supports and enables economic growth	☐	☐	☐	☐	
7 An effective network for the movement of freight	☐	☐	☐	☐	
8 An increasingly resilient transport network	☐	☐	☐	☐	
Count of each rating:					
Rating score	0	1	3	5	
Count of each rating multiplied by rating score					
Overall efficiency score (Sum of count of each rating multiplied by rating score):					

	Rating (tick one)			Notes
	Low (Score<=19)	Medium (19<Score<30)	High (Score>=30)	
Effectiveness rating	☐	☐	☐	

Economic Efficiency rating

Calculated BCR: _____

	Rating (tick one)			Notes
	Low (BCR<=2)	Medium (BCR >2 but <4)	High (BCR>=4)	
Economic Efficiency rating	☐	☐	☐	

Strategic fit rating

	Rating (tick one)			Notes
	Low	Medium	High	
Strategic fit rating	☐	☐	☐	

Overall Project profile

Project Name _____

Profile (recorded as strategic fit, effectiveness, economic efficiency – e.g. HML):

	strategic fit	**effectiveness**	**economic efficiency**
Project profile			

PROJECT REGIONAL EFFECTIVENESS ASSESSMENT FORM A-2: All Outcomes in Detail

Project Name | Lead promoting organisation

Strategic Objective area	Contribution to project outcomes*		Rating requirements			Rating (tick one)				Notes
Key and related outcomes	Project Targets / Measures (add any others in notes field)	Tick	Requirements for Low rating	Requirements for Medium rating	Requirements for High rating	N/a	Low	Med.	High	
A high quality, reliable public transport network 1 Increased peak period public transport mode share 2 Increased off-peak public transport use and community connectedness 3 Improved public transport accessibility for all, including the transport disadvantaged 4 Reduced public transport journey times compared to travel by private car 5 Increased public transport reliability	Making best use of existing infrastructure Making the most of existing urban capacity Increased network coverage Better information, Integrated ticketing, Longer hours of operation Improved affordability, Improved reliability, Improved journey times/service frequencies, Improved personal safety, Improved vehicle quality, Improved infrastructure quality	☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐	Slight improvement in the accessibility, connectedness and competitiveness of public transport, safety and/or use of existing infrastructure.	Moderate improvement in the accessibility, connectedness and competitiveness of public transport, safety and/or use of existing infrastructure.	Significant improvement in the competiveness of public transport during peak periods, safety and/or use of existing infrastructure.	☐	☐	☐	☐	

An attractive and safer walking and cycling network 1 Increased mode share for pedestrians and cyclists 2 Improved level of service for pedestrians and cyclists 3 Increased safety for pedestrians and cyclists	Increased network coverage ☐ Better information ☐ Enables future improvements ☐ Improved safety ☐ Improved journey times/route directness ☐ Improved infrastructure quality ☐ Improved modal integration ☐	Slight improvement in the accessibility, connectedness and competitiveness of walking and cycling, safety and/or utilisation of existing infrastructure	Moderate improvement in the accessibility, connectedness and competitiveness of walking and cycling, safety and/or utilisation of existing infrastructure	Significant improvement in the accessibility, connectedness and competitiveness of walking and cycling, safety, and/or utilisation of existing infrastructure	☐	☐	☐	☐	
An efficient and optimised transport system that minimises the impact on the environment 1 Reduced greenhouse gas emissions 2 Reduced private car mode share 3 Reduced fuel consumption 4 Increased private vehicle occupancy	Making best use of existing infrastructure ☐ Making the most of existing urban capacity ☐ Reduced need to travel demand ☐ Encourages more use of efficiency vehicles ☐ Reduced travel distance ☐ Increased vehicle occupancy ☐	Slight reduction in private car mode share, fuel consumption or increased vehicle occupancy	Moderate reduction in private car mode share, fuel consumption or increased vehicle occupancy	Significant reduction in private car mode share, fuel consumption or increased vehicle occupancy	☐	☐	☐	☐	

A reliable and effective strategic road network 1 Reduced severe road congestion 2 Maintained or improved travel times between communities and regional destinations 3 Improved reliability of the strategic roading network	Making best use of existing infrastructure ☐ Making the most of existing urban capacity ☐ Better information ☐ Enables future improvements ☐ Improved reliability, ☐ Improved journey times/route directness ☐ Improved resilience ☐ Improved modal integration ☐ Removal of heavy traffic from residential streets ☐	Slight improved efficiency and connectedness of the strategic road network and/or use of existing infrastructure	Moderate improvement in efficiency and connectedness of the strategic road network and/or use of existing infrastructure	Significant improvement in efficiency and connectedness of the strategic road network and/or use of existing infrastructure	☐	☐	☐	☐	
A safer system for all users of our regional transport network 1 Improved regional road safety	Reduced severity and frequency of walking incidents ☐ Reduced severity and frequency of cycling incidents ☐ Reduced severity and frequency of road incidents ☐ Reduced severity and frequency of public transport incidents ☐ Enables future improvements ☐ Improved perceptions of safety ☐	Slight improvement in safety of transport networks (any mode)	Moderate improvement in safety of transport networks (any mode)	Significant improvement in safety of transport networks (any mode)	☐	☐	☐	☐	

An integrated transport network that supports and enables economic growth 1 Improved land use and transport integration (in line with the WRS and local authority urban development strategies) 2 Improved integration between transport modes 3 Sustainable economic development supported (in line with the WRS)	Reduced community severance ☐ Overall positive social and environmental impacts ☐ Facilitates local employment ☐ Facilitates population and employment along strategic public transport network ☐ Facilitates modal choice ☐ Enables future improvements ☐ Improved connectivity ☐ Improved east/west connections for the strategy network ☐ Positive network contribution in linking land uses ☐	Slight contribution to improved land use outcomes including the WRS and Proposed Regional Policy Statement	Moderate contribution to improved land use outcomes including the WRS and Proposed Regional Policy Statement	Significant contribution to improved land use outcomes including the WRS and Proposed Regional Policy Statement	☐	☐	☐	☐	
An effective network for the movement of freight 1 Improved regional freight efficiency 2 Improved inter-regional freight efficiency	Making best use of existing infrastructure ☐ Constraints removed ☐ Enables future improvements ☐ Improved reliability, ☐ Improved journey times/route directness ☐ Improved resilience ☐ Improved modal integration ☐	Slight improvement in the accessibility, connectedness and competitiveness of rail/sea freight	Moderate improvement in the accessibility, connectedness and competitiveness of rail/sea freight	Significant improvement in the accessibility, connectedness and competitiveness of rail/sea freight	☐	☐	☐	☐	

An increasingly resilient transport network 1 Improved regional infrastructure resilience to disruption by unplanned events	Improved Resilience of existing infrastructure ☐ Improved alternative access to and within the region ☐ More resilient corridors utilities and transport ☐ Improved regional preparedness for a major event ☐ Reduced regional economic risk ☐ Improved resilience to longer term changes (e.g. climate change) ☐	Slight improvement in the resilience, accessibility and connectedness of the existing and future infrastructure.	Moderate Improvement in the resilience, accessibility and connectedness of the existing and future infrastructure.	Significant Improvement in the resilience, accessibility and connectedness of the existing and future infrastructure.	☐	☐	☐	☐	
* The contribution to project outcomes in column 2 is to be used as a guideline only when considering rating requirements and rating for each key strategic objective area. The assessment will need to take into account whether a project is providing a small contribution to a large number of project key outcomes and targets / measures or a significant contribution to a limited number of key outcomes and targets / measures; as either case may justify a higher rating.										

Appendix B – Amended LTMA 2003 Priorities Compared to RLTP 2015 Policy Framework outcomes

RLTP 2015 Policy Framework Outcomes	LTMA Effective	LTMA Efficient	LTMA Safe
1 A high quality, reliable public transport network	Includes outcomes seeking faster and more reliable PT	PT provides an efficient way of moving large numbers of people along key transport corridors	Increased number of people using PT which is a safer transport mode
2 An attractive and safer walking and cycling network	Includes outcomes seeking improved level of service for pedestrians and cyclists	Walking and cycling is a very efficient transport mode in terms of energy consumption, space (roadway and parking), and investment	Includes outcomes seeking to increase the safety of pedestrians and cyclists
3 An efficient and optimised transport system that minimises the impact on the environment	-	Includes measures to achieve more efficient use of the existing transport network, resources (ie. fuel), and physical assets	-
4 A reliable and effective strategic road network	Includes outcomes seeking to improve network reliability and maintain journey times	A reliable network, with reduced congestion, is important for the efficient movement of people and freight	Safety benefits often associated with strategic road network improvements
5 A safer system for all users of our regional transport network	-	Reducing the number of crash incidents on the road network contributes to its effectiveness	Safer systems approach included under this strategic objectives directly related to achieving a 'safe' transport network
6 An integrated transport network that supports and enables economic growth	An integrated transport network is more effective	Improved integration within the transport network will contribute to a more efficient network	-
7 An effective network for the movement of freight	Includes improving journey time along key freight routes and providing effective transport network for freight needs.	Improving journey times for freight contributes to more efficient movement freight	-
8 An increasingly resilient transport network	A resilient transport network that is less vulnerable to incidents and natural events	Improved network resilience will contribute to a more robust network	-

Appendix C – NZTA strategic fit and economic efficiency criteria

Detail on the NZTA strategic fit assessment criteria is provided in the NZTA Knowledge Base currently available online at:

https://www.pikb.co.nz/assessment-framework/strategic-fit-2/

'Strategic fit' assessment

Introduction

The strategic fit assessment considers how an identified problem, issue or opportunity aligns with the NZTA's strategic investment direction, which derives from the GPS. Strategic fit ensures that the activities the NZTA invests in demonstrate the potential contribution to outcomes that are significant from a national perspective.

Strategic fit focuses on the problem, issue or opportunity being addressed and is considered without regard to the possible solution.

Strategic fit criteria

The strategic fit criteria differ for each activity class, as defined in the following sections:

New and improved infrastructure for state highways

New and improved infrastructure for local roads

Road operations and maintenance

Road renewals

Road policing

Public transport services

Public transport infrastructure

Road safety promotion

Walking and cycling

Sector research

Transport planning

Management of the funding allocation system

Readers are referred to the Knowledge Base for assessment details for each activity class.

'Economic efficiency' assessment

https://www.pikb.co.nz/assessment-framework/efficiency/

Introduction

The economic efficiency assessment considers how well the proposed solution maximises the value of what is produced from the resources used.

Benefit Cost Ratio	The Benefit Cost Ratio (BCR) is the primary tool to rate the economic efficiency of improvement packages and projects. All improvement projects other than Minor Improvements, including significant new public transport services, should be supported by the provision of a robust BCR . The NZ Transport Agency requires that Approved Organisations and the NZTA (state highways) use the NZ Transport Agency Economic Evaluation Manual (Nov 2013) procedures and templates to determine the BCR for projects and packages.
Alternatives to benefit cost analysis	For assessment of road operations, maintenance and renewal programmes and existing public transport services programmes, alternative methods may be used in place of the BCR
Exceptions	Economic efficiency is not required for some activities. Activities which are not required to calculate an economic efficiency rating include: • those in the Transport Planning activity class, incorporating Work Categories 001, 002 and 003 • Total mobility activities, incorporating work categories 517, 519 and 521, and • SuperGold Card concessions.
Requirements for low rating	A BCR greater than or equal to 1.0 and below 2.0 receives a Low efficiency rating. Components of maintenance, operations and renewals programmes, and existing public transport services programmes, will be given a low rating when **cost effectiveness** shows below-average efficiency through **benchmarking** .
Requirements for medium rating	A BCR greater than or equal to 2.0 and below 4.0 receives a Medium efficiency rating. Components of maintenance, operations and renewals programmes, and existing public transport services programmes, will be given a medium rating when **cost effectiveness** shows average efficiency through **benchmarking** .
Requirements for high rating	A BCR greater than or equal to 4.0 receives a High efficiency rating. Components of maintenance, operations and renewals programmes, and existing public transport services programmes, will be given a high rating when **cost effectiveness** shows above-average efficiency through **benchmarking** .

Appendix D – NZTA effectiveness methodology comparison

The effectiveness assessment set out in this prioritisation methodology considers the contribution the proposed solution makes towards achieving the objectives and outcomes of the RLTS.

This differs from the NZTA methodology in that for NZTA the effectiveness assessment considers the contribution the proposed solution makes to achieving the potential identified in the strategy assessment and to the purpose and objectives of the Land Transport Management Act 2003.

Further detail on the NZTA effectiveness assessment criteria is provided in the NZTA Knowledge Base currently available online at:

https://www.pikb.co.nz/assessment-framework/effectiveness/

Introduction

The effectiveness assessment factor considers the contribution that the proposed solution makes to achieving the potential identified in the strategic fit assessment, and to the purpose and objectives of the Land Transport Management Act 2003.
Higher ratings are provided for those proposals that provide long-term, integrated and enduring solutions.
In addition, transport related activities which mitigate or reduce vulnerabilities of essential transport networks, known as Lifelines, will enable Approved Organisations and the NZTA (state highways) to justify an improved effectiveness rating if local and regional network plans are supported by the NZTA.

Requirements for low rating

To achieve a low rating, all activities or combinations of activities must provide evidence to demonstrate that they deliver on *each* of the following:

- the potential impact or outcome identified in the 'strategic fit' assessment
- an agreed level of service
- the purpose and objectives of the LTMA
- has considered or will consider:
    - all relevant problems, issues and opportunities
    - all appropriate alternatives and options
    - opportunities for collaboration
    - any adverse effects or impacts
- is an affordable solution with a funding plan
- avoids duplication of activities
- the scale of the proposed solution is appropriate to the potential impact or outcome in the strategic fit assessment
- includes a monitoring and review framework in

plans and strategies, and other activities where appropriate.

Requirements for medium rating

An activity or a combination of activities may be given a medium rating for effectiveness if evidence is provided to demonstrate that it meets *each* of the following:

- all the low effectiveness criteria
- is part of or will contribute to an NZTA supported strategy, endorsed package, programme or plan (for inclusion to the NLTP a completed strategy that will be presented to the NZTA for support in the near future may be considered sufficient)
- is **significantly effective** (will deliver a measurable impact or outcome) in achieving the potential impact or outcome identified in the strategic fit assessment.
- provides a long term solution with enduring benefits appropriate to the scale of the solution
- provides a solution that responds to land use strategies and implementation plans, where appropriate to the activity
- provides a solution that makes a contribution to multiple GPS impacts, where appropriate to the activity.

Requirements for high rating

A high rating for effectiveness must only be given if evidence is provided to demonstrate that the activity or combination of activities delivers on *each* of the following:

- covers all of the low and medium effectiveness parts
- is a key component of an NZTA-supported strategy, endorsed package, programme or plan (for inclusion to the NLTP a completed strategy that will be presented to the NZTA for support in the near future may be considered sufficient)
- is part of a whole-of-network approach
- improves integration within and between transport modes, where appropriate to the activity
- provides a strategic approach that successfully integrates land transport, land use, other infrastructure and activities, where appropriate to the activity
- supports networks from a national perspective, where appropriate to the activity
- provides a strategic approach that makes a significant contribution to multiple GPS impacts, where appropriate to the activity
- is optimised against multiple transport outcomes and objectives
- adopts a collaborative approach to the development of studies, strategies and plans.