

Draft Regional Transport Programme Prioritisation Process

Purpose

To set out the process for including proposed projects or packages into the Regional Transport Programme (RTP), and to give affect to the Regional Land Transport Strategy (RLTS) Programme Prioritisation & Funding Policies as set out below:

Programme Prioritisation & Funding Policies

This group of policies guide the regional transport programme prioritisation process.

1. Ensure the priorities and funding in the RTP take account of a project or package's effectiveness, potential risks and contribution towards the achievement of the Regional Land Transport Strategy's objectives and outcomes, ensuring that:
 - (i) Projects that contribute to the key outcomes are given priority; and
 - (ii) Priority decisions reflect:
 - Seriousness: The magnitude and significance of the transport problem to which the project or package responds;
 - Urgency: The allowance of consideration of any external factors that influence the timing of 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;
 - Perceived safety benefits; and
 - (iii) Western Corridor passenger rail improvements are in place prior to the opening of the Transmission Gully Motorway.
2. 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.
- c 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 Annual confirmation of the regional transport programme will be carried out through the application of an agreed prioritisation methodology.

The process is also designed to meet Land Transport NZ's requirements for annually recommending use of "N", "R" and "C" funds as set out in section 5.8 of Land Transport NZ's Programme and Funding Manual.

Please note that this document sets out the high level process that is suggested to take place when prioritising the programme. The Regional Land Transport Committee's (RLTC) Technical Working Group (TWG) is currently working on developing the actual evaluation methodology, which will be reported to the RLTC by early 2008.

Context

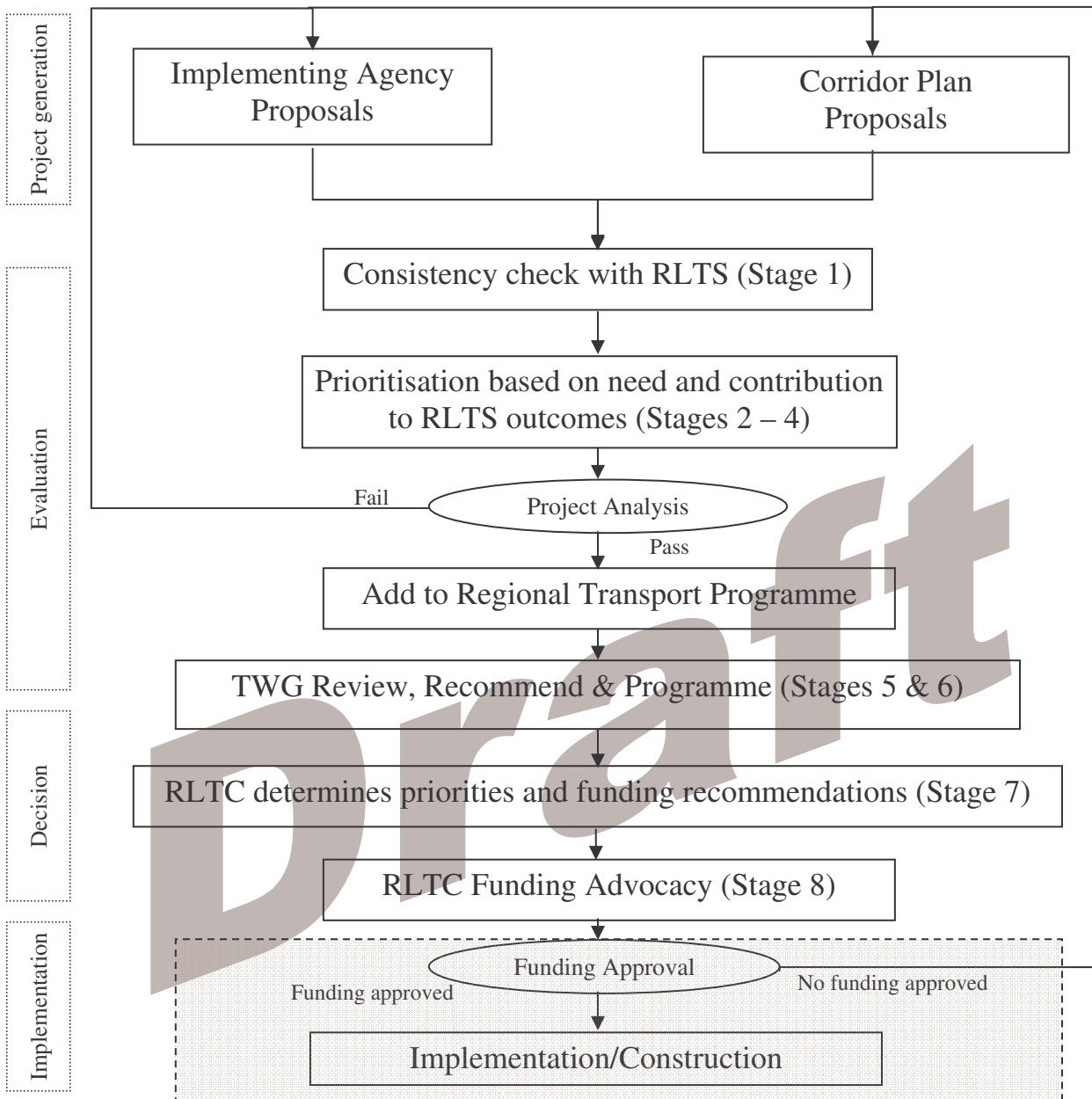
The options for helping achieve the vision of the RLTS are many and varied, but the resources available to implement them are constrained. Despite significant increases in land transport funding made available to the greater Wellington region including several one off funding "top ups" such as the Wellington Transport Project, there is simply not enough funding available to undertake all of the desired land transport improvements, leading to the requirement to make choices and trade-offs between projects and their timing.

In order to formalise the decision making process and ensure its transparency, the following evaluation and prioritisation framework has been developed to assist with the decision making process to ensure that funding is directed to those projects that will address the greater Wellington region's most urgent land transport challenges in the most efficient and effective manner, therefore contributing to achieving the vision of the RLTS. It is the responsibility of the agency that is leading the proposed introduction of a project or package to put the project or package forward for consideration.

Process Overview

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

Draft



It must be noted that this kind of prioritisation process cannot be purely based on objective analysis to deliver a perfect result. Due to the dynamic nature of the region and political environment, many other subjective considerations are just as important, if not more important than pure technical analysis.

- Stages one and two are undertaken by the lead proposing agency.
- Stages three to six are undertaken by the RLTC TWG, supported by GWRC.
- Stages seven and eight are undertaken by the RLTC.

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.

Stage 1 RLTS Policy Consideration Check

The proposing agency undertakes an initial check of each proposal against RLTS policies using a scoring template. If the project is inconsistent with one or more policies, then the project should not proceed to stage two until the proposing agency can clearly justify why it is appropriate that the proposal is inconsistent with established policy.

Stage 2 Project/Package Scoring

The proposing agency scores the proposal using the scoring methodology that is still under development. After initial scoring is completed for the projects and packages, a high, medium or low score is attributed for each of the Land Transport NZ assessment criteria¹. The assessment criteria are as follows:

Seriousness: The magnitude and significance of the transport problem to which the project or package responds.

Urgency: The allowance of consideration of any external factors that influence the timing of project/package implementation.

(Economic) **Efficiency:** A rating of the economic returns on the funds invested as measured by a benefit: cost ratio (BCR).

¹ <http://www.landtransport.govt.nz/funding/nlt/guidelines-2006-07/docs/process.pdf>

Effectiveness: The extent to which the package or project contributes to the broad policy objectives set out in the RLTS.

High, medium or low scores are determined for the first two criteria through subjective assessment based on the TWG’s expert professional knowledge of the region. The efficiency and effectiveness criteria are determined as follows:

Attribute	Score		
	High	Medium	Low
Efficiency	BCR >3 (to be confirmed)	BCR >1 (to be confirmed)	BCR <1 (to be confirmed)
Effectiveness	Project/package total score >50 (to be confirmed)	Project/package total score 36-50 (to be confirmed)	Project/package total score 10-35 (to be confirmed)

If the project scores very poorly against one or more outcome, resulting in it being rejected, then the project should not proceed to stage three until the proposing agency can clearly justify why it is appropriate that the proposal is inconsistent with established policy.

Stage 3 Draft Priority Ranking

GWRC officers collate the agency proposals and rank the projects and packages in the descending order of their score (the highest score demonstrating the greatest contribution to the RLTS’s outcomes).

Stage 4 Develop Draft Programme Priorities

The TWG develops a draft programme. In doing so it:

- reviews the draft priority ranking;
- makes pragmatic adjustments where this is considered necessary, taking into account the following (documenting the reasons):
 - ready to go status (timing constraints);
 - urgency;
 - perceived safety benefits;
 - economic efficiency ratios (where known);

- project priority and sequencing policies noting the RLTS Programme Prioritisation and Funding policies:

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5. 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.
 6. Annual confirmation of the regional transport programme will be carried out through the application of an agreed prioritisation methodology.
 - that areas of greatest need are addressed first; and
 - taking account of other factors considered appropriate.

Stage 5 Develop Draft Funding Allocations

GWRC officers receive estimates of available N, R, C and L funds from Land Transport NZ and relevant local funding authorities, then prepare a draft funding allocation.

Stage 6 Recommend Programme Funding Priorities

The TWG reviews the draft funding allocation then recommends the draft programme (stage 4) and funding priorities (stage 5) to the RLTC.

Stage 7 Determine programme priorities and funding recommendations

The RLTC considers the priority and funding recommendations recommended by the TWG and will take account of any other factors considered appropriate by the Committee and then adopts the final priorities and recommendations.

Stage 8 Political advocacy to other processes

The RLTC submits the desired priorities to other processes such as Council Long Term Council Community Plans and Land Transport Programmes (such as Transit NZ's National State Highway Programme). It will also recommend the final priorities to Land Transport NZ so that they can be taken into account during the national funding decision making process undertaken to develop the National Land Transport Programme.