

BUSINESS CASE APPROACH TO TRANSPORT PLANNING AND PROJECT DEVELOPMENT A GUIDE

WHAT IS NZTA'S BUSINESS CASE APPROACH?

- A toolkit adapted for the NZ Transport Agency from NZ Treasury's 'Better Business Case' model.
- A structured way of, step-by-step, building an investment story.
- A way of working together.

The supporting principles are:

- Quality analysis.
- Fit for purpose effort.
- No surprises.

The business case approach is flexible. For example there will be instances where a single activity may go from the strategic case phase through to the indicative or detailed business case phase.

There may be a time delay between the development and approval of a programme business case and when individual activities are undertaken.

WHAT DO I NEED TO KNOW ABOUT NZTA'S BUSINESS CASE APPROACH?

Business cases lead to:

- Better achievement of outcomes.
- Better informed decisions.
- Better value for money.

Key stakeholder benefits include:

- Decision makers – better strategic alignment, value for money and evidence based assurance.
- Project managers – early engagement and influence on direction.
- Business case developers – clear expectations with flexibility and permission to take a risk-based, right sized approach.
- Reviewers – early engagement and common language.
- Stakeholders and public – early engagement and influence on direction.
- Private sector suppliers – certainty of implementation.

WHEN DOES IT APPLY:

For any activity (including planning, infrastructure and network optimisation) which may progress through the National Land Transport Programme (NLTP), or other external funding source.

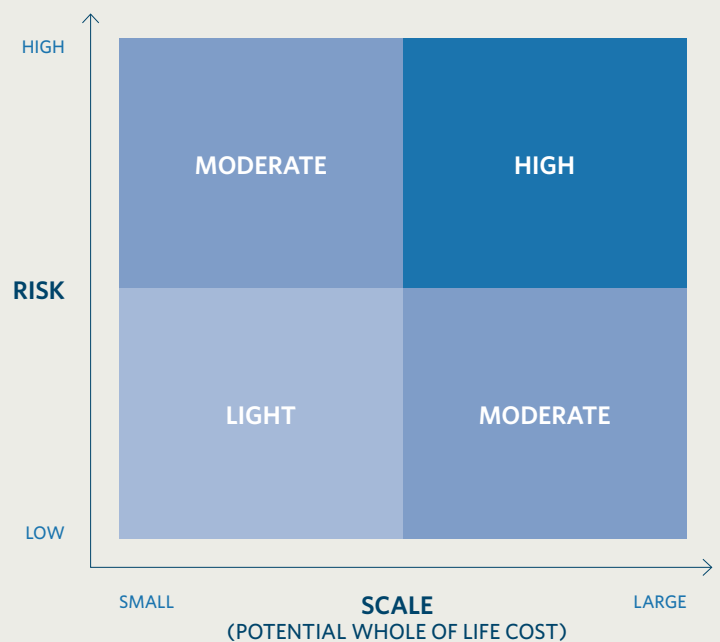
WHAT IS EXPECTED?

The appropriate level of effort applied to developing a business case depends on the scale and risk of the proposal.

Ongoing engagement with investors is recommended to confirm:

- Fit with strategy and need to invest.
- The way forward with short-listed options.
- That the best value option is affordable and deliverable and that the risks are acceptable.

BUSINESS CASE EFFORT RISK/SCALE



AN OUTCOMES LED APPROACH

The NZ Transport Agency's *Framework for investment performance* aims to make it easier to measure investment performance, and is divided into 5 outcome classes:

- Network performance and capability.
- Safety.
- Health.
- Cost.
- Environment.



OVERVIEW



WHERE DO I GET MORE INFORMATION?



NZTA Best practice for business cases (on OnRamp)
 NZTA Highways Information Portal (<http://hip.nzta.govt.nz>)
outcomeplanning@nzta.govt.nz

NZTA Knowledge Base (<https://www.pikb.co.nz>)
 Investment advice should be sought from your Regional P&I Planning and Investment Manager in the first instance.