WHAT IS NZTA’S BUSINESS CASE APPROACH?

- A toolkit adapted for the NZ Transport Agency from NZ Treasury’s ‘Better Business Case’ model.
- 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.
- Health.
- Cost.
- Environment.
OVERVIEW

POINT OF ENTRY
- Facilitates discussion and agreement on how the business case process will be applied. It is brief in nature. A key aspect is to decide at what point the business case process should be entered.

STRATEGIC CASE
- A strategic assessment is undertaken and from this a strategic case is developed. The strategic case phase is brief in nature and uses investment logic mapping. The strategic case is undertaken in two parts:
  1a. Strategic assessment.
  1b. Strategic context.
  2. Funding application to proceed.
The strategic case will be used to determine if funding will be approved by the Agency to proceed to a programme business case.

PROGRAMME BUSINESS CASE
- Identifies programmes of work and/or activities that deliver on a strategic case. It identifies alternatives and possible options to form a number of project options. Data and evidence is collected during this phase to further understand the problems and benefits and inform the development of the programme business case.
The programme business case will be used to determine if funding will be approved by the Agency to proceed to one or more indicative business cases.

INDICATIVE BUSINESS CASE
- Each activity will have an indicative business case developed where necessary. The indicative business case is undertaken in two parts:
  1. Check the strategic context is still relevant, scope the IBC and apply for funding.
  2. Develop indicative business case.
The indicative business case will be used to determine if funding will be approved by the Agency to proceed to the detailed business case.

DETAILED BUSINESS CASE
- More detailed analysis of the scope, costs, risks and benefits is undertaken on the recommended option(s).
The detailed business case will be used to determine if funding will be approved by the Agency to proceed to implementation.

PRE-IMPLEMENTATION/IMPLEMENTATION
- Consists of final requirements in order to implement:
  • Detailed design/planning.
  • Property acquisition (if required).
  • Consenting (if required).
  Followed by construction/implementation.

POST IMPLEMENTATION
- A series of post implementation activities including:
  • Outcomes realisation.
  • Lessons learnt.
  • Audits/reviews.
  Where required:
  • Legislation.
  • Disposal.
  • Defects liability.
  • Revocation.

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.plkb.co.nz)
  Investment advice should be sought from your Regional P&I Planning and Investment Manager in the first instance.