

Investment Assessment Framework for the 2018-21 National Land Transport Programme

Frequently asked questions

28 June 2018

The questions and answers provided here are targeted at specific audience groups who are involved in developing or reviewing investment proposals for 2018-21 National Land Transport Programme 2018-21 (NLTP) inclusion.

1. What is the Investment Assessment Framework (IAF) and what is it used for?

The Investment Assessment Framework (IAF) is developed by the NZ Transport Agency to reflect and help give effect to the government's transport priorities in the Government Policy Statement on land transport (GPS).

We use the IAF to assess and prioritise projects and programmes for inclusion in the NLTP. It helps approved organisations to understand how their projects will be prioritised under the GPS and to frame-up Regional Land Transport Plans (RLTPs).

2. How does the IAF fit within the Transport Agency's investment decision making system?

The IAF is a key part of the IDM system. It is the framework through which we prioritise and order the activities submitted by councils and others for funding through the NLTP against the government priorities and activity classes set out in the GPS.

3. Why was the IAF being reviewed and updated?

The GPS has been published, and changes to previous drafts have now been incorporated into the final IAF. This is the final version of the IAF for the NLTP 2018-21 period. The IAF has been reviewed and updated in response to changes signalled in the GPS which include revised priorities, objectives and results.

4. How does the IAF differ from 2015-18?

The IAF 2018-21 reflects changes to the government's transport priorities in the GPS, and includes criteria for new activity classes of rapid transit and transitional rail, as well as the expanded activity class for promotion of road safety and demand management.

It confirms the changes made last year to the investment decision making system following its review:

- implementing a two factor assessment profile
- addition of very high results alignment and cost-benefit appraisal
- placing greater emphasis on the business case approach (that requires all investment proposals to have a strategic case as a starting point for inclusion in the NLTP)
- increase in the cost threshold for low-cost low-risk improvement proposals to \$1m
- inclusion of a programme support factor for improvement activities.

5. Do I use the IAF to assess proposals brought forward during the 2018-21 NLTP period?

Yes, approved organisations are obliged to assess these and all proposals for the 2018-21 NLTP using the 2018-21 IAF.

Although RLTP submissions are due 30 June 2018, new proposals may be developed and considered through an application to vary the RLTP, and consequently the NLTP, which can be done at any stage within the three-year period of the NLTP. We

will work closely with approved organisations and RTCs to explore the opportunities the GPS presents in bringing forward other programmes of work for NLTP funding in 2018-21, and where a variation may be required.

In many cases the proposals in the NLTP will require further development, and once that is completed the proposals will need to be re-assessed under the IAF in order to get funding approval.

6. Is the new IAF applied to activities from the previous NLTP period?

No, any activity approved in a previous NLTP period and continuing into the next NLTP does not require re-assessment under the new IAF. The new IAF applies to any proposals seeking funding from 1 July 2018.

7. How did we respond to your feedback on the draft IAF?

All the feedback we received was summarised and where appropriate included into the final IAF. A summary of feedback is available on our website.

8. How did we respond to feedback regarding safety projects?

We responded by expanding programme level assessments, which are currently available for continuous programmes, to include improvement activities.

We will be providing guidance around the treatment of travel time changes for safety projects, on our **Planning and Investment Knowledge Base (PIKB)** as soon as possible.

9. Why has the government expanded the road safety promotion activity class to become promotion of road safety and demand management?

More funding has been made available for road safety promotion to support GPS priorities for safety. The expanded activity class also includes demand management, which is intended to influence travel behavior, encouraging mode shift and reducing the need for travel and single occupancy cars.

10. How will the IAF support the assessment of complex multi-benefit interventions?

The assessment of a package of inter-dependent activities that are multi-benefit, is based on the main benefit for the problem being addressed. This means the activity class that most strongly aligns to the problem the most will be the activity class used.

We also consider the package of projects as a whole and the overall achievement of outcomes. We want to ensure that the delivery of the projects within the package takes place in the right order to deliver on outcomes.

11. How do I find out more about definitions?

We are developing a glossary which will shortly be available on our website's **PIKB**.

12. How is the Transport Agency improving economic evaluation approaches?

We are carrying out a review of the wider investment decision making framework, the cost benefit appraisal approach, and economic evaluation manual inputs in 2019. We aim to achieve an approach which will transparently and robustly account for all benefits and costs, and to better enable the priorities in the GPS.

13. Can existing strategic or planning documents be applied in support of proposals?

Only for low cost low risk improvements, where the activity management plan or equivalent such as Regional Public Transport Plans, can provide the strategic context for those improvements.

RLTPs, while providing context at a regional level are not appropriate as strategic cases.

The point of entry to the business case approach includes self-assessment and documentation. This gathers existing strategic and planning documents as evidence for developing the way forward for the next appropriate stage in the business case process.

PUBLIC TRANSPORT ACTIVITIES

14. Why is there a transitional rail activity class?

The Transport Agency currently funds a range of 'above track' rail improvements and services, including:

- rail stations and interchanges
- rolling stock (train units)
- service operations
- renewal and maintenance of rolling stock and stations
- track access charges to cover costs of maintaining and renewing 'below track' infrastructure.

The transitional rail activity class is an interim solution to enable funding of 'below track' rail public transport improvement projects, such as ballast, track laying, and electrification.

The role of rail in land transport system and its potential funding will be addressed through the second stage GPS proposed for 2019.

15. What is rapid transit?

Rapid transit is the movement of significantly large numbers of passengers on dedicated key high-growth urban corridors, using rail or bus ways.

Projects funded in this activity class must meet the criteria of very high results alignment for public transport improvements.

16. How are customer levels of service for public transport defined?

Levels of service for public transport services refer to a range of service expectations eg an outline of the routes, service frequency etc and these must be captured in Regional Public Transport Plans.

Investment proposals to improve levels of service, apart from moderate increases in expenditure, are treated as improvement activities under the NLTP and are scrutinised to ensure an appropriate level of service is provided.

There are draft **guidelines** for public transport infrastructure, and we are actively engaged in considering the wider public transport infrastructure levels of service and guidelines.

WALKING AND CYCLING ACTIVITIES

17. How are customer levels of service for walking and cycling defined?

A national classification system for walking and cycling doesn't currently exist. In the absence of defined levels of service framework for walking and cycling, the defaults are:

- *Cycle network guidance - planning and design*
- *Pedestrian planning and design guide.*

The Austroads Level of Service tool is used to define appropriate levels of service. We may expect AOs to use Austroads when developing their network operation plan.



For further information on the IAF or any NLTP related query please email nltp@nzta.govt.nz