

# **INVESTMENT DECISION-MAKING FRAMEWORK REVIEW**

Consultation Document on the draft Investment  
Prioritisation Method for the 2021-24 National  
Land Transport Programme

WAKA KOTAHI NZ TRANSPORT AGENCY

18 SEPTEMBER 2020

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## **More information**

Waka Kotahi  
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This document is available on Waka Kotahi's website at <http://www.nzta.govt.nz>

# INTRODUCTION

Waka Kotahi NZ Transport Agency is required to prioritise activities in the 2021-24 National Land Transport Programme (NLTP). The Investment Assessment Framework 2018-21 was used to prioritise activities in the 2018-21 NLTP.

The draft Investment Prioritisation Method (IPM) for the 2021-24 NLTP was developed to give effect to the Government Policy Statement on Land Transport 2021/22-2030/31 (GPS).

It will be used to prioritise activities in the 2021-24 NLTP, and will also be used to confirm that an activity's priority is above the investment threshold in order to make investment decisions.

Input on the approach to prioritisation was received from the sector through the Investment Decision Making Framework (IDMF) review.

The draft Investment Prioritisation Method for the 2021-24 NLTP is available [here](#).

This consultation document outlines how feedback can be provided on the draft Investment prioritisation method for the 2021-24 NLTP.

Feedback is sought from Approved Organisations, Waka Kotahi and KiwiRail whose activities will be prioritised in the 2021-24 NLTP.

## Purpose of consultation

In this consultation, we're seeking your feedback on the draft investment prioritisation method for the 2021-24 NLTP. Your feedback will be considered in order to finalise the investment prioritisation method.

The draft Investment Prioritisation Method relates to the 2021-2024 NLTP and won't affect prioritisation of activities in the 2018-21 NLTP.

[See the draft Investment Prioritisation Method](#)

The Investment Prioritisation Method will replace the Investment Assessment Framework for the 2021-24 period.

## Consultation timeline

Timeline	
Consultation opens, draft Investment Prioritisation Method released	21 September 2020
Online information session to outline the draft Investment Prioritisation Method and answer questions On request, present to Regional Transport Committees and relevant officer groups	September and October
Consultation closes	2 November 2020
Submissions analysed and considered	November
Consultation summary available	Early December
Final Investment Prioritisation Method decision	Mid-December 2020

## HOW TO PROVIDE FEEDBACK

All feedback on the draft Investment Prioritisation Method (IPM) must be sent through our [online feedback form](#).

As part of the consultation process, Waka Kotahi will conduct an online information session so that you have the opportunity to ask questions. Alternatively, you can email questions to the IDMF consultation mailbox: [decisionmaking@nzta.govt.nz](mailto:decisionmaking@nzta.govt.nz).

We welcome your feedback on specific aspects of the draft IPM. We have posed questions we would like you to consider and respond to.

You're also welcome to provide any general feedback you would like to share on the draft IPM.

## CURRENT STATE AND THE CASE FOR CHANGE

- We have developed the draft Investment Prioritisation Method to:
  - Reflect the strategic priorities of the GPS 2021 for the 2021-2024 NLTP
  - Make a more granular distinction in the prioritisation of activities in the 2021-24 NLTP and
  - Provide greater certainty about what activities are likely to be funded under the NLTP
- What is the purpose of prioritisation: The IPM is the basis for including an activity or combination of activities in the NLTP. Depending on the amount of funding available for an activity class, activities with priority order above the investment threshold in an activity class are included in the NLTP. The Board sets the investment threshold based on the funds available for the activity class and the prioritised activities within the activity class to indicate the extent to which funds are available for those activities.
- In developing the draft IPM, we have engaged with Treasury, Ministry of Transport, local government and internal Waka Kotahi teams to develop an approach that supports the Government's priorities and provides greater certainty for Approved Organisations so that, if an activity is included in the NLTP, Approved Organisations can be confident there will be funds available for that activity.

## DRAFT IPM FOR CONSULTATION

The following table poses questions about aspects of the draft IPM that we'd like your feedback on. When you're ready to submit your feedback, go to the online feedback form.

Topic	Description	What this means for you	Questions
<b>Prioritisation factors</b>	Waka Kotahi has reviewed its approach to prioritising investments (formerly set out in the Investment Assessment Framework). It is proposing to move from two prioritisation factors to three (as was the case before 2018), to better differentiate activities.	<p>This will help AOs and Waka Kotahi understand how activities will be prioritised for the 2021-2024 NLTP.</p> <p>This will provide AOs with certainty about the availability of funding for activities included in the NLTP above the investment threshold.</p>	<p><i>Question 1</i></p> <p>How can we improve the prioritisation factors?</p> <p><i>Question 2</i></p> <p>What challenges, if any, do you see in applying the prioritisation factors?</p> <p><i>Question 3</i></p> <p>What further guidance is needed to help you apply prioritisation factors to your activities?</p>

Topic	Description	What this means for you	Question
<b>Investment Prioritisation Method</b>	Waka Kotahi has created the draft investment prioritisation method, including the 3-factor priority order matrix and the indicative efficiency rating tool, to prioritise your activities for inclusion in the 2021 – 2024 NLTP.	This will help AOs and Waka Kotahi prioritise activities for inclusion in the 2021 – 2024 NLTP and support Waka Kotahi’s funding decisions.	<p><i>Question 4</i></p> <p>Tell us what you think about the ratings for the 3-factor priority order matrix. Are any changes required?</p> <p><i>Question 5</i></p> <p>Thinking of the activities in your area that could give effect to the GPS, would the draft investment prioritisation method enable you to include that activity in the NLTP? If not, what’s missing?</p> <p><i>Question 6</i></p> <p>We have suggested a way to take account of RLTPs. How may this approach impact your RLTP?</p> <p><i>Question 7</i></p> <p>What other feedback do you have on the draft IPM?</p>

## NEXT STEPS

### Your next steps

1. Review [the IPM](#) in order to respond to the consultation questions and discuss them with your colleagues.
2. Complete the [online feedback form](#) once you and/or your team have decided what feedback you’d like to provide.
3. If you need support or have questions, please contact us on [decisionmaking@nzta.govt.nz](mailto:decisionmaking@nzta.govt.nz)
4. If you’d like to ask questions and/or understand more about the aspects of the draft IPM we’re consulting on, sign up for an upcoming online information session.

### Our next steps

1. Once consultation closes, we’ll review your feedback and consider the changes we need to make.
2. We’ll provide a summary of the feedback we’ve received from the consultation.
3. Our review team will complete the design process with the feedback we’ve received and finalise the IPM.
4. The final IPM will be released once approved by Waka Kotahi.

# ACKNOWLEDGEMENT

Waka Kotahi, together with the Ministry of Transport, would like to thank you for your ongoing involvement in making improvements to the investment decision-making framework.

## For more information

- <https://www.nzta.govt.nz/idmf> - Waka Kotahi website