

Subject **Performance Measures for NZTA Investments**

Circulation All Territorial Local Authorities
Auckland Transport
Department of Conservation
Local Government New Zealand
Highway and Network Operations (NZTA)
The Ministry of Transport
Office of the Auditor-General

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Purpose

The purpose of this general circular is to advise Approved Organisations and NZTA (Highways & Network Operations) of NZTA's new requirement that performance measures and targets be agreed as a condition of funding for improvement activities.

Introduction

It is important, from an accountability perspective, for NZTA to be able to demonstrate that its investments are delivering transport solutions for a thriving New Zealand. Through performance measures, we are able to show the public what they are getting for their investment.

Investments in maintenance and public transport have historically been monitored through Annual Achievement Returns. However, there has been no feedback provided in relation to NZTA's investment in improvement activities. NZTA's Post Implementation Review programme provides feedback on a sample of activities, but does not provide sufficient coverage to draw conclusions on the overall improvements programme. Over time, electronic capture of performance information will enable us to tell the story across the entire programme (both regionally and nationally).

The new requirement, and how it will be applied

The new requirement is to agree performance measures and targets as a condition of funding for improvement activities. The measures proposed by Approved Organisations and NZTA Highways &

Network Operations) will be reviewed and approved by NZTA's Planning & Investment staff as part of the funding approval process.

This requirement will apply to improvement activities approved since 1 July 2012, to coincide with the 2012-15 National Land Transport Programme. For those Approved Organisations (or NZTA's Highways & Network Operations) with activities already approved, NZTA will request that the performance measures be added as appropriate.

The new requirement will apply to improvement activities as follows:

- For all improvement activities with an approved cost greater than or equal to \$10million, NZTA requires performance measures and targets to be entered as part of the funding application.
- NZTA (Planning & Investment) staff may nominate lower value activities, when considered useful. For example, where a project provides a strategic link or is innovative.
- NZTA auditors will also periodically select a sample of the remaining activities and Approved Organisations/NZTA (Highways & Network Operations) will be requested to add performance measures. This is so that NZTA can obtain information across its whole programme, not just for the higher value projects.

After activities have been completed, and the agreed review date has been reached, Approved Organisations/NZTA (Highways & Network Operations) will be required to provide feedback as agreed in the performance measures. Longer term, it is this feedback that will be useful – both to NZTA and to Approved Organisations.

What will NZTA do with the information collected?

We will use the information to monitor the performance of our investment in the transport system and provide feedback that will help all parties improve our planning and investment decision making.

It will take a few years before NZTA has achievements captured in TIO¹ and, in the meantime, Post Implementation Reviews will continue to be completed on a sample of activities.

Your Action

Please update Transport Investments Online (TIO) to include performance measures when requested.

¹ TIO has been programmed to capture measures and targets at the time of the funding decision. As the projects will not be completed for a year or more after funding approval, and benefits will not begin to accrue until the project is operational, monitoring will be tailored to the timing of the benefits.

Additional Guidance

Additional Guidance, including questions and answers, can be found in the Planning & Investment Knowledge Base (Benefits realisation) on NZTA's website.

The TIO database includes a "Performance Measures" tab, which guides the user through the process. The TIO user guide has also been updated to assist users in entering the required data.

Enquiries

If you need any assistance with the new performance measures requirements, please talk to your regional NZTA contact.

Specific questions may be directed to:

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Attachments

There are no attachments to this general circular.



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