



Benefit realisation review and assessment

Focusing on good outcomes – a review of the Waka Kotahi benefits realisation management framework.

In the last 30 years, benefits realisation management (BRM) has arisen in response to perceived failings of some projects in delivering expected benefits. It's also used in other industries to monitor projects' strategy and investment goals. BRM shifts the focus from completing quality work on time and to budget, to delivering expected benefits that were central in the decision to invest.

In this study, researchers reviewed literature on BRM, defined the key criteria for frameworks and measures, and assessed the Waka Kotahi BRM framework as expressed in the Land Transport Benefits Framework and Management Approach: Guidelines. They conclude with recommendations for improvements, drawing on international practices.

Review and assessment of literature

In their international literature review, the researchers found that BRM:

- applies to the full life cycle of a project
- covers distinct project stages
- can draw on cost-benefit analysis at the beginning and end of the project.

BRM has been used for investments in transport infrastructure and services in the UK, Australia, New Zealand and other countries in some form.

Key criteria for frameworks and measures

- BRM frameworks should:
 - be simple to understand and integrate
 - be applied consistently
 - demonstrate the link between investments and beneficial outcomes
- focus on identifying only core information (to ease data management and reporting burdens).
- BRM indicators should be:
 - measurable and verifiable
 - attributable and relevant
 - consistent and understandable
 - cost effective.
- The different perspectives between high-level strategy and lower-level projects and programmes mean few BRM indicators or measures can be used across both.
- Conventional transport measures that are useful for both local- and strategic-level improvements include reductions in accident and injury costs, and reductions in greenhouse gas emissions.
- Many other benefits that count towards a project-level assessment are site-specific or localised, which makes them ambiguous for strategic assessments because of the possibility of them causing offsetting adjustments outside the locality.

Review of the Waka Kotahi BRM approach

The Waka Kotahi BRM framework sits above and encompasses both the National Land Transport Programme and the Investment Decision-Making Framework used to select investment projects. Overall, the researchers found that the BRM framework follows international practice, and that:

- the current Investment Decision-Making Framework is long on pre-approval appraisal but short on post-approval monitoring and evaluation, and this works better for some projects than others

- many current Waka Kotahi benefits aren't measured, so can't be effectively used for BRM
- the combination of high-level goals from the Transport Outcomes Framework and the Government Policy Statement on land transport is hard to reconcile with the BRM framework.

Recommendations for improvements

The researchers recommend being clear on what BRM is mainly being used for. Is it to:

- ensure that expected benefits are delivered?
- improve future practice in project management?

They also suggest the following.

- Waka Kotahi should focus the BRM approach on measurable benefits to help improve cost-effectiveness, consistency, measurability and verifiability of project benefits. This would:
 - identify how many projects are approved when the benefits expected can't be verified
 - clarify what proportion of investment should be based on unverifiable benefits.
- Strategic-level approaches could help improve the links between strategic- and project-level benefits. For example:
 - Norway's National Transport Plans cover 10-year periods, with strategic goals of making transport more efficient, safer and more environmentally friendly. The plans outline projects that contribute to these goals, which sometimes include measurable targets. Frequent reviews allow components and their order to change if needed.
 - The UK Department of Transport's monitoring and evaluation reports review programmes and projects under three strategic goals:

1. improving connectivity to grow the economy
2. improving users' experience of transport safety, reliability and inclusive access
3. improving impacts on air quality and climate change.

The reports list projects and programmes in progress that contribute to strategic goals, indicating achievements to date and those still to come.

- When choosing indicators to measure progress against strategic aims, ask what project success would look like and which outcomes are essential.
- It would greatly improve measures of BRM in the guidelines to link them to other procedures – for example, those in the Monetised Benefits and Costs Manual.

- There are measures of inclusive access and environmental sustainability available that Waka Kotahi could adapt for use in BRM.
- Accessibility for people with disabilities and mobility impairments is important for these groups' wellbeing, and there are BRM measures that Waka Kotahi could adapt for this.
- Good practice BRM measures are not necessarily the same at the project and strategic level. For example, transport investment that increases a specific region's tourism could simply relocate tourists at the national level. Guideline users need more warning about potentially overstating any national benefits.
- Waka Kotahi should use the following Government Policy Statement proposed indicators to build a set of BRM indicators across project, programme and strategic levels.
 - Fewer injuries and greenhouse gas emissions
 - Reductions in transport-related noise and air quality deterioration
 - Reduction in transport costs per kilometre
 - Reducing transport service costs as a proportion of GDP

Waka Kotahi invests in transport infrastructure and some of its regulation, but it doesn't control all the factors that influence its use, such as road pricing. This makes it difficult to attribute observed effects to the investments made. Waka Kotahi therefore needs indicators that can support further analysis and explanation.

Drawing on the Transport Outcomes Framework and the Government Policy Statement on land transport, the research report for this study gives a set of amended and new measures that are more aligned with the purpose of BRM, and that close gaps in the framework.



RR 699: *Benefit realisation review and assessment*, Waka Kotahi NZ Transport Agency research report. Available at www.nzta.govt.nz/resources/research/reports/699