

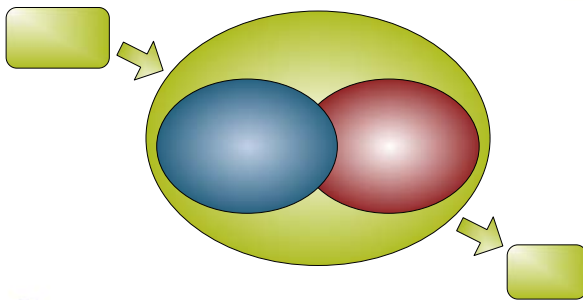
## Stocktake of the Funding Allocation Process

Sandy Fong

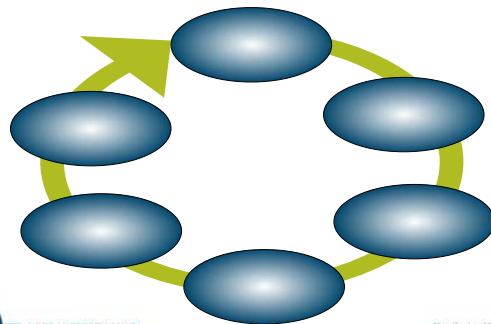
## Presentation contents

- o Introduction, aims and objectives
- o Methodology
- o Summarised findings
- o Response

## Components



## Stages of the funding allocation process



## Assessment factors

### Proposals assessed against three factors:

- o **Seriousness and urgency** of the transport issue or problem addressed
- o **Effectiveness** of the proposed solution in dealing with the issue
- o **Economic efficiency** of the proposal

## Stocktake as part of a review

- o MAG recommended an independent review of the funding allocation process
- o Next Steps changing the legislative framework
- o Full response after the LTMA 2008 amendment

## Stocktake scope

### Processes under LTMA pre 2008:

#### In scope

- o NLTP structure
- o Funding eligibility
- o Evaluation criteria
- o Future opportunities and threats

#### Outside scope

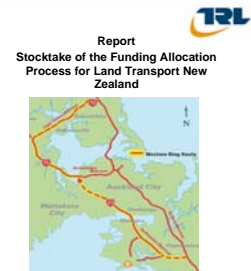
- o FAR
- o Discount rate
- o Procurement
- o Sector structure
- o Sector capacity

## Stocktake report

### Stocktake commissioned by Land Transport NZ

- o TRL (UK) lead assisted by AEA (UK)
- o NZ support from Transport Futures and Stimpson & Co

**Performed between December 07 and March 08**  
**Final report 28 March 08**



## Stocktake aims/objectives

### To ensure that the:

- o NLTP provides the best possible value for government and stakeholders
- o Legislative requirements are met
- o FAP meets appropriate best practice requirements

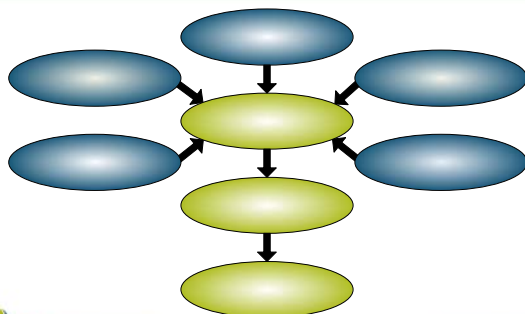
### Objectives:

- o Review the performance of the FAP in relation to the Land Transport Management Act (LTMA) 2003 and its 2004 amendment

## Presentation contents

- o Introduction, aims and objectives
- o **Methodology**
- o Summarised findings
- o Response

## Stocktake task elements



## Stocktake constraints

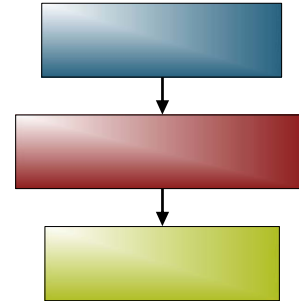
- o FAP as moving target
- o Changing processes and requirements outside FAP
- o Only 5 planning cycles since LTMA 2003
- o Legislative changes in 2008



## Presentation contents

- o Introduction, aims and objectives
- o Methodology
- o Summarised findings
- o Response

## Future funding allocation process



## Three year NLTP modifications

- o Modifications to the funding allocation process
- o Framework for activity assessment
- o Recognising changed regional and local council roles
- o Rationalisation of work categories

## Changes to assessment

- o Assessment of programmes, strategies and packages
- o Encouraging strategy evaluations
- o Programmes and packages rather than discrete projects
- o Adopting best practise

## Integration of studies, strategies and planning

- o Incentivise up front planning
- o Combines all studies and strategy development (except RLTS) at 75% FAR
- o Incentivise asset management planning at construction FAR
- o FAR changes for regional land transport planning

## Conclusions

- o FAP provides a sound framework
- o Better strategic context
- o Long gestation for transport interventions
- o Share good practice
- o Provide transparency
- o Continuously evolving