

Investment Decision-Making Framework Review – due Friday 21 February

IDMF Consultation Feedback Form

This feedback is provided on behalf of Queenstown Lakes District Council as approved by the CE Mike Theelen. Please note this has not been ratified by full Council and is the position of Council Officers.

## INVESTMENT PRINCIPLES

### **How can we improve these?**

QLDC strongly supports NZTA's intention to create a clear and unambiguous framework for investment decision making.

The framework promotes a system based approach including the integration of land use and transport planning. QLDC requests that the Agency clarifies what specifically is to be included within this framework.

In the past there have been overlapping work streams within multiple teams within the Agency and this created confusion. The establishment of local officers in high growth areas such as Queenstown would provide much needed local context and awareness.

## RIGHT SIZING THE BUSINESS CASE

### Right-sized business case guidance

#### **What could be done to improve the guidance for right-sizing your business case effort?**

Business cases are cumbersome for several reasons, one of which is demonstrating in each case that reoccurring themes within the Government Policy Statement (GPS), such as public transport and active transport require justification. Certain themes should be accepted on a national level by the NZTA and local authorities should only be required to present the local context within the national framework.

### Low cost, low risk programmes (LCLR)

#### **What do you consider an appropriate threshold to be for your activities and why?**

Light versions of the business case, similar to the Treasury versions, have been submitted to the Agency before and rejected for lack of content. With the scale and complexity of cases now ranging from the LCLR threshold to several billion, a scalable approach is welcomed. Projects from 1 – 5 million that are not complex, i.e. do not have multiple options, should be able to demonstrate compatibility with GPS and NZTA prioritisation. This should assist with early interventions, and reduce consultant costs to local government due to simplifying the process and therefore reducing the amount of time taken to complete.

## PROGRAMMES AND PACKAGES

### **What further clarity do you need about the application of programmes and packages?**

The current approach from the Agency has been unclear regarding standalone business cases and the requirement for more comprehensive Programme Business Cases (PBC) which demonstrate a wider context.

Ballantyne Road sealing project (6.4 million) could not go ahead without understanding the wider Wānaka setting as stated by local NZTA staff, but a PBC for that wider area was not supported by NZTA for three years. The core of the issue was safety and influences from the wider network were not considered significant.

Consideration should be given to external influences which affect strategic planning. A clear understanding of the hierarchy of external controls – Spatial Plan, Mode Shift Plan, and potentially the NZ Upgrade Programme should be included, especially for high growth areas. The ability to progress projects early, may mean behavioural change and reflect significant efficiencies in value for money. At present the process is not flexible enough to accommodate the level of agility required to incorporate new information over longer periods of time.

The recently revised point of entry (PoE) process has unfortunately created another tier of work for existing projects by inserting the need to revisit a PoE after a PBC addressing the same issues identified in the higher document.

We need to see greater awareness and ability to incorporate and/or respond to other key development drivers, e.g. the government's Urban Growth Agenda, and joint Spatial Planning documents.

## BENEFITS FRAMEWORK

### **Do the benefits represent what your community values?**

There is currently a mismatch between the business case template and the Transport Investment Online tools so alignment here is welcomed.

Benefits for complex cases are not currently well understood. NZTA is promoting land use integration but there is still confusion as to what is required by way of identifying direct and indirect benefits, especially non-transport benefits.

QLDC has progressed joint Town Centre Masterplans with Integrated Transport Programme Business Cases over the last three years, which aligns with all high level strategic aims, but is only now beginning to have these benefits (and disbenefits) accepted by NZTA. While there are standard benefits to traffic efficiency, safety measures, and environmental issues, disbenefits - such as over restricting an international tourist town that contributes significantly to NZ's GDP - are only now emerging in the Agency's framework.

### **Are there any benefits missing?**

The timeframe of benefits also needs consideration. The period over which benefits are measured is often very short compared to the longevity of the investment being made. Measuring the benefits in terms of direct and indirect economic, social, community and environmental needs to be much more fully developed.

## BUSINESS CASE ASSESSMENT TOOLS

### Early assessment sifting tool

#### **What issues or opportunities do you see in using the EAST?**

QLDC welcomes the EAST. This will reduce time in more complex cases by allowing the focus to be on a narrow range of options. This is particularly useful at QLDC where the integration aspect of several concurrent cases becomes an affecting factor.

### Appraisal summary table

#### **What issues or opportunities do you see with the use of an appraisal summary table?**

A useful feature will be to take the key message from the case directly from the table into other report formats such as council agendas and provide a precis for LTP and RLTP considerations.

### Multi-criteria analysis

#### **What issues or opportunities do you see in using the multi-criteria analysis template and guidance?**

The issues with assessing quantitative matters are the most complex and difficult to define. Clarity on how to assess the quantitative criteria within the analysis tool is welcomed. QLDC requests that more details relating to the weighting of criteria also be provided.

## DO YOU HAVE ANY FURTHER COMMENTS OR FEEDBACK YOU WOULD LIKE CONSIDERED?

Generally, we accept the Investment Decision Making Framework but it makes little accommodation for solution or innovation that exists beyond its paradigm. There needs to be an opportunity to strategically challenge and look past the model where transformative change is desirable.

An example for Queenstown is the narrow adherence to incremental bus systems, and the inability to grasp the opportunity to deliver a very different high-quality public transport system using different technology. This could drive land use and behavioural change, rather than having the transport system only responding to additional development. The model does not encourage transformation investment.