

2021-24 NLTP MODERATION PROCESS

PURPOSE

Provide an overview of, and outline key milestones for, the moderation and optimisation of the National Land Transport Programme for Waka Kotahi as the investor.

BACKGROUND

Waka Kotahi NZ Transport Agency has a responsibility under the Land Transport Management Act 2003 for setting dates for developing the National Land Transport Programme (NLTP) every three years.

Investment Advisors at Waka Kotahi collaborate with Approved Organisations (AOs), and Waka Kotahi as applicant, to support them in developing their continuous programmes, Low Cost Low Risk improvement (LCLR) programme and any other improvement activities, programmes or packages that are seeking inclusion for the 2021-24 NLTP. It's important for Investment Advisors and applicants to keep in touch with each other throughout the development of the NLTP and adopt a no-surprises approach.

FUNDING BIDS AND MODERATION WORKSHOPS

Prioritisation of programmes and activities is subject to the Waka Kotahi Board making a final decision when it adopts the NLTP. Activities are assessed for inclusion in the NLTP through a series of bid stages. Initial and final bid stages have fixed deadlines to ensure that applicants get a reasonable amount of certainty, or signals, about:

- the quality of their supporting information
- how Waka Kotahi will subsequently determine the funding allocation in the NLTP.

This staged bid and assessment process enables applicants to plan with greater certainty, respond to assessment feedback and adjust their evidence and/or planned programmes before the NLTP is adopted by the Waka Kotahi Board. While it is uncommon to have any material changes between the initial and final allocations, there is room for review and adjustment between these deadlines. All bids should provide evidence-based proposals that demonstrate the BCA principles.

Moderation is an internal Waka Kotahi business process that ensures a consistent approach is used to assess all funding requests. Typically, moderation takes place in stages, focusing initially on the strategic drivers and qualitative assessment of high-level business case material. This ensures the most appropriate activities are progressed to subsequent stages with confidence.

What	Description
Initial bids – Continuous Programmes	Critical in providing Waka Kotahi and regional transport committees (RTCs) a first look at funding proposals. Initial bids are expected to be a robust, realistic signal of the investment proposal.
Setting the scene	Setting the scene is about obtaining a view of the upcoming NLTP from a strategic lens and provides an initial view of the pressures within the system. The workshop analyses AO and Waka Kotahi bids and submissions to provide a view across the activity classes on the committed and available funding.
Continuous programmes - preliminary prioritisation and moderation	Preliminary prioritisation and moderation is to challenge the continuous programme bids including a focus on the quality of the supporting information. An initial moderation of the continuous programmes is undertaken.
Reset - Setting the scene	After each moderation workshop has been undertaken Waka Kotahi should take stock of its current position across the activity classes on the committed and available funding. The workshop will also include indicative balancing of activity classes.
Initial submissions – new improvement activities	We will require applicants submit their improvement activities which includes their Low Cost Low Risk programme and new activities being included in the NLTP. For each new improvement activity an Investment Prioritisation Method (IPM) profile should be provided. For Low Cost Low Risk activities, the IPM profile is set at a programme level. During this step, applicants will confirm their improvement activity submissions. <i>Note: For continuous programmes an IPM profile is not required to be provided as a default profile is used for these programmes.</i>
Improvement activities - preliminary prioritisation and moderation	Preliminary prioritisation and moderation involves challenging Low Cost Low Risk programmes and new improvement activities. An initial moderation of these activities is undertaken.
Final bids – Continuous Programmes	Determined through negotiations between Waka Kotahi and the AOs following submission of initial bids. Final bids should have:
Final submissions – improvements activities	<ul style="list-style-type: none"> - more detail than the initial bid - be supported by more robustly developed evidence

	<ul style="list-style-type: none"> - have strong local governance support for inclusion in the NLTP - applied the BCA in developing information and supporting evidence - self-evaluated that evidence using assessment of the business case models. <p>Continuous Programmes Funding is effective immediately at the start of the NLTP period, so all information required for Waka Kotahi assessment needs to be provided with final bids. There should be no outstanding issues.</p> <p>Low Cost Low Risk Funding is allocated to an AO or Waka Kotahi at the start of the NLTP period. AOs or Waka Kotahi will need to have completed their three-year detailed LCLR programme in order to draw down their allocated funding.</p> <p>Improvement Activities Funding is only prioritised against new activities at the start of the NLTP period. AOs or Waka Kotahi should discuss next steps with their investment advisor. <i>Note: Some business cases may have progressed sufficiently to be recommended for funding approval when the Board adopts the NLTP. Where possible Waka Kotahi should align funding approval with NLTP adoption to provide greater certainty that the NLTP represents the three-year investment programme of Waka Kotahi.</i></p>
Continuous programmes - final prioritisation and moderation	Final prioritisation and moderation is a further challenge of continuous programme bids, while looking to resolve outstanding issues and confirm the programme. During the session there is also a focus on the results from a review of finalised programmes and includes comparisons (benchmarking) between similar proposed programmes and their pairs.
Improvement activities - final prioritisation and moderation	Final prioritisation and moderation is a further challenge of Low Cost Low Risk programmes and new improvement activities, while looking to resolve outstanding issues and confirm programmes and submissions. The session includes a final moderation of these activities/programmes which involves ensuring critical parts of dependent projects are above the cut-off and confirming prioritisation ratings for activities. Suggested allocations across activity classes and scenario planning is also undertaken.
Optimisation	Process to confirm allocations between the funding ranges set by the GPS for each activity class. This is an outcome view to ensure we are optimising value for money while meeting our requirements under the GPS.

After each moderation session (workshop) feedback is provided within Waka Kotahi and to AOs to ensure they can firm up their investment bids. For example, the focus of the Investment Advisor when progressing from initial to final bids for a road maintenance programme is to improve the quality of the AMP as a business case.

MODERATION DEADLINES AND RESPONSIBILITIES

The moderation and optimisation of the NLTP has the following steps and responsibilities.

What	Timeline	Waka Kotahi Responsibilities
Investment templates available	18 August 2020	<p><u>Lead Role</u> NLTP Development Lead - NLTP Development Team develops and prepares the templates for release</p> <p><u>Supporting Roles</u></p> <ul style="list-style-type: none"> • Inform and support applicants: <ul style="list-style-type: none"> ○ Public Transport Team ○ Regional Investment Advisors ○ Partnership Investment ○ Activity Class Managers • Inform and support Waka Kotahi: <ul style="list-style-type: none"> ○ Design Practice Solutions ○ Activity Class Managers
Initial bids – continuous Programmes	21 September 2020	<p><u>Lead Role</u> Manager Treasury & Cashflows - Treasury Cashflow Team Manage and analyse data within TIO</p> <p><u>Primary Roles</u></p> <ul style="list-style-type: none"> • Operational Policy & Standards Team – Responsible for the State Highway Maintenance Programme • Road Safety Partnership Team – Responsible for the Road Safety Partnership Programme • Regional Investment Advisors – Support Approved Organisations in developing their LCLR and Maintenance Operation & Renewals (MOR) programmes • Partnership Investments - Support regional and unitary authorities in developing their Public Transport (PT) programmes. • Technical Services Team – Supports Waka Kotahi in developing their continuous programmes
Setting the scene	6 October	<p><u>Lead Role</u> Manager Treasury & Cashflow – The Treasury & Cashflow Team will provide information on committed and new activities by activity class</p> <p><u>Supporting Role</u></p>

		<ul style="list-style-type: none"> • Activity Class Managers - Represent their activity class and their current position in terms of committed and new activities • External Engagement & Communications Team – Communicate the latest investment signals to the sector
Continuous programme Investment Quality Assurance (IQA) initial bids	October/ November 2020	<p><u>Lead Role</u></p> <ul style="list-style-type: none"> • Senior Manager System Management – Regional Investment Advisors complete IQA reviews over the Approved Organisation activity management plans and initial maintenance operations & renewals programme • Manager Partnership Investments – The team is responsible for completing IQAs over initial public transport continuous programmes and the documents that support the programme • Manager Technical Services – The team is responsible for completing IQAs over Waka Kotahi continuous programmes and the documents that support the programmes • Team Lead Road Safety Partnership – The team is responsible for lead the development of the Road Safety Partnership Programme and supporting the programme’s IQA. <p><u>Primary Role</u></p> <p>External Quality Assurance – An assessor with NZ Police experience completes the IQA review over the programme. The reviewer is independent to Waka Kotahi and NZ Police.</p> <p><u>Supporting Role</u></p> <ul style="list-style-type: none"> • Design Practice & Solutions – the team will support the Manager Technical Services in completing IQAs over Waka Kotahi continuous programmes and carry-out the IQA/Assessment of Waka Kotahi Road Safety Promotion activities. • Investment Assurance – the team supports assessors in completing their IQA over the continuous programmes. <p><i>Note: Oversight of Low Cost Low Risk programmes will be managed by Regional Investment Advisors for road controlling authorities, the Partnership Investment for regional councils and Investment Assurance for Waka Kotahi.</i></p>
Initial submissions– new improvement activities	21 September until the 30 October	<p><u>Lead Role</u></p> <p>Manager Treasury & Cashflows - Treasury Cashflow Team Manage and analyse data within TIO</p> <p><u>Primary Roles</u></p> <ul style="list-style-type: none"> • Operational Policy & Standards Team – Responsible for the Waka Kotahi Investment Proposal and the State Highway Maintenance Programme

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		<ul style="list-style-type: none"> • Planning & Performance Team – Responsible for the Waka Kotahi Low Cost Low Risk programme • Road Safety Partnership Team – Responsible for the Road Safety Partnership Programme • Waka Kotahi Investment Proposal Team – Responsible for identifying and incorporating nationally delivered activities into the NLTP <p><u>Supporting Roles</u></p> <ul style="list-style-type: none"> • Regional Investment Advisors – Support Approved Organisations in developing their LCLR and MOR programmes • Partnership Investments – Support Approved Organisations with any new starts for inclusion into the 2021-24 NLTP • Public Transport Team – Support regional and unitary authorities in developing their PT and LCLR programmes. • Technical Services - Support Waka Kotahi in developing its and LCLR programmes • Design, Practice & Solutions - Support Waka Kotahi with its new starts
<p>Continuous programmes - preliminary prioritisation and moderation</p>	<p>9 November 2020</p>	<p><u>Lead Role</u></p> <p>Assessment & Prioritisation Lead – Assessment & prioritisation team facilitates the moderation and optimisation process</p> <p><u>Primary Role</u></p> <ul style="list-style-type: none"> • Partnership Investments – Represents the public transport continuous programmes • Regional Investment Advisors – Represents maintenance operations and renewals continuous programmes • Technical Services Team – Represents Waka Kotahi continuous programmes • Activity Class Managers – Lead the prioritisation and moderation process workshop. Represent their activity class and challenge programmes and new starts within their activity class <p><u>Supporting Role</u></p> <ul style="list-style-type: none"> • Investment assessment working group - reviews and agrees the assessment profiles and prioritises activities nationally. The working group develops recommendations for inclusion and/or funding allocations for the Waka Kotahi Board’s final approval. The group should be made up of representatives from: <ul style="list-style-type: none"> ○ Transport Services - System Planning ○ Transport Services - System Management ○ Transport Services - System Design ○ Transport Services – Operational Policy, Planning & Performance ○ Corporate Support – Enterprise Change ○ Corporate Support – Investment & Finance

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		<ul style="list-style-type: none"> ○ Safety Health & Environment – Road Safety and Environment and Sustainability teams ● External observers - For example representatives from the Transport Special Interest Group, which is drawn from regional council staff
Reset - Setting the scene	16 November 2020	Same responsibilities as setting the scene.
Feedback preliminary prioritisation and moderation - Continuous programme	November 2020	<u>Lead Role</u> <ul style="list-style-type: none"> ● Senior Manager System Management – Regional Investment Advisors will provide feedback to Approved Organisation’s MOR ● Manager Partnership Investments – The team will provide feedback to AOs on there PT continuous programme ● Manager Technical Services – The team will provide feedback to Waka Kotahi, as applicant, on their continuous programmes. ● Team Lead Road Safety Partnership – The lead is responsible for providing feedback into the Road Safety Partnership Team on the Road Safety Partnership Programme.
Final bids - continuous Programmes	11 December 2020	Same responsibilities as initial bids.
Continuous programme IQA Final bids	January/ February 2021	Same responsibilities as continuous programme Investment Quality Assurance (IQA) initial bids
Improvement activities - preliminary prioritisation and moderation	16 February 2021	<u>Lead Role</u> <p>Assessment & Prioritisation Lead – Assessment & prioritisation team facilitates the moderation and optimisation process</p> <u>Primary Role</u> <ul style="list-style-type: none"> ● Partnership Investment – Represent the new starts from Approved Organisations ● Design Practice & Solutions - Represents the Waka Kotahi new starts ● Regional Investment Advisors – Represent road Controlling authority LCLR programmes and provide feedback on these programmes to AOs ● Technical Services Team – Represents the Waka Kotahi LCLR Programme ● Activity Class Managers – Lead the prioritisation and moderation process workshop. Represent their activity class and challenge programmes and new starts within their activity class <u>Supporting Role</u> <ul style="list-style-type: none"> ● Investment assessment working group - reviews and agrees the assessment profiles and prioritises activities nationally. The working group develops recommendations for inclusion and/or funding allocations for the Waka Kotahi Board’s final approval. The group should be made up of representatives from:

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		<ul style="list-style-type: none"> ○ Transport Services - System Planning ○ Transport Services - System Management ○ Transport Services - System Design ○ Transport Services – Operational Policy, Planning & Performance ○ Corporate Support – Enterprise Change ○ Corporate Support – Investment & Finance ○ Safety Health & Environment – Road Safety and Environment and Sustainability teams <ul style="list-style-type: none"> ● External observers - For example representatives from the Transport Special Interest Group (TSIG), which is drawn from regional councils
Continuous programmes - final prioritisation and moderation	25 February 2021	Same responsibilities as the preliminary prioritisation and moderation workshop.
Reset – Setting the scene	4 March 2021	Same responsibilities as setting the scene.
Feedback final prioritisation and moderation - Continuous programme	March 2021	Same responsibilities as feedback initial prioritisation and moderation.
Feedback preliminary prioritisation and moderation - Improvement Activities	March 2021	<p><u>Lead Role</u></p> <ul style="list-style-type: none"> ● Senior Manager System Management – Regional Investment Advisors will provide feedback to Approved Organisation’s LCLR programmes ● Manager Partnership Investments – The team will provide feedback to AOs on there public transport continuous programme ● Manager Technical Services – The team will provide feedback to Waka Kotahi, as applicant, on their continuous programmes. <p>Team Lead Road Safety Partnership – The lead is responsible for providing feedback into the Road Safety Partnership Team on the Road Safety Partnership Programme.</p>
Indicative allocations for continuous & LCLR programmes	22 April 2021	<p><u>Lead Role</u></p> <p>NLTP Development Lead – The NLTP Development Team drafts the Board paper to agree the indicative allocations for the continuous & LCLR programmes</p> <p><u>Primary Roles</u></p> <ul style="list-style-type: none"> ● External Engagement & Communications Team – broad key messages from the NLTP ● Investment Assurance – Input into the development of the Board paper

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		<ul style="list-style-type: none"> • Waka Kotahi Board – Endorse the indicative allocations <u>Supporting Roles</u> <ul style="list-style-type: none"> • Chief Financial Officer – Endorse the Board paper • General Manager Corporate Support – Endorse the Board paper
Final submissions – improvement Activities	21 May 2021	Same responsibilities as initial submissions.
NLTP Audit	End of May 2021	<u>Lead Role</u> Senior Manager Risk Assurance – Risk Assurance has oversight of the NLTP development process to ensure legislative compliance and robust process has been followed to develop the NLTP
Improvement activities - final prioritisation and moderation	10 June 2021	Same responsibilities as the preliminary prioritisation and moderation workshop.
Reset – Setting the scene	17 June 2021	Same responsibilities as setting the scene.
Interim funding arrangement from 1 July until 31 August 2021	24 June 2021	<u>Same responsibilities as indicative allocations for continuous & LCLR programmes</u>
Receipt final Regional Land Transport Plans	End of June 2021	<u>Lead Role</u> RLTP Development Lead – Ensure Regional Councils are aware of RLTP deadlines and liaise with TSIG to ensure RLTPs are finalised on time and submitted into TIO. <u>Supporting Role</u> <ul style="list-style-type: none"> • TSIG – Represents regional councils. Establishes the sector’s RLTP timeline and provides a forum to meet with Waka Kotahi. • Treasury & Cashflow Team – Confirm final RLTPs have been submitted into TIO.
Optimisation	15 July 2021	<u>Lead Role</u> NLTP Development Lead - Leads the discussion on the allocations between the min/max ranges set by the GPS for each activity class. This is an outcome view to ensure we are optimising value for money. <u>Primary Role</u> <ul style="list-style-type: none"> • Activity Class Managers - Represent their activity class and provide detailed information on the programmes and new starts within their activity class • Treasury & Cashflow Team – Presents information of the cashflow between the activity classes and the overall financial position of the NLTF <u>Supporting Role</u>

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		Investment Assurance – oversight of the optimisation process.
Approved NLTP	31 August 2021	<u>Lead Role</u> NLTP Development Lead – The NLTP Development Team drafts the Board paper to adopt the NLTP <u>Primary Roles</u> <ul style="list-style-type: none"> • Risk Assurance – Endorsed NLTP audit report included with the paper to the Board • External Engagement & Communications Team – Key messages and an outline of how the NLTP will be launched • Investment Assurance – Input into the development of the Board paper • Waka Kotahi Board – Adopt the NLTP <u>Supporting Roles</u> <ul style="list-style-type: none"> • Chief Financial Officer – Endorse the Board paper • General Manager Corporate Support – Endorse the Board paper
Finalise the NLTP	September 2021	<u>Lead Role</u> NLTP Development Lead – The NLTP Development Team leads the finalisation of the NLTP <u>Supporting Role</u> <ul style="list-style-type: none"> • Treasury Cashflow Team – Allocation funding within TIO against each AO and Waka Kotahi. Update status of new improvement activities. • Enterprise Change Team – Appoint a date for when RLTPs are to be publicly released. • External Engagement & Communications Team – Finalising messaging and Facilitating the launch of the NLTP and organisation of applicant communications.

The assessment and prioritisation workstream lead will be organising a meeting with process leads (lead roles) within the moderation process. The discussion will be focused on resourcing requirements to fulfil the outlined roles.

WAKA KOTAHİ DECISIONS

Waka Kotahi needs to weigh up and prioritise competing programmes of activities because the funding pool is limited. All the work leading up to and at moderation informs these decisions. Waka Kotahi provides advice on the NLTP allocation in three stages:

- **Indicative allocations:** AOs are advised an indicative allocation for their continuous programmes prior to the adoption of the NLTP to help them finalise their long-term plans. Waka Kotahi will endeavour to provide this advice by the end of April 2021.
- **Approved allocation:** AOs receive confirmation and advice of the approved allocation when the NLTP is published.

- Communicate activities that were not included in the NLTP or those activities that were included but at a different priority order.

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