

From: s9(2)(a)
To: [Redacted]
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Cc: [Redacted]
Subject: Wellington Regional Transport Economic Case Workshop 2
Date: Tuesday, 3 May 2016 4:19:21 p.m.
Attachments: [image001.png](#)
[Agenda 4 May 2016 - Wellington Regional Transport Economic Case Workshop 2.docx](#)
[Final Presentation 4 May 2016 to Economic Case Workshop 2.pptx](#)
[Wellington Transport 4 May 2016 - Options Short List Table Workshop 2.docx](#)

Hi everyone,

Just wanting to draw to your attention the change in venue for tomorrow night is now:

**Expressions Arts and Entertainment Centre,
836 Fergusson Drive,
Upper Hutt
(next door to Council Buildings)**

We look forward to seeing you there.

Many thanks
Kind regards

s9(2)(a)

Ms s9(2)(a) | Executive Assistant to CEO & Business Support Team Leader | Local Government
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From: s9(2)(a)
Sent: Tuesday, 3 May 2016 4:02 p.m.
To: [Redacted]
s9(2)(a)

Cc: [REDACTED]

Subject: Papers for tomorrow's Wellington Regional Transport Economic Case Workshop 2

Dear workshop participants

Attached is the agenda for tomorrow evening's workshop along with the presentation and A3 detailing the potential options.

The presentation sets out the process that will be followed in the workshop. You may like to think about how you would rate the options (in terms of the Investment Objectives, and Critical Success Factors discussed last week) before we meet tomorrow.

We will be providing a light meal at 6pm, with the workshop starting at 6.30pm.

We look forward to meeting with you tomorrow.

Kind regards,

[REDACTED] s9(2)(a)

[REDACTED] s9(2)(a) | Senior Advisor | Local Government Commission

Local Government Commission

DDI [REDACTED] s9(2)(a) | Extn [REDACTED] s9(2)(a)

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AGENDA

Wellington Regional Transport Business Case Economic Case Workshop 2

6.00pm to 8.30pm
Expressions Arts and Entertainment Centre
836 Fergusson Drive, Upper Hutt
4 May 2016

- | | |
|---------|--|
| 6.00 pm | Light dinner |
| 6.30 pm | Welcome and introductions |
| 6.35 pm | Recap and update |
| 6.40 pm | Assessment process |
| 6.45 pm | Assessment of options – group discussion and report back |
| 8.05 pm | Implementation challenges |
| 8.25 pm | Close |



WELLINGTON REGIONAL TRANSPORT

Business Case

ECONOMIC CASE
WORKSHOP 2

4 May 2016

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CONTEXT

- Local Government Commission and the Wellington Regional Mayoral Forum working to identify opportunities to improve the region's transport governance and service.
- A first report, *Wellington Regional Transport: Options for Change* (prepared by Castalia) identifies problems with current arrangements and high level options for change.
- MartinJenkins, Cranleigh and TDG have been commissioned by the Local Government Commission to evaluate local government transport model options using Better Business Case methodology.
- Business case will inform public and targeted engagement.
- It will not identify a single preferred way forward.

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OBJECTIVES AND TASKS

To assess options to improve transport governance, planning and service delivery in the region using the Better Business Case Framework

Last week:

- Discussed short list options
- Agreed assessment criteria

Following our discussion some amendments have been made

This week:

- Agree assessment process
- Assess the options



AGENDA

Workshop 2: 4 May

1830	Welcome and introductions
1835	Recap and update
1840	Assessment process
1845	Assessment of options – group discussion and report back
2005	Implementation challenges
2025	Close



INVESTMENT OBJECTIVES

- *The immediate objectives of any change*

1. Improve alignment and integration

Between:

- programming and regional priorities
- programming and delivery
- across
 - local roads and state highways
 - roads and public transport
 - local and regional objectives
 - transport and land use planning

Very important

2. Build capability

To manage transport planning and service delivery – both locally and regionally

Very important



CRITICAL SUCCESS FACTORS

- *Other key factors to assess*

1. Local and regional voice *very important*

- Is sufficient and appropriate say given to local communities?

2. Effective governance *very important*

- Will governance arrangements be effective?

3. Achievability *important*

- Realistically, can we get the agreement needed across the region?
- If any legislative change is required, is it plausibly forthcoming?
- Are there any hurdles to implementation eg costs, disruption of other processes?
- Are there significant risks?

4. Long term value for money *important*

- Will decision making ensure we get value over the longer term (taking into account economic, social and environmental dimensions)?



SUMMARY OF OPTIONS

Options C and D could potentially be combined (and possibly include elements of B)

Option	Scope	Overview
A: Status Quo	Planning, technical services, service delivery	The present arrangements.
B: Non-structural measures to improve alignment	Planning	A bundle of non-structural changes to planning and coordination to improve alignment between transport activities. May require legislative change outside scope of LGC.
C: Pooled Planning Support and Traffic Management Functions and Capabilities	Technical services	Planning, management, and related information functions and analytical capabilities pooled under a shared service arrangement (or small CCO). Covers public transport and local roads.
D: Wellington Roads, Paths and Cycleways	Service delivery	CCO pools roading capability to develop, maintain and operate roads, paths and cycleways. Existing planning arrangements remain. Public transport stays with GWRC. SH could optionally be included or excluded.
E: Wellington Transport	Technical services Service delivery Planning	Single agency (a CCO) with responsibility for programming and operations for all modes in the region (local roads, public transport, walking and cycling). SH could optionally be included or excluded. An analogue of Auckland Transport but existing RTC is retained. Other modifications to take into account local context and lessons learned.

Refer to separate A3 for detailed descriptions.



DIMENSIONS OF CHANGE

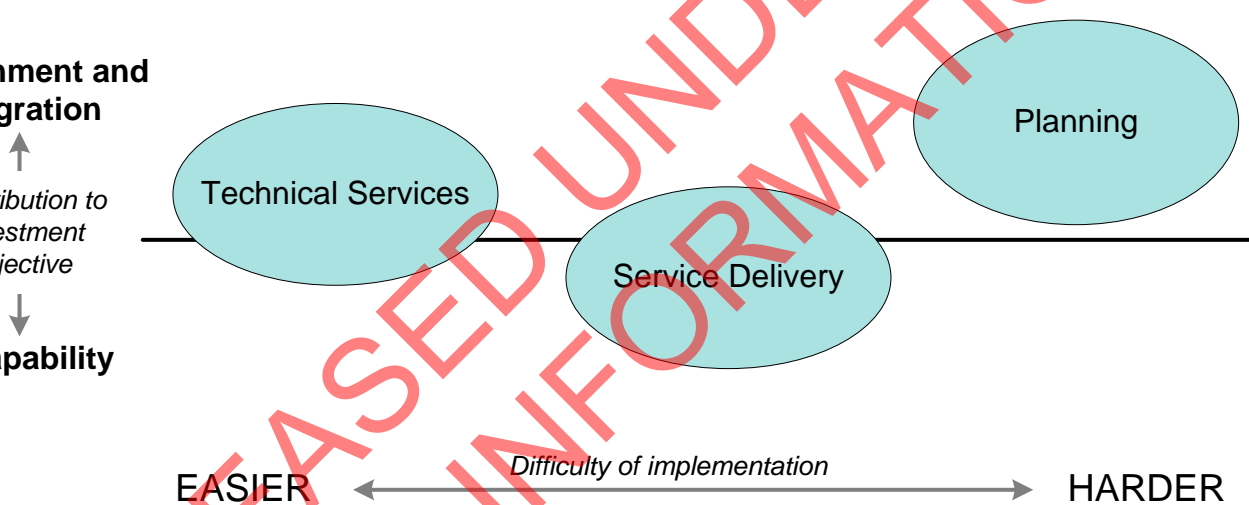
How regional consolidation across dimensions contributes to investment objectives

1: Alignment and integration



Contribution to investment objective

2: Capability



EASIER

Difficulty of implementation

HARDER



ASSESSING THE OPTIONS

Group task – refer investment objectives and critical success factors on pages 5 & 6

Break into working groups

For each option

Consider against each of the assessment criteria and rate

- 'Strongly meets criteria'
- 'Meets criteria'
- 'Neutral'
- 'Contrary to criteria'
- Note key advantages, disadvantages, risks, how to improve the option and implementation challenges
- Where there are differing views
 - Note the range of views
 - Identify factors driving the difference

Report back to plenary (briefly!)



ASSESSING THE OPTIONS - FORMAT

Group task – refer investment objectives and critical success factors on pages 5 & 6

Group X: Option Y:

I01: rating - optional note

I02: rating - optional note

CSF1: rating - optional note

CSF2: rating - optional note

CSF3: rating - optional note

CSF4: rating - optional note

Advantages: note

Disadvantages: note

Risks: note

How to improve this option: note

Implementation challenges: note



NEXT STEPS

Further inputs:

- Additional interviews
- Continue engagement with councils
- Analysis of data provided

Draft business case: 20 May

Final business case: 8 July



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**Wellington Regional Transport Business Case
Short List Options**

Draft: 2 May 2016

Table 1: Short-list of Options

Option dimension	A: Status Quo	B: Non-structural measures to improve alignment	C: Pooled Planning Support and Traffic Management Functions and Capabilities	D: Wellington Roads, Paths and Cycleways	E: Wellington Transport
Overview	The present arrangements	A bundle of non-structural changes to improve alignment between transport activities. Impacts on national frameworks and may require legislative change which may fall outside scope of LGC. Elements could potentially be combined with Options C and D	Planning, traffic and network management, and related information functions and analytical capabilities pooled under a shared service arrangement. Could potentially be combined with Option D and elements of B.	CCO pools roading capability to develop, maintain and operate roads, paths and cycleways. Existing planning arrangements remain. Focus on service delivery. Could potentially be combined with Option C and elements of B.	Single agency with responsibility for programming and operations for all modes in the region. An analogue of Auckland Transport but existing RTC is retained. Other modifications to take into account local context and lessons learned.
Institutional form	Functions distributed amongst Regional Council, Territorial Authorities and NZTA	No change	As present plus shared service arrangement hosted by GWRC Optionally a small CCO Optionally hosted by WCC	As present, plus CCO owned by Territorial Authorities	Majority of Local Authority functions transferred to CCO owned by Regional Council and Territorial Authorities
Ownership and voting rights	N/A	N/A	N/A	Territorial authorities with shareholding based on population. Majority voting with agreed extraordinary items reserved for 75% majority	GWRC: fixed percentage of shareholding to reflect public transport and regional planning role. Territorial authorities: balance of shareholding split based on population. Majority voting with agreed extraordinary items reserved for 75% majority Options to split voting and non-voting shares, with non-voting shares reflecting capital contributions
Governance	Standard local government and land transport governance arrangements	Existing governance structures	Technical oversight committee appointed by a joint committee (or council forum).	CCO governed by independent board of professional directors and transport experts. Board appointments made by a joint committee (or council forum) with one member per Territorial Authority.	CCO governed by independent board of professional directors and transport experts. Board appointments made by a joint committee (or council forum) with one member per council, one NZTA member, GWRC member, or optionally based on voting shares.
Governance: key accountability documents	RLTP Range of statutory and non-statutory local planning documents	N/A	Service level agreement	Statement of Intent RLTP Local transport plans Service level agreements	Statement of intent RLTP
Scope: Networks/Modes	All networks and modes	All networks and modes Public Transport	All networks and modes other than State Highways Public transport	Local roads, arterial roads other than State Highways, cycling/walkways Option to include State Highways	All networks and modes other than State Highways Public transport Option to include State Highways
Scope: Geography	All of region	All of region	All of region Optionally sub-set of councils	Region west of Rimutakas Option to include Wairarapa depending on outcome of Local Government Restructuring Option to include or exclude KCDC	All of region Option to exclude exclude Wairarapa roading
Planning	RLTP plus range of local and regional plans and strategies	Enhanced regional land transport plan requirements and process including some of the following: <ul style="list-style-type: none"> Including a statutory requirement in the Resource Management Act that Councils have regard to the RLTP Require that approved organisations state how their activities give effect to the RLTP 	RTC retains responsibility for RLTP RLTP includes further detail on programming and sequencing including centrally identified projects. Technical advice for Territorial Authority level Planning provided by shared service arrangement)	RTC retains responsibility for RLTP. WR provides input. TAs keep responsibilities for planning activities and participating in regional processes.	RLTP responsibility of existing RTC Wellington Transport has responsibility for Regional Public Transport Plan. Mechanisms to engage Wellington Transport in other planning exercises (e.g. economic development).



Option dimension	A: Status Quo	B: Non-structural measures to improve alignment	C: Pooled Planning Support and Traffic Management Functions and Capabilities	D: Wellington Roads, Paths and Cycleways	E: Wellington Transport
		<ul style="list-style-type: none"> Include specific programme identification as part of the RLTP More clearly connect the RLTP to other plans (eg Annual Plans and Regional plan and programming to have reference to regional spatial plan if available) 			
Funding	Rates, NLTF, service fees (eg fares)	No change to existing arrangements	<p>Funding covers planning, data and information etc, but no operations/service delivery.</p> <p>Funding formula based on size metrics (e.g. rating base, transport activity)</p>	<p>Funding covers roading, paths and cycleway services</p> <p>Budget agreed by shareholders</p> <p>Fee for service model paid by Territorial Authorities (plus NLTF funding as available)</p> <p>Commitment by councils to use new entity exclusively for all services it was established to provide.</p>	<p>Funding covers a spectrum of planning, programming, and operations.</p> <p>Budget agreed by shareholders</p> <p>Contributions by local councils uses funding formula based on size metrics (e.g. rating base, transport activity), or a targeted rate.</p> <p>Optionally fee for service model, with some cost sharing of regionally important projects</p>
Roles and functions <i>(see also table below)</i>	All land transport functions	All land transport functions Option to include greater use of mechanisms to coordinate programming and delivery between certain agencies, eg an overarching GWRC/WCC/NZTA joint committee to integrate decision-making.	<p>Planning support for RLTP</p> <p>Programme identification and advice on programming priorities and sequencing activities for RLTP</p> <p>Specialist advice to TAs on specific planning functions.</p> <p>Shared data analytics and modelling functions.</p> <p>Travel demand management function</p>	<p>All functions related to the development and management of roads, paths and cycleways including</p> <ul style="list-style-type: none"> Asset management Procurement <p>Possibly including:</p> <ul style="list-style-type: none"> Standard setting Traffic control operations Data analytics and modelling Travel demand management 	<p>Programme identification and advice on programming priorities and sequencing activities for RLTP</p> <p>Development and management of roads, paths and cycleways.</p> <p>Public transport</p> <p>Road safety</p> <p>Sustainable behaviour change</p>
Road controlling authority powers	All powers vested in TAs	No change	Delegated some road controlling authority powers	Delegate the relevant road controlling authority powers of the shareholding territorial authorities.	Delegated most or all road controlling authority powers of the shareholding territorial authorities
Asset ownership	Assets owned by local authorities and NZTA	No change	<p>May be transfer of assets related to specific technical capabilities to GWRC.</p> <p>Infrastructure still owned by local authorities</p>	<p>May be transfer of assets related to specific technical capabilities to CCO.</p> <p>Infrastructure still owned by local authorities</p>	<p>May be transfer of assets related to specific technical capabilities to CCO.</p> <p>Infrastructure and management assets potentially transferred to Wellington Transport.</p>
Implementation strategy	N/A	Changes implemented as developed, with some bundling	Phased change by function	Majority of changes in a single step on formation of CCO	<p>Majority of changes in a single step on formation of CCO</p> <p>Option to start with City Councils and bring in KCDC and Wairarapa Councils later as phased approach.</p> <p>Option for a more phased approach regarding functions</p>
Key transactions to establish	N/A	<ul style="list-style-type: none"> PMG appointed by TLAs to develop and implement improved processes. Report backs to councils with approvals as required by scope. 	<ul style="list-style-type: none"> TLAs PMG agree key terms TLAs vote then public consultation if required TLAs vote to proceed Detailed planning Unit established in GWRC or one of LTAs Advisory established board if desired SLA agreed with each TLA IP, staff and related assets (not roads) sold or lease to lead TLA. 	<ul style="list-style-type: none"> TLAs PMG agree key terms TLAs vote then public consultation TLAs vote to proceed Jnt Committee or forum established CCO entity and board formed LTAs provide establishment funding SLA agreed with each TLA IP, staff and related assets (not roads) sold to CCO in exchange for loans and shares 	<ul style="list-style-type: none"> TLAs PMG agree key terms TLAs vote then public consultation TLAs vote to proceed Jnt Committee or forum established CCO entity and board formed LTAs provide establishment funding SLA agreed with each TLA Novation of PT contracts into CCO IP, staff and related assets (not roads) sold to CCO in exchange for loans and shares

Table 2: Allocation of Functions

Function	A: Status Quo	B: Non-structural measures to improve alignment	C: Pooled Planning Support and Traffic Management Functions and Capabilities	D: Wellington Roads, Paths and Cycleways	E: Wellington Transport
Land transport planning					
Preparation of RLTP	RTC	RTC	RTC	RTC	RTC
Local transport and asset management planning	TAs	TAs	TAs	TAs	WT
Modelling	GWRC and TAs	GWRC and TAs	Shared services hosted by GWRC	GWRC and TAs	WT
Public transport*	GWRC	GWRC	GWRC	GWRC	WT
Safer roads					
Project management	TAs and NZTA	TAs and NZTA	TAs and NZTA	WR and NZTA	WT and NZTA
Contractor/consultant procurement and management	TAs and NZTA	TAs and NZTA	TAs and NZTA	WR and NZTA	WT and NZTA
Communications	TAs and NZTA	TAs and NZTA	TAs and NZTA	WR and NZTA	WR and NZTA,
Manage parking, and enforce traffic regs	TAs	TAs	TAs	WRs or TAs	WT
Manage traffic	NZTA and TAs	NZTA and TAs	Shared services hosted by GWRC	NZTA and WR	NZTA and WT
Improve environment for cycling and walking.	GWRC and TAs	GWRC and TAs	GWRC and TAs	GWRC and WR or TAs	WT
Delegated regulatory functions (eg oversize vehicles, permissions and approvals, road stopping, road encroachment)	TAs and NZTA	No	No	TAs remain road controlling authority but delegate some functions	TAs remain road controlling authority but delegate some functions
Sustainable behaviour change					
Carry out market research, including customer surveys.	GWRC and TAs	GWRC and TAs	Shared services hosted by GWRC Optional additional research by TAs	GWRC and TAs Option to delegate to WR	WT
Plan and co-ordinate transport safety activities.	GWRC and TAs	GWRC and TAs	Shared services hosted by GWRC	GWRC and TAs	WT
Educate adults and children about road safety.	GWRC and TAs	GWRC and TAs	Shared services hosted by GWRC	GWRC and TAs	WT
Develop school, community and workplace travel plans to encourage more people to catch the train, bus, ferry or walk, cycle, carpool.	GWRC and TAs	GWRC and TAs	Shared services hosted by GWRC Optional additional activities by TAs	TAs	WT

* Public transport includes:

- Identify and contract public transport services (bus, train, ferry)
- Monitor and review public transport services
- Provide information about public transport services
- Develop bus and train stations and interchanges
- Develop and maintain bus shelters and bus stops
- Manage contracts and services for school buses
- Fund concession fares and mobility services
- Fund the total mobility service and other initiatives to help people with disabilities

