



Recent Trends in Road Administration Governance and Policy Evaluation in New Zealand

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Overview

- Some context 1989 to 2007
- Policy Evaluation and Performance Management

Increasing Arms Length Governance

1989 to 2004

- Proud Roads Board history since 1954
- Boards for all land transport funding since 1989
- National Highway maintenance design and construction outsourced since 2001
- Hypothecated funding since 1996



Situation in 2003

- Inadequate progress on major metropolitan road and public transport
- Government demands priority for congestion relief
- Funding focussed on metropolitan roads/motorways
- Supplementary fuel levies for regionally important projects, particularly safety improvements
- Emerging sustainability agenda demanded a more integrated approach

2003 Land Transport Management Act

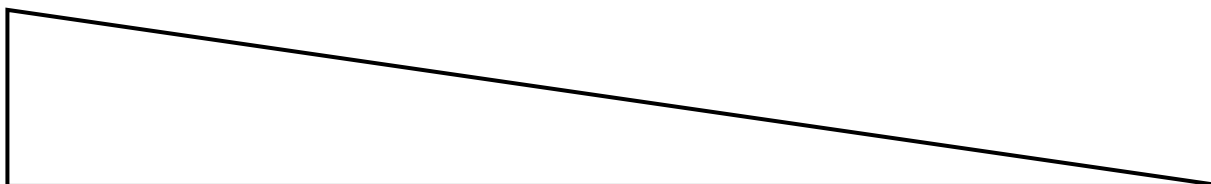
- Four principles established to require equal attention for all decisions
 - Sustainability
 - Integration
 - Safety
 - Responsiveness
- Principles apply to all project development and funding
- Arms length funding decisions by Boards retained
- Provisions for tolling and concessions included in legislation
- Requirement for 10-year Forecasts of projects and funding introduced

Implication of the Land Transport Management Act

- 10-year Forecasts highlighted funding gaps!
- Sustainability refocussed attention on land use and transport planning linkage
- Development for economic growth increasingly required to include planning and funding for long term sustainable transport systems – new roads are not to become congested!
- Accelerating public transport and road programmes create greater need for Government funding and policy decisions at the highest level
- Long term funding plans in fact generated short term ad-hoc funding pressures to maintain confidence and certainty
- Trend of increasing arms length arrangements as predicted by Talvitié of World Bank has reach end point?

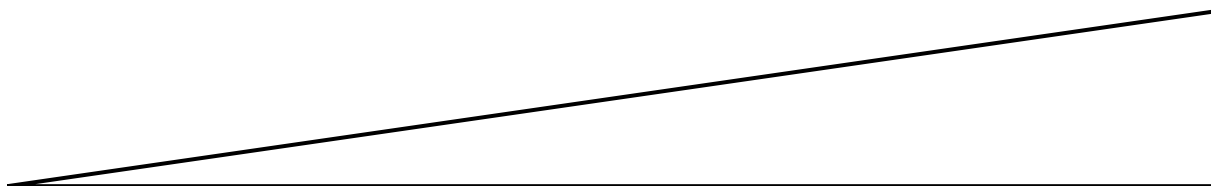
Talvitié Diagram

Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6
Public Works Department	Identify Client & Deliverer	Separate Client & Deliverer Establish Road Board	Corporatise Deliverer	Corporatise Client	Privatise Client



Decreasing Government Involvement

NZ



Increasing Arms Length

Next Steps in New Zealand 2007

- All fuel and heavy vehicle tax funding being hypothecated
- New three-yearly Government Policy Statement to guide arms length funding decisions
- Strong regional input to project funding decisions
- Continued strengthening of arms length governance model but not moving to right of Talvitié and in fact we have returned a little



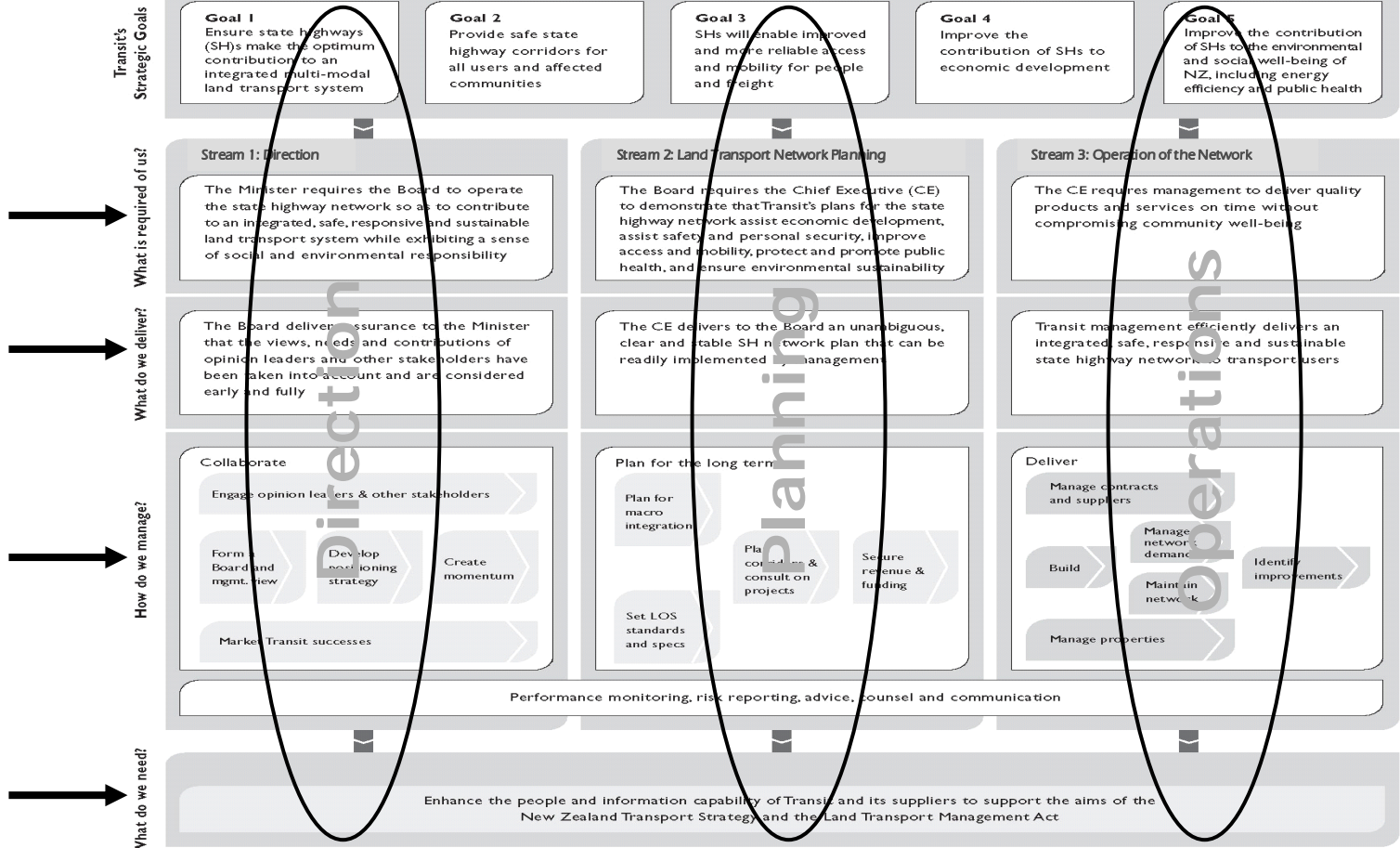
Policy Evaluation and Performance Management

- Needed a simple way to tell our story, evaluate policy and measure performance
- Balanced score card ideas translated to a One Page Strategy for a Road Administration
- Financial Ownership Perspective = What is required of us
- Customer Perspective = What do we deliver
- Process = How do we manage
- People = People and improvements

Strategy Map – Our Story

TRANSIT NEW ZEALAND - THE ONE PAGE STRATEGY

Balanced Scorecard



Objectives and Measures

- Each strategy map entry has objectives and measures
- Objectives and measures are key tools for evaluation of policy goals
- Measures from upper levels are now in Transit Board accountability contract with Government
- Government uses measures to evaluate policy and performance respectively
- Measures flow down to divisions and then individuals
- Quarterly measurement and reporting at management, Board and Government levels respectively are fully integrated

Sample Evaluation Measures

Stakeholder satisfaction with Transit's responsiveness

Impact	Objective
The change in level of satisfaction with Transit's responsiveness to external views, needs and contributions will be assessed through regular canvassing of stakeholder experience with Transit	To maintain the satisfaction levels with Transit's responsiveness to external views, needs and contributions, of stakeholders and others with whom Transit consults, to >70%.

Sample Evaluation Measures *(continued)*

Alignment of state highway network plan (Outcome 1)

Impact	Objective
The change in the degree of alignment between the state highway network plan and macro planning of land use, demand management, network and corridors as a result of collaboration with local authorities and other transport sector members.	Increasing Transit's contribution to transport sector objectives by achieving 85% alignment between Transit's 10-year State Highway Forecast and regional land transport strategies, regional and local growth strategies, and long term council and community plans (by 2010)

Sample Performance Measures *(continued)*

Fatal accidents on state highways

Impact	Objective
<p>The number of fatal accidents on state highways will reflect the safety mitigation activities undertaken by Transit, as well as the actions of other agencies and road users. By working in collaboration with other transport agencies in the wider sector, Transit will positively influence the road toll.</p>	<p>By applying the principles of the "3Es" (engineering, enforcement and education) – particularly engineering and education – to road planning and management, Transit will contribute to reducing the number of deaths by accident on state highways to <200 per annum by the end of 2007/08.</p>

Sample Performance Measures *(continued)*

Proportion of capital projects completed within expected cost and time parameters (Part A)

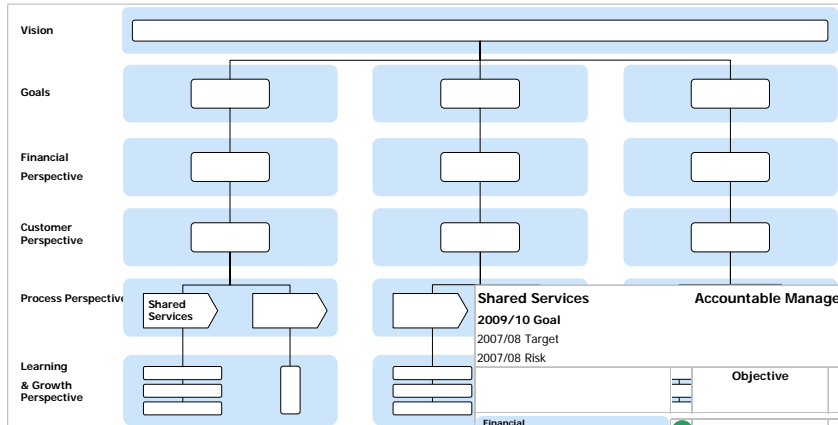
Impact	Objective
Timeliness Achievement of the NLTS goals through the timely delivery of capital projects	Managing the deliverables with the five-year State Highway portfolio, so that the majority are delivered by the 2011 planning target. The target is 96% achievement.

Sample Performance Measures *(continued)*

Proportion of capital projects completed within expected cost and time parameters (Part B)

Impact	Objective
Budget Demonstrating efficient use of Government expenditure	Ensuring all deliverables are achieved at a cost equal to or less than the budget set for the five year State Highway portfolio. The target is a budget to cost ratio of = or < 1.0.

Results expected of staff are cascaded throughout the organisation to maximise everyone's contribution



Transit 1 page Strategy

Division Sheet

INFORMATION

PEOPLE

ICCE

Shared Services		Accountable Manager					
2009/10 Goal		Objective	Measure	Target Q1 Jul - Sep	Target Q2 Oct-Dec	Target Q3 Jan-Mar	Target Q4 Apr-Jun
Financial	A						
Customer	B						
Process	C						
L&G	D						
	E						

Procurement		Accountable Manager					
Transaction Processing		Objective	Measure	Target Q2 Oct-Dec	Actual Q2 Oct-Dec	Variance	Reason & corrective action
Financial	A						
Customer	B						
Process	C						
L&G	D						
	E						

Staff Results Sheet

ICCE is Innovation + Communication + Co-operation = Excellence

23e Congrès mondial de la Route - Paris 2007

Reporting of Measures

Traffic light colours indicate performance monthly and quarterly

Report	Objective	Measure	Target	Actual	Variance	
			Q4 Apr-Jun	Q4 Apr-Jun	Reason and Corrective Action	
<p>What is required?</p> <p>A Operation of the Network The CE requires Management to deliver quality products and services on time without compromising community wellbeing</p> <p>What do we deliver?</p> <p>B Transit Management efficiently delivers an integrated, safe, responsive and sustainable SH network to transport users</p> <p>How do we manage?</p> <p>C Deliver Capital</p> <p>Manage contracts and suppliers</p> <p>Build</p> <p>Manage properties</p> <p>What do we need?</p> <p>E Enhance the people and information capability of transit and its suppliers to support the aims of New Zealand Transport Strategy and the Land Transport Management Act</p>	<p>A</p> <p>All large projects listed in Transit's performance agreement are on time and to budget without compromising community wellbeing</p>	Proportion of key projects agreed by the Board that are on time and to budget	90%		Measure to be removed for 07/08	
		% compliance with legislation, legislative instruments and external policy requirements	100% compliance	1-3 incidents with immediate corrective actions scheduled	Colour to be Yellow because of the minor nature of the 6 minor incidents. See attached for breakdown	
	<p>B</p> <p>To ensure the industry has the capability to deliver the 3-year work programme</p>	ACENZ and Contractors Federation assurance on 3 year capability	Programme integrated			Measure to be removed for 07/08
		Network Operations acceptance without rework	100%	Yellow	Rework required on two completed projects	
	<p>C</p> <p>All projects delivered to standard, on time and to budget</p>	Number of large design starts (Shauna/Sue)	4	+/- 3 month	<p>We should have 4 contract awards in Q4:-</p> <ul style="list-style-type: none"> * Ngaruawahia Bypass(May) - Delayed until 07/08 4 Awards was the Target for Q4: * Ararua Bridge & Cambridge Bypass have been awarded * ETA no longer part of TNZ's portfolio 	
		Block construction run rate variance (Chris Y/Damien)	+/-5%	+/-15%	Spent \$55.6M vs Allocation of \$64.5M (86%) 212 Phase completions vs Budget of 267 (80%)	
		Number of new construction starts started as planned for large projects (Shauna/Sue)	4	+ 1.5 month	<p>We should have 4 Contract Award in Q4:-</p> <ul style="list-style-type: none"> * Harbour Link Stg 2 - Awarded early Other Q4 Targets include: * Toll Systems Project (Apr) - (now approved) * Hobsonville Deviation (Apr) - Funding has been approved - 07/08 Award * AHB Storm Water Upgrade (Oct) - Awarded to Total Bridge Solutions 	



Merci Beaucoup

