



Subject	Amendment 2 to the NZTA's <i>Economic evaluation manual – Volume 1</i>
Circulation	All registered holders of the <i>Economic evaluation manual – Volume 1</i>
Circulated by	Ian Melsom – Manager Assessment and Forecasting
Effective date	1 September 2008
Date of issue	10 September 2008

Purpose

To issue Amendment No 2 to the *Economic evaluation manual – Volume 1* (EEM1) that effective from 1 September 2008 and is to be used for activities submitted to the 2008/09 National Land Transport Programme (NLTP) and future programmes.

Key changes in the manual

The key changes to the EEM1 are:

- reducing the discount rate from 10 to 8 percent
- extending the analysis period from 25 to 30 years
- updating the vehicle operating costs to July 2008 values
- provision for travel time equity values for people changing to active and shared modes
- revised cost limits for simplified procedures
- revised accident analysis methods for sealing unsealed roads
- guidance on the estimation of agglomeration benefits
- revised guidance on the evaluation of induced traffic effects
- revised guidance on non-standard traffic growth rates
- update factors to bring parameter values up to July 2008 dollars

Release of Amendment No. 2

Electronic copies of the amended manual can now be accessed electronically on the NZTA's website:

<http://www.landtransport.govt.nz/funding/manuals.html>

Hard copies of Amendment No. 2 will be distributed to all registered holders of the EEM1. Additional copies of Amendment No. 2 can either be printed from the website or can be obtained by placing an order with the NZTA using the form on the NZTA's website: <http://www.nzta.govt.nz/publications/index.html>

Economic evaluation software

Software is being updated. In the interim, the existing EEM software (Version 5.1.4 corresponding to EEM amendment 1) can be used by utilising the update factors in appendix A13 of Amendment No 2.

Your actions

Insert the pages from Amendment No 2 into the *Economic evaluation manual – volume 1* as outlined in the Amendment Table, and discard the old pages.

If you have any enquiries about the content of the manual, please direct your correspondence to eem@landtransport.govt.nz