

Subject	Technical update to the Waka Kotahi Monetised Benefits and Costs Manual
Circulation	All registered holders of the Monetised Benefits and Cost Manual Local Authorities Local Government New Zealand ACENZ
Circulated by	Kevin Wright, Senior Manager Investment Assurance, Investment and Finance
Effective date	1 July 2020
Date of issue	18 February 2021

Purpose

To issue the 2020 update factors to the *Monetised Benefits and Costs Manual and for business cases that commenced prior to 31 August 2020 the Economic Evaluation Manual*, effective from 1 July 2020.

The update factors ensure that the base values of Costs and Benefits are adjusted to reflect annual Consumer Price Index and other index changes. These factors are an input into the benefit cost ratio calculations of both the simplified and full procedures.

This technical update to the manual is to be used for new activities seeking funding approval and requiring economic evaluation assessment for the remainder of the 2018-21 National Land Transport Programme and future National Land Transport Programmes.

Update factors - effective immediately

Factors for updating costs and benefits to the current financial year are calculated annually and are based on officially published consumer price indices, producer price indices, value of statistical life and social costs of road crashes. The update factors to July 2020 values are now available on our website and are required to be used for any analysis having a base date of 1 July 2020.

See the table reflecting these changes -<https://nzta.govt.nz/assets/resources/monetised-benefits-and-costs-manual/update-factors.pdf>

Update factors for 2021/22 are expected to be published around December 2021.

How to apply the update factors

The full procedures within the MBCM and the worksheets within the simplified procedures contain instructions for how and when to apply the update factors.

You need only refer to the latest published update factors. You're not required to make changes to the existing procedures in order to use the update factors correctly. The simplified procedures have an editable field to enter the latest update factors, providing an automatic calculation.

The changes in this update are not significant or policy related, so if you have already started a monetised costs and benefits assessment, simply update your assessment as appropriate with the revised update factors.

If you'd like more assistance with an assessment already underway, please contact your local Waka Kotahi investment advisor to determine how best to advance your application.

A handwritten signature in blue ink that reads "K. Wright".

Kevin Wright
Senior Manager Investment Assurance, Investment and Finance