

Subject	Updates for 2024 to the NZ Transport Agency Waka Kotahi Monetised Benefits and Costs Manual, plus update factors for costs and benefits to adjust to 2023 base values
Circulation	All registered holders of the Monetised Benefits and Costs Manual All approved organisations and local authorities Local Government New Zealand Association of Consulting Engineers New Zealand (ACENZ)
Circulated by	Kevin Wright, Senior Manager Investment Assurance, Commercial and Corporate, NZ Transport Agency Waka Kotahi
Effective date	31 May 2024 for version 1.7 of the Monetised Benefits and Costs Manual 2024 1 July 2023 for the 2023 update factors
Date of issue	30 May 2024

Purpose

The purpose of this general circular is to:

- issue updates to the [Monetised Benefits and Costs Manual](#) (MBCM), effective from 31 May 2024
- issue [update factors](#) for the costs and benefits included in the MBCM, effective from 1 July 2023.

These updates to the MBCM are to be used for new activities submitted for funding consideration for the 2024–27 National Land Transport Programme and for activities submitted for funding consideration in future National Land Transport Programmes. The MBCM version 1.7 update can also be used for any activities submitted for funding consideration for the remainder of the 2021–24 NLTP.

The update factors are provided to convert the economic costs and benefits of transport activities into 2023 base year values.

Updates to the MBCM

Version 1.7 of the MBCM includes a range of updates and improvements that are outlined in the table below. These updates include changes to the crash costs tables as a result of using the latest recent crash data and crash trends, new information on analysis of transport resilience impacts, updated shadow price of carbon, and improved information on use of residual values. Simplified procedures SP3, SP4, SP5, SP6, and SP11 have been updated to give effect to the changes in crash costs, and other improvements made to the text of the MBCM for readability, clarity and more up-to-date information.

Table of updates to the Monetised Benefits and Costs Manual

Updates and page location in MBCM	Detail of the updates
Pages 21 to 22: Clarification of the costs to include in the BCR	Clarification is provided on the range of costs that should be included in BCR calculations.
Pages 57 to 60: Updates for the assessment of transport emissions and values for carbon: (a) greenhouse gas emissions and climate change tools (b) values for carbon	a) Improved advice on the assessment of CO2 emissions including the use of the VEPM and PEET tools, and b) The shadow price of carbon has been updated to 2023 values to reflect the NZ Treasury's recent updates together with projected costs of carbon out to 2070.
Pages 104 to 109, 146, and 424 to 428: Benefits of transport resilience	New information on the estimation of resilience impacts, including new worked examples in the appendices.
Pages 114 to 115: Updated simplified procedures SP3, SP4, SP5, SP6 and SP11 to account for updated crash costs and the new methodology for adjusting for mean speeds	Simplified procedures SP3, SP4, SP5, SP6 and SP11 have been updated to give effect to the crash cost changes and the new procedure for adjusting costs for mean speeds. The updated simplified procedures are available on the NZTA website as downloadable Excel spreadsheets.
Page 149: Updated advice on inclusion of residual values in the BCR	Clarification and new advice is provided on the inclusion of residual values in BCR calculations.
Pages 289 to 290: New advice on adjusting crash costs to reflect differences in mean speeds	New procedure for adjusting crash costs to reflect differences in mean traffic speeds in the crash analysis methodologies.
Pages 290 to 302: Updated crash cost tables A23 to A44	Updated costs of crashes to reflect the most recent crash data and crash trends from the CAS databases.
Pages 415 to 427: Worked examples in Appendix 8	Some of the worked examples have been amended and/or new worked examples provided for vehicle emissions, traffic congestion, and transport resilience to give effect to the changes in this update.
Update factors	The update factors to update costs and benefits to 2023 values are issued at the same time as this version 1.7 of the MBCM. The update factors are not included within the MBCM, but rather they are provided on the same NZTA webpage as the MBCM.
Updated crash cost savings worksheet	In line with the changes to crash costs and treatment of costs to reflect mean speeds, the crash analysis worksheet has been updated. This worksheet is not part of the MBCM but is used in association with the MBCM to calculate crash costs. It is available as a download on the MBCM webpage.
Updated Crash Estimation Compendium	The Crash Estimation Compendium (CEC) is used in combination with the MBCM to assist with the calculation of crash costs. The CEC is not part of the MBCM, but it is available as a download on the MBCM webpage. Note: the updated version of the CEC will be released in June 2024.

Update factors

Factors for updating the costs and benefits to a new base year are calculated annually and are based on Statistics NZ published information including the consumers price indices and producer price indices, plus information from the Ministry of Transport – Te Manatū Waka, on the social costs of road crashes. The update factors to calculate July 2023 base year values are available on the NZTA website.

(Refer: <https://nzta.govt.nz/assets/resources/monetised-benefits-and-costs-manual/MBCM-update-factors.pdf>).

Using 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. If you would like assistance with updating assessments already underway, please contact your local NZTA Investment Advisor to determine how best to complete these calculations.

Application to economic calculations in progress

If a calculation of a benefit cost ratio for an economic case (as part of the business case) is not started before 31 May 2024, then this version 1.7 update to the MBCM should be used.

If an economic case for an activity has already been completed or partly completed as part of a business case, then there is no requirement for an Approved Organisation or NZTA (for its own activities) to redo the economic calculations. However, if an Approved Organisation or NZTA (for its own activities) considers that the use of the latest information in version 1.7 of the manual could impact the option selection process, then they are free to recalculate the economic case and demonstrate any change in their option selection choice.

If you have any questions about the application of these updates or would like to discuss their application with an Investment Advisor, please send us an email to MBCM@nzta.govt.nz.

Webinar on MBCM update

A webinar has been arranged for 3 July at 11.00 am to present the changes contained in the updated MBCM version 1.7. Please use the following link to join this event: [MBCM Webinar 3 July 2024](#).

Approved for release

This MBCM update version 1.7 is approved for release by Kevin Wright, Senior Manager Investment Assurance, Commercial and Corporate, NZ Transport Agency Waka Kotahi.