1. WHAT IS THE ECONOMIC EVALUATION MANUAL?

The NZ Transport Agency’s Economic evaluation manual (EEM) is the national standard for evaluating the economic efficiency of transport activities. The EEM sets out procedures and values used to calculate the benefits and costs associated with investments in the transport system. The manual also contains a set of worksheets to perform the necessary calculations.

2. HOW SHOULD THE UPDATED EEM BE USED FOR FUNDING APPLICATIONS?

The updated manual, effective from 1 December 2017, (amendment 2 to the first edition, published November 2013), its accompanying documentation and revised worksheets, as detailed below, should be used for all improvement activities seeking funding support for the remainder of the 2015-18 National Land Transport Programme (NLTP) and future NLTPs.

As the changes related to this update are not significant or policy related, if an economic evaluation assessment has already been initiated beyond an indicative assessment we advise to simply update your assessment as appropriate with the revised procedures and/or update factors.

Should the above advice prove problematic for an evaluation already underway, please discuss further with your local Transport Agency representative a recommended approach to advance your application forward.

3. WHAT’S DIFFERENT ABOUT THE UPDATED EEM?

This technical update of the EEM (amendment 2 to the first edition) has the following changes:

<table>
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<th>CHANGES TO THE MANUAL</th>
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<td><strong>Safety:</strong></td>
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<tr>
<td>- Added new urban and rural priority T intersection models and updated crash rates for high volume and motorways and expressways.</td>
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<td>- Added new crash severity factors by crash type and ONRC classification.</td>
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<td>- Clarified Do minimum definition for speed management activities.</td>
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- **Public transport:**
  - Introduced new values of elasticities applicable for public transport travel based on recent research initiated and completed for the Transport Agency.
  - Includes public transport direct (own mode) elasticities, ie the effects on public transport system demand of changes in public transport attributes.
  - Includes cross modal demand effects (diversion rates) resulting from changes in system attributes for non-public transport modes, eg changes in demand resulting from fuel price or parking charges.

- **Environment:**
  - Update to vehicle emission tables based on latest emissions data using the Transport Agency’s Vehicle emission prediction model (VEPM). Tables provide default emissions factors for all speeds up to 110km/h, light and heavy duty vehicles and different gradients.

- **Resilience:**
  - Highlighting existing procedures that can be used to evaluate resilience activities which align to our strategic risk based approach for this activity. Reference to Transport Agency recent research report added including resilience working definition. Guidance on the quantification of resilience benefits provided and cross referenced to A13.12 example of risk analysis of a bridge subject to earthquake risk.

- **Intelligent transport systems (ITS):**
  - Highlighting existing procedures that can be used to evaluate ITS activities. Types of benefits arising from ITS identified. Reference to Transport Agency research on identifying ITS benefits. Transport demand management evaluation procedures and travel change behaviours identified as potential evaluation procedures applicable to quantifying ITS benefits.
Updated simplified procedures and online worksheets

As part of this release, key improvements to the existing simplified procedure Excel spreadsheets include:

- **Navigation page:**
  - A front end navigation page to help steer practitioners has been introduced across commonly used simplified procedures.

- **Additional help text:**
  - Guidance notes to make key, commonly used Simplified Procedures easier to use.

- **Correction of errors:**
  - Minor corrections and enhancements identified by our technicians and users of the manual.

Links for these spreadsheets are available on the EEM page of the Transport Agency [website](#).

All applications applying simplified procedures seeking funding approval must now use these spreadsheets for benefit cost calculations.

For **full procedure assessment**, worksheets are currently available in Word format, again accessible via the Transport Agency website.

**Update factors:**

These reside outside of the manual and are updated annually via the latest adjustments to the consumer price index. These have been updated for 2017 via the following link:

[Update factors for 2017](#)

4. **HOW ELSE CAN I FIND OUT, OR WHO SHOULD I ASK ABOUT THE EEM UPDATE?**

- You can ask your local Transport Agency representative from our Systems, Design and Delivery team.

- You can send questions, or feedback about this update directly to the EEM review project team via our [website](#), or email the review team at eem@nzta.govt.nz

5. **HOW WILL I KNOW OF FUTURE EEM UPDATES OR REVIEWS?**

We have a list of registered users that we email whenever there are significant changes to the EEM. You can email us at eem@nzta.govt.nz if you or your colleagues want to be added to our list of registered users.

6. **WHAT’S NEXT FOR THE DEVELOPMENT OF THE EEM?**

In recent years the agency has adopted a staged approach to updates of the EEM including regular technical updates of the EEM such as this. This is to ensure that both routine updates and updates arising from research findings endorsed by the Agency are incorporated in the manual as soon as it is possible to do so.

A more substantive update of the EEM is possible in the next review. Should this occur, industry consultation will be undertaken for significant style and format changes or for specific focus areas requiring policy changes.