

Subject	Update to the <i>Monetised benefits and costs manual (MBCM)</i> – June 2021 version
Circulation	All registered holders of the <i>Monetised benefits and costs manual</i> Local authorities Local Government New Zealand ACENZ
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Effective date	1 July 2021
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Purpose

To issue the 2021 benefits and costs update factors to be included in the *Monetised Benefits and Costs Manual (MBCM)*, which will be effective from 1 July 2021.

[Monetised Benefits and Costs Manual](#)

The update factors ensure that the base values of the costs and benefits contained in the MBCM are adjusted to reflect annual Consumer Price Index and other Statistics Dept 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 2021-24 National Land Transport Programme and future National Land Transport Programmes.

Update factors

Factors for updating the 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 2021 values are now available on our website and are required to be used for any analysis having a base date of 1 July 2021.

See the tables reflecting these changes:

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

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 latest update factors. 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.

Update factors 2021

A12.2 Update factors for construction and maintenance costs

Cost update factors

The factors for updating construction and maintenance cost estimates prepared in earlier years are:	
Table A12.1: Cost update factors	
Calendar year in which estimate prepared	Factor to adjust to July 2021
2013	1.17
2014	1.15
2015	1.14
2016	1.14
2017	1.11
2018	1.09
2019	1.06
2020	1.04

A12.3 Update factors for benefits

Benefit update factors

The factors for updating the benefit values in this manual are:		
Table A12.2: Benefit update factors		
Variable	Base Date	Factor to adjust to July 2021
Travel time cost savings ^{TT}	July 2002	1.59
Vehicle operating cost savings ^{VOC}	July 2015	1.15
Crash cost savings ^{ACC}	July 2015	1.10
Comfort benefits ^{CB}	July 2002	1.59
Driver frustration ^{DF}	July 2002	1.59
Passenger transport user benefits ^{PT}	July 2008	1.28
Walking and cycling benefits ^{WCB}	July 2018	1.06
Travel behaviour change benefits ^{TBhC}	July 2008	1.28
Emission reduction benefits	July 2015	1.15

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