2. REVIEW OF TRANSFUND'S PROJECT EVALUATION BENEFIT VALUES

RR 11127

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Corporate Plan Output: Planning, 9.5.5	

The purpose of this report is to inform the Council of Transfund's proposed review and to agree on a response.

BACKGROUND

The attached letter dated 15 October sets out the background to the review. Essentially, the letter notes that:

- The 1997/98 review confirmed that Benefit Cost analysis was the "optimal" system.
- There was now a need to consider the users' perspective and the things users value the most, for example trip reliability and perceived safety – the review will include a survey of users.
- The review will include a round of consultation with local authorities and other stakeholders, with the outcomes reported to Transfund in May 2000 for inclusion into the 2001/02 National Roading Programme.

Comments are sought on the review.

COMMENTS

The proposed review should be supported. In particular, any move to widen the decision making process beyond a strict application of Benefit Cost towards the users' willingness to pay for improvements is worthwhile.

However, the "key benefit items" referred to in Stage 1 need to be widened beyond economic evaluation, transport modelling and market research. In particular, social and environmental impacts should be incorporated in the project evaluation review framework. The investment evaluation criteria should not only capture the benefits accruing to road users but also account for the costs of mitigating significant effects.

It should also be noted that Christchurch is working closely with Transit New Zealand on a number of key network development projects, each of which have major strategic and long term significance to the city. The Council should be addressing these plans with Transfund so that the city's long term transport objectives can be met with a proper balance of funding being provided by road users. The current review provides an opportunity to address this issue.

CONCLUSION

The Council should support the proposed review and seek to ensure that the process will assist the city to achieve its long term roading and transportation objectives to the principles contained in the Metropolitan Christchurch Transport Plan and the standards in the City Plan.

Recommendation: That the above comments be incorporated in a written response to Transfund.