



NZ TRANSPORT AGENCY

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Dear Cameron,

I refer to your letter of 31st March where you requested, under section 12 of Official Information Act 1982, information in the following areas:

1. Roads of National Significance (RoNS), and specifically their benefit cost ratios (BCR's),
2. BCRs for the tunnelled and non-tunnelled options of the Waterview extension (SH20)
3. NZTA forecasts for future petrol and diesel prices.

I will address each of these points in turn:

1. The concept of the RoNS is a new initiative that formed part of the incoming Government's transport policy in November 2008. Each of the RoNS includes a number of existing projects which are either identified as future projects, or are currently under development. At the present time, each project included within each of the RoNS has its own BCR calculated at a project level. The BCR is one of several factors considered by the NZTA when deciding on a project.

To give effect to the new approach, we are currently preparing an assessment of each of the RoNS, which will include calculating a BCR for the entire length of road. This 'corridor BCR' allows for greater consideration of the wider economic benefits associated with the route. Furthermore, it is an approach that ensures a more consistent level of service or experience at project completion.

Once these 'corridor BCRs' are established, they will be considered by the NZ Transport Agency (NZTA) as part of the assessment. This assessment will also consider how well the approach aligns with government and NZ Transport Strategy objectives, as well as the economic efficiency of the potential solution as determined by the BCR.

The assessment will take several months to complete for all seven of the RoNS.

At this time we would only be able to provide you with the BCRs of the component projects that make up each of the RoNS. Until the assessments are complete, BCRs for the entire length of each of the RoNS will not be available.

2. With regards to your request for the BCR for the various options on the Waterview extension, at this stage we only have available a BCR for the tunnelled option. This has been calculated as 1.15, supporting information is available within the Treasury / MoT Report: Business case for the Waterview Connection report available at www.transport.govt.nz.

While we are currently developing advice to the Minister on alternative options to a tunnel on Waterview, this work is not yet sufficiently advanced to determine a BCR.

3. With respect to your request for the NZTA's forecasts for petrol and diesel prices, please be aware that the NZTA does not produce its own forecasts of petrol and diesel prices and relies on forecasts produced by Treasury. These are available at www.treasury.govt.nz/budget/forecasts.

Yours sincerely

Deryk Whyte
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