

Appendix 5 Cost-benefit Analysis Assumptions

Assumption	Source
Discount rate at 4%	Department of Finance circular, May 2007
A thirty-year appraisal period	'Cost-Benefit Parameters and Application Rules for Transport Project Appraisal' (Goodbody Economic Consultants, 2004)
All costs and benefits are discounted to 2002	Goodbody Economic Consultants (2004)
Inflation	
Background: 2.35% ¹	RPA
Construction: 5%	RPA
Land: 7.5%	RPA
Machinery: 2.5%	RPA
Operating and Maintenance: 3.36%	RPA
Real GNP Growth	
2000 – 2002: 6.23%	2000-2002: from CSO data
2002 – 2010: 2.7%	2002-2016 estimates from Goodbody Economic Consultants (2004)
2011 – 2015: 2.37%	
2016+: 2.29%	
Weighted-average value of time	
Value of work time = €26.5 per person per hour	The values of time are taken from Goodbody Economic Consultants (2004) and weighted using the journey-purpose splits from RPA (2004).
<u>Value of non-work time</u>	
Commuting time = €8.1 per person per hour	
Non-commuting time = €7.3 per person per hour	

¹ Extrapolated from ESRI Medium Term Review 2003-2010

Demand build-up

2015	80%
2016	85%
2017	90%
2018+	100%

Working assumptions