

Limerick – Galway Revised CBA.

The March 2006 CBA has been revised to take account of a number of developments since then.

Key Differences.

Discount Rate: As recommended by the DoF a 4% test discount rate is applied rather than the 5% previously applied.

Capital Cost: Infrastructure capital cost is unchanged but VAT has been excluded and the phasing reflects the current approved programme.

Rolling Stock: A provision has now been made for additional / replaced rolling stock in 2017-18.

Operating Cost: The 2008 operating cost estimate is unchanged but this has been inflated going forward by the recommended DoT rates rather than 1.5% per annum.

Demand Forecast: The original demand forecast for the first five years is retained. However this is increased thereafter by 2.5% pa up to 2020 in line with projected population increases and 1.5% pa thereafter. This assumes a concentration of population within the rail catchment.

Decongestion: No provision was included for this in the earlier analysis. The Goodbody methodology applied to the Navan project has now been adopted.

Parameter Values: Market prices were used for the earlier analysis. Factor costs have been used in this analysis.

Sensitivity Tests.

A number of sensitivity tests were undertaken in order to identify a break even point under the revised set of assumptions. One such scenario includes:-

- o 200% increase in annual patronage from year 1, plus
- o 50% increase in rail passenger journey time savings, plus
- o 10% increase in modal transfer.

Key Conclusion.

The key issue will be the ability of the service to generate patronage in the context of a much improved road network and increasing bus competition.

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