

# Present value of \$100 at different discount rates

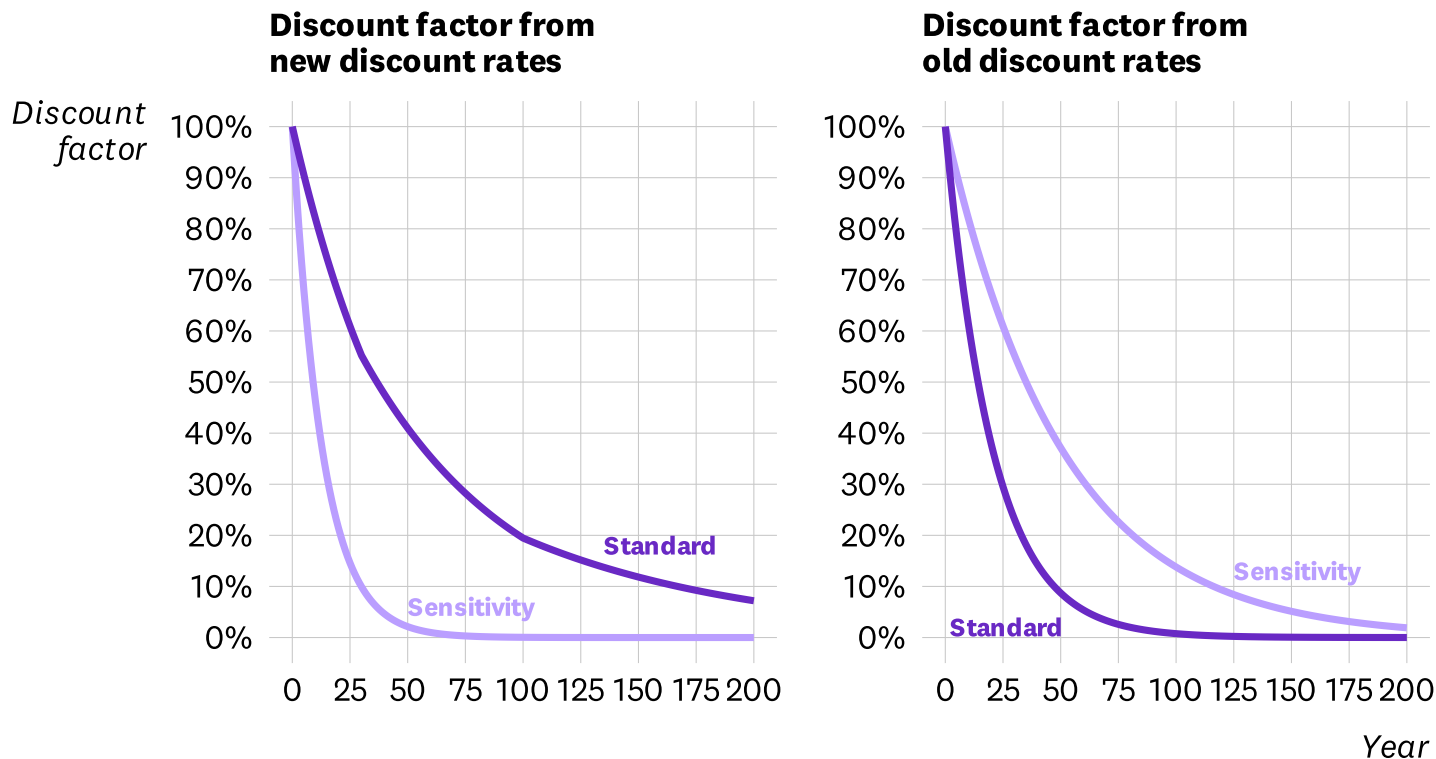
**The present value attached to future benefits and costs declines exponentially with both time and the discount rate**

Value that is ignored  
Value that is counted



# Updated public sector discount rates for New Zealand

**New standard discount rates for non-commercial projects are substantially lower, but a sensitivity test at a higher rate is also required**



**New discount rates:** 2.0% for years 1-30, 1.5% for years 31-100, 1.0% for years 101 onwards, with an 8.0% sensitivity test.

**Old discount rates:** 5.0% for all years, with a 2.0% sensitivity test.