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## **Report 01.490**

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Report to the Passenger Transport Committee  
By Dr D J Watson, Divisional Manager Transport

## **Lambton Bus/Rail Interchange**

### **1. Purpose**

To keep the Committee informed of progress on the construction of the Lambton Bus/Rail Interchange. To advise the Committee of the funding arrangements for the project.

### **2. Background**

The 29 May 2001 Policy and Financial Committee Report 01.324 "Wellington Lambton Interchange" was the last update on the project.

### **3. Recent Progress**

#### **i) The Project**

**Attachment 1** is a copy of the latest Lambton Interchange report to the Wellington City Council Transport and Infrastructure Committee.

## ii) **The Funding**

**Attachment 2** is a copy of a letter addressed to both the City and Regional Councils, detailing the decision of the Transfund New Zealand Board, regarding the ATR application, made at their meeting on 21 June 2001.

Committee members should note that this funding relates only to the station forecourt/Bunny Street, pedestrian subway and bus terminal elements of the project, total cost \$8,060,000. The pedestrian canopies and the bus priority elements have been applied for as a Kick Start project and a local roading project. These elements of the project will only proceed if the Transfund funding is forthcoming.

## 4. **Comment**

The Transfund New Zealand Board does not allow double-dipping, that is, the funding they provide should purchase the road user benefits provided by the project once only. The Patronage Funding Scheme if applied to the additional passengers the project is estimated to attract would contravene that policy. To overcome this difficulty I agreed (**attachment 3**) that the patronage growth that the project actually generates will need to be captured separately from growth due to other initiatives, such as Kick Start projects, and the funding generated by that growth, upto a figure of \$2.738 million in present value terms, would not be claimed. Transfund staff have suggested that my letter is insufficient for them to release the capital funding to Wellington City.

If the pedestrian canopies do quantify as Kick-Start projects, all indications are that they will, then they will attract Kick-Start funding of some \$1.3 million and any future patronage growth will also attract Transfund funding. This will be a somewhat bizarre outcome.

If the project had been funded prior to the advent of the patronage funding scheme it would have attracted more Transfund support overall than now appears to be the case with the patronage scheme in place. This seems to be an unexpected consequence of a government policy designed to encourage passenger transport patronage growth. Similar concerns are being expressed in Auckland over the funding of the Britomart project. All parties expect government will make changes within the next twelve months that will change the method of funding for public transport infrastructure projects. Transfund offices suggest that the Council should agree to the present proposed arrangements on the basis that they will be reviewed once government policy changes. Whatever is the finally agreed process should apply across the country. Auckland, Hamilton and Wellington should have their interchanges funded under the same rules. Transfund should call all these parties together to resolve this issue. At the time of writing Transfund offices were reluctant to do this.

## 5. **Communication**

There is nothing to be communicated at this time.

## 6. **Recommendation**

1. *That this report be received.*
2. *That the Transfund Board be asked to reconsider its decision to require the Regional Council to forgo \$2.378 million of future patronage growth funding resulting from construction of the Lambton Bus/Rail Interchange.*

Report prepared by:

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Attachment 1: Lambton Interchange report to the Wellington City Council

Attachment 2: Letter from Pieter Burghout, Transfund New Zealand

Attachment 3: Letter from Dave Watson, WRC to Pieter Burghout, Transfund New Zealand