



Wellington Regional Council
03 JUL 2001

FILE REF:	
TP	L / A / I
NAME	Int/Date
T. Brennan	
TO ACTION:	

National Office
Level 3, BP House
20 Customhouse Quay
PO Box 2331, Wellington
New Zealand
Phone +64 (4) 473 0220
Fax +64 (4) 499 0733
Website www.transfund.govt.nz

28 June 2001

Ref 789-01

Tony Brennan
Manager, Transport Policy
Wellington Regional Council
PO Box 11-646
Wellington

Steve Harte
Manager, Roothing and Transportation
Wellington City Council
PO Box 2199
Wellington

Dear Tony

Wellington Interchange Funding

Thank you for your letter of 21 June to Ian Hunter concerning the funding of the Wellington Transport Interchange.

We are pleased to advise that the Transfund Board, at its meeting of 21 June, approved in principle ATR financial assistance from the 2000/2001 National Roothing Programme of up to \$2.778 million to the Wellington City Council towards the Wellington Transport Interchange.

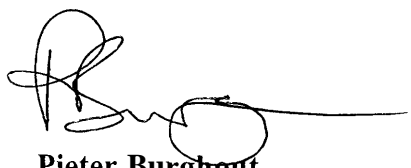
The approved amount of financial assistance is based on Transfund's review of the Wellington Interchange project (the project) dated 18 April 2001.

The Transfund Board's approval is conditional on the Wellington City and Wellington Regional Councils agreeing how the approved project funding should be allocated between them to ensure that Transfund does not 'double fund' benefits that would otherwise be paid for under patronage funding.

We disagree with the Wellington Regional Council's position that the issue of double funding does not arise on the grounds that the project is "essentially an upgrade of existing infrastructure". The ATR evaluation on which Transfund's financial assistance has been calculated includes benefits to both existing and new public transport users, as well as benefits to road users. The project is forecast to attract an additional 100,000 public transport passengers in its opening year, and over it's economic life to generate patronage funding payments of \$2.738 million in present value terms. Transfund policy precludes it from paying this amount both to Wellington City as ATR financial assistance, and to the Wellington Regional Council as future patronage funding.

Therefore, before Transfund could pay any of the \$2.778 million ATR financial assistance to Wellington City, the Wellington Regional Council needs to propose a mechanism that reduces Transfund's future patronage funding liability by \$2.738 million in present value terms. We look forward to discussing with you the options for ensuring that available Transfund funding can best meet regional passenger transport requirements.

Yours sincerely



Pieter Burghout
Planning and Evaluation Manager



Bob Alkema
Operations Manager