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**Report PE 01.773**

5 November 2001

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Report to the Wellington Regional Council  
From Dr D J Watson, Divisional Manager Transport

## **Lambton Bus/Rail Interchange Funding**

### **1. Purpose**

To update Council on actions taken to resolve the Lambton Interchange funding issue.

### **2. Background**

On 5 September 2001, Council on the recommendation of the Policy and Finance Committee resolved:

“That the Wellington Regional Council:

- (1) confirm that the Wellington Regional Council Chairperson request an urgent meeting with representatives of the Transfund New Zealand Board regarding their Lambton Interchange funding decision and empower the Wellington Regional Council Chairperson and the Chairperson of the Passenger Transport Committee and the Chief Executive to negotiate and conclude a deal no worse than the current offer.
- (2) confirm that the Wellington Regional Council Chairperson immediately write to the Minister of Transport, to inform him of the Transfund Board decision and the Council’s response to it and to seek his assistance in resolving the issue in a timely fashion.
- (3) advise the Wellington City Council that until funding for the project has been resolved, to the satisfaction of the Wellington Regional Council, the Regional Council will not make any further contribution towards the project.
- (4) that the above 3 recommendations be actioned in the context of involving in the longer term other Regional and City Councils to join the Wellington Regional Council in a meeting with the Minister of

Transport to discuss a rational and consistent basis for funding passenger transport (capital and operating).”

### 3. Actions

The Chairman of the Council wrote to the Chairman of Transfund New Zealand, Michael Gross, on 7 September 2001 (**attachment 1**). This resulted in a meeting held on 19 September 2001 involving Cr Macaskill, Cr McDavitt, Mr Stone and Dr Watson representing the Council and Mr Gross, Mr Gummer (CEO), Mr Burghout (Planning and Evaluation Manager) and Mr Hunter (Regional Manager) from Transfund.

The meeting agreed that Lambton Interchange was primarily the refurbishment and reinstatement of an existing facility not a new project. As a consequence of the meeting a new funding proposal was sent to Transfund for consideration at their 20 September Board meeting (**attachment 2**).

The revised funding proposal was rejected by the Transfund Board which reaffirmed its previous funding proposal (**attachment 3**).

A meeting with the Minister of Transport was immediately arranged for 27 September 2001, however, this was subsequently postponed to 2 October 2001. The Minister was provided with a one page note on the issues (**attachment 4**).

The Minister, Hon Mark Gosche, was very receptive to the Council’s concerns. He appreciated that Wellington’s passenger transport system was a mature system and therefore the issue was about retaining these passengers rather than increasing patronage. He said he would look into the matter and get back to us as soon as possible.

At the last full Council Meeting of the last triennium held on 11 October 2001 the following additional resolution was passed to ensure that progress could be made if the Minister of Transport responded in the interregnum period.

That the Council empower the General Manager to accept a Lambton Interchange funding solution, that may result from the intervention of the Minister of Transport, that is no worse than the current Transfund New Zealand offer.

### 4. Comment

The Interchange is being built by Wellington City Council and they will be the owner of it. The Regional Council is providing funding support in two ways, the direct funding of specific elements as they are provided and a term contract for service. Transfund New Zealand’s funding contribution goes directly to Wellington City.

The Chairperson of the Council has recently been in touch with the Minister’s Office and she expects a response in time for the 8 November Council meeting. The next steps for the Council will depend on the nature of that

response. The Minister may provide a solution or reluctantly be unable to propose any change to the Transfund Board offer.

If the Council is left only with the current Transfund Board proposal then it needs to consider its funding alternatives. These appear to be:

- (i) to fund the complete Lambton Interchange project by extending its service contract with Wellington City to cover the additional \$1.369m required.
- (ii) to reduce the scope of the Lambton Interchange project so long as this does not change the Transfund New Zealand contribution.

## 5. Communications

What is communicated will be determined by the response from the Minister of Transport.

## 6. Recommendations

- (i) *That the report be received*
- (ii) *That dependent on the nature of the response from the Minister of Transport*  
*either*
  - (a) *accept the proposal offered by the Minister and proceed to complete the Lambton Interchange Facility*
  - or*
  - (b) *reluctantly take up the funding proposal made by the Transfund Board*
  - or*
  - (c) *Seek a meeting with the full Transfund New Zealand Board to discuss their funding offer*
- (iii) *That if the Council accepts any funding proposal then the Lambton Interchange be reviewed to maintain the Councils' funding within current budget provisions*

DAVE WATSON  
Divisional Manager, Transport

### Attachments:

- 1- **Letter from WRC to Transfund dated 7 September 2001**
- 2- **Funding proposal**
- 3- **Letter from Transfund to WRC dated 24 September 2001**
- 4- **Note for meeting with Minister of Transport on 2 October 2001**