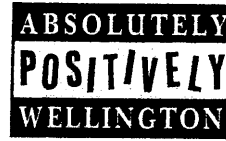




WELLINGTON REGIONAL COUNCIL, PO Box 11-646, 142-146 Wakefield Street, Wellington,
New Zealand, Telephone 0-4 384 5708 Facsimile 0-4-385 6960



Tumeke Pōneke
Wellington City Council



WELLINGTON CITY COUNCIL
PO Box 2199, 101 Wakefield Street, Wellington,
New Zealand Ph 64-4-499 4444, Internet www.wcc.govt.nz

File No. TP/6/4/1
gummer10aug.djw

10 August 2001

Mr M Gummer
Chief Executive
Transfund New Zealand
PO Box 2331
WELLINGTON

Dear Martin

Funding of Wellington Lambton Interchange

We write to ask the Transfund New Zealand Board to reconsider its funding decision of 21 June 2001 when it allocated \$2.778m to the Wellington Lambton Interchange on condition that the Wellington Regional Council forgoes \$2.738m of future patronage growth funding. Our two Councils request that the allocation of \$2.778m be made without conditions and the WRC patronage growth funding and annual patronage payments be paid without similar conditions. We believe that there are good reasons for this, with the Wellington Lambton Interchange having a number of facets to it that distinguish it from other situations.

History

Firstly, though, we believe it will be useful to set out some history to this situation. The two Councils have been working together for a number of years on options for a replacement Lambton Bus/Rail Interchange. Critical elements in this planning have been:

- neither Council has owned all the essential land used to deliver buses to the then interchange;
the general condition of the interchange was poor;
better linkage between bus and rail was necessary;
- weather protection for waiting passenger was inadequate;
there was a need to consolidate as far as possible bus operations onto the Golden Mile, this is the centre of gravity of passenger demand;
there was a need to better provide for an increasing number of through running services, which provide enhanced connections to main suburban destinations and improved operational efficiencies;

there was a need to improve facilities to arrest any potential decline in patronage; to provide a safe, efficient terminal that is attractive and convenient for users.

This work was brought to a head when Victoria University purchased Rutherford House, formally owned by ECNZ, and proposed to develop part of the then **Lambton bus station** for lecture theatres, the ground being previously owned by ECNZ. The need to progress the replacement of the Interchange became paramount.

The two Councils lodged a joint Alternatives to **Roading (ATR)** application for Interchange funding by **Transfund** New Zealand in March 2000, while also beginning work at the site soon after because of the sale of Rutherford House. Substantial construction work amounting to an expenditure of **\$3m** has been undertaken to date to progress the project. Without that expenditure buses would **not** have been able to link with the railway station.

Special Factors

Our Councils do not believe that the decision **made** by the **Transfund** board is correct or fair, particularly given a number of factors surrounding this application that distinguishes it **from** others.

(i) ATR Analysis Delays

The two Councils employed consultants to complete the **ATR** application using the same consultants used by **Transfund** to develop the procedures. The completion of the **ATR** application demonstrated to us that the project was **fundable** under the **ATR** procedures. However because of the difficulties associated with **ATR** evaluations it took some considerable time for there to be an agreed efficiency ratio for the project. This agreement was reached in about May 2001. This confirmed that the project was **fundable** under the **ATR** procedures. Both yourself and your board **will** appreciate the difficulty local authorities have had with the **ATR** rules. The fact that this project has proved to be **fundable** under **ATR** procedures, we believe, adds weight to the worth of the project. Some of the relevant correspondence relating to the **ATR** application is attached.

(ii) Timing of the Funding Application

Because the original funding application was made prior to any decision to offer patronage growth funding, our two Councils strongly contend that the project should be evaluated under the (**ATR**) procedures which prevailed at that **time**.

We accept that **if the** application was to be made today then the Board would need to consider it within the present funding rules. But this is not the situation with respect to this project.

(iii) 2000/01 National Roothing Program

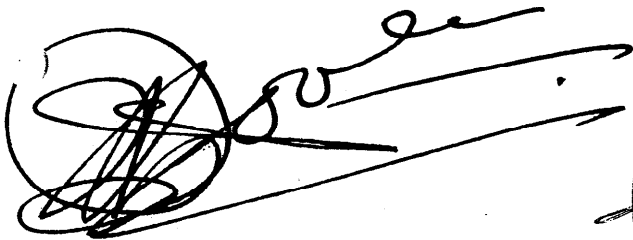
The project was included in the 2000/01 National **Roothing** Programme as an indicative **ATR** project and the Board's decision on 21 June 2001 confirmed the project was to be funded as part of the 2000/01 programme.

Summary

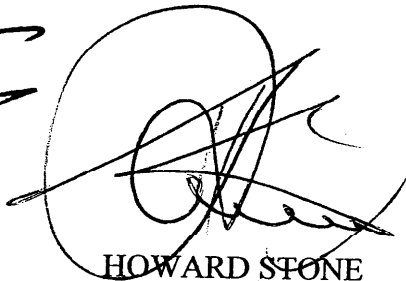
We believe that the Board can therefore legitimately treat this project as the exception it is, ie a project that was applied for as an ATR project prior to the stated patronage funding. We further contend that patronage growth funding is a *separate* and *unconnected* government initiated scheme designed to provide *additional* funding support to Regional Councils for the provision of *additional* services. The Transfund Board could justifiably allocate its \$2.778m contribution without any conditions relating to further patronage growth funding.

We formally request the Board to reconsider its previous decision accordingly.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Garry Poole', written over a circular stamp or seal.

GARRY POOLE
Chief Executive Officer
Wellington City Council

A handwritten signature in black ink, appearing to be 'Howard Stone', written over a circular stamp or seal.

HOWARD STONE
General Manager
Wellington Regional Council

COPY
POSTED
09 MAR 2000

File No. T/8/2/2
Alkema.awb

9 March 2000

Bob Alkema
Regional Manager
Transfund NZ
P O Box 3228
WELLINGTON

Dear Bob

Wellington Interchange ATR Evaluation

- ... Please find enclosed a copy of an ATR evaluation for the Wellington Interchange produced by Booz Allen & Hamilton Limited. If you require clarification of the material or require further information, please get back to me.

Yours sincerely



TONY BRENNAND
Manager, Transport Policy



caring about you & your environment

File No. T/8/2/2
alkema7.awb:ss

24 March 2000

Regional Manager
Transfund New Zealand
P O Box 2331
WELLINGTON

Attention : Bob Alkema

Dear Bob

Wellington Interchange ATR Evaluation

Further to my letter dated 9 March 2000, the Wellington Regional Council requests financial assistance for the interchange upgrade under section 3D of the Act.

Construction of the interchange upgrade will commence early in the 2000/01 financial year.

The Wellington Regional Council seeks financial support for the following elements of the interchange project.

Element	cost	ER	Transfund Allocation	Transfund Financial Assistance Requested
Bus terminus	\$400,470 pa	7.5	64%	\$256,298 pa
Subway upgrade	\$146,550 pa	11.2	48%	\$70,342 pa
Station forecourt	\$177,310 pa	8.8	48%	\$85,111 pa
Waterloo canopy	\$517,000 (capital)	5.0	42%	\$217,140 (capital)
Lambton East canopy	\$182,870 pa	0.5	38%	\$69,489 pa
Stout canopy	\$182,870 pa	0.4	43%	\$78,632 pa
Featherston canopy	\$249,160 pa	4.3	39%	\$97,173 pa
Parliament canopy	\$227,000 (capital)	5.6	38%	\$86,260 (capital)

These improvements are jointly supported by the Wellington Regional Council and the Wellington City Council as necessary and appropriate improvements to the Wellington Region's and City's passenger transport infrastructure. Please include the above items in the Regional or District programmes according to whether they are outputs or capital items.

... Please find attached documentation to support the requests for financial assistance.

Yours sincerely

TONY BRENNAND
Manager, Transport Policy
Wellington Regional Council

STEPHEN HARTE
Manager, Traffic & Roading
Wellington City Council

POSTED
12 SEP 2000
COPY

File No T/8/2/7
Alkema.awb

11 September 2000

Bob Alkema
National Programming Manager
Transfund New Zealand
P O Box 3228
WELLINGTON

Dear bob

Wellington Interchange ATR Evaluation

Further to my letter dated 24 March 2000 please find attached a revised Evaluation Report.

Please note that the proposal has now been reconfigured as three projects as shown below.

<u>Project</u>	<u>Bus Terminus</u>	<u>Station Forecourt</u>	<u>Pedestrian Canopies</u>
Cost (per annum)	\$698,255	\$38,376	\$211,231
ER	3.6	9.3	3.3
Transfund Allocation	58%	48%	40%
Transfund Financial Assistance Required (per annum)	\$399,768	\$18,421	\$84,492

I would be grateful if you could progress this as quickly as possible.

Yours sincerely



TONY BRENNAND
Manager, Transport Policy

POSTED
17 OCT 2000

COPY

File No. ~~18/2/7~~
Alkema12.awb

17 October 2000

Bob Alkema
National Funding and Programming Manager
Transfund New Zealand
P O Box 2331
WELLINGTON

Dear Bob

Wellington Passenger Transport Interchange

I write in respect to the Sinclair Knight Merz review of the economic evaluation of the Wellington Passenger Transport Interchange.

I have considerable concern with the comments passed on to us via Paul Maloney dated 12 October 2000. Accordingly, I request an urgent meeting with yourself so that this issue can be swiftly resolved. I would point out that construction of this project has already commenced and if this project is not to be delayed then Transfund New Zealand's funding needs to be quickly secured.

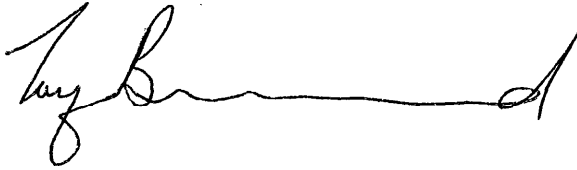
I am concerned that this project has been with Transfund New Zealand since March 2000 and still the issue has not been resolved. Since that time my consultants and I have met with you and Paul Maloney to determine what additional information you require. We have complied with those information requests only to find that a further extensive list of information is required. I wish to point out that considerable time and ratepayer money is being consumed in meeting the growing demands of Transfund New Zealand's information requests.

I am further concerned that Sinclair Knight Merz's comments indicate that we are now expected to take into account figures about decongestion which have only recently become available. I would point out that at the time of writing, the patronage based funding proposal has not been adopted by the Transfund Board. Secondly, decongestion effects of patronage based funding are derived whereas the information used in our evaluation is taken directly from our transportation model which is approved by Transfund New Zealand (by recommendation from Sinclair Knight Merz).

... I am further concerned that Paul Maloney raises in his attached comments "the legal issues of how Wellington Regional Council can fund an infrastructure project under the Transit New Zealand Act." It appears to me that even if we addressed all the evaluation issues successfully that Transfund New Zealand are seeking other ways to avoid funding passenger transport initiatives. I would point out that our request for financial assistance has been jointly submitted under the signatures of Steve Harte of Wellington City Council and myself so that these kinds of issues can be put to one side for the meantime.

In summary, I request an urgent meeting. I am concerned about the time and money that is being spent on this exercise. I am concerned about the endless requests for information and Transfund New Zealand's changing requirements in evaluating the Wellington Interchange proposal.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tony Brennand', written in a cursive style.

TONY BRENNAND
Manager, Transport Policy

COPY

File No. T/8/2/7
Hunter.awb

1 February 2001

Ian Hunter
Regional Manager
Transfund New Zealand
P O Box 1332
WELLINGTON

Dear Ian

Funding Application For The Wellington Interchange Project

Please find attached a revised report to support a funding application for the Wellington Interchange Projects. The application is jointly submitted by the Wellington Regional and Wellington City Councils as was the original application. The plans for these projects (Appendix A) have been previously submitted. These projects are ATR projects of a capital nature and, as I understand Transfund New Zealand's procedures, will require the funding support to be paid directly to Wellington City Council.

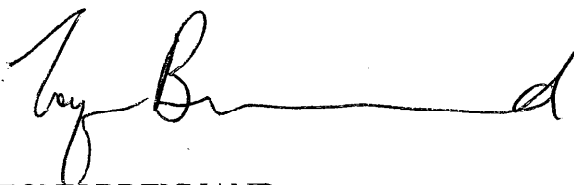
As you will appreciate, the projects in question are already under construction and so a speedy response to this application will be appreciated.

There are two projects in the Interchange improvement. These are the bus terminal area at a cost of \$6.6 million and the Forecourt/Bunny Street project at a cost of \$710,000. The ATR evaluation report indicates the Transfund New Zealand should be contributing 69% of the bus terminal funding and 60% of the forecourt/Bunny Street funding.

Two further components of the Interchange project will be submitted separately with their respective supporting information. They are the pedestrian canopy projects under the kick start funding and the bus priority schemes.

If you wish to discuss these projects further then please contact me.

Yours sincerely



TONY BRENNAND
Manager, Transport Policy