

18 August 2000

Ref 540-09-02

David Watson
Divisional Manager - Transport
Wellington Regional Council
PO Box 11 646
WELLINGTON

Dear Dave

Indicative funding increases

At the Passenger Transport Advisory Group meeting on 27 July 2000 regional councils requested Transfund to indicate, as best it could, the upper limits of the potential annual funding increase for each region likely to arise from the changes associated with patronage funding. This information would be provided to assist regional councils to plan for increases in passenger services.

On that basis, I recommend that Wellington Regional Council should consider service level increases that encompass an increase in **Transfund's** funding contribution of up to \$5m pa (incl GST), with further increases dependent on patronage growth.

These figures are based on:

- the Transfund Board allocating the full \$14m p.a. (incl GST) indicated by the Minister
- preliminary estimates of relative congestion levels, current service levels and potential for patronage response (which may or may not be the basis for the allocations).

Transfund will not **finalise** the basis for the funding allocation until October this year, so is providing these estimates on a 'no commitments' basis. The first year's funding levels will be preliminary, and will be refined (along with estimates for subsequent years) over time. Transfund will provide more information about options for allocating funding and indicative funding impacts at a series of public workshops in early September, and in a discussion document for public consultation available at the same time.

You will be able to comment on these options:

- at the workshops in the first week of September
- at meetings of the Project Steering Group

- by personal contact anytime throughout September with:
 - Andrew Body (telephone 04 495 7605, email andrew.body@transfund.govt.nz) or
 - Jayne Gale (telephone 04 495-7604, email jayne.gale@transfund.govt.nz)
- through Transfund's website on <http://www.transfund.govt.nz/patronage.html>
- by written submission by 28 September (attention Julie Booker).

If you have any further questions please contact either Andrew Body or me.

Yours sincerely

Jayne Gale
Senior Policy Analyst