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Office of the Chairperson

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gross6may\_djw

6 May 2002

Mr M Gross  
Chairman  
Transfund New Zealand  
P O Box 2331  
WELLINGTON

Dear Michael

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

I am writing to express my deep concern over the Transfund Board's handling of the Lambton bus/rail interchange project. I am prompted to write this letter as I have now received the Board's submission from officers dated 21 February 2002.

I came to a Board meeting on 13 December 2001 along with Mayor Prendergast and others and in my view received a friendly and receptive hearing from all the Board members.

The result of the meeting was I understand an instruction to Transfund officers to take a detailed look at my Council's proposal and to report to the Board at its next meeting on 21 February 2002.

Officers of Transfund talked to officers of my Council early in 2002 regarding our proposal.

After the 21 February 2002 Board meeting we received a letter stating that the Board had reconsidered the funding of Lambton bus/rail interchange and as a result reconfirmed its previous decision.

On receipt of that letter, my Council, concerned about the fact that the project had been on hold since September 2001, reluctantly accepted the funding offer subject to the Board reviewing the application of patronage funding to reflect future policy directions from the Government.

The Minister of Transport made his announcement on future transport policy on 28 February 2001 in the Regional Council building. In a conversation with him, I was lead to understand that this would help resolve our Lambton funding problem.

We then sought a copy of the Board submission for the February Board meeting on Lambton interchange. Imagine my surprise to find that no substantive submission had been written on the proposal I and Mayor Prendergast presented directly to the Board in December. If Dr Watson had not written to Transfund officers late in February covering yet another alternative

funding proposal, the purchase of benefits approach, there would have been no submission to the Board on the subject.

I find the Board's handling of my Council's submission made by me personally at a Board meeting to be disrespectful in the least.

I am now advised by my officers that a part of the Lambton project being funded under kick-start may receive less funding than originally expected because some of it might be constructed after 30 June 2002 when the kick-start funding support drops from 60% to 40%. The project would have been completed well before 30 June 2002 if the problems of funding had been resolved. In particular the delay of three months between my attendance at the Board in December 2001 and the non decision of February 2002 is particularly irksome as it is now clear that Transfund officers were not working on a Board submission during that period, even though they presented themselves as doing so and that they only sprang into life once they received a last attempt by Dr Watson to offer another alternative.

In the circumstances, the least I expect is that the funding support for the project to be no less than that previously offered regardless of the time at which the expenditure occurs.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Margaret Shields', with a stylized flourish at the end.

MARGARET SHIELDS  
Chairperson