



23 April 2007

Councillor Terry McDavitt
Chairperson,
Wellington Regional Land Transport Committee
Greater Wellington Regional Council
PO Box 11 646
WELLINGTON

Dear Councillor McDavitt

Funding the Wellington regional transport programme

At its meeting on Thursday 12th April 2007 the Board of Land Transport New Zealand considered an approach to assisting with the local share of rail improvement projects and two key local authority roading projects that are included in the Wellington regional transport programme that lies behind the draft Regional Land Transport Strategy. The reason for considering the question of local share ahead of funding applications was to give the Wellington region some certainty of funding when considering the adoption of the Regional Land Transport Strategy.

As you know, Land Transport New Zealand takes seriously the requirement of the Land Transport Management Act that Regional Land Transport Strategies "take account of the funding likely to be available in the region". For this reason the Board did not consider the funding of the Transmission Gully Motorway, even though it is a significant project in the RLTS. My Board would expect to see future updates of the regional transport programme fitting within the envelop of funding known to be available to the region.

The resolution of the Board was:

That the Land Transport New Zealand Board:

- a. **agrees** that the highest priority for assisting local share will be passenger rail improvement projects;
- b. **agrees** to use C1 and C2 funds to achieve an effective FAR of 90% for passenger rail improvement projects;
- c. **notes** that approximately \$100 million of C1 and \$41 million of C2 would be required to enable the likely rail improvement project costs of \$580 million;

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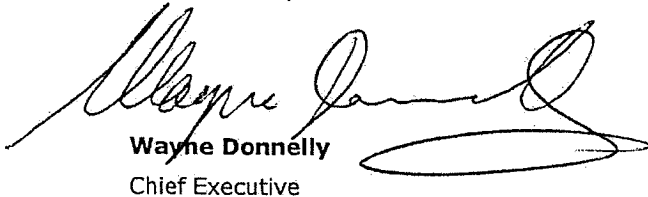
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- d. **agrees** that the effective FAR of 90% for passenger rail improvement projects will apply retrospectively to the purchase of 70 new EMUs approved by the Board in December 2006 and February 2007 (Board papers 06/12/1912 and 07/02/1937);
- e. **agrees** that the Kapiti Western Link Road Stage 1 design and construction is the second priority for assistance with the local share;
- f. **agrees** to use C1 funds to achieve an effective FAR of 90% for Stage 1 of the Western Link Road, but declines to assist the local share of Stages 2 and 3 of this project (see also Board paper 07/04/1961);
- g. **notes** that approximately \$39 million of C1 funds would be required to meet the most likely Western Link Road Stage 1 project cost of \$107 million;
- h. **agrees** to reserve up to \$45 million of C1 funds to assist the local share of the Grenada to Gracefield Stage 1 project, (assistance to the level of half the local share);
- i. **notes** that the Grenada to Gracefield Stage 1 link is still subject to further investigations;
- j. **requests** the Chief Executive to write to the Chair of the Wellington Regional Land Transport Committee, advising of the Board's decision and requesting the Wellington Regional Land Transport Committee confirm its support for the proposed use of C1 and C2 funds for assistance with local share as set out in (a) to (h) in Board paper 07/04/1960; and
- k. **agrees** to take Board paper 07/04/1960 out of Committee when the Chair of the Wellington Regional Land Transport Committee has been advised of the Board's decision.

While it is acknowledged that the regional transport plan will be subject of repeated updates as studies are completed and projects better defined, we need a clear signal from the Regional Land Transport Committee by way of resolution, that there is support for the proposed use of the C1 and C2 funds. We need to have this signal prior to considering funding requests involving the use of C1 or C2 funds.

Yours sincerely


Wayne Donnelly
Chief Executive