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Dr D.J. Watson Divisional Manager, Transport Wellington Regional Council P.O. Box 11 646 WELLINGTON

Dear Dave,

## WCC TRANSPORT CENTRE / KCDC OVERBRIDGE

Thank you for your emails of 18 February and 16 March 2000.

I agree s.27(2)(b) of the Transit New Zealand Act 1989 does seem to preclude payment in respect of any output or capital project from the Land Transport Disbursement Account from the Wellington Regional Council to any local authority. It follows, therefore, that the method we had settled upon for the Paraparaumu overbridge would be unlawful.

I turn now to the three options suggested by Transfund in its email of 18 February 2000.

The first, that the local authority concerned puts up the project in its own roading programme and apply for Transfund subsidy may appear to be a workable option for the Wellington City, Council Transport Centre since construction of that has not yet commenced. However it would. mean Wellington City would be solely responsible for the cost not subsidised by Transfund when, in fact, part of the benefit is enjoyed by ratepayers in other districts. It would therefore be funded on a city and not regional basis – which would differ from the approach taken at, say, Waterloo. Further, if Wellington iity Councri were to fund the Transport Centre itself, Wellington Regional Council's involvement could be by invitation and agreement only. I suspect this is not an option for the Paraparaumu overbridge as it has already been built.

The second option would involve getting agreement on the shareholding in an LATE which would have the financial responsibility for raising the funds and carrying out the project. I suspect that will create significant difficulties. There may be complications over title to the land on which the WCC Transport Centre is to be constructed. It does not seem a workable option for Paraparaumu.

The third option is undoubtedly the best but it cannot be implemented now and it is impossible to know when it might be.

I have a fourth option (at least so far as the Paraparaumu overbridge is concerned). I suggest we proceed on the same annualised subsidy basis as was proposed for KCDC but instead fund Tranz Rail who, in turn, can have a back to back agreement with KCDC. WRC would then pay

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## **Oakley Moran**

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Tranz Rail as an output and Tranz Rail would pay KCDC for the use of the facility. That way there would be no payment to the local authority so far as Transfund is concerned. However, I think we should get it approved in principle by Transfund. We would need to know Tranz Rail would agree but I see no reason why it would not. Obviously it would not want an irrevocable commitment to pay KCDC unless it had a comparable one fi-om us. It would simply contract with KCDC on the same basis that we were proposing 'to do so, i.e. its obligation would be measured in the same terms as WRC's.

I doubt that the option suggested in your email of 16 March 2000 is lawful (and hence viable). I presume that any subsidy paid by Transfund will have to come from the National Road Account. That effectively creates the impediment.

The statutory requirement seems to be that all moneys received by Transfund comes from the Crown Bank account. Under s.10(2)(e) of the Act, Transfund gets the balance remaining after payment of the specific matters referred to in s.10(2)(a) to (d). Payments from the Crown Bank account to Transfund must go to the National Roads Account by reason of s. 12(3) and 13. Transfund makes its output and capital project payments under s. 17(1). Any money received by a local authority has to be paid into its Land Transport Disbursement Account (s.24). That includes approved outputs and capital projects (s.23). that means WRC cannot receive funds except through its Land Transport Disbursement Account.

I hope this is helpful. If you have any queries, please do not hesitate to contact me.

Yours faithfully OAKLEY MORAN

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March 20, 2000

Dr D.J. Watson Divisional Manager, Transport Wellington Regional Council P.O. Box 11 646 WELLINGTON

Dear Dave,

## WCC TRANSPORT CENTRE / KCDC OVERBRIDGE

I refer to my letter (undated but sent on 17 March) and our telephone conversation this morning.

I confirm that if the payment is not made from the WRC Land Transport disbursement account, then the provisions of s.27(2)(b) of the Transit New Zealand Act 1989 would not apply.

Accordingly, I cannot see that the payment to Kapiti Coast District Council as originally envisaged would be unlawful.

Yours faithfully OAKLEY MORAN

2000 J.W. Tizard

