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File No. T/2/11/9

Baseline Funding

14 February 2001

Mr Ian Hunter  
Central Regional Manager  
Transfund NZ  
PO Box 3228  
WELLINGTON

Dear Ian

### **Baseline Funding**

Thank you for meeting with us on 13<sup>th</sup> February 2001 to discuss Baseline Funding. We have researched our end of year claim forms for 1997/98, 1998/99 and 1999/2000. The following is our best understanding of the amounts paid by Transfund in these years to the community bus service output and the rail output.

<b>Year</b>	<b>Transfund Contribution</b>		
	<b>Bus</b>	<b>Rail</b>	<b>Total</b>
1997/98	4,067,916	10,370,630	14,438,546
1998/99	4,208,428	9,642,055	13,850,483
1999/2000	4,331,632	10,016,340	14,347,972
		<b>Total</b>	<u>\$42,627,001</u>
		<b>Average</b>	<u>\$14,209,000</u>

The rail contributions include Ganz Mavag refurbishment. The 1997/98 year included a greater number of Ganz Mavag units than the following two years. In 1997/98 concessionary fares on contracted buses were included in the total bus costs. I have made a deduction equal to the concessionary fares for 1998/99 so the 1997/98 bus number may be understated slightly.

It is clear from the above that there has been a similar level of funding over the three years. That the changes associated with the bus component are inflation changes and the rail differences are the number of Ganz Mavag refurbishments and inflation.

The actual expenditure on the same network of services for the current year to date (31<sup>st</sup> December 2000)

Year	Transfund Support to 31 <sup>st</sup> December 2000		
	Bus	Rail	Total
2000/01	2,181,217	5,173,415	7,354,632

This does not include any kick start funded project. It does include the Ganz Mavag refurbishment as that is continuing. This number is the actual funding required to maintain existing services. The forecast for the full year is therefore 2 x \$7,345,632 or \$14,709,264.

I propose that the actual expenditure on the existing network for the baseline funding. I propose therefore that the Wellington Regions baseline funding for 2000/01 be \$14,709,264. This may need an end of year adjustment due to inflation over the next six months.

Yours sincerely

DAVE WATSON  
Divisional Manager, Transport