



Subject	Passenger Transport Funding
Circulation	All Road Controlling Authorities All Regional Councils Association of Consulting Engineers of New Zealand INGENIUM Local Government New Zealand EECA Audit New Zealand Bus and Coach Association
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Purpose

The purpose of this General Circular is to advise regional councils and local authorities that implementation of the Patronage Funding Scheme will no longer apply from 1 July 2007. Instead, a financial assistance rate of 50% will apply for all bus and ferry services and related operational activities.

Background

The revised patronage funding scheme commenced on 1 July 2004, with the first two years (2004/05 and 2005/06) being transitional years.

General Circular 05/04 advised that this phase-in period had been extended into 2006/07 to enable all regional authorities' financial assistance rates to be stepped to 50%.

In June 2005, Land Transport NZ announced that the Minister of Transport had requested the Ministry of Transport to undertake a review of the Patronage Funding Policy for Public Transport. The Minister of Transport has now decided not to proceed with this review, and that a standard financial assistance rate of 50% will become the funding policy for bus and ferry operational funding from 1 July 2007.

In addition to this, the Minister has agreed financial assistance at the construction rate for each territorial authority will become funding policy for bus and ferry infrastructure.

The financial assistance rates that will apply to passenger transport activities from 1 July 2007 are summarised below. These are all consistent with the 2006/07 financial assistance rates. For the avoidance of doubt these are set out below.

Funding for Bus and Ferry Activities

As from 1 July 2007, Land Transport NZ will fund:

- bus and ferry passenger services and related operational activities at a financial assistance rate of 50% of the cost of the service provision
- bus, ferry or multi-modal infrastructure at the construction rate for each territorial authority.

Funding for Passenger Rail Activities

As from 1 July 2007, Land Transport NZ will fund:

- passenger rail services and related operational activities at a financial assistance rate of 60% of the cost of the service provision
- passenger rail infrastructure, outside of Auckland, at a financial assistance rate of 60%.

Funding for Passenger Transport Administration

As from 1 July 2007, Land Transport NZ will fund:

- regional authority's (aside from ARTA), bus, ferry and passenger rail administration activities at a financial assistance rate of 50% of the cost
- ARTA's general passenger transport administration activities at a financial assistance rate of 25% of the cost
- ARTA's operational professional services activities at a financial assistance rate of 50% of the cost.

Enquiries

For further information, please contact your passenger transport regional representative at Land Transport NZ's Regional Office.

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