

Major Assumptions 2009-19 LTCCP

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
External interest rate	6.25%	6.75%	7.50%	8.00%	7.50%	7.25%	6.75%	6.75%	7.25%	7.25%
Internal interest rate	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Oil price US \$	50.00									
NZ/US exchange rate \$	0.50									
Inflation Transport Contract index (1)		2.9%	3.1%	3.6%	3.4%	3.1%	2.8%	2.6%	2.6%	2.6%
Fare increases	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Rail plan RS 1										
Rates contribution			10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Other funding (2)			90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
Inflation Default index		3.3%	2.3%	2.4%	2.1%	2.2%	2.3%	2.3%	2.4%	2.5%
Inflation Capex index		3.3%	2.3%	2.4%	2.1%	2.2%	2.3%	2.3%	2.4%	2.5%
Inflation Chemicals index		3.3%	2.3%	2.4%	2.1%	2.2%	2.3%	2.3%	2.4%	2.5%
Inflation Investments index		3.3%	2.3%	2.4%	2.1%	2.2%	2.3%	2.3%	2.4%	2.5%
Inflation Staff index		2.7%	2.7%	2.5%	2.5%	2.5%	2.6%	3.2%	2.7%	3.1%
WRS rate \$m (excluding inflation)	4.6	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1	5.1

Note 1. The index used to inflate the diesel bus contracts uses a starting oil price of US \$50 and an US \$/NZ \$ exchange rate of 0.50.

The index comprises a number of costs, the oil price makes up 26% of the total. The index has then been inflated using the above indices.

Note2. The 90% funding is assumed to come from non rate sources. At this stage this has not been identified.

Note 3. The interest free government loan which matures in 2017 has assumed to be extended and not repaid.

Note 4 No significant changes in the Financial Assistance Rates (FAR) from the NZ Transport Agency

Note 5. Rail fleet will grow from 150 cars in 2008/09 to 209 cars in 2012.