

Report 06.27
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Committee Passenger Transport Committee
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Transport Information Bulletin

1. Purpose

To provide information of transport issues not covered by other reports.

2. Significance of the decision

The matters for decision in this report **do not** trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

3. Financial Update

The following table summarises the financial performance of the Transport Division for the year to December 2005.

	Year To Date			Full Year	Full Year
	Actual \$000	Budget \$000	Variance \$000	Budget \$000	Forecast \$000
Rates Revenue	14,627	14,627	0	29,255	29,255
Grants & Subsidies	17,898	23,743	(5,845)	48,803	46,352
External Revenue	105	152	(47)	333	333
Investment & Other Revenue	96	57	39	115	192
Internal Revenue	1,668	1,668	0	3,336	3,336
REVENUE	34,394	40,247	(5,853)	81,842	79,468
Service Expenditure					
Procurement	27,224	28,758	1,534	57,643	62,217
Service Design	105	399	294	605	523
Access Planning	671	1,057	387	2,750	3,254
Marketing	875	820	(55)	1,640	1,658
Service Expenditure	28,874	31,034	2,160	62,638	67,653
Operational Expenditure	4,737	4,835	98	9,687	9,674
Total Indirect Charges	701	741	41	1,482	1,482
NET SURPLUS/(DEFICIT)	82	3,637	(3,555)	8,035	659

The focus of this report is on the full year financial forecast based on the first quarter results of the Transport Division.

December Forecast

The forecast full year surplus is \$659k compared to the budgeted surplus of \$8,035k and a September quarter surplus of \$4,263K.

The principle changes between the forecast and budget are in the Procurement Department and as follows:

- Deferment of capital expenditure resulting in deferment of associated revenue streams
- Re-classification of rail heavy maintenance from capital expenditure to operating expenditure
- Impact of inflation
- Cost of the Western Corridor programme.

Heavy maintenance expenditure on Rail rolling stock has been reclassified as operating expenditure because GWRC does not own the underlying asset (the rolling stock) and therefore the expenditure does not meet the definition of capital expenditure. In addition, the level of expenditure has been forecast down to \$2.7M due to delays in the signing of the Rail contract. The exact timing and forecast expenditure can not be accurately assessed until the contract is signed. This delay may have serious consequences on the operation of the rolling stock should this deferral of maintenance be lengthy.

Inflation costs are forecast to be higher than budget. This is due to increased labour costs and the higher oil and power prices that NZ has experienced since the budget was constructed. These costs are outside of management's control, but we have initiated meetings with LTNZ to determine what courses of action may be available to us.

The delay in signing the Trolley Bus contract means that the budgeted increase in costs will not be incurred until then. These included the costs associated with the overhead wires.

Since the budget was finalised, bus contracts have increased. Funding for this is covered by the increase received for Bus Service Improvements.

The Northern Suburbs services study was commissioned by Councillors to assess the continuation of the Johnsonville rail versus other transport systems. This is to be completed prior to the purchase of the Rail Rolling Stock.

The other large forecast item relates to the Western Corridor programme. The two current parts are the public consultation arising from the August RLTC meeting and the commencement of the first stage of the project. Both of these were not budgeted.

The increased overhead expenditure relates to staff costs in the Metlink Call Centre as well as the higher than budgeted costs of two new staff in PT Infrastructure. This increase is offset by the delays in employing staff to fill other budgeted positions

Capital Expenditure

The capital expenditure programme has been reforecast with a reduction from the budgeted expenditure of \$11.995M to \$4.575M including the amount for heavy maintenance of \$4.270M which has been reclassified as operating expenditure.

This may be subject to further downward review subject to the impact of the delay in signing the Rail Contract.

It should be noted that the budgeted capital expenditure, excluding Heavy Maintenance, will still be required and is only subject to deferral to the next financial year.

4. Rail Update

4.1 Wairarapa Passenger Cars

4.1.1 General

Toll are now progressing the detailed design of the vehicles to the original schedule. Interior design has been completed but will be subject to a final review by Barrier Free.

4.1.2 Spare Parts

Discussions continue with Toll on the spare parts to be acquired for the new fleet. It is anticipated that expenditure can be lowered on the premise of commonality between the Wairarapa cars and Capital Connection cars. Also by using locally acquired components the need for holding large stock levels is reduced.

4.1.3 Contract Variations

The only variation under discussion is the possible fitment of emergency egress strips along the floor of the cars. These are similar to those found on commercial airlines.

4.1.4 Platform Improvements

Discussions ongoing with Toll/ONTRACK.

4.2 New Electrical Multiple Units (EMUs)

4.2.1 Procurement Process

A procurement process paper has been drafted and submitted to Land Transport New Zealand for approval at their 23 February 2006 meeting. Approval of the paper will allow the Council to formally commence its procurement process.

4.2.2 Expressions of Interest

The Expressions of Interest paper is in its final stage of preparation and will be ready for issue to the market at the end of February in line with the approval of the procurement process (see previous point).

4.2.3 Discussions with Manufacturers

Informal discussions have continued with a number of suppliers on both train design and supply arrangements. A good level of interest is being maintained.

4.2.4 Infrastructure Modifications

From the outset, it was known that some modifications would be required to the signalling and power supply systems to enable the new EMUs to operate. Work is ongoing with Ontrack and Toll to establish what modifications will be required.

4.3 Rolling Stock – Accessibility Issues

The Council is in the process of engaging Barrier Free to assist in the development of rolling stock designs.

For the Wairarapa cars, Barrier Free will undertake an audit of the design. Barrier Free previously worked with Tranz Rail on the Capital Connection design.

For the new EMUs, Barrier Free will be involved with the development of the specification and in the review of the proposed designs when a manufacturer has been appointed.

4.4 Johnsonville Line

Ontrack are progressing the study of tunnel profiles so as to determine feasibility and cost of enlarging tunnels for alternative rolling stock on the line.

5. Bus Services Update

5.1 Evans Bay and Miramar Heights Bus Routes

Following ongoing requests from Greta Point residents and NIWA employees a proposal was developed to:

- combine the 24 Evans Bay bus and 27/42 Miramar Heights Bus routes with resulting improved services levels
- provide 2 faster direct bus route options from the city to Evans Bay via Wakefield and Cable Streets rather than Courtenay Place

Public consultation was carried out between the last week of November and 12 December 2005. The submissions received showed clear support for the proposed combining of the Evans Bay and Miramar Heights bus routes with 83% supporting the proposal.

The principal concern from those opposing the proposals was that peak travel times from Miramar Heights to the city would be longer. This is being addressed with the proposal being revised to retain some direct peak time trips from Miramar Heights via Hataitai bus tunnel.

It is anticipated that the new merged service will commence from Easter 2006.

5.2 Wellington School Bus Review

The current Wellington school bus contracts expiry on 30 December 2006 and have been in operation for 5 years. Thus a full review of these services is required before we can let new contracts for the 2007 school year. The review will follow a similar process as to that carried out for the recent Hutt Valley school bus review. The first stage of consultation with schools and users will commence in March 2006.

5.3 Otaki Bus Services

Following the introduction of new bus stop signage, service promotion and increased service levels we are able to report that there has been substantial

increase in patronage levels on this bus route (79% increase comparing January 2006 to January 2005 figures).

5.4 Bus Monitoring Process Review

Over the last few months we have been reviewing the way we carry out on-road monitoring of services. We are looking at ways of changing our processes so monitoring becomes more focused on service improvements rather than service failures. With the development of our timetable database we can now produce accurate detailed reports to aid in the monitoring process. Initial testing of a new lineal monitoring process has been completed. The aim is to establish service trends and patterns between key time points/locations so service performance issues can be identified. From this data we can then work with operators and territorial authorities to improve service delivery.

5.5 Wairarapa Service Review

Local bus services in the Wairarapa operate under contracts which expire in October 2006. Tenders for new contracts, which are due to be released in April, will include some minor improvements to service levels to address issues raised during the first stage consultation of the Wairarapa Public Transport Review early in 2005. However, our main focus will be to improve the visibility of bus services through bus stop signage and timetable distribution, following the same strategy we employed in Otaki where bus patronage has increased markedly since the new route, timetable and Metlink signage were introduced in October 2005.

Existing Wairarapa bus services cost GWRC \$169,405 in the 2004/05 financial year, at a subsidy of \$1.78 per passenger. The services are shown in **attachment 1**.

5.6 Other Bus Tenders and Contracts

Tenders for Upper Hutt local bus services close on 17 February 2006. Tender evaluation will commence from 20 February 2006. The new contracts are due to commence 1 May 2006.

Tenders closed for Otaihanga and Paekakariki shopper bus services on 10 February 2006. We are currently carrying out tender evaluation. The new contract is due to commence 31 March 2006.

6. Park and Ride Facilities

6.1 Plimmerton

We are currently working with Porirua City Council and Ontrack to look at ways of increasing car park capacity at Plimmerton Station. Development of the car parking area at the Domain would provide sufficient capacity, but identifying and costing the access option from the station to the Domain has yet to be completed. We will continue to work with Porirua City Council and

Ontrack and report back to the next Passenger Transport Committee regarding this project.

6.2 Solway

Solway Park'n'Ride was developed in August 2001 to provide a 20 space carpark facility. Over the last few years these spaces have become consistently full as a result of the increasing patronage on the Wairarapa rail services. A contract has now been let to Bruce Buchanan Ltd of Masterton to extend the existing carpark to create an additional 28 spaces (making a total of 48 spaces). This development work will also include provision of lighting for the car park area and work is due to commence in April 2006.

7. Metlink

The rollout of Metlink is continuing well with the installation of new bus stop signage on the core Wellington City routes currently underway. Signage installation will then commence in the Kapiti area in March 2006, and thereafter Porirua, followed by northern, western, southern and then eastern Wellington City, concluding with Eastbourne, Wainuiomata and the Wairarapa by mid 2006.

The new timetable holders are in place at over 100 distribution outlets around the region and Metlink stickers have been applied to the exterior of train carriages, train platform signs, the interior of buses, and Park 'n' Ride signage. The new Metlink website and the Metlink Service Centre (formerly Ridewell) are operating well. The Service Centre on average takes 28,000 calls per month. Following the Metlink promotion and greater visibility of the Service Centre telephone number, the centre took 36,000 calls in October.

The promotional campaign to launch Metlink appeared to be very effective. However we will be able to test people's awareness and understanding of Metlink when we conduct the *Annual Public Transport Monitoring Survey* in April 2006.

A follow-up Metlink promotional campaign is planned for May and June 2006. Details about this campaign will be provided to councillors next month.

8. New Zealand Bus Limited/Mana Coach Service Limited Acquisition

Anthony Cross and Rhona Nicol met with representatives from the Commerce Commission on 9 February 2006 regarding the proposed acquisition of Mana Coach Service Limited by New Zealand Bus Limited. The Commerce Commission is expected to report back its findings in March 2006.

9. Metlink Concessionary Fare Photo Identification Cards

As part of reviewing the concessionary fares policy and then implementing this policy there will be a requirement for all those eligible for a concessionary fare

to carry a standard photo ID card. In order to ascertain the full requirements to implement card production, distribution and on-going administration an expression of interest has been called (closing date 3 March 2006). We have invited both project managers/professionals and ID card manufacturers to make submissions (submissions to include indicative costs for the project). This will aid in establishing which areas of the project implementation and on-going maintenance of this system would be best outsourced through a tender process and which areas would best be completed and maintained in-house.

10. Communication

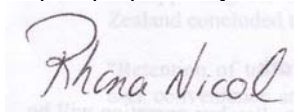
A number of the items in this report will be communicated to the relevant communities through consultation processes and Metlink initiatives. We will work with the Communications team to ensure that the good news about the Otaki bus service will be publicised on the Kapiti Coast, and that progress on the various rail projects will be communicated to the media and in Elements.

11. Recommendations

That the Committee:

1. *Receives the report.*
2. *Notes the content of the report.*

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Attachment 1: Wairarapa Current Services