



Report 08.757
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Committee Transport & Access Committee
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Divisional Manager's Report

1. Purpose

To provide a brief update on public transport activities.

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. Highlights

3.1 Patronage

Bus, rail and harbour ferry patronage for July and August was up 4.4% on the 2007 figures for the same period.

3.2 Kapiti Plus

The new integrated fare for Paraparaumu commuters commenced for a four month trial on 1 September. The new promotion, known as “Kapiti Plus”, allows bus users who have a monthly train ticket, to travel to and from Paraparaumu station by bus at no cost.

5,884 passenger journeys were made with the ticket in September. The cost of this to this Council was \$4,707. This compares to the predicted monthly cost of \$8,333.

3.3 SuperGold Card Travel Scheme

Free off-peak travel for holders of a SuperGold card became available in most regions from 1 October. The scheme is a Government initiative, and is funded by it. No Council funding is required.

A SuperGold card is available to New Zealand residents aged 65 and over, and to those receiving a veteran's pension. There are over 50,000 SuperGold card holders in the Wellington region.

The scheme provides free travel on all local bus, train, harbour ferry and (in Wellington) cable car services at off-peak times. 'Off-peak' is defined for the purposes of the scheme by boarding time between 9am and 3pm, after 6.30pm on weekdays, and at all times during weekends and public holidays. Long-distance services, such as the Capital Connection, are excluded.

Officers are preparing a report on the implications of the SuperGold Card Travel Scheme on existing concessionary fare products for the next meeting of the Committee.

3.4 Public Transport Management Act

The Public Transport Management Bill has passed all its stages and will come into effect on 1 January 2009. A report on the implications of the Act will be made to the next meeting of this Committee.

3.5 Real Time Information

The request for expressions of interest for installing a real time information system closed on 13 October. 29 were received.

The next step in the process involves confirming funding. An application to NZTA has been prepared and will go to its November meeting.

Tenders for the project will be issued in December.

3.6 Submission on Land Transport (Road User) Amendment Rule

The New Zealand Transport Agency has issued a proposed change to the Land Transport User Rules. The proposal includes prohibiting the use of hand-held mobile phones while driving a vehicle.

The proposed rule change also highlights as an issue for consideration a requirement that drivers should give priority to a bus when the bus driver signals and pulls away from a stop. The need for such a regulation was raised during public participation at an earlier Committee meeting. A submission in support of this proposal has been made.

3.7 Public Transport Disability Liaison Officer

A draft work programme was presented by the GW Public Transport Disability Liaison Officer (Anke Kole) for discussion to the first GW Disability Reference Group meeting on 9 October.

3.8 Bus Priority and the Wellington CBD

The Wellington City Council Strategy and Policy Committee considered a report entitled "Strengthening and Restoring the Golden Mile – Bus Priority as

a Catalyst for Change” at its 9 October meeting. The report recommended public consultation on various options for routing buses through the CBD, including one option for the re-introduction of public transport through Manners Mall.

The report noted the work of the Bus Priority project is closely linked to the Wellington bus review and other work being undertaken by Greater Wellington Regional Council.

3.9 Regional Rail Plan

An update of the work to date on the Regional Rail Plan (RRP) was presented to Greater Wellington Transport and Access Committee (TAC) at a workshop in early September. Work continues on preparing the first draft RRP for TAC endorsement to proceed with wider consultation. The RRP will be presented to the Regional Transport Committee in December.

3.10 Infrastructure

3.10.1 Upper Hutt Shelters

In nearly 18 months, since the first retro-fitted perforated metal sheets were installed in certain shelter locations, we have seen great results in decreasing anti-social behaviour around bus shelters.

The evidence can be seen in the significantly decreased incidence of vandalism on Upper Hutt shelters (see the table below):

Description	Jul-Sept 07/08	Jul-Sep 08/09	Percentage Decrease
Graffiti	73	67	8%
Broken Glass	14	6	57%
Painting	41	17	58%
Repairs	3	1	66%
Re-Glazing	10	0	100%

3.10.2 Johnsonville line

Detailed design of the Johnsonville line stations is underway with construction work due to start over the Christmas line closure. Platform heights and widths are the priority works to be undertaken in order for the new Matangi trains to run without conflict with the platform. Other changes will incorporate new platform surfaces, lighting, signs, and improvements in access to the station.

Physical work started in the tunnels at the beginning of September 2008. Complaints about noise and light have been minimised through good communications and advance warnings to local residents.

3.11 GO Wellington disruptions

Substantial disruptions to bus services occurred throughout September due to both stop work meetings and industrial activity amidst negotiations between Go Wellington and the Tramways Union over a collective employment agreement. An agreement was settled early October and ratified shortly afterwards.

The impact on customers was substantial, particularly when one entire day's service was lost. On a more positive note we believe the impact was partly mitigated by good communication from Go Wellington through their media releases, print and radio advertisements. This was complimented by posters at bus stops and our own information to customers. We also worked closely with Wellington City Council throughout.

3.12 Capacity rolling stock

The Ferrymead EMU started revenue service on 30 September 2008. The introduction has gone smoothly and the extra capacity has been welcomed.



The next two car unit, the “Phoenix” will be available for service in October 2008, and the SE train will enter passenger service in January 2009. The extra capacity provided by these additional trains will relieve pressure on the current fleet until the new Matangi trains arrive.

4. Responses to public participation

A number of people addressed the last meeting of the Committee in the Public Participation section of the meeting.

- Rosamund Averton discussed weekend bus services. A number of Wellington routes do not have a weekend service. This matter will be considered as part of the review of Wellington bus services that was reported to the last meeting of the Committee. The target completion date for the review is June 2010. In the meantime we will continue to improve

the level of information available at bus stops and also consider producing a brochure of which routes have/do not have weekend services.

- John Lancashire and Henry Brittain advocated for the building of a railway platform at McKays Crossing. A platform at this location is not on the current list of priorities for Greater Wellington. The top priority at present is to ensure that all work necessary to enable the new Matangi trains is completed by the time these trains enter service from 2010. However, we have reviewed the costs of providing a platform at McKays Crossing. Construction costs have risen significantly since the work on the Wairarapa platforms and the construction of a new platform at Matarawa.

Because of the double tracking at McKays, two platforms are required. If a short platform is constructed to enable egress from a single unit, modifications will be required to the door controls for the new Matangi trains and the Ganz Mavag units will need to be retrofitted so that train staff can isolate the doors that open.

In summary, the estimated costs of providing various length platforms of McKays are:

60m platforms	\$570k plus \$260k train modification
90m platforms	\$770k plus \$260k train modifications
150m platforms	\$1190k

- Sheryll McDowall and Martin Sebire advocated for the building of a station at Raumati. Since the meeting the committee chair and a council officer met with Ms McDowall and Mr Sebire and the Raumati Public Transport Action Group to explain the council's position on Raumati and to provide the information that was being sought.
- Neil Patel spoke on behalf of small business owners about their concerns with the introduction of the Snapper card. While it is easy to understand their concerns and the impacts on their businesses, the Snapper card has been introduced by Snapper Services Ltd and NZBus Ltd. Under its contracts with NZBus, Greater Wellington requires that a ticketing system be provided that meets certain specifications, and the Snapper card satisfies that requirement. Contractual and commercial arrangements between NZBus and retailers are matters to be resolved by the parties involved.
- Paula Warren spoke to a number of items. It was good to receive positive feedback on the Real Time Information System project.

The changes to the Johnsonville/Newlands services were proposed by the operator to provide more effective and efficient services for the residents in those areas. With the current cost pressures on the provision of public transport services and the demands for extra services, it is critical that every dollar is spent wisely. In some cases this will result in a reduction of services that are poorly patronised. However, it is important to note that this is not a money saving exercise, and that any money that is saved by

the reduction of a poorly performing service will be redeployed into enhanced services elsewhere.

We have spoken to Kiwi Rail about the discrepancy between travel times from Wellington to Petone on the Upper Hutt line and Melling line inter-peak services. The discrepancy will be rectified when the next major timetable change is required.

Greater Wellington will be reviewing fares and fare products as part of the Long-term Council Community Plan process. The Kapiti Plus integrated fare is being offered for a trial period of four months and it is too early to evaluate its effectiveness. This will be a necessary input to the consideration of similar products elsewhere on the network.

The issue of a platform at McKays Crossing has been addressed above.

- Mike Mellor spoke to a number of items. Comments on the Johnsonville/Newlands bus service changes are provided above. Comments on the Wellington review have been noted. As noted in the report on the review to the Committee, the review will include substantial consultation.

The use of Valley Flyer buses on Wellington routes without Snapper capability has been raised with NZBus. The issue should be resolved shortly as Valley Flyer buses will soon be fitted with Snapper readers.

Comments on train replacement on the Johnsonville line and train/bus connections have been noted.

- Paul Whitham discussed bus congestion on the “golden mile” and the Kapiti Plus integrated ticket. Greater Wellington officers are working with officers from Wellington City Council on bus congestion on the “golden mile” which does include the full route through the city, and is not just focused on the possibility of reintroducing buses to Manners Mall.

5. Financial report

5.1 Year-to-date operating result overview

The net operating surplus from operations for the Public Transport Division for the three months ended 30 September 2008 was \$1.0 million compared to the budgeted surplus of \$17,000.

Total expenditure was \$18.6 million compared to the budget of \$19.9 million. Payments to bus operators for diesel bus contracts had been budgeted based on oil at US \$145 a barrel and the \$NZ/\$US exchange rate at 0.785. However, since the budget was set at the end of May there have been significant fluctuations in both of these factors resulting in a net reduction in the amount payable to operators of \$0.7 at this time. Other reductions in expenditure relate to an over accrual of maintenance expenditure at 30 June 2008 and reduced demand for Total Mobility services.

Total revenue was \$19.6 million compared to the budget of \$19.9 million. There has been a reduction in subsidy from NZTA because expenditure was \$1.3 million under budget, however this was partly offset by \$0.2 million of additional revenue from the New Zealand Transport Agency (NZTA) because Greater Wellington signed up for Phase 2 of the Total Mobility scheme.

If operating costs and revenues associated with capex are also included, then the overall operating deficit is \$5.4 million compared to the budgeted deficit of \$6.3 million. The decrease in the deficit relates to the timing of capex and improvement projects – primarily rail infrastructure upgrades and rail rolling stock projects.

5.2 Forecast full year operating result

The full year forecast net operating surplus from operations is \$0.6 million compared to the budgeted surplus of \$41,000.

Expenditure is forecast to be \$79.2 million compared to the budget of \$79.8 million.

Rail operational expenditure is forecast to be \$1.0 million above budget because of increases in infrastructure renewal charges. KiwiRail have advised us that the expected renewals charge for 2008/09 is \$1.2 million which is \$0.5 million more than budget. In addition, there is \$0.5 million of charges that relate to the 2007/08 year which were received too late to be included in the 2007/08 financial statements.

More than offsetting this, is a significant reduction in forecast diesel bus operating expenditure of \$1.2 million because of changes to oil prices and the \$NZ/\$US exchange rate. Oil prices and the exchange rate are the key drivers of the index that determines contractual inflation payments to bus operators. The current forecast is based on oil at US\$110 a barrel and the \$NZ/\$US exchange rate of \$0.60 for the remainder of the year.

There are also more minor forecast expenditure reductions in bus shelter maintenance, carpark and station maintenance and total mobility payments. If the maintenance savings prove to be permanent then consideration will be given to how the savings could be used to bring forward necessary maintenance.

Grants and subsidies revenue is forecast to be very close to budget. Reductions in revenue, related to the forecast reductions in expenditure, are offset by increased NZTA subsidies for Total Mobility and bus facilities maintenance and operations. NZTA has increased the financial assistance rate for both these activities.

When capital and improvement projects are taken into account, the overall forecast operating position becomes a deficit of \$18.4 million compared to the budgeted deficit of \$15.0 million.

5.3 Detailed net operating result for the division

Detailed actual and forecast operating results for the division are included in the following table:

Public Transport Division Financial Performance by Programme for the Period Ended 30 September 2008

	Year To Date				Full Year			
	Actual \$000	Budget \$000	Variance \$000	Variance %	Forecast \$000	Budget \$000	Variance \$000	Variance %
Revenue								
Rates Revenue	9,397	9,397	0 F	0%	37,588	37,588	0 F	0%
Grants & Subsidies	10,023	10,417	394U	-4%	41,763	41,753	10 F	0%
External Revenue	94	81	13 F	16%	324	324	0 F	0%
Investment & Other Revenue	29	0	29 F	0%	1	1	0 F	0%
Internal Revenue	30	30	0 F	0%	120	120	0 F	0%
Total Revenue	19,573	19,925	352U	-2%	79,796	79,786	10 F	0%
Expenditure								
Rail Operations	5,494	5,411	83U	-2%	22,887	21,915	972U	-4%
Diesel Bus Operating Contracts	8,199	8,892	693 F	8%	34,359	35,606	1,247 F	4%
Trolley Bus Operating Contracts	1,611	1,666	55 F	3%	6,665	6,665	0 F	0%
Ferry Operating Contract	70	75	5 F	7%	293	303	10 F	3%
Bus Shelter Maintenance	67	161	94 F	58%	618	668	50 F	7%
Carpark & Station Maint/Operations	104	231	127 F	55%	784	924	140 F	15%
Wellington Interchange Payments	154	154	0 F	0%	617	617	0 F	0%
Signage Maintenance	4	69	65 F	94%	274	274	0 F	0%
Procurement Studies	166	186	20 F	11%	355	355	0 F	0%
Total Mobility Scheme	432	576	144 F	25%	2,279	2,379	100 F	4%
Procurement	16,301	17,421	1,120 F	6%	69,130	69,705	575 F	1%
Design and Development Projects	118	141	23 F	16%	545	565	20 F	4%
Design & Development	118	141	23 F	16%	545	565	20 F	4%
Marketing & Communications	58	79	21 F	27%	405	405	0 F	0%
Metlink Systems & Information	129	164	35 F	21%	655	655	0 F	0%
Service Centre External Costs	74	81	7 F	9%	322	322	0 F	0%
Metlink	261	324	63 F	19%	1,382	1,382	0 F	0%
Total Project Expenditure	16,680	17,886	1,206 F	7%	71,058	71,653	595 F	1%
Admin	1,871	1,864	7U	0%	7,454	7,454	0 F	0%
Non-Cash Items	34	118	84 F	71%	473	473	0 F	0%
Other	38	40	2 F	5%	165	165	0 F	0%
Total Expenditure	18,623	19,908	1,285 F	6%	79,150	79,745	595 F	1%
Net Operating Surplus/(Deficit) from Operations	950	17	933 F		646	41	605 F	
Total Revenue associated with Capex Improvement Projects	6,874	7,964	1,090U	-14%	91,203	66,590	24,613 F	37%
	13,186	14,259	1,073 F	8%	112,385	83,759	28,627U	-34%
Net Operating Revenue & Costs associated with Capex	-6,312	-6,295	17U	0%	-21,182	-17,169	4,014U	23%
Revaluation of Crown Loan	0	0	0 F	0%	2,164	2,164	0 F	0%
Revaluation Adjustments	0	0	0 F	0%	2,164	2,164	0 F	0%
Net Operating Surplus/(Deficit)	-5,362	-6,278	916 F		-18,372	-14,963	3,409U	

5.4 Capital expenditure and improvement projects

Capital expenditure and improvements project expenditure is \$13.2 million compared to the budget of \$14.3 million.

Expenditure on the new passenger trains is \$2.0 million above budget. The additional expenditure on the new trains relates to a progress payment that was originally scheduled for payment in the 2007/08 year but was delayed slightly. This is a timing issue only and the new trains are still scheduled for delivery from 2010 within budget.

Expenditure on rail infrastructure upgrades and rail rolling stock heavy maintenance are below budget while expenditure on rail capacity rolling stock is slightly above budget.

The full year capital and improvements expenditure forecast is \$113.0 million compared to the budget of \$85.9 million. The main cause of the variance is increased forecast expenditure on rail infrastructure upgrades of \$27.7 million. This is based on the latest forecast from ONTRACK which reflects their estimates of project timing as well as increases in the overall cost of projects. Greater Wellington has applied to NZTA for additional funding which would cover 90% of any increased project costs.

Capital expenditure and improvements project expenditure is funded by a mix of NZTA grants, internal loan funding and Crown loans. Consequently, delay or deferral of these projects has only a minor effect on the overall funding position of the division.

5.5 Detailed capital expenditure and improvement projects

Detailed actual and forecast capital expenditure and improvement projects are included in the following table:

PublicTransport Division
Improvement Projects and Capital Expenditure for the Period Ended 30 September 2008

	Year To Date				Full Year			
	Actual \$000	Budget \$000	Variance \$000	Variance %	Forecast \$000	Budget \$000	Variance \$000	Variance %
Improvement Projects (Opex)								
Rail Infrastructure Upgrades	3,755	6,484	2,729 F	42%	73,147	45,448	27,699U	-61%
Rail Rolling Stock Heavy Maintenance	21	653	632 F	97%	2,611	2,611	0 F	0%
Capacity Rail Rolling Stock	5,620	5,320	300U	-6%	10,347	10,347	0 F	0%
New EMU Related Expenditure	3,333	1,351	1,982U	-147%	23,242	21,611	1,631U	-8%
Other Rail Rolling Stock Upgrades	0	26	26 F	100%	521	1,224	704 F	57%
Trolley Bus Infrastructure Renewals	370	382	12 F	3%	2,347	2,347	0 F	0%
Other Projects	87	43	44U	-102%	169	169	0 F	0%
Improvement Projects	13,186	14,259	1,073 F	8%	112,385	83,759	28,627U	-34%
Capital Projects								
Real Time Information	0	0	0 F	0%	100	750	650 F	87%
Bus Shelter Upgrades	53	25	28U	-112%	213	250	37 F	15%
Rail Infrastructure Upgrades	1	39	38 F	97%	159	1,059	900 F	85%
Other Capex	-18	0	18 F	0%	75	75	0 F	0%
Capital Expenditure	36	64	28 F	44%	547	2,134	1,587 F	74%
Total Asset Acquisition	0	0	0 F	0%	58	58	0 F	0%
Asset Additions	0	0	0 F	0%	58	58	0 F	0%
Improvement Projects and Capital Projects	13,222	14,323	1,101 F	8%	112,990	85,951	27,040U	-31%

6. Communication

No communications are required.

7. Recommendations

That the Committee:

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

Report prepared by:

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Transport