



Report 10.27
Date 1 February 2010
File E/06/29/03

Committee Transport & Access Committee
Author Wayne Hastie, General Manager, Public Transport

General 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 Real Time Information

The real-time information project continues to progress well. The overall project programme remains on schedule, despite the timing of the live running element of the Pilot phase being pushed back by a period of approximately 6 weeks due to some re-scheduling of Pilot preparation activities. The project remains on budget.

The later start of the Pilot phase is primarily the result of necessary alignment with the development programmes of third parties on two of the essential system interfaces. However, in overall project terms this is countered by the earlier parallel development of some of the main roll-out requirements, and by better than expected progress in some areas (for instance, the necessary integration with Metlink systems has generated considerably fewer challenges than were anticipated).

The central server which will operate the real-time system was recently commissioned, and a number of the required connections to it have been made and are under test.

The current schedule expects the live running element of the Pilot to begin in April, on 25 Go Wellington buses providing the Route 14 service. A single trolleybus is also included in order to isolate any trolleybus-specific issues, despite none being anticipated. Although the provision of real-time

information to the public is not part of the Pilot requirements the system will be tested from end-to-end, including each of the information provision media (display sign, web and SMS (text)). The evaluation and satisfactory acceptance of the Pilot is a prerequisite for authorisation of the full roll-out.

Agreements covering all aspects of participation in the scheme by bus operators have developed significantly and discussions continue towards their completion.

A more detailed report will be made to the March meeting of this Committee.

3.2 SuperGold Card Free Travel Scheme

A Ministry of Transport (MOT) led review of the SuperGold card travel scheme is underway. A discussion document is expected to be released any day now, and submissions will be sought.

This will be discussed further, and a presentation will be made by MOT staff, at the March meeting of this Committee.

3.3 Total Mobility update

Work continues according to plan and budget on the introduction of an electronic solution for the Total Mobility scheme. The issue of the photo identification cards will occur this month. Taxi drivers will ask scheme users to show their cards (although the paper vouchers will still initially be used to access the scheme discount). Those who do not have cards will be asked to contact the Council or their disability agency to obtain a card, and be told that a card will be necessary to access the scheme from May. In May, the paper vouchers will no longer be able to be used, and the full system will commence.

At the time of writing Greater Wellington officers are in the process of interviewing prospective trainers for the purpose of training Total Mobility Scheme assessors. These assessors are volunteers from various support agencies who assess their own members for eligibility for the Scheme. The role of the trainer is to ensure that the assessors are aware of the purpose and eligibility criteria of the Scheme, plus Greater Wellington's requirements of the assessor. These training workshops will be conducted as required, but likely to be once every two months or so.

3.4 NZTA Fare Box Recovery Policy

Committee members will recall that at the end of last year this Council made a submission on the proposed New Zealand Transport Agency (NZTA) farebox recovery policy. The policy was due to come into effect in March 2010. NZTA have advised that it received 40 submissions on the policy, and that:

“A number of important issues have been raised in relation to the consultation document.... We intend to take a progress report to the NZTA Board for consideration and seeking further direction at the 25 February Board meeting.”

3.5 Rugby World Cup

As part of the Wellington bid to host the 2011 Rugby World Cup Council resolved on 26 June 2008 to offer “some free public transport from midday on quarter final match day(s)”. This commitment formed part of Wellington’s successful bid to host two of the quarter-final matches.

Transport planning for the Rugby World Cup is being coordinated by Wellington City Council with a first Transport Working Party meeting held on 10 December 2009 including representatives of Greater Wellington and NZ Bus. Tim Kelly Transportation Planning Ltd has been commissioned by Wellington City to produce a master transport plan for the Wellington matches. This plan will include indicative forecasts of transport demand to and from RWC events and provide a basis for Greater Wellington’s public transport planning.

Next steps for Greater Wellington are to confirm what services will be free from midday on quarter final match days and what additional bus and train capacity will be required to ensure a successful transport outcome for this high profile event. Some additional capacity will likely need to be funded by Greater Wellington while other capacity may be able to be provided commercially by operators.

To this end Greater Wellington’s CEO has initiated a high level meeting with bus, train and ferry company chief executives to determine on what basis operators may be able to offer free services on the two quarter final match days and to identify any opportunities for operators to share costs with Greater Wellington. This meeting will be held on 18 February.

Subject to the recommendations of the master transport plan and discussions with operators, a committee paper outlining options and possible costs for Rugby World Cup free public transport services and additional capacity requirements will be presented to the Transport and Access Committee on 16 March.

3.6 Bus shelters

Retro-fit perforated steel panel kits have been ordered and will be installed in February in the following areas:

- Upper Hutt (2 shelters)
- Wellington (1 shelter)
- Porirua (1 shelter)
- Kapiti (4 shelters)

Any serviceable glass removed from the retro-fitted shelters will be used to replace glass in other damaged shelters.

19 new shelters are due to have orders placed for manufacture in February and installation in April for the following areas:

- Porirua (4 shelters)
- Wellington (4 shelters)
- Hutt City (4 shelters)
- Kapiti (4 shelters)
- Masterton (2 shelters)

In an attempt to combat the growing number of vandalism and graffiti attacks on the region's bus shelters, Greater Wellington officers are currently reviewing options for installing miniature CCTV cameras to bus and rail station shelters or utilities.

3.7 Porirua bus pylon

Officers arranged the removal of the recently installed way-finding and bus timetable information pylon at Porirua station on Friday 29 January 2010 due to vandalism. The pylon was installed at the end of October 2009 and in the short time it has been in place it has sustained a considerable amount of damage and graffiti, and had become a danger to the public. The latest damage, which has resulted in it being unsafe, was a result of people drop kicking the signs and breaking the welds. To repair this damage and give the sign a complete overhaul to remove the graffiti and damaged Perspex is a cost of approximately \$1,000, (a new sign would cost \$1,500). At this time there is no intention to replace the sign at this location.

3.8 Rail subways

Two young taggers who were caught on camera in the Epuni subway during the Christmas break are currently speaking with Community Police Officers.

As part of the subway graffiti removal programme repainting at Taita subway is due to be completed by April 2010.

Joint investigations by Greater Wellington and Hutt City Council officers is currently underway looking at the effectiveness and costs of extending the murals at Naenae subway, and potentially including a cultural theme. This work is to be integrated into an upgrade of the station building. Officers are currently waiting for a decision from the North/East Community Committee regarding the upgrade of the station.

3.9 Park & Ride

3.9.1 Regional car park maintenance programme

Officers continue to make progress in drafting the tender documents for a regional car park maintenance contract. The tender is expected to be released mid February 2010. 40 new spaces are to be provided at Pomare as part of the regional contract with construction to be completed by May 2010.

3.9.2 Petone

Officers are working with the NZTA to identify any potential for further development of park and ride car parks at Petone, including land identified at London Road, Korokoro. A report is expected shortly.

3.9.3 Waterloo lighting

Investigations are underway by officers and electrical contractors in preparation of phase 2 of the lighting renewal programme for the South East car park. Contract and construction is expected to start late February 2010.

3.10 Waterloo toilet block

Officers are planning a temporary closure of the male and female toilets at Waterloo to allow essential plumbing renewals to take place. A number of recent vandalism attacks have caused damage to pipes and sewer connections including some internal fittings (toilet bowls and urinal). Temporary chemical toilets will be made available during these renewal works.

3.11 Wainuiomata bus service changes

The Wainuiomata bus service changes commence on 22 February 2010. These changes include extended services to Wainuiomata North, a rationalisation of school bus services, extension of some services to the Hutt Hospital, and a reduction in services to the Parkway 'loop'.

3.12 Wellington street events

As part of our on-going management of the Metlink public transport network, officers from Greater Wellington work closely with city and district council and bus operators to manage the network during special events. The past two months have been particularly busy and created some challenges for the parties, but careful planning and co-operation by the parties has seen disruption kept to a minimum. Recent events have included:

- Wellington Christmas parade
- White Ribbon race
- Hutt City Marathon
- Brooklyn Festival,
- Naenae Festival
- Wellington fireworks display
- North Wellington festival
- “Lovely Bones” premier
- Bike the Bays

- Khandallah Fair
- Wainuiomata Christmas parade

3.13 Rolling stock

3.13.1 Matangi

Work continues both in Korea and Wellington to build and prepare for the arrival of the new trains mid 2010. The train design is now complete and 10 cars have begun the production process.

The pictures below show the first 2-car set (trailer car and motor car) in the outfitting shop. Outfitting is currently focused on the floors, doors, cable trays, interior panels and windows.



A draft new operating timetable is under development to enable the introduction of Matangi trains line-by-line and extend services to Waikanae.

3.13.2 Ganz Mavag Detailed Condition Assessment and Prototype

In December 2009 KiwiRail submitted to Greater Wellington the draft Prototype Refurbishment detailed design and construction proposal for its

review and approval. Greater Wellington is anticipating providing KiwiRail with formal feedback on the proposal in mid February 2010.

3.14 Infrastructure upgrades

A presentation on the upgrade works will be given at the Committee meeting, with a focus on work completed over the Christmas period.

3.14.1 MacKay's to Waikanae double tracking (and electrification to Waikanae)

All traction poles for existing track between MacKay's Crossing and Paraparaumu have been completed. The first sections of track and traction wire have been installed. Work on two bridges is complete.

3.14.2 Kapiti Stations upgrade

All consents have been lodged for station construction and land subdivision. Tenders will be released early in 2010. Agreements have been signed by land owners pending Greater Wellington Regional Council approval for the lease of land adjacent to Waikanae Station for extending the park and ride.

3.14.3 Platform works (Matangi enabling)

Simla Crescent, Ngaio, Crofton Downs, Petone and Pukerua Bay have been completed. Tenders for work on the canopies on platforms 1 and 2 and Wellington Station have been awarded. The tender has been awarded for work at Redwood Station which will be closed on 8 February for up to four months.

3.14.4 Kaiwharawhara Throat (Wellington Station Entry)

All the lead in work for the Christmas block of line (**BOL**) was completed on time. Most of the works programmed over the BOL were completed and the system was handed back to the operator on schedule.

3.14.5 Power and signalling system upgrade for new trains

Satisfactory progress was made during the Christmas (BOL) with the installation and commissioning of track circuits. Good progress has been made on the installation of equipment across numerous sites with some increased activity during the Christmas BOL.

3.14.6 Depot upgrade

Work has begun in earnest on the redevelopment of the Thorndon depot to suit the Matangi trains. A new train wash has been delivered and new wheel lathe and train wash buildings are under construction. Wheel lathe manufacture in Germany is continuing.

3.15 Response to Public Participation

Alexia Pickering addressed the Committee at its last meeting, raising concerns about wheelchair access to trains and railway stations. Officers have followed this matter up with TranzMetro and received the following response.

- The original ramps used for wheelchair access to the Ganz Mavag units became an issue with staff and customers
- Customers found it difficult to use the ramps with the movement to bigger and heavier wheelchairs including motorised chairs
- The original ramps were designed for use by the simple hand propelled wheelchairs of the 1970s
- Staff found the ramps heavy to manage due to their construction and difficult to use given the heavier wheelchairs
- TMW undertook a review of wheelchairs and mobility access in general
- TMW consulted with various disability groups including MS Society, Ministry for Disability Issues, Human Rights Commission both with regard to the overall policy and the design of the ramp
- Final ramp design tested by with customers, disability groups and staff
- Design and manufacture of the 44 ramps was managed by Professional Services Group on behalf of TMW
- Staff recently raised issues with the H&S Manager regarding some ramps being warped and having sharp edges
- The warped ramps were replaced and the sharp edges removed from the other ramps
- A stock take is underway to assess all ramps in terms of their condition and whether the manufactured ramps meet the design requirements. The stock take will be completed this Wednesday
- Our H&S manager will report on the situation and any further actions required with the ramps by Friday
- We have no customer complaints regarding the ramps other than from GWRC and these are not specifics

We are still awaiting further responses from TranzMetro.

4. Financial report

4.1 Year-to-date operating result overview

The net operating surplus from operations for the Public Transport Division for the six months ended 31 December 2009 was \$0.8 million compared to the budgeted deficit of \$0.3 million.

Total expenditure on operations was \$40.4 million compared to the budget of \$42.4 million. The most significant variances are:

- Expenditure on rail operations is \$0.6 million above budget. TranzMetro have advised Greater Wellington of a significant decline in patronage which increases the subsidy required to operate passenger rail services.
- Diesel bus operating contract expenditure is \$1.6 million under budget. Budgeted inflation payments to bus operators were based on a projection of the NZTA index which included oil at \$NZ65 a barrel and the \$NZ/\$US exchange rate at \$0.60. In the year-to-date, oil prices have been higher than originally projected but this has been more than offset by a higher than projected value of the NZ dollar.

Total revenue from operations was \$41.3 million compared to the budget of \$42.1 million. Grants and subsidies revenue is \$1.1 million under budget reflecting the overall reduction in operational expenditure.

If operating costs and revenues associated with capex are also included, then the overall operating deficit is \$2.7 million compared to the budgeted deficit of \$3.4 million. The decreased deficit is because of changes to the timing of capex and improvement projects, primarily passenger rail infrastructure upgrades and the new Matangi rolling stock project.

A detailed operating results table is included below.

4.2 Forecast full year operating result

The full year forecast net operating surplus from operations is \$0.9 million compared to the budgeted deficit of \$0.9 million.

Total expenditure on operations is forecast to be \$82.4 million compared to the budget of \$85.3 million. The main drivers of this change in the forecast are:

- Rail operations expenditure is forecast to be \$26.1 million which is \$1.2 million above budget. This forecast is based on figures supplied by TranzMetro in January which show a significant decline in patronage. TranzMetro have also forecast a reduced depreciation charge based on a revaluation of assets on the purchase of the assets from Toll. This would reduce the subsidy payable by Greater Wellington by a further \$1.2 million. This is not included in our forecast numbers as we have not had the opportunity to discuss this with TranzMetro and work out the implications for future charges.
- Diesel bus contract expenditure is forecast to be \$29.4 million which is \$4.0 million below budget. This forecast reflects:
 - a forecast reduction in payments to operators of \$2.8 million for ‘inflation’ on contractual payments (this is dependant on the price of oil and the US\$/NZ\$ exchange rate remaining at current levels)
 - forecast savings of approx \$1.2 million following the commercial registration of some Hutt Valley services.

- Trolley bus operations expenditure is forecast to be \$7.3 million which is \$0.3 million above budget. The trolley bus operations contract price reset for 2009/10 is \$0.1 million more than budget and the cost of maintaining the trolley bus overhead wires is expected to be \$0.2 million more than budget.
- SuperGold Card expenditure is forecast to be \$4.5 million which is \$0.5 million above both Greater Wellington's budget and the New Zealand Transport Agency (NZTA) approved expenditure limit. NZTA is reviewing the scheme with preliminary findings expected in early 2010. In the interim, Greater Wellington is making a request to NZTA for additional funding.
- Real time information operational costs are forecast to be \$145,000 which is \$0.5 million less than budget. With the signing of the real time information contract on 4 September, there is more certainty around the amount and timing of the related operational costs.

Revenue from operations is forecast to be \$83.3 million compared to budgeted revenue of \$84.4 million. Forecast grants and subsidy revenue (excluding SuperGold card) is anticipated to be \$1.5 million below budget. This is because of overall forecast decrease in expenditure. SuperGold card revenue is forecast to be \$0.5 million above budget.

When capital and improvement projects are taken into account, the overall forecast operating position becomes a deficit of \$9.7 million compared to the budgeted deficit of \$8.9 million.

4.3 Detailed net operating result for the division

Detailed actual and forecast operating results for the division are:

**Public Transport Division
Financial Performance by Programme for the Period Ended 31 December 2009**

	Year To Date				Full Year			
	Actual \$000	Budget \$000	Variance \$000	Variance %	Forecast \$000	Budget \$000	Variance \$000	Variance %
Revenue								
Rates Revenue	18,221	18,221	0 F	0%	36,442	36,442	0 F	0%
Grants & Subsidies	20,340	21,419	1,079 U	-5%	41,584	43,126	1,542 U	-4%
Grants & Subsidies - SuperGold Card	2,337	2,000	337 F	17%	4,511	4,000	511 F	13%
External Revenue	227	269	42 U	-16%	479	539	60 U	-11%
Investment & Other Revenue	70	73	3 U	-4%	147	147	0 F	0%
Internal Revenue	69	69	0 F	0%	139	139	0 F	0%
Total Revenue	41,264	42,051	787 U	-2%	83,302	84,393	1,091 U	-1%
Expenditure								
Rail Operations	12,973	12,397	576 U	-5%	26,112	24,940	1,171 U	-5%
Diesel Bus Operating Contracts	14,902	16,489	1,587 F	10%	29,403	33,375	3,972 F	12%
Trolley Bus Operations	3,490	3,521	31 F	1%	7,294	7,042	252 U	-4%
Ferry Operating Contract	130	141	11 F	8%	255	286	30 F	11%
SuperGold Card	2,360	2,000	360 U	-18%	4,511	4,000	511 U	-13%
Real Time Information Operations	0	325	325 F	100%	145	650	505 F	78%
Shelter, Carpark, Station & Signage	738	1,041	303 F	29%	2,092	2,081	11 U	-1%
Wellington Interchange Payments	308	308	0 F	0%	617	617	0 F	0%
Procurement Studies	87	100	13 F	13%	210	200	10 U	-5%
Total Mobility Scheme	1,005	1,037	32 F	3%	2,073	2,073	0 F	0%
Procurement	35,993	37,359	1,366 F	4%	72,711	75,264	2,553 F	3%
Design and Development Projects	11	208	197 F	95%	359	415	56 F	13%
Design & Development	11	208	197 F	95%	359	415	56 F	13%
Marketing & Communications	40	194	154 F	79%	339	389	50 F	13%
Metlink Systems & Information	297	324	27 F	8%	647	647	0 F	0%
Service Centre External Costs	78	87	9 F	10%	175	175	0 F	0%
Metlink	415	605	190 F	31%	1,161	1,211	50 F	4%
Total Project Expenditure	36,419	38,172	1,753 F	5%	74,231	76,890	2,659 F	3%
Admin	3,915	4,083	168 F	4%	7,936	8,168	232 F	3%
Non-Cash Items	54	58	4 F	7%	120	120	0 F	0%
Other	57	55	2 U	-4%	108	108	0 F	0%
Total Expenditure	40,445	42,368	1,923 F	5%	82,396	85,286	2,891 F	3%
Net Operating Surplus/(Deficit) from Operations	819	-317	1,136 F		906	-893	1,800 F	
Total Revenue associated with Capex Improvement Project Expenditure	37,943	63,065	25,122 U	-40%	107,109	145,941	38,832 U	-27%
	41,412	66,179	24,767 F	37%	117,744	153,969	36,225 F	24%
Net Operating Revenue & Costs associated with Capex	-3,469	-3,114	355 U	11%	-10,635	-8,028	2,607 U	32%
Net Operating Surplus/(Deficit)	-2,650	-3,431	781 F		-9,728	-8,921	807 U	

4.4 Capital expenditure and improvement projects

Year-to-date capital and improvements project expenditure is \$42.0 million compared to the budget of \$70.6 million. A change to the timing of payments on the new Matangi trains and on rail infrastructure upgrades are the main contributors to this variance. There is also reduced expenditure on rail rolling stock heavy maintenance, the Ganz Mavag prototype, and on the real time information project.

The full year capital and improvement expenditure forecast is \$120.0 million compared to the budget of \$163.4 million. The main differences are delays to the timing of payments on the new Matangi trains, on rail infrastructure upgrades, on the real time Information project and Ganz Mavag prototype.

A detailed capital expenditure and improvement projects table is included below.

Capital expenditure and improvement project expenditure is funded by a mix of NZ Transport Agency 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.

PublicTransport Division

Improvement Projects and Capital Expenditure for the Period Ended 31 December 2009

	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	31,699	42,928	11,229 F	26%	79,888	85,052	5,164 F	6%
Rail Rolling Stock Heavy Maintenance	1,175	1,906	731 F	38%	3,742	3,742	0 F	0%
Capacity Rail Rolling Stock	0	0	0 F	0%	0	0	0 F	0%
New EMU Related Expenditure	7,100	19,184	12,084 F	63%	29,565	60,356	30,791 F	51%
Ganz Mavag Prototype	445	979	534 F	55%	1,647	1,957	311 F	16%
Ganz Mavag Refurbishment/Purchase	0	1	1 F	100%	0	502	502 F	100%
Trolley Bus Infrastructure Renewals	795	1,103	308 F	28%	2,497	2,206	291 U	-13%
Other Projects	198	78	120 U	-154%	406	154	251 U	-163%
Improvement Project Expenditure	41,412	66,179	24,767 F	37%	117,744	153,969	36,225 F	24%
Capital Projects								
Real Time Information	395	2,425	2,030 F	84%	1,594	4,850	3,256 F	67%
Bus Shelter Upgrades	0	125	125 F	100%	250	250	0 F	0%
Total Mobility Systems Devt	49	0	49 U	0%	350	350	0 F	0%
Rail Infrastructure Upgrades	157	1,841	1,684 F	91%	0	3,867	3,867 F	100%
Other Capex	0	39	39 F	100%	75	75	0 F	0%
Capital Expenditure	601	4,430	3,829 F	86%	2,269	9,392	7,123 F	76%
Total Asset Acquisition	0	32	32 F	100%	32	32	0 F	0%
Asset Additions	0	32	32 F	100%	32	32	0 F	0%
Improvement Projects and Capital Projects	42,013	70,641	28,628 F	41%	120,045	163,393	43,348 F	27%

4.5 Funding

The year-to-date funding surplus above budget (represented by an increase in reserves instead of the planned decrease) is \$1.5 million. The forecast full year funding surplus above budget (decreased transfer from reserves) is \$2.1 million.

5. Communication

No communications are required.

6. Recommendations

That the Committee:

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

Report prepared by:

Wayne Hastie
General Manager, Public Transport