



Report 15.386
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Committee Council
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Wellington BRT Indicative Business Case

1. Purpose

The purpose of this report is to support the Wellington Bus Rapid Transit (BRT) Indicative Business Case (**Attachment 1**) to enable the project to proceed to the next phase of a Detailed Business Case.

2. Background

The Regional Land Transport Plan (RLTP) sets out the strategic context for this project. The Ngauranga to Airport Corridor Strategy forms part of the RLTP and provides for a multi-modal approach to addressing the identified problems. This includes the development of a high quality and high frequency passenger transport spine through central Wellington.

The Public Transport Spine Study was undertaken jointly by Greater Wellington Regional Council (GWRC), Wellington City Council (WCC) and the NZ Transport Agency (NZTA) in 2012-14 to identify the best long-term option for this spine. The recommendation to pursue Bus Rapid Transit along a route from the Wellington Railway Station to both Newtown and Kilbirnie was agreed by the Regional Transport Committee (RTC) in March 2014 (**Report 14.93**).

The recommendations of the RTC were subsequently embedded into the Regional Public Transport Plan, adopted by Council in June 2014 (**Report 14.287**). The RTC's recommendations were also endorsed by the Wellington City Council and NZ Transport Agency.

The Ngauranga to Airport (N2A) Governance Group and Steering Group were established by the three partner organisations. The intent of these groups is to coordinate the transport projects proposed under the framework of the Ngauranga to Airport Corridor Strategy.

A BRT Governance Group and Steering Group were also established by the three partner organisations to oversee the further stages of investigation and implementation for Bus Rapid Transit.

3. **Business Case Process**

The business case approach has been adopted by Treasury and NZTA for the assessment of large projects. It involves a series of steps, progressing from a Strategic Case, through to a Programme Business Case, an Indicative Business Case and ending with a Detailed Business Case. The purpose is to ensure that there is clarity on what problem is to be solved and to provide a robust and transparent method for determining the best solution and how it meets the strategic objectives.

For Wellington BRT, the Public Transport Spine Study (PTSS) was determined to be equivalent to the Programme Business Case and therefore an Indicative Business Case has been prepared.

The purpose of an Indicative Business Case is to identify the preferred way forward, narrowing down on the number of options to only those that provide a compelling case. It seeks to avoid spending resources on those options which should not proceed. The business case process and key approval steps are outlined in **Attachment 2**.

4. Conclusion of Indicative Business Case

The Indicative Business Case (IBC) for Wellington BRT has been produced by PricewaterhouseCoopers (PWC) on behalf of GWRC, WCC and NZTA. It confirms there is a demonstrable problem with the current public transport network along the spine in Wellington and that a BRT solution can help address the problems by:

- Proving faster and more reliable bus journeys along the PT Spine
- Increasing the corridor carrying capacity along the route
- Helping improve the bus user experience
- Contributing to increasing PT patronage and PT mode share along the PT Spine
- Helping grow the total number of people able to travel in peak periods

The IBC has analysed a range of infrastructure options to provide clarity on what BRT would look like in a Wellington context. These focus on physical infrastructure (with other components of BRT being considered as part of GWRC's PT Transformation programme). Five main options were considered, as follows:

Option 1 'improved bus priority'

Option 2 'bus lanes, along the whole route, at peak periods'

Option 3 'bus lanes in targeted locations, 24/7'

Option 4 'bus lanes, along the whole route, 24/7'

Option 5 'physically separated bus lanes, along the whole route, 24/7'

The IBC has found there is a strong case for investment in a BRT solution for Wellington. The best performing options were Option 3 (bus lanes in targeted locations) and Option 4 (bus lanes, along the whole route). There is also potential to move from Option 3 to 4 over time.

The conclusion of the IBC is that a Detailed Business Case should be prepared to examine Options 3 and 4.

5. Next Stage: Detailed Business Case

A Detailed Business Case (DBC) would include the critical steps of corridor design and detailed transport modelling which will help to quantify the benefits more precisely and examine any trade-offs required.

This stage will include the following elements: detailed planning, preliminary design, costs for road layout and stops/stations/interchanges, preferred intersection priorities, detailed impact assessment including land requirements, network impacts, safety assessment, and an overall detailed business case.

Design of the corridor and intersection priorities will be integrated with other planned projects, including new cycle lanes, pedestrian improvements, amenity improvements, as well as planned roading improvements. It will also be integrated with other GWRC projects that form part of the wider PT Transformation programme. Consideration will be given to sequencing construction with other planned transport improvements along these corridors.

It is anticipated that this stage will include public engagement on options and implications that will feed into the final Detailed Business Case.

The current joint governance arrangements would be kept in place for the next stage.

6. Funding

The estimated cost for the Detailed Business Case is \$1.5m. It is anticipated that this will be funded using the same funding formula as for the previous stage, which provides for around 50% of funding from NZTA and the remainder from GWRC and WCC. The GWRC contribution would be around \$375,000. This is available from existing budgets set aside for this purpose.

7. Recommendation of N2A Governance Group

The N2A Governance Group has been established to provide oversight of the project by the three partner organisations. The Governance Group met on 27 July 2015 and resolved the following:

- a. Accepts the Bus Rapid Transit Indicative Business Case.*
- b. Agrees that Bus Rapid Transit Indicative Business Case demonstrates that there is a case for investment in further development of Bus Rapid Transit through a Detailed Business Case phase.*
- c. Agrees that options that the Detailed Business Case phase should examine the potential solutions within a range between option 3 (bus lanes in targeted locations, 24/7) and option 4 (bus lanes, along the whole route, 24/7), including the potential to move from option 3 to 4 over time*
- d. Recommends to the Wellington City Council, the Greater Wellington Regional Council and the NZ Transport Agency that each organisation formally 'support/agree' the Bus Rapid Transit Indicative Business Case.*
- e. Notes that the key activities to be conducted during the Detailed Business Case phase include: scoping, preliminary design, detailed operating model, detailed network effects modelling, safety assessment, stakeholder engagement/public consultation, consenting and delivery strategy.*
- f. Notes that the Detailed Business Case phase is expected to cost approximately \$1.5m.*
- g. Recommends to the Wellington City Council and the Greater Wellington Regional Council that each organisation agree to fund 50% of the local share of the Bus Rapid Transit Detailed Business Case phase and jointly*

apply to the NZ Transport Agency for National Land Transport Fund investment.

- h. Updates the Regional Transport Committee on the results of the Bus Rapid Transit Indicative Business Case and the decisions and recommendations of the N2A Governance Group.*
- i. Updates the Regional Transport Committee on the results of the Bus Rapid Transit Indicative Business Case and the decisions and recommendations of the N2A Governance Group.*
- j. Notes that the Bus Rapid Transit Indicative Business Case relates primarily to the physical infrastructure along the PT Spine but is complemented by a wider programme of work under the Ngauranga to Airport programme and Public Transport Transformation programme.*

8. Discussion

Implementing Wellington Bus Rapid Transit is a key strategic response for the region, specifically identified in the RLTP. It is integral to the Public Transport Transformation programme.

The Indicative Business Case provides a thorough analysis of the options for delivering Bus Rapid Transit in the Wellington context. It has been developed through a collaborative process with involvement from all three partner organisations. It has been independently peer reviewed and provides an adequate basis for decision-making.

The clear conclusion of the IBC is to progress two options – Option 3 (bus lanes in targeted locations) and Option 4 (bus lanes, along the whole route). This is supported.

BRT in a Wellington context needs to take account of our relatively narrow and constrained corridors as well as the needs of other transport modes, including improvement proposals for cycle and pedestrian infrastructure. More detailed investigation of some parts of the corridor has indicated that it is possible to achieve most, if not all, of the benefits without the need for segregated bus lanes. It has also become clear that the majority of the travel time and reliability benefits are in fact derived from providing priority at intersections.

The next stage of the project – Detailed Business Case – will provide for the development of corridor designs in conjunction with detailed transport modelling. This will help understanding of how various configurations can provide the desired benefits for public transport as well as any impacts upon general traffic, cyclists and pedestrians. The trade-offs around cost versus quality, road space allocation for different transport modes, transformational effects versus dis-benefits to other users and timing will be explored during this process.

It is anticipated that WCC will take a leadership role in the next phase of the project – reflecting their role as the road-controlling authority. The governance

of the project would remain as a joint process between the three partner organisations.

The recommendations of the N2A Governance Group are being considered by WCC at the meeting of the Transport and Urban Development Committee on 5 August (and subsequently by full Council) and by the NZTA Board on 14 August. Approval is required from all three organisations before proceeding with the next phase of the project.

9. Communication

A joint media statement has been issued to coincide with the publication of the WCC Transport and Urban Development Committee agenda.

Following approvals from all partner organisations a further media release will be issued.

10. The decision making process and significance

The matter requiring decision in this report has been considered by officers against the requirements of Part 6 of the Local Government Act 2002.

10.1 Significance of the decision

The subject matter of this report is part of a process that will lead to the Council making a decision of medium significance within the meaning of the Local Government Act 2002.

The decision relates to a step in the process for implementing Bus Rapid Transit in Wellington. This project and related funding is already part of the 10 Year Plan and Regional Public Transport Plan. Further approvals and consultation will be required before a decision is made to construct.

10.2 Engagement

In accordance with the significance and engagement policy, officers have determined that the appropriate level of engagement for the project as a whole is informing and consulting.

A comprehensive and multi-step consultation and engagement process was carried out through the Wellington Public Transport Spine Study (2012-2014). This meant that the views of key stakeholders, community and advocacy groups, public transport users and the regional community were well understood in relation to the public transport spine issues through central Wellington.

This report relates to one interim step in the implementation of the BRT project - a decision to invest in the detailed corridor design of the shortlisted BRT options considered feasible by the three partner agencies. Further stakeholder and public consultation and engagement will be carried out during the next stage, once the information relating to detailed corridor design options has been developed. This will inform the subsequent selection of a preferred option to be taken forward for implementation.

11. Recommendations

That the Council:

1. ***Receives*** the report.
2. ***Notes*** the content of the report.
3. ***Supports*** the Wellington Bus Rapid Transit Indicative Business Case.
4. ***Agrees*** to the resolutions of the Ngauranga to Airport Governance Group as outlined in Section 7.

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Attachment 1: Wellington BRT Indicative Business Case

Attachment 2: BRT Business Case Process