



Report 09.740
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Committee Transport & Access Committee
Author Wayne Hastie, Divisional Manager, Public Transport

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

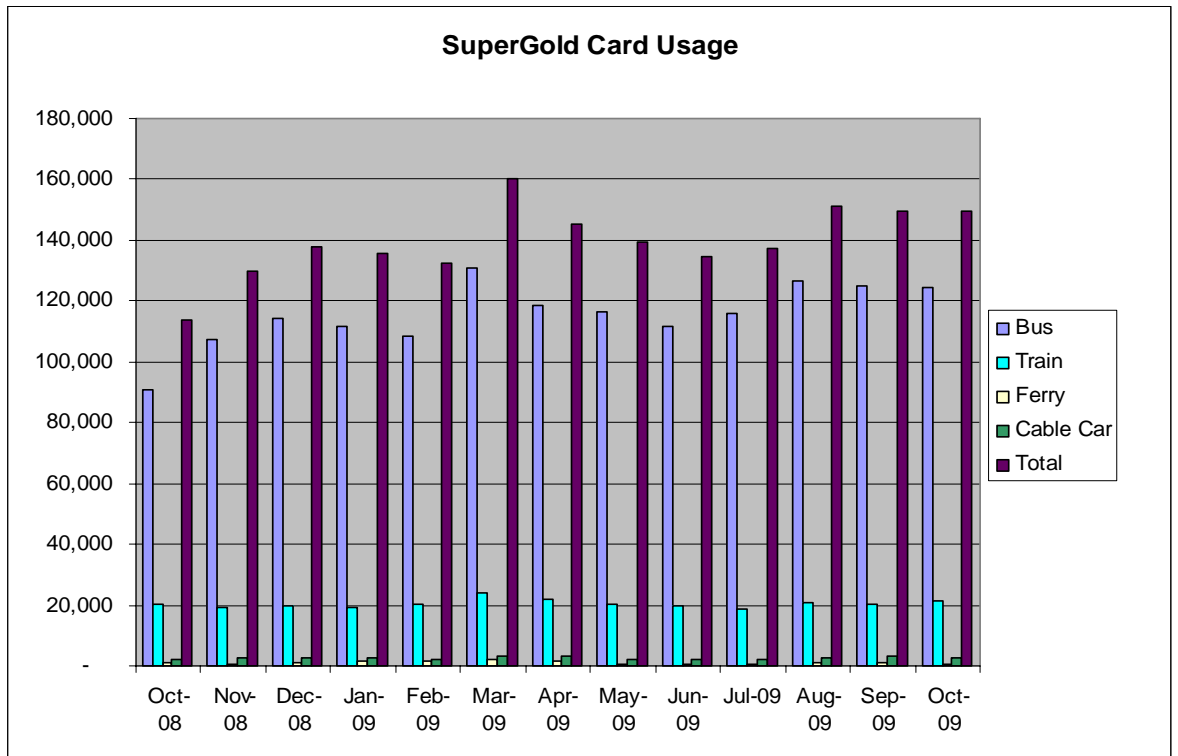
3.1 Real Time Information

Progress with the design and preparation of the Real Time Information Pilot phase is satisfactory and remains on schedule.

Surveys of the GPS (satellite positioning) coverage on the Pilot route have been completed, and present no areas of concern. Initial preparations for equipping the 26 buses required for the trial are also underway, as is a programme to assess bus stops for their suitability as Real Time Information display locations. ACIS Ltd, the Real Time Information Project contractor, has begun the development of the required Pilot phase interfaces, including that for the bus-based ticketing system, and has also been able to demonstrate satisfactory integration with Metlink systems. Those for the traffic light control and the ONTRACK operational train management system are in the early stages of development, but are not required until the full roll-out phase.

3.2 SuperGold Card Free Travel Scheme

The latest SuperGold card usage information for the region is shown below:



The cost of the scheme i.e. the reimbursement of the operators (which is met entirely by Central government) in Wellington for the first year of its operation was \$4.37m. There were 1.67m passenger trips made under the scheme in this region in the first year. This equates to 9.4% of the total 2008/09 off-peak passengers, and 4.7% of total passengers.

For the first time we also now are able to compare 2009 usage with 2008 usage. Usage in October 2009 was up 31% compared to October 2008 (although it should be remembered that October 2008 was the first month of the scheme).

The NZTA review of the scheme continues.

3.3 Integrated Ticketing Update

Since the last meeting of this Committee, the NZTA Board has agreed to establish a national ticketing programme for public transport in New Zealand, and has approved funding for the development of the Auckland Regional Transport Authority's (ARTA's) integrated ticketing and fares system as a first step. This funding approval provides for the development of a core central ticketing system, which might also form the basis of a future national public transport ticketing programme.

ARTA have now entered final contract negotiations with Thales, the preferred supplier, and further information is expected to be made available once the commercial negotiation is completed. NZTA is planning further discussions with regional councils and the ticketing industry in early December. These will include consideration of the issue of technical standards and legacy

scenarios inherent in a national ticketing programme, as well as means of maintaining choice and competitive tensions to ensure value for money.

3.4 Total Mobility Update

Work continues according to plan and budget on the introduction of an electronic solution for the Total Mobility (TM) Scheme. We have decided to delay the issuing of the photo identification cards until January 2010 to avoid confusion for clients over Christmas. However the proposed start date for the new system remains April 2010.

In conjunction with the electronic swipe card project Greater Wellington officers are reviewing the continuing necessity for the 'supported user' component of the scheme. The 'supported user' or blue voucher scheme allows taxi fares to be paid for by care and support facilities and agencies on behalf of clients (and reimbursed by Greater Wellington) as opposed to the client paying the fare. The intent of the TM Scheme is to subsidise personal travel and not travel for which the carer is responsible and may receive funding elsewhere from for. The TM Scheme is not intended to reduce costs for the carer.

For example, there may be occasions where the supported user scheme is used (albeit unknowingly incorrectly) to subsidise travel for purposes such as hospital and doctor's visits and rehabilitation. When in care we understand that the client's health service transport needs are the responsibility of the carer.

In a different example the 'supported user' scheme appears to have been used to fund social bus trips where the eligibility of all people being transported is not able to be ascertained.

This potential change does not mean that group social activities can not be undertaken, but rather that where appropriate the individual client pays their subsidised taxi fare, and where the cost is the responsibility of the carer then the carer will pay the full cost of transport. Individual clients may of course travel as a group and thereby significantly reduce the cost of travel however everyone must be a registered member of the TM Scheme. The electronic swipe card would be required to be shown as proof of TM Scheme membership.

Experience from Horizons Regional Council is that many clients in care can be shown how to use their cards – and those that cannot are more likely to travel with a carer.

Greater Wellington officers believe this is potentially a fair way of administering the TM Scheme and also improves the robustness of the management of it. In summary, where the cost of travel is the responsibility of the carer, then the carer shall pay in full; and where the cost is the clients, then the client or a person assisting the client will pay a subsidised fare. This means Greater Wellington will continue to subsidise the personal travel of the client in care in a way that is consistent with all clients of the TM Scheme.

Clearly there is a need to consider this matter and any implications for our clients very closely. Greater Wellington officers will continue to review this matter and will present recommendations for any change in the New Year.

3.5 Regional Public Transport Plan

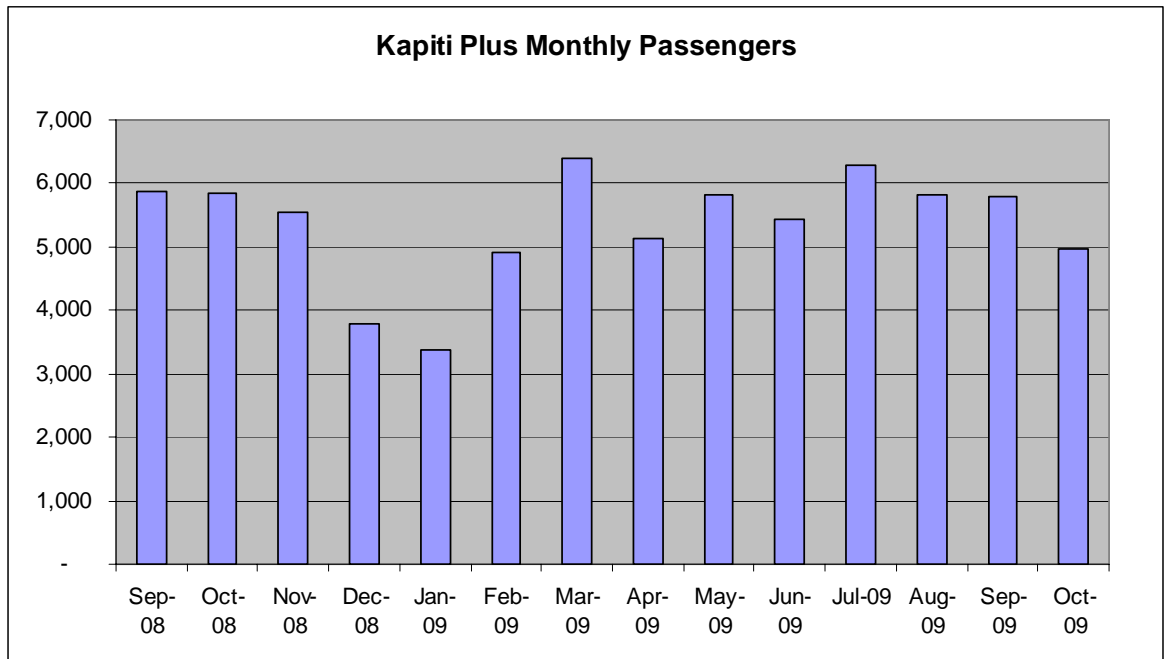
Preliminary work has commenced on developing a new Regional Public Transport Plan as required by the Public Transport Management Act 2008 (PTMA). An overview of the PTMA requirements was provided in **Report 08.854**.

Further detail on the timetable etc for the development of the new Plan will be provided at the next Committee meeting.

3.6 Kapiti Plus

The Kapiti Plus scheme continues. The scheme, which was introduced to relieve pressure on the park-and-ride facility at the Paraparaumu train station, allows those passengers with monthly train passes free use of Paraparaumu buses to and from the station. The scheme is funded from savings resulting from the recent Kapiti bus review.

The number of passenger-trips per month on the scheme since it began in September 2008 is set out below:



3.7 Park & Ride

3.7.1 Melling

Car park security is being enhanced at Melling station with the installation of four permanent CCTV cameras. Greater Wellington officers will be able to

view and download footage through an internet browser in the Regional Council Centre.

3.7.2 Petone

Construction work at the main Petone station car park has now been completed and road markings have been applied to 90% of the car park. The remaining spaces will be marked mid late December following the completion of platform works currently underway.

NZTA have arranged, under the Dowse to Petone project, for their contractor to install an access/ exit ramp to the Petone station overflow parking area located at One-Pito Rd Petone (opposite the pedestrian footbridge). This improved access to the area will be completed by the end of November.

3.7.3 Pomare

The detailed design for a new 40 space parking area at Pomare station has begun. Tenders for this work and for the maintenance of all of the region's park and ride facilities will be released by the end of the calendar year. Construction of the Pomare parking area is still subject to funding approval from NZTA.

3.8 Bus stop maintenance

3.8.1 Vandalism and graffiti

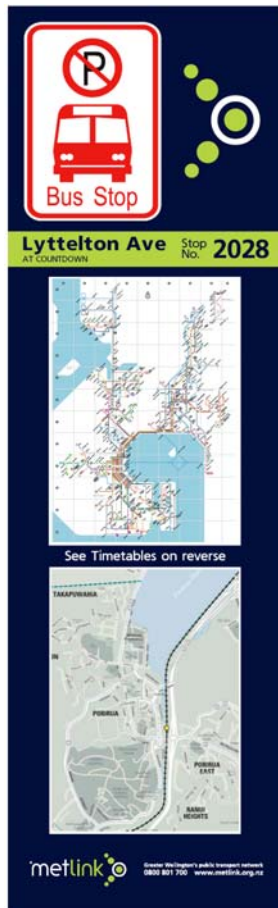
In an attempt to combat the growing number of vandalism and graffiti attacks on the regions bus shelters, Greater Wellington officers are currently reviewing options for installing miniature CCTV cameras to bus and rail station shelters or utilities.

3.8.2 Kapiti

Greater Wellington officers have been working with KCDC and the Kapiti Disability Reference Group to identify barriers to disabled access to bus stops in Kapiti. As a result 24 bus stops have been identified for improvement and KCDC is seeking quotes for the necessary works (e.g. installation of concrete pads). Once these quotes have been received, a decision will be made as to what will be done.

3.8.3 New signage

New CBD Wayfinders pylons, as illustrated below, are being installed in three locations in Porirua: Lyttelton Ave at Ferry Place, Lyttelton Ave at Countdown, and Lyttelton Ave opposite Countdown.



Back



Front



Side

3.9 Bus services

3.9.1 Hutt Valley bus services

The commercial registration of the route 110, route 120 and the remaining non-commercial services in Eastbourne were completed on 6 November 2009. Cityline Limited (Valley Flyer) will operate these services commercially from 1 February 2010. The existing Hutt Valley contracts will be either terminated or varied as appropriate to reflect these registrations.

3.9.2 Wellington City bus services

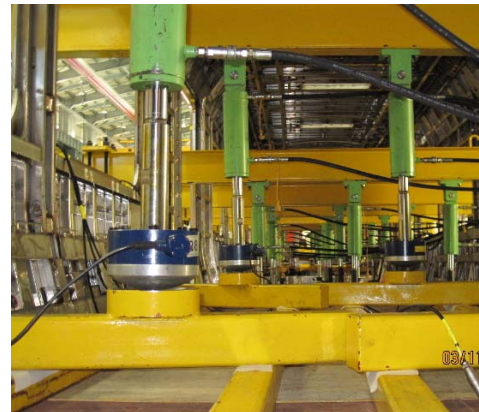
The new commercial service, route 47, to be operated by GO Wellington will commence on 1 February 2010. This new route runs between Johnsonville Mall and John Street in Mt Cook, via Khandallah, Ngaio, Wilton, Northland, Kelburn, and Taranaki Street.

3.10 Rail Rolling stock

3.10.1 Matangi

Work continues both in Korea and Wellington to build and prepare for the arrival of the new trains in mid-2010. Seven carbodies are now in production

and the first carbody is nearing the fitout stage. The photos below depict the first carbody under going compression tests. These are non-destructive tests to confirm the structural integrity of the design, and observe the carbody characteristics under strain.



3.10.2 Ganz Mavag Detailed Condition Assessment and Prototype

The investigation and design work of the prototype is progressing well. It was about 60% complete at the end of October.

During October, KiwiRail completed the stripping of one Ganz Unit as part of the structural integrity assessment process. Greater Wellington's adviser, Queensland Rail Limited (QR), viewed the stripped unit and had various discussions with KiwiRail engineers. Preliminary results indicate that the carbody structure is fit for the life extension purpose with only a minimum of work required, and no significant corrosion or cracks were found on the bogies.

3.11 Rail Infrastructure upgrades

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

Construction has started at preload areas 2 and 3, and pole foundations are due to commence. A number of bridge works were completed, and by the end of October, 191 (of 560) traction pole foundations had been poured and 153 traction poles were installed. The resource consent for the final section of double tracking has been granted. Fill material from Ngauranga and the Johnsonville line works is being reused as preload and formation fill.

3.11.2 Johnsonville line upgrades

Construction of platforms continues at Ngaio, Crofton Downs and Simla Crescent. Construction was completed on Khandallah Station. A cost review and scope of works was confirmed for Johnsonville Station.

3.11.3 Platform works (Matangi enabling)

Construction work continues at Petone. Designs and programming were completed for Paraparaumu Line station platforms. Platform cutback works are underway and tenders for various works are out to the market.

3.11.4 Kaiwharawhara Throat (Wellington Station Entry)

Contractors have continued to make use of the midweek night shifts to install balance weight tensioned wire runs and transfer wires onto new structures. Track gangs have been concentrating on completing depot works welding and tamping, while signal gangs have been running cables through new duct runs to facilitate signalling relocation.

3.11.5 Power and signalling system upgrade for new trains

Steady progress on both design and construction issues. Test track installations (for new signals technology) have been established on the Hutt Line and Paraparaumu Line. All substation building construction work is complete.

3.11.6 Depot upgrade

Tenders have been awarded for the construction of the new and upgraded depot buildings. The first phase of track and overhead wire modifications have begun. Operational planning is underway to handle shunting movements within the yards during the various stages of construction. New train wash equipment has been shipped from the USA. Train lifting jacks tenders are being evaluated.

3.12 Response to Public Participation

Paula Warren addressed the Committee at its last meeting, focusing on the need for Greater Wellington to develop an integrated public transport network for the Wellington region. We support this need and have signalled our

intention to develop an “integrated network plan” (which we have subsequently renamed as an integrated PT network framework). We undertook some work on this some months ago (with assistance from consultants GHD), and this is helping to guide the Wellington bus review.

The preparation of an “Integrated Public Transport Network Framework” (IPTNF) is referred to in step four of the Terms of Reference for the Wellington bus review. Our proposal is to further develop, as part of the Wellington bus review, the work we have already undertaken. This further development will take place in the first couple of months of next year.

The IPTNF will ultimately be included into the Regional Public Transport Plan. The timing of the development of the network framework fits in well with the development of the new Regional Public Transport Plan (since the IPTNF is really a sub-document of that and the Operational Plan).

We are currently planning our programme for the development of the new Regional Public Transport Plan, and a timetable will be prepared as part of that. The Plan (and thus the IPTNF) will coincide with the introduction of the Matangi trains, and with any changes to Manners Mall.

The “Central Area Bus Operational Review”, undertaken as part of the Wellington bus review, has highlighted a number of ways of improving the operation of bus services along the Golden Mile. These include many of the things Paula has mentioned in her written comments to the Committee.

Paula can be assured that we are taking a network approach to all our planning.

Details of Greater Wellington’s input to the NZTA Draft Farebox recovery Policy can be found elsewhere on the Agenda.

4. Financial report

4.1 Year-to-date operating result overview

The net operating surplus from operations for the Public Transport Division for the four months ended 31 October 2009 was \$0.6 million compared to the budgeted deficit of \$0.2 million.

Total expenditure on operations was \$26.8 million compared to the budget of \$28.2 million. The most significant variances are:

- Expenditure on rail operations is \$0.4 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 \$0.9 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 \$27.4 million compared to the budget of \$28.0 million. Grants and subsidies revenue is \$0.7 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 \$1.5 million compared to the budgeted deficit of \$2.6 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 deficit from operations is \$0.5 million compared to the budgeted deficit of \$0.9 million.

Total expenditure on operations is forecast to be \$85.5 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 \$27.4 million which is \$2.5 million above budget. This forecast is based on the latest figures supplied by TranzMetro which show a significant decline in patronage.
- Diesel bus contract expenditure is forecast to be \$31.0 million which is \$2.4 million below budget. This forecast is dependant on the price of oil and the US\$/NZ\$ exchange rate remaining at current levels.
- Trolley bus operations expenditure is forecast to be \$7.3 million which is \$0.2 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 \$4.4 million which is \$0.4 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 January. In the interim, Greater Wellington is likely to request that NZTA brings forward approved expenditure from the 2010/11 year to fund the additional expenditure this year.

- 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.

Forecasts do not take into account any changes in expenditure resulting from the registration of commercial bus services in the Hutt Valley.

Revenue from operations is forecast to be \$85.0 million compared to budgeted revenue of \$84.4 million. Forecast grants and subsidy revenue (excluding SuperGold card) is anticipated to be \$0.1 million above budget. This is because of overall forecast increase in expenditure. SuperGold card revenue is forecast to be \$0.4 million above budget.

When capital and improvement projects are taken into account, the overall forecast operating position becomes a deficit of \$11.24 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 October 2009

	Year To Date				Full Year			
	Actual \$000	Budget \$000	Variance \$000	Variance %	Forecast \$000	Budget \$000	Variance \$000	Variance %
Revenue								
Rates Revenue	12,147	12,147	0 F	0%	36,442	36,442	0 F	0%
Grants & Subsidies	13,525	14,243	718 U	-5%	43,259	43,126	133 F	0%
Grants & Subsidies - SuperGold Card	1,482	1,333	149 F	11%	4,435	4,000	435 F	11%
External Revenue	150	180	30 U	-17%	539	539	0 F	0%
Investment & Other Revenue	47	49	2 U	-4%	147	147	0 F	0%
Internal Revenue	40	46	6 U	-13%	139	139	0 F	0%
Total Revenue	27,391	27,998	607 U	-2%	84,961	84,393	568 F	1%
Expenditure								
Rail Operations	8,703	8,265	438 U	-5%	27,417	24,940	2,477 U	-10%
Diesel Bus Operating Contracts	9,995	10,920	925 F	8%	31,013	33,375	2,363 F	7%
Trolley Bus Operations	2,277	2,347	70 F	3%	7,283	7,042	241 U	-3%
Ferry Operating Contract	87	94	7 F	7%	268	286	17 F	6%
SuperGold Card	1,505	1,333	172 U	-13%	4,435	4,000	435 U	-11%
Real Time Information Operations	0	217	217 F	100%	145	650	505 F	78%
Shelter, Carpark, Station & Signage	507	694	187 F	27%	2,081	2,081	0 F	0%
Wellington Interchange Payments	206	206	0 F	0%	617	617	0 F	0%
Procurement Studies	49	67	18 F	27%	200	200	0 F	0%
Total Mobility Scheme	632	691	59 F	9%	2,073	2,073	0 F	0%
Procurement	23,961	24,834	873 F	4%	75,532	75,264	268 U	0%
Design and Development Projects	-14	138	152 F	110%	409	415	6 F	1%
Design & Development	-14	138	152 F	110%	409	415	6 F	1%
Marketing & Communications	19	130	111 F	85%	389	389	0 F	0%
Metlink Systems & Information	190	216	26 F	12%	647	647	0 F	0%
Service Centre External Costs	56	58	2 F	3%	175	175	0 F	0%
Metlink	265	404	139 F	34%	1,211	1,211	0 F	0%
Total Project Expenditure	24,212	25,376	1,164 F	5%	77,152	76,890	262 U	0%
Admin	2,540	2,723	183 F	7%	8,089	8,168	79 F	1%
Non-Cash Items	36	41	5 F	12%	120	120	0 F	0%
Other	41	34	7 U	-21%	108	108	0 F	0%
Total Expenditure	26,829	28,174	1,345 F	5%	85,470	85,286	183 U	0%
Net Operating Surplus/(Deficit) from Operations	562	-176	738 F		-509	-893	385 F	
Total Revenue associated with Capex Improvement Project Expenditure	23,175	44,617	21,442 U	-48%	108,777	145,941	37,164 U	-25%
	25,283	47,051	21,768 F	46%	119,501	153,969	34,468 F	22%
Net Operating Revenue & Costs associated with Capex	-2,108	-2,434	326 F	-13%	-10,724	-8,028	2,696 U	34%
Revaluation of Crown Loan	0	0	0 F	0%	0	0	0 F	0%
Revaluation Adjustments	0	0	0 F	0%	0	0	0 F	0%
Net Operating Surplus/(Deficit)	-1,546	-2,610	1,064 F		-11,233	-8,921	2,312 U	

4.4 Capital expenditure and improvement projects

Year-to-date capital and improvements project expenditure is \$25.7 million compared to the budget of \$49.9 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 \$121.7 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 October 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	17,412	28,347	10,935 F	39%	80,381	85,052	4,671 F	5%
Rail Rolling Stock Heavy Maintenance	838	1,299	461 F	35%	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	6,118	15,940	9,822 F	62%	31,491	60,356	28,865 F	48%
Ganz Mavag Prototype	247	677	430 F	64%	1,556	1,957	401 F	20%
Ganz Mavag Refurbishment/Purchase	0	1	1 F	100%	0	502	502 F	100%
Trolley Bus Infrastructure Renewals	536	735	199 F	27%	2,206	2,206	0 F	0%
Other Projects	132	52	80 U	-154%	126	154	29 F	19%
Improvement Project Expenditure	25,283	47,051	21,768 F	46%	119,501	153,969	34,468 F	22%
Capital Projects								
Real Time Information	388	1,617	1,229 F	76%	1,470	4,850	3,380 F	70%
Bus Shelter Upgrades	0	83	83 F	100%	250	250	0 F	0%
Total Mobility Systems Devt	7	0	7 U	0%	350	350	0 F	0%
Rail Infrastructure Upgrades	2	1,165	1,163 F	100%	0	3,867	3,867 F	100%
Other Capex	0	24	24 F	100%	75	75	0 F	0%
Capital Expenditure	397	2,889	2,492 F	86%	2,145	9,392	7,247 F	77%
Total Asset Acquisition	0	0	0 F	0%	32	32	0 F	0%
Asset Additions	0	0	0 F	0%	32	32	0 F	0%
Improvement Projects and Capital Projects	25,680	49,940	24,260 F	49%	121,678	163,393	41,715 F	26%

4.5 Funding

The year-to-date funding surplus above budget (represented by an increase in reserves instead of the planned decrease) is \$1.0 million. The forecast full year funding surplus above budget (decreased transfer from reserves) is \$0.4 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
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Transport