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Report to the Regional Land Transport Committee
By Dr D J Watson, Divisional Manager Transport

Implications for the RLTS from Tranz Rail Announcements

1. Purpose

To advise the Committee of the consequences of any future sale of Wellington Tranz Metro on the Regional Land Transport Strategy (including the Western Corridor Implementation Plan).

2. Background

The Chief Executive of Tranz Metro Limited at the recent AGM of shareholders, announced a series of restructuring proposals. Future sale of Tranz Metro Wellington, the Wellington suburban commuter rail network, was indicated. Since that announcement the Regional Council has been in ongoing discussions with Tranz Rail management over the future options for Tranz Metro. These discussions have yet to reach a conclusion.

3. Comment

The Regional Council has a contract with Tranz Rail Limited for the provision of urban rail services in Wellington that runs to 30 June 2001. Any purchaser of Tranz Metro would be required to continue to operate all services specified in the current contract.

What is problematic is the inability of the Regional Council to enter into a long term contract for rail services until the sale issue is resolved. This will have the unfortunate effect of delaying the major rail enhancements contained in the Regional Land Transport Strategy. Any protracted delay in getting these major improvements underway will compromise the Regional Land Transport Strategy; in particular the Western Corridor Implementation Plan. Hence the construction of Transmission Gully by 2006 may not be possible.

The Regional Land Transport Strategy also provides for rail frequency improvements on the Paraparaumu line and consequential change to bus feeder services. The Regional Council had programmed most of these changes to coincide with the extension of electrification in to Waikanae, in the 2001/02 year. Transfund New Zealand's patronage funding scheme started on 1 November 2000. The Regional Council has elected to join that scheme and take advantage of, where it can, the kick start funding available under the scheme.

The Regional Council has sought kick start funding for the improvement in rail service frequency in the Western Corridor. These changes will now take place in February 2001.

4. **Communication**

All the matters raised above have already been the subject of media comment.

5. **Recommendation**

That the report be received.

Report prepared by:

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