



Report 09.41  
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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 Capacity rolling stock

The SE train went into revenue service on 8 December 2008 and has been well accepted by customers on the Upper Hutt line. Some customers are choosing to catch the SE train in preference to the Ganz Mavag units.

The Phoenix unit continues to work well with the Ferrymead unit as a 4-car train running on the Hutt Line between Wellington and Taita during peak hours.

#### 3.2 Regional Rail Plan

The draft Wellington Regional Rail Plan was endorsed by Transport & Access Committee at its November meeting. The Regional Transport Committee considered a revised draft at its December meeting. Endorsement of the Plan from the Committee will be sought in February once the Committee members have had further time to consider the document. A presentation of the Plan to the NZTA board is booked for February.

### **3.3 MacKay's to Waikanae double tracking (and electrification to Waikanae)**

On Monday 15 December various invited guests watched MP Nathan Guy turn the first sod, and members of the local Iwi blessed the works.



The drainage layer was installed at 'Preload Area 1' leading up to the Christmas break. Work continues at 'Preload Area 1' with the installation of many hundreds of vertical wick drains. These extract the water from the peat once the preload weight is applied. From January work will also commence at Preload Areas 2 and 3.

### **3.4 Johnsonville tunnel upgrades**

All the tunnel work and loop work was completed in January. All new platforms will be functional by opening however they will still require cosmetic finishing. ONTRACK are organising an open day, in early February, allowing the public to 'walk the line' prior to the resumption of normal services.

### **3.5 Real time information**

The Request for Tender to find a supplier for a real-time information system was issued in December 2008. Tenders close on 20 March 2009. A supplier will be chosen by June; a trial will run from October to February 2010; and the system roll-out will start in March 2010. The system will be ready to start in Wellington City in August 2010, and in the rest of the region by June 2011.

### **3.6 SuperGold Travel Scheme**

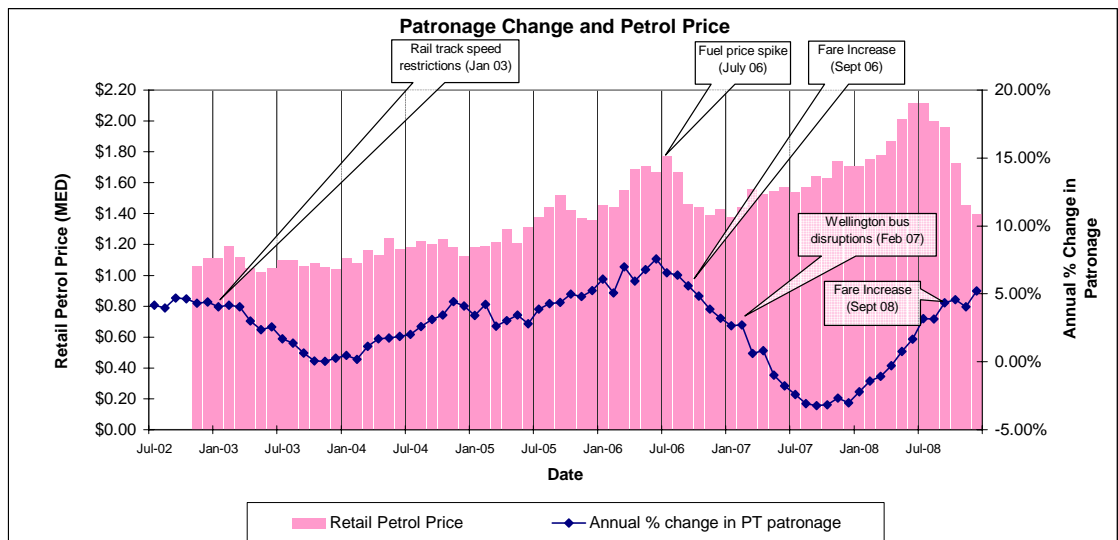
The numbers of passengers using the SuperGold travel scheme, and the reimbursement from central government, are as follows:

Month	Bus	Train	Ferry	Total Passengers	Total Re-imburement
October 08	92,832	20,081	843	113,756	\$310,864
November 08	109,845	19,449	707	130,001	\$341,775
December 08	116,771	20,020	1,093	137,884	\$363.813

### 3.7 Patronage

December 2008 showed a 10% increase on December 2007, but had two more working days. Year-to-date shows a growth of 4.79%.

Patronage change and petrol price is shown in the following graph:



### 3.8 Total Mobility Scheme

At the Council meeting on 8 December 2008 questions were raised about the variances between actual and budgeted costs of the Total Mobility Scheme (the Scheme). Officers agreed to report back on the matter and provide general information on the Scheme.

As noted in Section 5 of this report, year-to-date expenditure on Scheme vouchers is under budget and is forecast to remain under budget for the remainder of the year. The reason for the under spend is that usage has not grown to the extent assumed in our budget assumptions over the last two years. Future budgets have been adjusted accordingly.

Information about the Scheme is available through agencies of care and community groups. Greater Wellington does not actively market the Scheme

but has 7800 registered users. Greater Wellington is implementing Phase 2 of a review of the Scheme by the Ministry of Transport and the New Zealand Transport Agency. Phase 3 of the review provides for some targeted promotion once all of the recommendations of Phase 2 are implemented.

Further information on the Scheme can be found in the following reports:

- Report 08.855 Total Mobility Phase 2 Project Update
- Report 08.200 Introduction to the Total Mobility Scheme and the associated review
- Report 07.400 Total Mobility Phase Two Improvements
- Report 07.399 Total Mobility Flat Rate Payments for use of Wheelchair Hoist Vehicles
- Report 06.114 Total Mobility Phase 2
- Report 06.29 Total Mobility Phase 1 Improvements
- Report 05.490 Ministry of Transport Review of the Total Mobility Scheme - A Proposed Policy Framework

#### **4. Responses to public participation**

A number of matters were raised in the Public Participation part of the meeting.

Issues raised by Mike Mellor and Brent Efford regarding the Regional Rail Plan have been considered and resulted in a number of changes being made to the Plan before it was presented to the Regional Transport Committee. Further feedback has been received and is being considered before the Plan is presented to the New Zealand Transport Authority board. The Chair of the Committee has the delegated power to approve any further changes.

On behalf of the Raumati Public Transport Action Group (RPTAG), Cheryl McDowell tabled a submission on the Maunsell Report on Kapiti stations and also presented a petition of more than 3000 signatories asking that Greater Wellington:

- Note that Raumati is the only community on the western line without a railway station
- Note that the Government made funding available specifically for the early construction of a station at Raumati and
- Agree that the construction of the Raumati Station is an urgent priority.

The issue of Raumati Station has been the subject of discussion for some time. The Maunsell report had been made available to RPTAG and the Chair of the Committee and an officer met with the Group last October. RPTAG provided a critique of the Maunsell report findings and flaws.

Greater Wellington officers do not consider the report to be flawed in any material way that would affect its recommended implementation programme for Kapiti stations, which was adopted by Greater Wellington.

Upgrades to Paraparaumu and Waikanae stations are the priority station improvement projects in the Kapiti area as they are critical to achieving the benefits from the double tracking and electrification project. All available funding for Kapiti stations is already committed to these projects.

Consultant's Maunsell have responded to the critique of their report by RPTAG and a copy is attached to this report (**Attachment 1**).

The Transport and Access Committee has made the following commitments:

- That the design of the double tracking and electrification between MacKays Crossing and Waikanae will not preclude the construction of a Raumati railway station
- That the Greater Wellington owned land at Raumati will be retained as a potential carpark and not be sold to developers for other activities
- That the future programme of work on the Kapiti line will be reviewed once the electrification and double tracking work is complete.

No change to the current station programme is recommended.

Issues raised about a potential platform at MacKay's Crossing have been addressed previously.

## **5. Financial Report**

### **5.1 Year-to-date operating result overview**

The net operating surplus from operations for the Public Transport Division for the six months ended 31 December 2008 was \$1.9 million compared to the budgeted surplus of \$124,000.

Total expenditure on operations was \$38.2 million compared to the budget of \$39.7 million. The most significant variances are:

- Rail operations expenditure is \$0.3 million under budget. Reduced maintenance costs on GW owned rolling stock and increased fare revenue (from increased patronage) more than offset increased Ontrack renewals charges and increased TranzMetro operating costs.
- Diesel bus operating contract expenditure is \$1.6 million under budget. Budgeted inflation payments to bus operators were based on oil at US\$145 a barrel and the \$NZ/\$US exchange rate at \$0.785. These rates have reduced dramatically over the six month period (current rates are oil at US\$42 a barrel and the \$NZ/\$US exchange rate at \$0.53). This is the main reason for the reduced expenditure and further savings are forecast for the full year.

- The SuperGold card scheme was introduced on 1 October and expenditure for the three months until 31 December was \$1.0 million. There is no budget for this expenditure because scheme details were released after the final 2008/09 budgets were set. However as this scheme is 100% funded by The NZ Transport Agency (NZTA), any increased expenditure is offset by increased subsidy revenue.
- Bus shelter, carpark and station maintenance & security expenditure is \$0.3 million under budget at this time but we expect it to be fully spent by the end of the year.
- Total mobility scheme expenditure is \$0.2 million under budget. Expenditure of \$43,000 on upgrading current systems has not yet commenced and taxi hoist expenditure is under budget by \$47,000. These amounts are forecast to be fully spent by year end. However total mobility voucher expenditure is \$98,000 under budget because usage has not grown as much as our budget assumption over the last two years.

Total revenue from operations was \$40.1 million compared to the budget of \$39.8 million. The most significant variances are:

- Grants and subsidies revenue is \$0.9 million under budget reflecting the overall reduction in operational expenditure (partly offset by some increases in NZTA assistance rates).
- Grants and subsidies revenue related to SuperGold card expenditure is \$1.0 million above budget.

If operating costs and revenues associated with capex are also included, then the overall operating deficit is \$10.5 million compared to the budgeted deficit of \$13.1 million. The decreased deficit is because of changes to the timing of capex and improvement projects, primarily infrastructure upgrades and rail rolling stock projects.

## **5.2 Forecast full year operating result**

The full year forecast net operating surplus from operations is \$3.0 million compared to the budgeted surplus of \$41,000.

Expenditure on operations is forecast to be \$77.3 million compared to the budget of \$79.8 million. The main drivers of this change in forecast are:

- Net expenditure on rail operations is forecast to be \$0.1 million below budget. Increased fare revenue (driven by increased patronage) is expected to more than offset increases in track infrastructure renewal charges and increased TranzMetro operating costs.
- Diesel bus contract expenditure is forecast to be below budget by \$4.2 million. The extreme volatility in the price of oil and the NZ/US exchange rate seen in recent times makes it likely that actual expenditure will differ from this forecast.

- SuperGold card expenditure (unbudgeted) is forecast to be \$2.5 million.
- Total mobility expenditure is forecast to be \$0.1 million below budget primarily because budgeted growth has not eventuated.

Revenue from operations is forecast to be \$80.3 million compared to budgeted revenue of \$79.8 million. Forecast subsidy revenue is reduced because of a forecast reduction in expenditure. However this is offset by unbudgeted SuperGold card revenue.

When capital and improvement projects are taken into account, the overall forecast operating position becomes a deficit of \$13.7 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 31 December 2008**

	Year To Date				Full Year			
	Actual \$000	Budget \$000	Variance \$000	Variance %	Forecast \$000	Budget \$000	Variance \$000	Variance %
<b>Revenue</b>								
Rates Revenue	18,794	18,794	0 F	0%	37,588	37,588	0 F	0%
Grants & Subsidies	19,908	20,786	878U	-4%	39,779	41,753	1,974U	-5%
Grants & Subsidies - SuperGold Card	1,010	0	1,010 F	0%	2,461	0	2,461 F	0%
External Revenue	199	162	37 F	23%	324	324	0 F	0%
Investment & Other Revenue	58	1	57 F	5700%	1	1	0 F	0%
Internal Revenue	86	60	26 F	43%	120	120	0 F	0%
<b>Total Revenue</b>	<b>40,055</b>	<b>39,803</b>	<b>252 F</b>	<b>1%</b>	<b>80,273</b>	<b>79,786</b>	<b>487 F</b>	<b>1%</b>
<b>Expenditure</b>								
Rail Operations	10,621	10,895	274 F	3%	21,770	21,915	145 F	1%
Diesel Bus Operating Contracts	16,131	17,695	1,564 F	9%	31,399	35,606	4,207 F	12%
Trolley Bus Operations	3,286	3,332	46 F	1%	6,614	6,665	51 F	1%
Ferry Operating Contract	139	151	12 F	8%	270	303	33 F	11%
SuperGold Card	1,010	0	1,010U	0%	2,461	0	2,461U	0%
Shelter, Carpark, Station Maint/Ops	478	792	314 F	40%	1,601	1,591	9U	-1%
Wellington Interchange Payments	308	308	0 F	0%	617	617	0 F	0%
Signage Maintenance	50	137	87 F	64%	274	274	0 F	0%
Procurement Studies	288	242	46U	-19%	358	355	3U	-1%
Total Mobility Scheme	984	1,152	168 F	15%	2,279	2,379	100 F	4%
<b>Procurement</b>	<b>33,295</b>	<b>34,704</b>	<b>1,409 F</b>	<b>4%</b>	<b>67,643</b>	<b>69,705</b>	<b>2,062 F</b>	<b>3%</b>
Design and Development Projects	372	282	90U	-32%	525	565	40 F	7%
<b>Design &amp; Development</b>	<b>372</b>	<b>282</b>	<b>90U</b>	<b>-32%</b>	<b>525</b>	<b>565</b>	<b>40 F</b>	<b>7%</b>
Marketing & Communications	126	158	32 F	20%	405	405	0 F	0%
Metlink Systems & Information	347	327	20U	-6%	655	655	0 F	0%
Service Centre External Costs	174	161	13U	-8%	322	322	0 F	0%
<b>Metlink</b>	<b>647</b>	<b>646</b>	<b>1U</b>	<b>0%</b>	<b>1,382</b>	<b>1,382</b>	<b>0 F</b>	<b>0%</b>
<b>Total Project Expenditure</b>	<b>34,314</b>	<b>35,632</b>	<b>1,318 F</b>	<b>4%</b>	<b>69,551</b>	<b>71,653</b>	<b>2,102 F</b>	<b>3%</b>
Admin	3,743	3,726	17U	0%	7,434	7,454	20 F	0%
Non-Cash Items	59	237	178 F	75%	120	473	353 F	75%
Other	88	84	4U	-5%	165	165	0 F	0%
<b>Total Expenditure</b>	<b>38,204</b>	<b>39,679</b>	<b>1,475 F</b>	<b>4%</b>	<b>77,270</b>	<b>79,745</b>	<b>2,475 F</b>	<b>3%</b>
<b>Net Operating Surplus/(Deficit) from Operations</b>	<b>1,851</b>	<b>124</b>	<b>1,727 F</b>		<b>3,003</b>	<b>41</b>	<b>2,962 F</b>	
Total Revenue associated with Capex Improvement Projects	17,988	23,234	5,246U	-23%	78,926	66,592	12,334 F	19%
	30,380	36,480	6,100 F	17%	97,830	83,758	14,072U	-17%
<b>Net Operating Revenue &amp; Costs associated with Capex</b>	<b>-12,392</b>	<b>-13,246</b>	<b>854 F</b>	<b>-6%</b>	<b>-18,904</b>	<b>-17,166</b>	<b>1,738U</b>	<b>10%</b>
Revaluation of Crown Loan	0	0	0 F	0%	2,164	2,164	0 F	0%
<b>Revaluation Adjustments</b>	<b>0</b>	<b>0</b>	<b>0 F</b>	<b>0%</b>	<b>2,164</b>	<b>2,164</b>	<b>0 F</b>	<b>0%</b>
<b>Net Operating Surplus/(Deficit)</b>	<b>-10,541</b>	<b>-13,122</b>	<b>2,581 F</b>		<b>-13,737</b>	<b>-14,961</b>	<b>1,224 F</b>	

#### 5.4 Capital expenditure and improvement projects

Year-to-date capital and improvements project expenditure is \$30.4 million compared to the budget of \$36.7 million. Changes to the timing of expenditure on the new Matangi trains are the main contributor to this variance. There has also been reduced expenditure on rail infrastructure upgrades and on capacity rail rolling stock projects.

The full year capital and improvements expenditure forecast is \$98.4 million compared to the budget of \$85.9 million. The main cause of the variance is increased forecast expenditure on rail infrastructure upgrades of \$13.9 million.

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.

## 5.5 Detailed capital expenditure and improvement projects

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

### Public Transport Division

#### Improvement Projects and Capital Expenditure for the Period Ended 31 December 2008

	Year To Date				Full Year			
	Actual \$000	Budget \$000	Variance \$000	Variance %	Forecast \$000	Budget \$000	Variance \$000	Variance %
<b>Improvement Projects (Opex)</b>								
Rail Infrastructure Upgrades	13,409	15,214	1,805 F	12%	59,322	45,448	13,873U	-31%
Rail Rolling Stock Heavy Maintenance	2,209	1,306	903U	-69%	2,611	2,611	0 F	0%
Capacity Rail Rolling Stock	9,056	10,347	1,291 F	12%	9,540	10,347	807 F	8%
New EMU Related Expenditure	4,685	8,234	3,549 F	43%	23,332	21,611	1,721U	-8%
Ganz Mavag Refurbishment/Prototype	0	342	342 F	100%	501	1,205	704 F	58%
Trolley Bus Infrastructure Renewals	885	943	58 F	6%	2,347	2,347	0 F	0%
Other Projects	136	94	42U	-45%	176	188	12 F	6%
<b>Improvement Projects</b>	<b>30,380</b>	<b>36,480</b>	<b>6,100 F</b>	<b>17%</b>	<b>97,830</b>	<b>83,758</b>	<b>14,072U</b>	<b>-17%</b>
<b>Capital Projects</b>								
Real Time Information	0	0	0 F	0%	150	750	600 F	80%
Bus Shelter Upgrades	-37	100	137 F	137%	250	250	0 F	0%
Rail Infrastructure Upgrades	41	59	18 F	31%	70	1,059	989 F	93%
Other Capex	-17	25	42 F	168%	75	75	0 F	0%
<b>Capital Expenditure</b>	<b>-13</b>	<b>184</b>	<b>197 F</b>	<b>107%</b>	<b>545</b>	<b>2,134</b>	<b>1,589 F</b>	<b>74%</b>
Total Asset Acquisition	0	0	0 F	0%	58	58	0 F	0%
<b>Asset Additions</b>	<b>0</b>	<b>0</b>	<b>0 F</b>	<b>0%</b>	<b>58</b>	<b>58</b>	<b>0 F</b>	<b>0%</b>
<b>Improvement Projects and Capital Projects</b>	<b>30,367</b>	<b>36,664</b>	<b>6,297 F</b>	<b>17%</b>	<b>98,433</b>	<b>85,950</b>	<b>12,483U</b>	<b>-15%</b>

## 6. Communication

The Chair of the Committee intends to write to the Raumati Public Transport Action Group confirming the Council's position with respect to Raumati station.

## 7. Recommendations

*That the Committee:*

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

Report prepared by:



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Attachment 1: Letter from Maunsell Limited