

Passenger Rail Options for the Wellington Region

TRANZ METRO PASSENGER RAIL WORKSHOP - 2 MARCH 2001

Introduction

- Establish objectives that Councils within the region would like to see from a passenger rail system
- Systematically work through the options
- Focus on ownership options
- 31 March and 30 June 2001 targets

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Background

- Auckland deal resolved by 31 March
- National Rail Policy
- Auckland vs Wellington
 - rolling stock
 - layout of network
 - much higher usage, developed market
 - options for use in Auckland

Key Issues

- Monopoly provider
- Demonstrating value for money
- Investment is needed
- Protecting the public interest

Passenger Rail components

Fare revenue

Public funding

Rolling stock

Stations

Tracks

Corridor lease

Corridor land

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Passenger Rail components

Fare revenue

Public funding

Rolling stock

Stations

Tracks

Corridor lease

Corridor land

Operation

Operation

Operation

Asset ownership

Asset ownership

Asset ownership

Asset ownership

Asset ownership

Passenger Rail components

Fare revenue

Public funding

Rolling stock

Stations

Tracks

Corridor lease

Corridor land

Focusing on this



Asset ownership

Asset ownership

Asset ownership

Asset ownership

Asset ownership

Operation

Operation

Operation

Objectives

Regional Land Transport Strategy - passenger rail:

- accessibility, economic efficiency, affordability, safety, and sustainability
- improvements to the passenger rail service in terms of comfort, convenience, and reliability
- value for money in the delivery of a service that requires public sector funds, and public confidence that this is being achieved.

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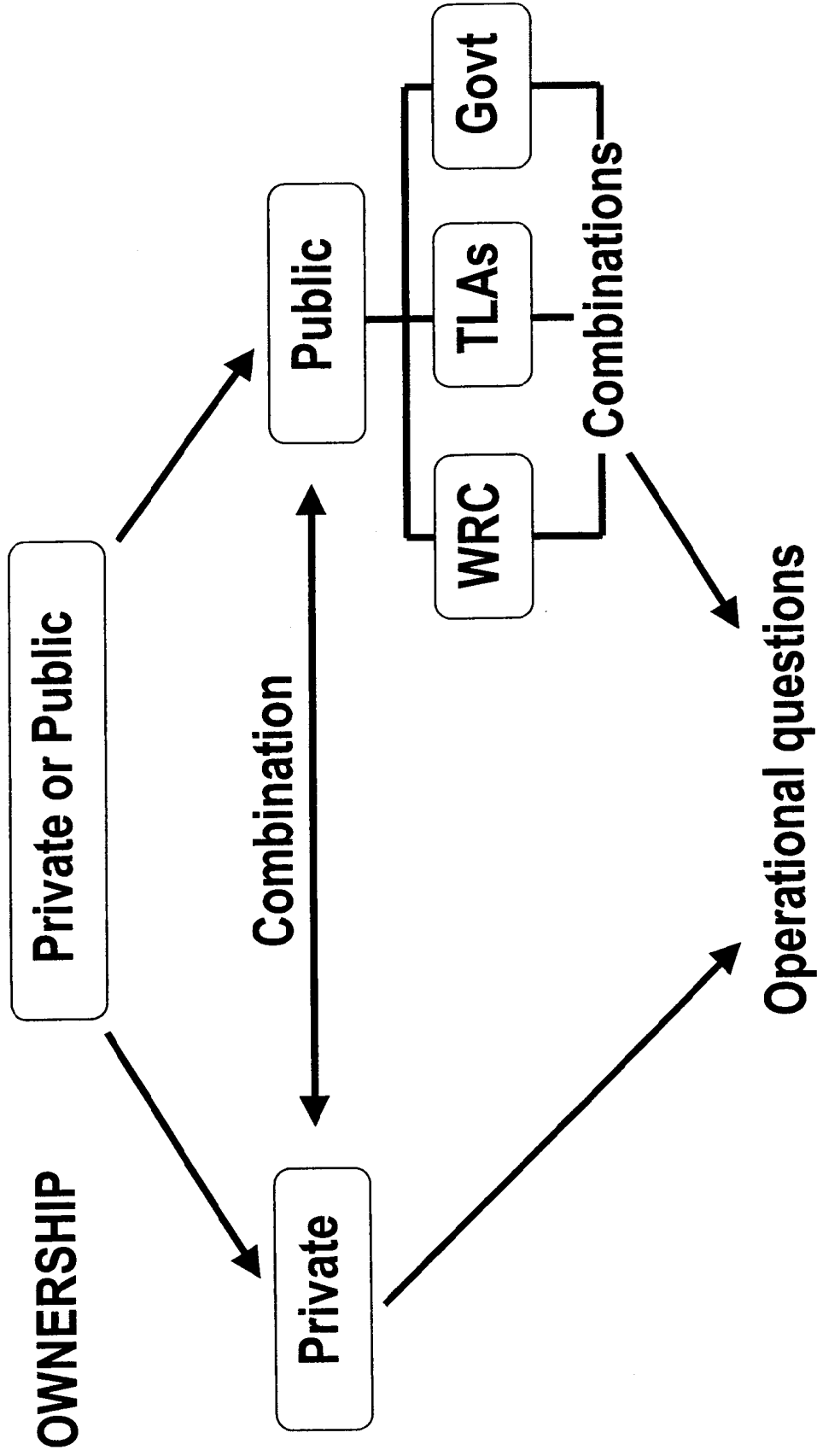
Assessment Criteria

- safe operation of the network
- able to demonstrate value for money
- strong incentives for excellent service delivery
- clear lines of accountability (governance)
- minimises conflicts of interest
- minimises public sector risk
- ensures long-term integrity of infrastructure

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Options overview



Options

1. **New operator only**
 - private sector company buys Tranz Metro
2. **A LATE owned by TLAs**
 - shareholding by TLAs based on a formula
 - operational funding from WRC
3. **A joint venture**
 - between WRC and a private sector company
 - buys Tranz Metro as a going concern, including access right
4. **Full ownership by WRC**
 - As per 3 but no JV partner
5. **Central government ownership**
 - Govt purchases lease and infrastructure

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Draft Option Assessment

Option Assessment Criteria	1 New Operator only	2 LATE	3 Joint venture	4 WRC only	5 Central govt
Safe operation of the network	+	++	+++	++	++
Able to demonstrate value for money	-	++	+++	++	++
Strong incentives for excellent service delivery	+	++	++	++	+
Clear lines of accountability (governance)	-	+	++	+++	+
Minimises conflicts of interest	++	+	-	--	--
Degree of public sector risk	-	--	-	--	--
Ensures long-term integrity of infrastructure	+	+++	+	+++	+
Total	2	8	9	7	2

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Way Forward

- Advise the Minister of Transport of the co-ordinated approach being undertaken by the TLAs and the Regional Council in Wellington and seek his views on this discussion paper and the options outlined in it.
- The options now be referred to the respective Councils for consideration, particularly their support or otherwise for public ownership and the possibilities of Regional Council and or TLA involvement.
- The Councils agree to an on-going co-ordinated consideration of resolving passenger rail issues in Wellington region, noting the current mechanisms for doing this through the Regional Land Transport Strategy.