

Procurement Manager's Report for period ending 4 May 2007

1. Rail rolling stock (Patrick Chu)

1.1 Wairarapa passenger cars

The first 4 carriage trainset arrived in Wellington in the early hours of Tuesday 24 April 2007. Following its inaugural service on 14 May 2007 the train will enter revenue service. During the period from its arrival in Wellington till the 14 May 2007 the train will undergo a series of tests plus staff training will be undertaken during this time. To date Toll has already obtained running rights from ONTRACK, and will apply to Land Transport NZ for operational approval once staff training is completed.

Work on the remaining 14 carriages is progressing well at Toll's Hillside factory in Dunedin, with delivery of the next three carriages scheduled for mid May 2007. The delivery of all the carriages is on target for the year end and remains within budget.

An Agreement between Greater Wellington Rail Ltd and Toll for the lease of the carriages has been signed. The duration of the agreement is aligned to the Rail Operating Contract which expires in 2016. This lease agreement is a master agreement with standard terms and conditions for all rail vehicles but each rail fleet will have its own schedule with conditions that relate to that fleet only. The maintenance agreement will use a similar framework to the lease agreement i.e a master agreement with the rail vehicle fleets being held in schedules. This agreement will not be completed until the award of the new EMU Supply Contract, so an interim basis agreement has been put in place.

1.2 New Electric Multiple Units (EMUs)

The tender closing date was extended by three weeks to 8 May 2007 in order to allow tenderers to respond to the issuing of two related Agreements, the Technical Support Agreement and the Commissioning Agreement. The extension of the tender closing time ensured all tenderers had sufficient time to prepare quality compliant tender submissions.

The extension in closing date has not affected the overall programmed Contract Award date of 31 August 2007.

1.3 Peak Time Train Capacity

1.3.1 Re-commissioned English Electric units

Toll is arranging for the two Ferrymead cars to be moved to their Christchurch depot in order for a full condition assessment to be carried out. This will allow Toll to determine exactly how much work is required on the cars in order for them to be able to enter main line passenger operation. Once the works proposal is approved by GW, Toll will begin work. Toll is also working on a

proposal to GW for the re-commissioning of the three Wellington cars. This is expected by the end of May 2007.

1.3.2 SWEs – Locomotive Hauled Express Train

The six carriages which will under go minor refurbishments for this program have been sourced from the United Kingdom. The proposal for the complete works required for this program is expected by the end of May 2007.

2. Rail strategy (Angus Gabara)

2.1 Regional Rail Plan (RRP)

Work has begun on a Terms of Reference for the Wellington Regional Rail Plan. This will be further developed with stakeholders including Land Transport NZ, ONTRACK and Toll NZ.

The proposed scope will cover planning and implementation of commuter rail network developments for the next 30 years, building on the Wellington Commuter Rail Network Business Case (2004). The plan will assume that given recent decisions to invest in the rail network, bus replacement of rail services is no longer practicable. The plan will be constructed in such a way that it is consistent with and delivers the objectives of the Regional Land Transport Strategy (RLTS) and Regional Passenger Transport Plan (RPTP).

The RRP will define various service level specifications and consider how these can be best delivered. The plan will use the new regional transport model to test scenarios manipulating variables such as population growth and fuel prices to gain an understanding of the potential effects on patronage, road investment, and regional land use strategies. The outcomes of the analysis will shape recommended projects and priorities to form the basis of the RRP. The RRP will ultimately support a medium term funding package.

The list below suggests a range of headings for the RRP which should cover most elements and concepts of interest. The list is not necessarily exhaustive or definitive and will be developed and refined throughout the process.

Levels of service	Revenue and costs	Stations
Ticketing	Major service contracts	Infrastructure
Rolling stock	Customer amenity	Accessibility
Network extensions	Energy supply	Modal integration

It is intended that a Technical Working Group (TWG) be established to oversee this study. Membership is suggested to include GW, ONTRACK, Toll NZ and Land Transport NZ. GW is proposing to engage expert transport consultants to undertake this work. The study scope will be developed by the TWG and approved by the GW Passenger Transport Committee.

The RRP TWG is expected to be formed in late July and the RRP should be nearing completion by mid 2008.

2.2 Western corridor implementation

An initial meeting has been held with Land Transport NZ and ONTRACK to discuss the funding application requirements and tender process to facilitate the earliest possible start to double tracking and electrification works. A further meeting will be held on the 14 May 2007 with the expectation that a funding application will go to the June Land Transport NZ Board meeting for approval.

Meetings are also scheduled with Kapiti Coast District Council, Transit NZ and ONTRACK to discuss infrastructure development and interdependent projects in the Kapiti area.

Request for Tender documentation including a detailed works specification and a consultancy contract is being prepared for the Construction Design of Kapiti Stations.

3. Transport infrastructure (Richard Noakes)

3.1 Commuter Car Parks

3.1.1 Epiha street commuter carpark extension

Contractors have started work on the Epiha Street carpark extension which adds a further 57 spaces to the existing 460 spaces available for rail commuter car parking. The work is expected to be completed by mid May 2007.

3.1.2 Petone East commuter carpark proposal

Work continues by GW officers to progress the new 42 space commuter carpark on the Hutt road south of Petone station. Changes to the original proposed layout requested by ONTRACK have now been completed, but issues still remain around leasing arrangements from ONTRACK.

3.1.3 Plimmerton

Following the meeting held at Porirua in early March further progress has been made in resolving the issues for extending the existing subway and adding a pathway into the proposed Domain car parking area. ONTRACK has been in negotiations with Mainline Steam to resolve the issues and it is hoped that work will start by the end of June 2007.

3.2 Metlink signage

3.2.1 Metlink standard bus stop signage

The installation of the Metlink bus stop signs has now been completed. Stop numbers and route numbers have been applied to the signs and the process of applying stop names is now underway. Once this is completed the bus stop database, which holds all asset information and pictures of each stop, will be updated to reflect all the changes that have occurred in the last eighteen months.

3.2.2 Metlink CBD signage

Following the installation of the four CBD units at Lambton Quay, St. James theatre, Blair Street, and Courtenay Central GW officers are working on the issue of the tender documentation for the manufacture of the remaining 17 units.

3.3 Days Bay Wharf Shelter

Hutt City Council is overseeing the project for the Days Bay Wharf new passenger shelter, which is currently under construction and will be installed on site by the end of June 2007. The shelter was designed in line with heritage and local requirements.

3.4 Rail Stations

3.4.1 Wairarapa platforms

ONTRACK has awarded the platform works contracts to HRS New Zealand Ltd for the southern contract and Fulton Hogan Ltd for the northern contract. Work began on Monday 7 May 2007 with the first station being Matarawa, which currently has no platform. Work on all the stations is anticipated to be complete by mid August 2007 (weather dependant). Disruptions to passengers will be kept to a minimum whilst this work is being carried out. Below is a summary of the work that is being carried out at each station:

Contract	Station	Summary of works
Southern	Maymorn	Platform re-seal, additional lighting and signage
	Featherston	Platform extended by 68m, additional lighting and signage, platform seats, 16 extra car parks
	Woodside	Platform extended by 116m, additional lighting and signage, new shelter, 29 extra car parks
	Matarawa	Construction of a 60m platform with platform lighting
Northern	Carterton	Track alignment and lowering (completed 12 March 2007, by ONTRACK) to increase platform height to the minimum requirement of 450mm above rail, platform extended by 78m, additional lighting and signage.
	Solway	Platform extended by 40m additional lighting and signage, 2 new shelters 14 extra car parks.
	Renall Street	Platform extended by 62m additional lighting and signage, new shelter and CCTV coverage.

	Masterton	Increase the height of the south end of the platform to the minimum requirement 450mm above rail. Upgrading existing lighting and signage, increasing current car park facility by 10 additional spaces.
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3.4.2 Masterton Compound

There is currently a limited stabling area for the trains in Masterton with little security provisions. A new larger stabling compound with fencing and security systems is being constructed by ONTRACK and will be completed on 11 May 2007. This new compound will aid in deterring damage and vandalism to the new Wairarapa trains.

3.4.3 Security Systems

Work began in the week commencing 7 May 2007 on the installation of closed circuit television systems at Masterton station car park and rail compound, Carterton station and car park, Renall Street station, and Featherston station and car park. Masterton rail compound will incorporate a wireless link with infra-red detection for low level light operation for the protection of the new SW carriages. All four systems will be available to GW officers via an internet connection. Additional security cameras have also been installed at the Wellington yard on the 26 April 2007

3.5 Asset management

3.5.1 Asset management plan

The first draft of the Public Transport Division Asset Management Plan compiled by GHD Ltd is currently being reviewed by GW officers and will be completed by June 2007.

3.5.2 Asset management system

Procurement staff are participating in the corporate assessment of asset management systems.

A list of detailed functions, requirements and capabilities has now been drawn up for the several companies to be invited to demonstrate their products. Invitations to demonstrate these products will be issued shortly.

4. Contract & Quality update (Rob Braddock)

Bus Services Update (May 2007)

4.1 New Prototype Trolley Buses

Two new prototype trolley buses are expected to be delivered in September this year. These buses will have a number of new features, including a trial of different seating arrangements that it is hoped will improve access and flow for passengers and improved wheelchair access and multi-purpose spaces that better accommodate people travelling with prams or luggage. These spaces will be clearly marked and involve the use of fold down seating when not required.

The new buses will also include new back-up battery technology for self-power which enables them to manoeuvre around obstacles or carry on in the event of a power failure. In addition, the buses will be future-proofed for new technologies such as passenger information systems, security cameras and tag on/tag off ticketing system.

4.2 Wellington Bus Service Disruptions

Council Officers are pleased to report that the issues surrounding February's bus service disruptions have now been resolved.

Stagecoach is continuing to report to the Council on daily service failure statistics. These statistics are showing a steady level acceptable within the parameters of the existing service contracts between Council and Stagecoach.

4.3 Bus capacity issues

4.3.1 Wellington City

In February additional services were introduced on the routes from Hataitai, Island Bay, and Karori to alleviate capacity issues. Evidence to date suggests that these additional services have been a success as there have been very few incidents of customers, especially at key bus stops close to the city centre (e.g. Hataitai Shops, city end Karori, and Adelaide Road), being left at bus stops due to overcrowding.

4.4 Other Bus Services and Contracts

4.4.1 Wairarapa Bus Services

The Wairarapa bus service tenders closed on 23 March 2007. Negotiations are currently being progressed with the preferred tenderer's on the provision of an improved service for the area. The new contracts will commence on the 30 July 2007 and will include:

- Super-low floor buses with wheelchair access on all routes

- Increased service levels including new weekend services between Featherston and Masterton and an increase from two days to five days per week for Masterton town services.
- Increased number of connections to the Wairarapa train services
- Integrated ticketing between bus operators

4.4.2 Operator Meeting Program

A new operator meeting program was introduced in April 2007 which increases the frequency of operator meeting with Officers and aligns the meetings to the contract monitoring and auditing program. Meetings will be held with the larger operators on a monthly basis and on a quarterly basis for the smaller operators. These meetings do not prevent the usual ad hoc meetings that are required should the need arise.

4.5 Total Mobility

Taxi Service - Otaki

A temporary service is still operating in Otaki on the same basis as the permanent service that was previously disrupted due to the local taxi operator having had their operating license revoked.

Paraparaumu Taxis have been providing the temporary service but have found that having a taxi on standby in Otaki has not been cost effective due to the low demand. Officers are currently working with the taxi company on a proposal for a Waikanae based service that will travel to and from Otaki on demand.

Otaki has 138 registered Total Mobility users, of which 20 people regularly use the service.

Service Update

Following the regular annual review of the Total Mobility user database there are currently 8500 active users on the scheme. GWRC directly manages vouchers and assessments for approximately 2100 of those users.

The table below shows the passenger numbers for the Total Mobility Scheme from 2002 to 2007.

Year	Avg Monthly Passenger Nos.	Total Annual Passengers	% Increase Year on Year
2002/03	18,559	222,710	
2003/04	19,630	235,561	5.8%
2004/05	22,287	267,440	13.5%
2005/06	21,663	259,955	-2.8%
2006/07 *	23,139	277,663	6.8%

* Forecasted figures based on nine month actuals to the end of March 2007

By the end of the 2006/07 financial year GWRC will have provided grants for the adaptation of five wheelchair hoists in vans. Four of these vans are replacing existing vans (2 Hutt, 1 Wairarapa, 1 Wellington) and one is a new van (Hutt), thus bringing the current wheelchair hoist van fleet to 30 for the region.

Rhona Hewitt
Manager, Procurement

Metlink Manager's Report for period ending 4 May 2007

1. Marketing and Information Team (Team Leader – Michelle Smith)

1.1 New Wairarapa train launch – 14 May

During April the Marketing & Information Team was largely focused on planning and organising the launch of the first four new Wairarapa train carriages. This is the first in a consignment of a total of 18 carriages to be delivered by the end of December 2007 and marks the beginning of a series of very significant improvements to the Metlink public transport network over the next five years.

The launch will take place on Monday 14 May with two small events at Masterton and Wellington, plus a chartered service to mark the inaugural journey of the carriages from Masterton to Wellington.

The first ceremony at Masterton Station will be hosted by Cr Ian Buchanan and begins at 6.50am. It will involve a Maori blessing, speeches and an official ribbon-cutting ceremony. A second event will be held at Wellington Station from 8.45am to 9.45am. Cr Peter Glensor will host the occasion which will be attended by the Transport Minister Annette King, local councillors, MPs and staff from Greater Wellington, Tranz Metro and Toll NZ.

Just prior to the train arrival at approximately 9.20am, guests will move to Platform 9 to welcome the train.

Invitations to the launch events have been issued and tickets have been made available to the public for the inaugural charter service.

1.2 Metlink News

The second issue of Metlink News has been developed. This explains what we are doing to meet the increasing demand for regional rail services and provides information about the arrival of one of the new Wairarapa trains on 14 May.

Metlink News will be distributed in early May at key public transport locations and will also be available from Metlink timetable outlets and the Metlink website. Councillors, politicians, some community groups in the region and subscribers will also be sent a copy.

1.3 Public Transport Annual Monitor

Seven hundred and fifty telephone interviews with people around the region were conducted by market research company, TNS, on our behalf during April for the Annual Public Transport Monitoring Survey.

We have carried out this survey annually since 2003 as it provides very useful information to aid our decision making and benchmark our performance.

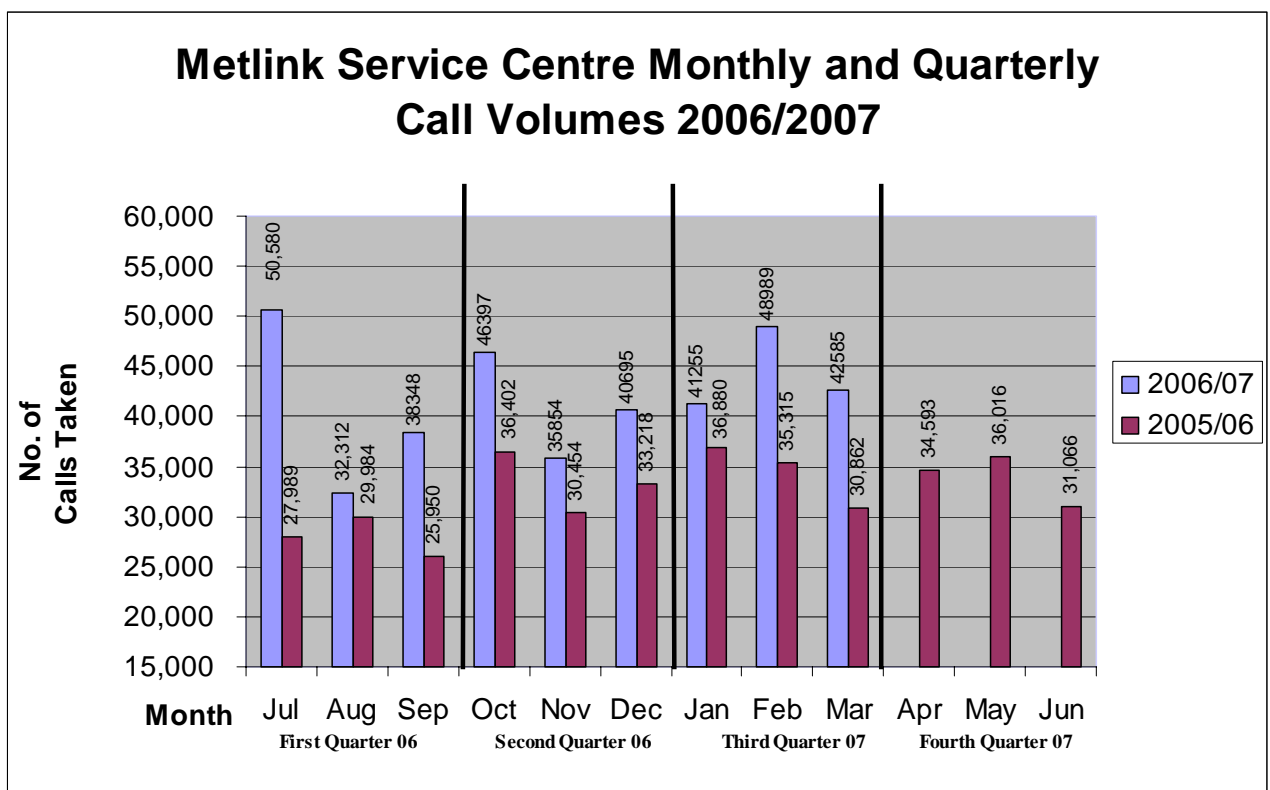
A report of the results will available at the end of June.

1.4 Metlink City Safari

We have once again, sponsored the Metlink City Safari event which will take place on 20 May in Wellington. This is a team orienteering event with a difference - participants are encouraged to use a combination of public transport, walking and running to complete the event.

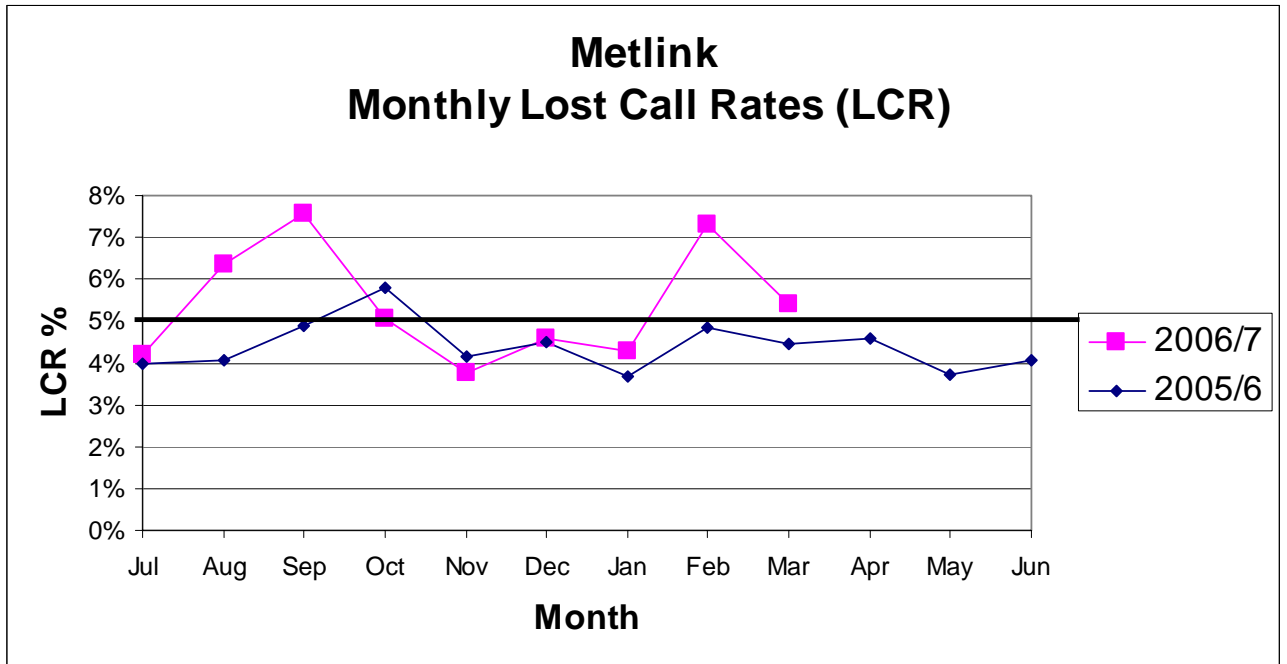
Our sponsorship involves the design and printing of the promotional leaflets and posters, a highly visible banner at Kilbirnie Park in Wellington and Metlink branded vests for teams to wear throughout the day.

2. Metlink Service Centre (Team Leader - Pele Aulavemai)



The table above shows the number of calls taken by the Metlink Service Centre and our out of hours service, comparing this financial year with the last financial year.

The number of daily calls reduced back to normal levels during March following the very high calls volumes in February due to Wellington bus service disruptions. 42,585 calls were taken in March 2007, a 38% increase compared with March 2006. This increase is probably because of the on-going Metlink promotion and increased awareness of the phone number.



This table shows the monthly percentage of calls that are unanswered by the Metlink Service Centre due to callers hanging up.

Our aim is to achieve a lost call rate (LCR) of 5% or below. This was achieved in January but due to high call volumes and complaints resulting from the Stagecoach disruptions the LCR rate for February was 7.3%. By March this dropped back to 5.4% as services reverted to normal and we expect that this to be under 5% during April.

2.1 Complaints and customer feedback

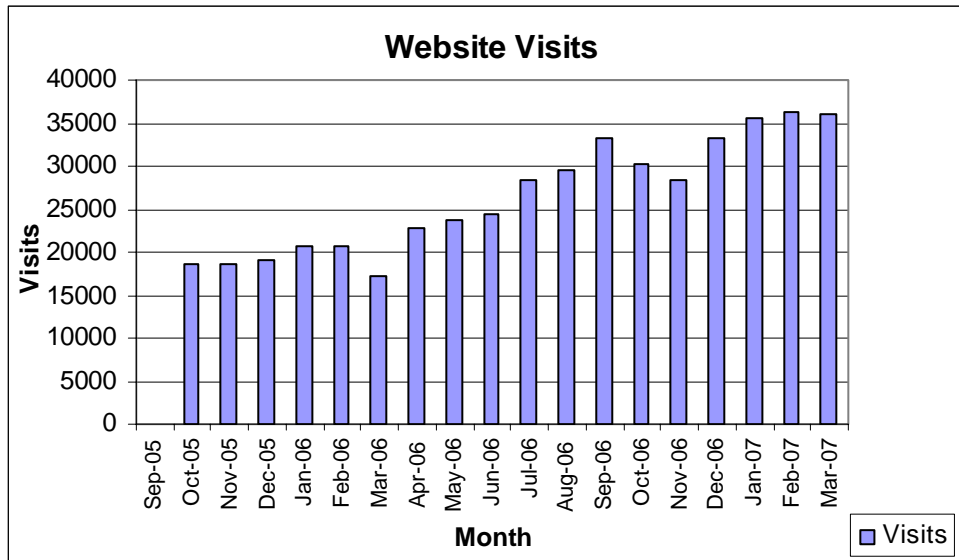
The following table shows customer feedback by operator and type recorded by the Metlink Service Centre during March and April.

Customer Feedback by Category		
	March (01/03/2007 – 31/03/2007)	April (01/04/2007 – 25/04/2007)
Failed to run service	76	41
Ran late	62	17
Ran early	17	10
Not stopping	34	22
Driver/staff complaint	72	35
Ticket discrepancy	7	4
Dangerous/careless driving	15	11
Wrong fare	5	6
Failed to uplift passenger(s)	41	21
Miscellaneous/other	93	35
Failed to set down passenger(s)	1	2
Incorrect Change	2	0
Went wrong route	13	2
Wrong destination shown	0	2
Wrong route no. shown	1	0
Passenger caught in door	3	1

Prams/wheelchairs	0	0
Driving too fast	2	5
Accident	1	0
Ran red light	0	1
Bus/train broke down	0	0
Bus/train overloaded/heavyloading	1	2
Bus/train presentation	1	0
Started before passenger seated	0	0
Started before passenger alighted	0	0
Total Complaints	447	217
Compliment	3	3

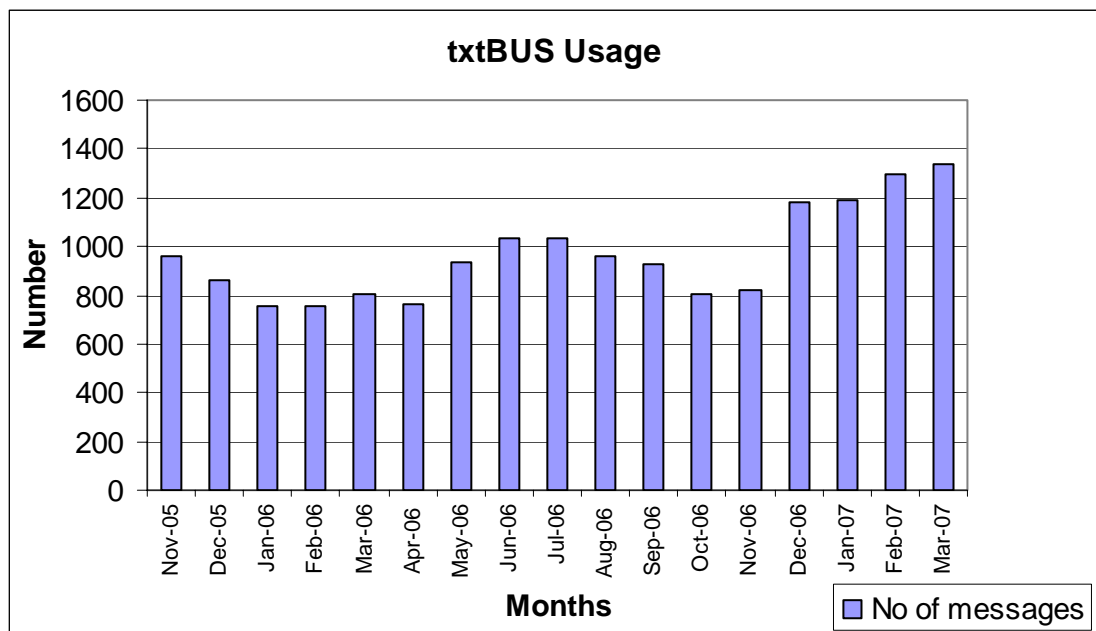
3. Information and Systems (Team Leader - Alex Campbell)

3.1 Metlink website



A total of 36,055 website visits were recorded in March 07, a 111% increase over March 2006.

3.2 txtBUS



Use of txtBUS, the text message bus information service, reached a new high in March 2007 with 1335 information requests handled.

3.3 Public Transport Contact Management System

The Environment Division has purchased the Ozone contact management system (CMS) from Origen Technology of Tauranga. The Public Transport Division is taking the opportunity to “piggy back” on this investment to deliver a cost effective CMS solution for the Public Transport Division.

3.3.1 Background

There is a need for a CMS to replace the existing paper based method of recording and tracking customer complaints and feedback.

The current paper based process has many shortfalls:

- It is labour intensive requiring the hand writing of complaints forms, physical faxing of complaints forms to operators and manual filing of returned faxes.
- It is difficult to track complaints and report trends over time.
- It is very difficult to analyse past complaints, by service or geographic area, for the purpose of assisting the service design and development or procurement teams.
- It is not easy to track the current status of a complaint and what action if any has been taken by the service operator.

- It is not well suited to supporting non-call centre complaints, such as emails and letters, some of which have to be forwarded to the Metlink Service Centre to be allocated a complaint number, printed and attached to a hand written complaints form for faxing.
- Our out of hours call centre has to fax complaints forms to the Metlink Service Centre to allocate a complaint number and fax to the operator.
- It does not support other customer feedback such as service design requests (i.e. bus times and routing) or infrastructure issues (i.e. bus stop requests or reporting vandalism).

3.3.2 Mission

To implement a customer CMS that allows the recording, tracking, processing and reporting of customer complaints and feedback. It will enable complaints and feedback to be entered by various people within the Public Transport Division and then directed to internal staff or external service operators for acknowledgement and response, based on a set of agreed processes.

3.3.3 Proposed solution

The Environment Division of GWRC has purchased a system that can be configured to provide a CMS that will meet the requirements of the Public Transport Division. This system, while sharing the same backend resources as the Environment Division system, would have its own distinct front end for the Public Transport Division.

The system records customer contacts and triggers subsequent workflows. The system monitors the status of customer contacts and triggers escalation processes where specified action has not been taken within defined time periods, customised to the needs of the Public Transport Division.

3.3.4 Web Access

The Ozone system has the option for web based access using a standard Internet Explorer interface. This would make it possible for service operators to view their complaints and log action taken directly into the Ozone system. Therefore the status of complaints would be able to be monitored at all stages of the complaints process.

For our out of hours call centre this web access could be set up to allow the entry of new complaints/feedback, removing current double handling between call centres.

3.3.5 Reporting

The Ozone system includes a number of reporting options to allow reporting as required for contract management, service design and infrastructure planning. Reporting would be customised to meet our specific needs and the data model used would allow us to develop additional reports as required.

Reports could be set up to look at the volume of complaints by operator or to analyse the types of complaints being received on a specific service. Reports could also be designed to assist the design and development team by looking at requests for improvements by route or area.

3.3.6 Required investment

As GWRC has already purchased licenses for up to 100 users of the Ozone system we would not need to purchase further software or user licences. The cost of implementing the Origen Ozone solution will be limited to the cost of configuring the system for the specific business requirements of the Public Transport Division and funding is available in this year's budget.

3.3.7 Timeline

Subject to the availability of Origen staff to commence the initial set up and training it is likely the whole system could be set up and be ready for implementation by 30 June 2007.

4. Public Transport Patronage (Alex Campbell)

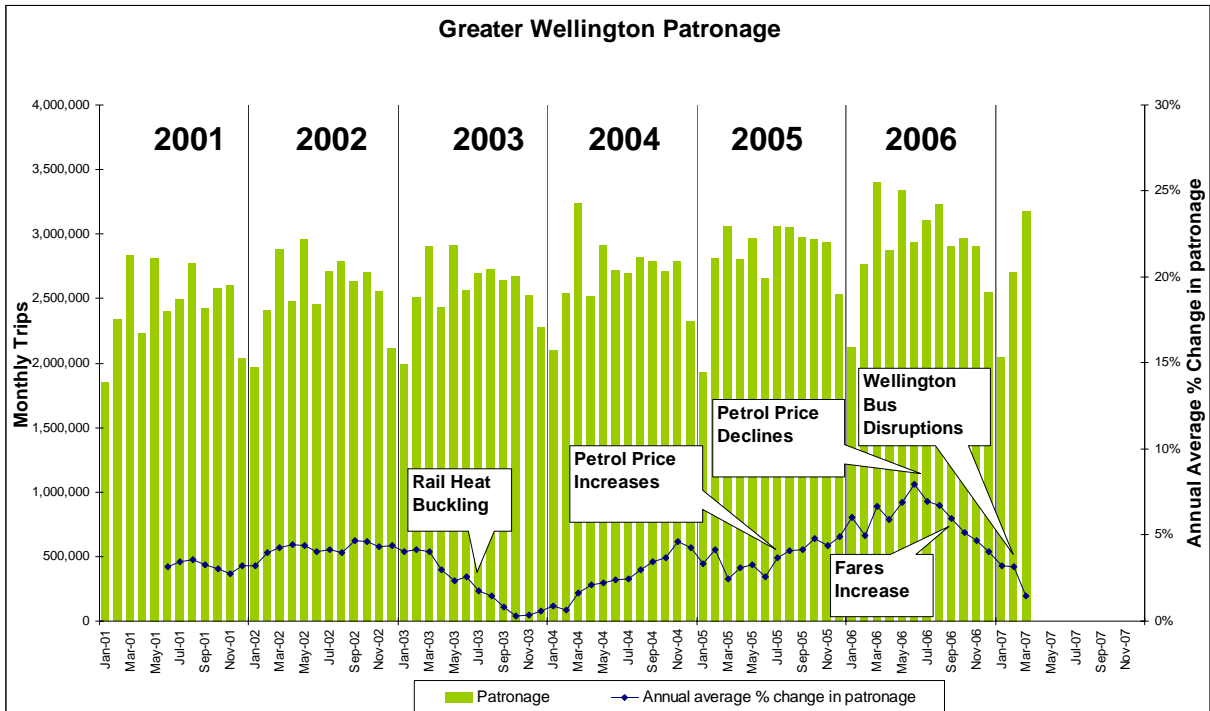
For the financial year to date from 1 July 2006 to 31 March 2007 a total of 25,579,415 passenger trips were made on the region's bus, train and ferry services. This represents a 1% decrease over the same period the previous year.

When looking at passenger trips by month (see below) the effects of the September 2006 fares increase, decreasing consumer fuel prices from mid 2006 and the Wellington bus disruptions in February 2007 have contributed to declining public transport usage in all but two months since September 2006.

4.1 Monthly Patronage - 2006/07 Financial Year

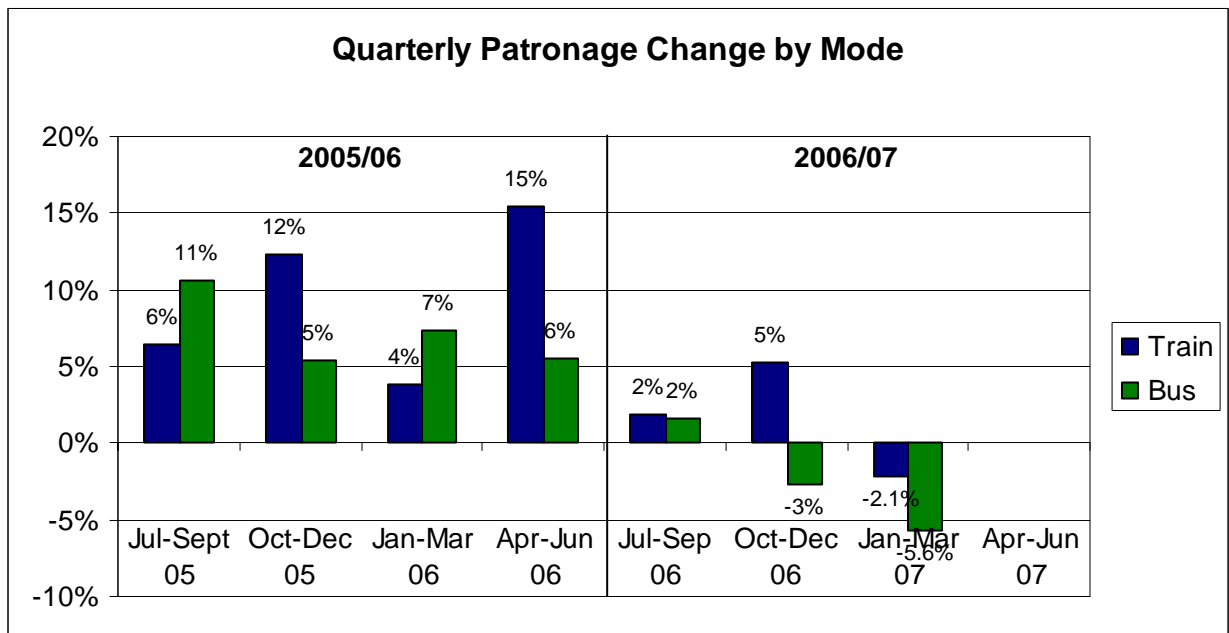
Month	Passenger Trips 05/06	Passenger Trips 06/07	% Change
2006 July	3,058,909	3,105,897	1.5%
2006 August	3,048,188	3,224,935	5.8%
2006 September	2,979,259	2,908,704	-2.4%
2006 October	2,957,798	2,960,494	0.1%
2006 November	2,931,648	2,905,788	-0.9%
2006 December	2,537,868	2,552,421	0.6%
2007 January	2,117,288	2,044,104	-3.5%
2007 February	2,771,039	2,705,502*	-2.4%*
2007 March	3,403,083	3,171,367*	-6.8%*
2007 April	2,878,061		
2007 May	3,336,249		
2007 June	2,941,694		

*Provisional data, some minor operator key factor data not yet submitted.



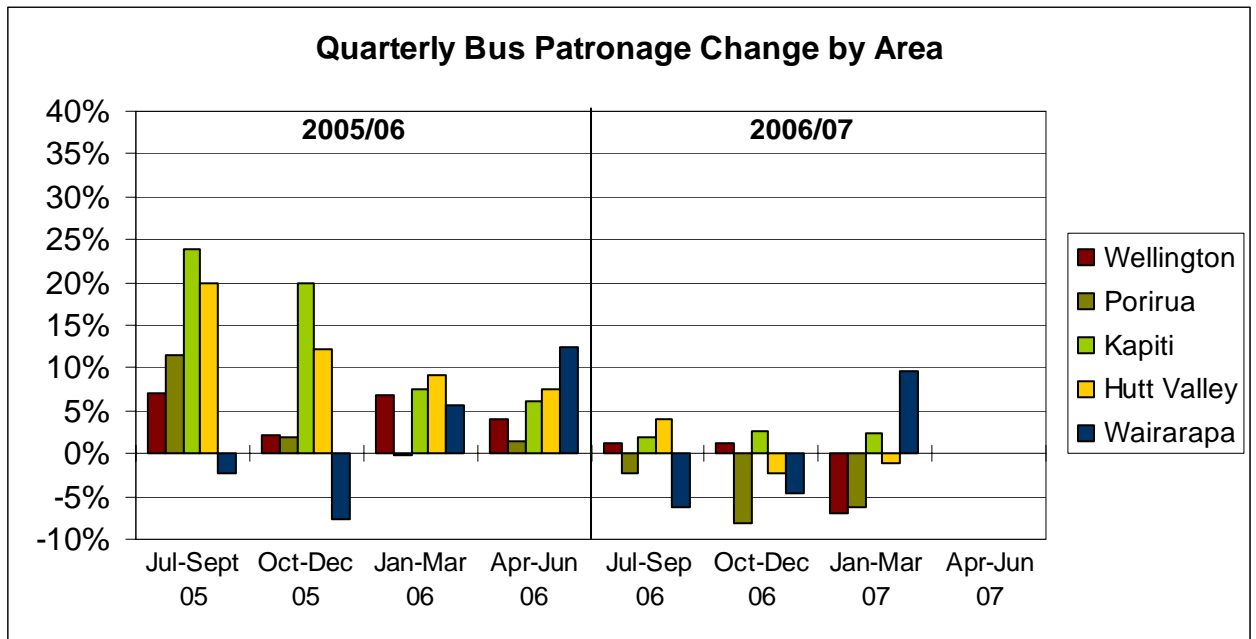
The annual effect of recent major events affecting use of public transport in the Greater Wellington region can be seen in the above graph when looking at the Annual Average % Change in Patronage line. This line compares the patronage for the latest twelve months with the patronage for the previous twelve months to show the rolling annual change in patronage.

4.2 Quarterly Patronage Change by Mode - 2006/07 Financial Year



Both bus and train services showed strong growth in all quarters of the 2005/06 financial year. This compares with the 2006/07 financial year where the effect of fares increases, declining fuel prices and Wellington bus disruptions can be seen.

4.3 Quarterly Bus Patronage Change by Area - 2006/07 Financial Year



The 2005/06 financial year was overall a period of strong patronage growth for bus services across the region. 2006/07 however has seen an overall reduction in the use of bus services with only Kapiti services showing consistent growth across all three quarters of the financial year to date

4.4 Train Service Patronage Change by Route – January to March 2007

When looking at the most recent January 2007 to March 2007 quarter train patronage it is notable that all Lines showed a strong 6% growth in train use except for the Paraparaumu Line which saw a 1% reduction in usage.

PPL	Paraparaumu Line	-1%
	Peak	-3%
	off peak	3%
HVL/MEL	Hutt Valley	6%
	Peak	8%
	off peak	2%
JVL	Johnsonville Line	6%
	Peak	8%
	off peak	3%
WRL	Wairarapa Line	6%
	Peak	4%
	off peak	12%

Karen Richardson
Manager, Metlink

Design and Development Manager's Report for period ending 4 May 2007

1. Manager's comments (Brian Baxter)

1.1 Regional Passenger Transport Plan

Submissions on the Draft Regional Passenger Plan closed on 16 February 2007. A total of 122 submissions were received. Hearing of submissions occurred in March. Deliberations began on 12 April, but have been delayed as a consequence in the delay in finalising the Regional Land Transport Strategy. Further Plan deliberations will occur in May, and it is hoped to have the Plan finalised and presented back to this Committee at its meeting on 24 July.

1.2 Service reviews

Officers are currently working on the following service reviews:

- Ferry services (see report elsewhere on this agenda). This review is almost completed and preliminary results indicate that no major changes are likely to result to the existing service.
- Kapiti buses (to try and better integrate the rail and bus services, and investigate ways in which train users can be encouraged to use the bus rather than the currently overloaded park-and-ride facilities).
- Some of the Wellington bus routes, in association with Stagecoach, in an attempt to simplify the routes.

1.3 Integrated ticketing

Officers are continuing to develop integrated ticketing proposals in the region, and are currently working on:

- Investigating ticketing options for rail, with special focus on the Wellington Rail Station. Consultants Booz Allen Hamilton has just completed a study of ticketing options for rail, and the next stages of this project are being considered.
- Investigating options for collaboration with ARTA, including the option of a Wellington/Auckland combined ticketing system, or even a nationwide system.
- Discussing funding and associated issues with Land Transport NZ.
- Monitoring the proposed introduction by Stagecoach later this year of its ticketing smartcard in Wellington

A paper on integrated ticketing, including proposals for future work and possible implementation timetable, will be presented to this Committee at its 26 June meeting.

1.4 Real time information

Officers are currently investigating the potential for the introduction of real time information systems on the transport network in Wellington. See paper on this subject elsewhere in this agenda.

1.5 Concession fare standardisation

Officers are currently working on developing a Council policy on the standardisation of concession fares within the region. The standardisation of fares is important from an equity perspective, and also as a pre-cursor for integrated ticketing and integrated fares. The project involves:

- identifying who should be eligible for concession fares;
- determining the amount of the concession;
- determining how those eligible for the concession might be identified; and
- investigating any implementation issues (including funding implications).

A discussion document is being prepared. This is likely to be the subject of a Committee workshop, before consultation with operators and passengers.

1.6 Total Mobility Scheme improvements

This project aimed to review the operation and administration of the Scheme as it operates in the Wellington region, and to incorporate any changes that may occur as a consequence of the current MOT review of the Scheme. The MOT review however has been the subject of many delays, and we have continually postponed our own review until the MOT review has been completed.

There is still no end in sight with the MOT review, and we are currently considering proceeding with our planned investigation as to how we might better deliver the services to local scheme users.

1.7 Johnsonville bus/rail interchange

The Johnsonville Mall redevelopment is progressing with Wellington City Council proceeding to stop Gothic and Hawea Streets which are located in the mall carpark. The road stopping will require the Johnsonville interchange to be relocated onto Moorefield Road, which is consistent with Wellington City Council's Johnsonville Centre Plan.

Officers have been involved in discussions with ONTRACK, Toll NZ and Mana Coach Services and have agreed a number of conditions aimed at ensuring uninterrupted operation of bus/rail interchanges at Johnsonville. There will also be an impact on park-and-ride facilities at the station.

Officers are currently working with Wellington City Council to prepare an initial concept design for a new Moorefield Road interchange. The developers have indicated an intention to commence construction around April 2008.

1.8 Ngauranga – Airport study

The Ngauranga to Airport Strategic Study is being undertaken by Opus International Consultants Ltd for Transit NZ, Greater Wellington, and Wellington City Council.

The purpose of the study is to identify the present and future transport needs of the Ngauranga to Airport/Hospital transport corridor, and propose solutions that best meet those needs in a manner that facilitates and supports the current and future land uses, social, business, recreational and other strategic goals.

The study project team is currently developing a number of packages for consultation, which is expected to occur later in 2007. Passenger transport options are likely to feature prominently within these packages.

Brian Baxter

Manager, Transport Design and Development

Business Manager's Report for period ending 4 May 2007

1. Manager's comments (Kerry Saywell)

A highlight since the last report, was the decision by the Land Transport NZ board to change the basis by which they allocate additional funding earmarked for transport in Wellington. The funding that this decision applies to is:

- The \$225 million package announced in January 2005 to fund the regions transport network (C1 funding). This package included \$65 million to maintain public transport mode share and \$30 million for enhancing passenger transport.
- The \$255 million package announced in July 2005 to deal with the highest priorities in the Western corridor (C2 funding). The priorities included additional rail rolling stock, track and station work.

The effect of the decision of the Land Transport board (which required agreement from the Regional Land Transport Committee) effectively means that all approved rail improvement projects will receive 90% funding from Land Transport NZ.

This decision clarifies the allocation of the C1 and C2 funding, provides a basis for updating the 2007/08 Annual Plan and future projections and provides a framework for applying for approval for projects from Land Transport NZ.

2. Looking ahead

Consultation on the proposed 2007/08 Annual Plan is proceeding and a number of submissions have been received. As well as any changes to the plan resulting from those submissions, other changes will be required because we have more up to date information. Items that will need reviewing for the final 2007/08 Annual Plan include:

- The inflation component of diesel bus contracts. This needs to be updated for current projections of exchange rates and oil prices
- The budget for the TranzMetro rail operating contract. We are in the process of obtaining updated information from TranzMetro
- Allocation of C and R funding after the Land Transport NZ board changed the basis of allocation of these at there April meeting (Although the Council's share of these projects is loan funded and there is expected to be little change to the 2007/08 transport rate requirement).
- Any changes to funding of ONTRACK for scheduled capital works (this could include bringing forward the electrification and double tracking of McKays Crossing to Waikanae)

- Any projects where timing of expenditure has changed that may need rebudgeting to 2007/08.

3. Net operating result for the division

The net operating surplus for the Public Transport Division for the nine months ended 31 March 2007 is \$6.8 million compared to the budgeted surplus of \$7.2 million. However, both actual and planned net operating surplus results are distorted by the planned 2006/07 capital expenditure. This is because Greater Wellington's accounting policies require that funding from Land Transport NZ for capital works is recognised as income in the year of receipt.

If the numbers are restated to exclude capital related operating results then the net operating deficit for the Public Transport Division for the year to date is \$1.1 million compared to the budgeted deficit of \$0.4 million. The unfavourable variance of \$0.7 million is primarily because of higher than anticipated costs of inflation on diesel bus contracts.

Looking at the full year forecast on the same adjusted basis, shows a forecast operating deficit of \$2.6 million compared to the full year budget deficit of \$0.6 million.

More detail is included in the following table and explanations:

**Public Transport Division
Financial Performance by Programme for the Nine Months Ended 31 March 2007**

\$ Thousands	Year To Date				Full Year			
	Actual \$000	Budget \$000	Variance \$000	Variance %	Forecast \$000	Budget \$000	Variance \$000	Variance %
Rates Revenue	23,004	23,023	19U	-0.1%	30,697	30,697	0 F	0%
Grants & Subsidies - Opex	24,940	25,397	457U	-1.8%	33,751	34,829	1,078U	-3%
Grants & Subsidies - Capex	7,170	11,999	4,829U	-40.2%	18,952	65,536	46,584U	-71%
External Revenue	99	111	12U	-10.8%	148	148	0 F	0%
Investment & Other Revenue	61	92	31U	-33.7%	80	122	42U	-35%
Internal Revenue	38	607	569U	-93.7%	50	809	759U	-94%
Total Revenue	55,312	61,229	5,917U	-10%	83,677	132,141	48,464U	-37%
Rail Operating Contracts	14,012	13,303	709U	-5.3%	18,949	17,737	1,211U	-7%
Diesel Bus Operating Contracts	20,256	18,146	2,110U	-11.6%	27,201	24,195	3,006U	-12%
Trolley Bus Contracts	4,000	4,886	886 F	18.1%	5,458	6,515	1,057 F	16%
Ferry Operating Contract	161	67	94U	-140.3%	216	90	126U	-140%
Rail Rolling Stock	640	6,227	5,587 F	89.7%	2,222	8,077	5,855 F	72%
Bus Priority Measures	0	0	0 F	0.0%	0	0	0 F	0%
Carpark Developments	29	29	0 F	0.0%	39	39	0 F	0%
Bus Stop & Shelter Maintenance	385	789	404 F	51.2%	837	1,053	216 F	20%
Park N Ride Development	390	550	160 F	29.1%	790	779	11U	-1%
Wellington Interchange Payments	463	463	0 F	0.0%	617	617	0 F	0%
Waterloo Interchange Payments	221	232	11 F	4.7%	317	309	7U	-2%
Johnsonville Line Project	0	0	0 F	0.0%	0	0	0 F	0%
Rail Development Project	441	0	441U	-100.0%	510	0	510U	-100%
Western Corridor Rail Projects	0	250	250 F	100.0%	50	500	450 F	90%
Total Mobility Scheme	1,312	1,397	85 F	6.1%	1,743	1,864	121 F	6%
Integrated Ticketing Maintenance	5	205	200 F	0.0%	5	507	502 F	99%
Rail Rolling Stock Maintenance	0	29	29 F	100.0%	0	38	38 F	100%
Rail Station Upgrades & Maintenance	90	136	46 F	33.8%	149	182	33 F	18%
Service Improvements	628	775	147 F	19.0%	827	1,545	719 F	47%
Subtotal Procurement	43,033	47,484	4,451 F	9%	59,928	64,046	4,118 F	6%
Integrated Ticketing -Design	55	80	25 F	31.3%	100	100	0 F	0%
Service Design Studies	17	87	70 F	80.5%	40	125	85 F	68%
Total Mobility Scheme Extension	0	471	471 F	100.0%	0	941	941 F	100%
Subtotal Design & Development	72	638	566 F	89%	140	1,166	1,026 F	88%
Transport Systems	152	201	49 F	24.4%	228	233	5 F	2%
Marketing & Promotion	415	825	410 F	49.7%	1,067	1,117	50 F	4%
Subtotal Metlink	567	1,026	459 F	45%	1,295	1,350	55 F	4%
Total Project Expenditure	43,672	49,148	5,476 F	11%	61,363	66,563	5,199 F	8%
Administration and Overheads	3,810	3,859	49 F	1.3%	5,177	5,144	33U	-1%
Other	1,074	1,013	61U	-6.0%	1,353	1,351	2U	0%
Total Expenditure	48,556	54,020	5,464 F	10%	67,893	73,058	5,165 F	7%
Net Operating Surplus Deficit	6,756	7,209	453U	-6%	15,784	59,083	43,299U	-73%
Less Operating costs and revenue associated with capex	7,808	7,614	194U	-2.5%	18,374	59,689	41,315U	-69.2%
Adjusted Operating Surplus/Deficit	-1,052	-405	647U		-2,590	-606	1,984U	

3.1 Revenue

Operating expenditure related grants and subsidy revenue is showing a \$457,000 unfavourable variance for the year to date and this is expected to be \$1.08 million unfavourable by year end.

Capital expenditure related grants and subsidy revenue is \$4.8 million unfavourable but is expected to be \$46.6 million unfavourable for the full year. This is the consequence of changes to the timing of capital expenditure. Greater Wellington's accounting policies require that funding from Land Transport NZ for capital works is recognised as income in the year of receipt. If capital expenditure is reduced or delayed, so is the associated revenue from Land Transport NZ.

Internal revenue is showing an unfavourable variance of \$569,000. However, this is internal within the Division and does not affect the overall result as there are offsetting internal cost variances.

3.2 Expenditure

The rail operating contract is forecast to be \$1.2 million over budget reflecting Tranz Metro's estimate of their full year operating result. This increase has been driven by increases in Tranz Metro's labour, fuel and traction and purchased services expenditure.

Diesel bus operating contracts are \$2.1 million over budget for the year to date and are forecast to be \$3.0 million more than budget for the full year. This is the result of higher than anticipated costs of inflation on existing contracts.

Trolley bus contract expenditure is \$886,000 under budget and is forecast to be \$1.0 million under budget at year end. The new contract for Trolley Bus services is being negotiated and is expected to be finalised soon. The 2007/08 cost is expected to be close to the budget contained in the proposed 2007/08 Annual Plan.

Rail rolling stock expenditure is \$5.6 million under budget and is forecast to be \$5.9 million under budget. The main reason for this is that heavy maintenance on rail rolling stock has been delayed by the operator. Tranz Metro have advised us that \$1.4 million will be spent by 30 June and the remainder may be required in future years. We expect to have an updated view of this when we receive Tranz Metro's revised business plan.

Bus stop and shelter maintenance is showing a favourable year to date variance of \$404,000. Some of this relates to the timing of expenditure which is expected to be completed by 30 June. However expenditure on CBD Metlink signs is now likely to occur in 2007/08 resulting in a favourable forecast variance of \$216,000 in 2006/07.

The rail development project is showing year to date expenditure of \$433,000 and is forecast to be \$510,000 more than budget. The forecast includes \$100,000 for capacity studies and \$410,000 for work on the rail ownership plan. This rail ownership review is strategically important for the Division and was not apparent when the 2006/07 budgets were set. The review will provide asset management information which forms an important component of the Long-term Council Community Plans and is also required for Land Transport NZ funding requests.

Western Corridor rail projects are forecast to be \$450,000 less than budget. A review of the suite of Western Corridor rail projects is underway with a renewed focus on rail service reliability and infrastructure capacity for growth. Contact is being made with Transit and ONTRACK to ensure early co-ordination of joint projects and interdependent projects. Work has begun on designing the studies and surveys which are required to produce robust information on the operational benefits of specific groups of projects. There have also been discussions with KCDC and we have agreed to work closely with them as projects proceed.

The 2006/07 integrated ticketing budget has been deferred and will show a \$502,000 favourable variance by year end.

Service improvements are planned increases in bus and ferry services. Service improvements have been reduced in 2006/07 to help offset increased diesel bus expenditure. This is reflected in the forecast \$719,000 favourable variance for the full year.

The Total Mobility scheme extension expenditure of \$941,000 will not occur in 2006/07. This expenditure (that was assumed to be 100% funded by external parties) is dependent on guidance and funding from Central Government.

The marketing and promotion activity is showing a \$410,000 favourable variance for the year to date. Work is underway now (i.e. Metlink news) which will see this budget variance reduce by 30 June.

4. Capital expenditure

Capital expenditure (net of asset disposals) for the year to date is \$11.1 million compared to a budget of \$11.7 million.

The full year capital expenditure forecast (net of disposals) is \$28.6 million or \$54.3 million under budget. Most of this expenditure will be deferred to future years.

The majority of the variance (\$42.2m) is because of delays to timing of expenditure on the new EMU project. There has been some slippage in the new EMU's project timeline because negotiations around the procurement process with TOLL, and Land Transport NZ (approval of the procurement process), took longer than anticipated. However, other procurement timeframes have been compressed to keep the overall project timeline on track (new EMU cars into service in 2010). The draft 2007/08 Annual Plan contains revised estimates of EMU expenditure.

Capital expenditure is funded by a mix of Land Transport NZ grants and internal loan funding. Consequently, delay or deferral of capital expenditure has only a minor effect on the overall funding position of the Division.

More detail is included in the following table and explanations:

PublicTransport Division
Capital Expenditure for the Nine Months Ended 31 March 2007

Project	Year To Date				Full Year Forecast			
	Actual \$000	Budget \$000	Variance \$000	Variance %	Forecast \$000	Budget \$000	Variance \$000	Variance %
Capital								
J'ville Mall	0	750	750	100.0%	0	1,000	1,000	100.0%
PT Enhancements	0	500	500	100.0%	0	1,000	1,000	100.0%
Concessionary ID Cards	0	180	180	100.0%	0	360	360	100.0%
Other capital items (vehicles etc)	84	169	85	50.3%	149	255	106	41.6%
Investment Additions								
SW Wairarapa Cars (trains)	9,699	1,615	(8,084)	-500.6%	22,930	26,420	3,490	13.2%
Ganz Mavag (trains) Refurbishment	0	100	100	100.0%	0	200	200	100.0%
New EMUs (trains)	1,057	2,700	1,643	60.9%	2,000	44,172	42,172	95.5%
Western Corridor Rail Projects	0	100	100	100.0%	0	200	200	100.0%
Rail Depot Equipment	0	2,625	2,625	100.0%	0	5,250	5,250	100.0%
Rail Station Upgrades	293	2,625	2,332	88.8%	3,223	3,500	277	7.9%
Rail Security	0	385	385	100.0%	293	550	257	46.7%
Total Capital Expenditure	11,134	11,749	616	5.2%	28,595	82,907	54,313	65.5%

4.1 Johnsonville Mall

The Johnsonville Mall redevelopment project is proceeding slowly and is not now expected to proceed in 2006/07. We have met with the developer and agreed to an ongoing role as the project progresses. In particular, we will lead the development of the passenger transport aspects of the project. There is uncertainty around the shape any development will take and any consequential Public Transport expenditure required.

4.2 PT enhancements

Greater Wellington is not able to have an ownership interest in the PT Enhancements (i.e. bus lanes) and the work is now planned to be undertaken in 2007/08 (as operating expenditure). Land Transport NZ have questioned Greater Wellington's involvement in this work and have indicated that they will not fund a share of it. A separate paper on this issue is on the agenda for this meeting.

4.3 Concessionary ID cards

The concessionary ID cards work budgeted here will not be undertaken in 2006/07. A study is now planned in 2007/08.

4.4 SW Wairarapa cars

The year to date unfavourable variance on the SW Wairarapa Cars is a budget phasing issue only. The full year forecast is favourable against budget as a portion of this cost is now likely to be incurred in 2007/08. Progress on this work is reviewed on a monthly basis.

4.5 New EMU's

The timing of the project to purchase new trains (EMU's) has been significantly altered, which is reflected in the favourable year-to-date variance of \$1.6 million and forecast full year variance of \$42.7 million. However the overall project is still on track to be completed by the original target date in 2010.

4.6 Western Corridor rail projects

The Western Corridor rail projects budgeted work on the Kapiti Bus/Rail interchange is not now forecast to be undertaken in 2006/07 (see comments under 3.2).

4.7 Rail depot equipment

The work budgeted under rail depot equipment will now be funded from the rail operating contract. Land Transport NZ have indicated that they would not fund this work because the assets would not be solely used for provision of passenger rail and ownership of the assets would not reside with Greater Wellington

4.8 Rail station upgrade work

The majority of rail station upgrade work is expected to happen during the second half of the year, whereas the budget assumed work would be spread evenly through the year. It is likely that some work on the Wairarapa stations, Upper Hutt car parks and Plimmerton subway extension will not now be completed by 30 June and the forecasts will need to be updated accordingly.

4.9 Rail security

The rail security budget will be used on Wairarapa CCTV and stabling work which should be completed by 30 June.

5. Funding

The result of all the operating and capital flows is a year to date funding deficit of \$1.2 million. By year end it is forecast that the deficit will be \$0.6 million.

**Public Transport Division
Financial Performance by Programme for the Nine Months Ended 31 March 2007**

	Year To Date				Full Year			
	Actual \$000	Budget \$000	Variance \$000	Variance %	Forecast \$000	Budget \$000	Variance \$000	Variance %
Net Operating Surplus Deficit	6,756	7,209	453U	-6%	15,784	59,083	43,299U	-73%
Less Capital/Investment Expenditure	11,134	11,750	616 F	5.2%	28,595	82,907	54,313 F	65.5%
Other Balance Sheet Movements	-3,169	-4,541	1,373U	30.2%	-12,197	-23,824	11,627U	48.8%
Net Funding Surplus/Deficit	-1,209	1	1,210U		-614	0	614U	

Kerry Saywell
Manager, Business