

## **Procurement Manager's Report for period ending 9 November 2007**

### **1. Rail rolling stock (Patrick Chu)**

#### **1.1 Wairarapa passenger cars (SW fleet)**

The final carriage of the new SW fleet went into service at the end of October 2007. The new fleet is made up of 18 new passenger carriages and a spare luggage and generator van.

Full servery services will be provided as soon as Toll can make arrangements with a suitable provider. It is hoped that this will be early in the New Year.

Two familiarization sessions are being held for disability groups. These sessions are being jointly organised by Toll and Greater Wellington. There will be a session in Wellington on the 6 December 2007 and a session in Masterton on the 8 December 2007.

#### **1.2 Additional capacity trains**

The Supply Agreement for the six SE Carriages was signed on the 31 October 2007. The six carriages, which will run as an express train during the peak commuter periods, are expected to be ready for service in December 2008.

Like the SW carriages these carriages will be refurbished ex British Rail Mark II carriages. However the scale of the refurbishment is minor in comparison to the SW carriages as the need is to ensure that these carriages enter service as soon as possible.

As much as possible of the interior fitout is being reused, for example: seats, luggage racks, saloon doors, and tables are being refurbished rather than replaced. However new carpet and lighting will be fitted, and CCTV and Passenger Information Display Systems (PIDS) will be installed. The SE carriages will not have toilets or a servery, but like the SW carriages one carriage on the train will be fitted with a wheelchair hoist.

The exterior of the train will have a new livery, similar to the SW carriages design, but this train will not have ribbon glass windows.

### **2. Rail strategy (Angus Gabara)**

#### **2.1 Regional Rail Plan (RRP)**

The RRP will consist of three interlinked facets: a business case, funding and implementation working papers. Together they will provide the funding justification, funding sources, and implementation strategies for a suite of rail projects.

Progress through October has concentrated specifically on the refinement of the various 'Service Level Scenarios', this work has encompassed:

- completion and agreement of a 'Projects List', in association with the Technical Working Group (TWG)  
*[Organisations represented on the TWG – Greater Wellington, Land Transport NZ, ONTRACK and Toll]*
- review / analysis of seat capacity
- analysis of the annual operational kilometres for various peak and off peak service levels
- analysis and correlation of rolling stock requirements beyond the Medium Term Rail Improvement Plan (MTRIP) (i.e. refurbished Ganz Mavag's and the new EMU's).

Cost models for both capital and operational expenditure have been created and are ready for population with data to be supplied by the TWG. In order to facilitate this activity in a timely manner, taking into consideration constraints of respective TWG organisations, assistance has been offered from the project consultants (Maunsell).

The primary critical path activity is the modelling utilising the new Wellington Transport Strategic Model (Model). A delay in delivery of the new Model due to the late arrival of data from Statistics NZ means that access to the Model will not be possible to early in the New Year. However, in the meantime the specification for each service level scenario is being developed. Once the model becomes available the RRP will be the first project to obtain outputs from the new Model.

Initial aspects of the Business Case document development have commenced with the production of a draft 'Table of Contents'.

## **2.2 Kapiti railway stations concept design (KRSCD)**

Maunsell Limited was appointed as consultant to this project on 25 September 2007, to carry out the scoping and concept design of new and or upgraded Kapiti railway stations. The output of the project will be a report which will include an implementation programme that will consider:

- station location, size and layout
- car, bus, walking and cycling access and accessibility
- operational efficiencies and journey time calculations
- current and future population densities and station usage
- survey data
- constructability and environmental effects
- land purchase

- local and state highway integration
- project costs, benefits and risks
- train storage

The report will provide the necessary information to proceed with consents, funding applications and tendering for detailed design.

A modelling methodology has been determined and will be confirmed with Land Transport NZ.

ONTRACK have supplied relevant survey and specific land purchase requirements data. Physical work and study boundaries between this project and the Double Tracking and Electrification to Waikanae project have been determined with ONTRACK.

Data continues to be gathered on essential upgrades to Paraparaumu and Waikanae stations and potential new stations at Raumati South and Lindale.

On 4 December 2007 a risk and options evaluation workshop is to be held with the following organisations in attendance: Greater Wellington, Land Transport NZ, Transit NZ, Kapiti Coast District Council, ONTRACK and Toll NZ. A first draft scoping report, which will consider the high level costs, risks and benefits of each option will be prepared prior to the workshop.

### **2.3 Double tracking and electrification to Waikanae (DTEW)**

Funding approval from Land Transport NZ has been received for the extension of double tracking from MacKays Crossing to Waikanae and electrification from Paraparaumu to Waikanae.

The survey and geotechnical field work is progressing in line with ONTRACK's work programme. ONTRACK has appointed Opus/KBR to design and manage the physical works. Relevant sections of this work will feed into the KRSCD project.

The first engineering and risk workshop will be held in December 2007. ONTRACK are also targeting to obtain State Highway bridge clearances sign-off in December 2007.

### **2.4 Johnsonville tunnels realignments**

Funding has been approved by Land Transport NZ for the realignment of the Johnsonville tunnels to allow the safe passage of the Ganz Mavags and new EMUs on the line.

ONTRACK is currently undertaking modelling of the tunnels and track in order to develop the detailed programme of works required. Work on realigning the tunnels is anticipated to be completed by June 2008.

## **2.5 Agreements**

Greater Wellington and ONTRACK continue to negotiate an Output Agreement that covers the design and construction of the various infrastructure works, including those mentioned above, for which Greater Wellington has approved funding.

Discussions continue to be held with Kapiti Coast District Council, ONTRACK and Transit NZ regarding the various rail projects in the Kapiti area.

## **3. Transport infrastructure (Richard Noakes)**

### **3.1 Commuter car parks**

#### **3.1.1 Dowse to Petone**

Work continues by Transit NZ and the contractors on the first stage of the re-construction of SH2. Petone station car park is due to move on 2 November 2007 to its temporary location on the old Chep site. This will mean a temporary reduction of 35 due to the removal and replacement of the pedestrian over-bridge and space is needed to carry out this operation. On completion of the works, the number of car parking spaces is expected to increase from 174 to 192.

#### **3.1.2 Petone East proposal**

Further work has now been completed on the design of 42 new off street car parks along the Hutt Road just South of Petone station. ONTRACK have agreed in principal that the project is viable, but issues still remain around the leasing of land from ONTRACK. If leasing arrangements are agreed between the two parties this project will be progressed in the New Year.

#### **3.1.3 Plimmerton**

Final design and costs are expected to be completed within the next two weeks for the extension of the Plimmerton subway and access from the domain. It is expected that if design and costs are acceptable work will not proceed until the New Year.

### **3.2 Bus stop facilities**

#### **3.2.1 Metlink CBD signage**

Greater Wellington officers are currently reviewing the design and installation of the Metlink CBD display units. Construction materials and replacement costs are being further investigated due to two recent costly events of vandalism at Courtenay Place. A report will be presented to the next Passenger Transport Committee meeting proposing alternative materials and/or design for the display units.

### 3.2.2 Upper Hutt bus shelter and subway maintenance.

The Upper Hutt rail subway has now re-opened following a period of refurbishment. The subway had a portion of the roof removed in order to open the space and encourage more users.

Following a continuous spate of vandalism on bus shelters throughout Upper Hutt six existing shelters have been modified to incorporate less glass by replacing sections with perforated sheet metal to deter would be vandals and graffiti. This design still provides adequate shelter from all types of weather and personal security is maintained through the visibility of the perforation. Should this change in design prove successful in reducing maintenance costs Greater Wellington will work with other Territorial Authorities to determine if this could be rolled out in the rest of the region.

## 3.3 Railway station facilities

### 3.3.1 Waterloo cleaning / maintenance contract

A new cleaning contractor has been appointed to clean Waterloo railway station following a recent review of services provided at this location. Cleaning and maintenance costs have been reduced and overall productivity in maintenance is now achieving a high standard. The opening hours for the station toilets have been reduced because of persistent vandalism.

### 3.3.2 Waterloo replacement subway roof

A contract has now been awarded for the replacement of the perspex roof on the Eastern side of Cambridge Terrace subway at Waterloo railway station. This work is expected to start in the New Year and will take four weeks to complete.

### 3.3.3 Wairarapa CCTV

All CCTV equipment is now fully functional and can be viewed by both Greater Wellington and Toll via internet connections. Three unrelated incidents have been recorded by the new equipment and reported to local police with footage of the incidents being made available. Unfortunately no arrests were made in regard to the first two incidents at Masterton and Renall Street, but police were successful in arresting an offender after stealing a car from Featherston Station car park.

### 3.3.4 Security patrols and CCTV coverage

During the month of October, Greater Wellington procured the services of a new security patrol service for 13 of the region's park and ride car parks. Officers have introduced new levels of patrol and reporting standards along with new signage and a leaflet campaign to encourage commuters to protect their belongings.

As part of the upgrade to the current CCTV systems, Waterloo station will later this year receive an upgrade to the station CCTV system which is currently

failing to meet performance standards. Phase one of the car park CCTV security will also see the installation of cameras in the North car park. Phases 2 and 3 will follow as part a regional rail security programme.

#### **4. Contract □ quality update (Rob Braddock)**

##### **4.1 Trolley bus services**

The new larger trolley bus prototypes are due to be rolled out in November 2007, following testing by NZ Bus Ltd. These buses will trial two different seating arrangements in an attempt to maximise efficient use of the bus by both short and longer distance travellers as well as providing a better flow between the front and rear doors. Both trial arrangements will be consulted on with users and it is likely that the trial will be limited to specific busy services in an attempt to capture those users more than once.

The trial seating arrangements essentially remove up to seven seats in order to create a more usable standing space that is complete with various poles and handles to hang onto. This does not detract from the availability of wheelchair and pram spaces and also makes for an easier exit from the back door when the bus is full. Overall capacity (65 persons) is not affected by the changed arrangements.

The trolley bus replacement program, allows NZ Bus Ltd some latitude to use older diesel buses on urban bus routes while old trolley buses are retired for the re-build process. The older temporary replacement diesel buses will be retired during November 2007 and be replaced with modern 3-axle diesel buses.

##### **4.2 Other bus services and contracts**

###### **4.2.1 Wairarapa bus services**

The new wheelchair accessible Metlink branded buses went into service in October 2007. These buses are now linking with Metlink branded trains and bring about a much needed sense of integration.

Initial patronage data on the Masterton Town routes shows an increase of 55% in September. This service was expanded from two days a week to a full Monday to Friday operation. The average load has increased from five persons per trip to eight persons per trip which is all the more significant considering the extra days of operation. As in Otaki, this is another area where we have replaced a 'hail and ride' operation with regular bus stops, which has increased the visibility of the service for potential passengers.

###### **4.2.2 □Wairarapa Plus□monthly bus/train pass**

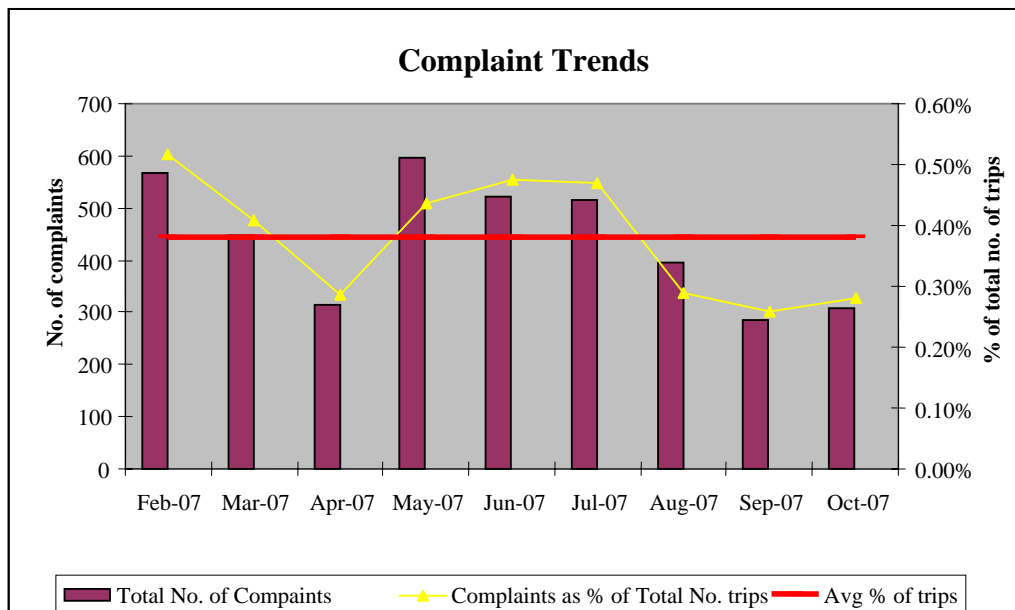
In September, the Metlink Wairarapa Plus combined bus and rail ticket was introduced in a further attempt to integrate travel. These tickets are valid for travel between Greytown and Wellington, and Martinborough and Wellington.

Tranzit Coachlines report a "big up take" of the new pass on the Greytown to Woodside bus route. The new pass provides an integrated fare between the bus and train.

Encouragingly, the patronage data shows a 20% increase on the Greytown to Woodside bus route for September.

### 4.3 Bus service feedback

It is pleasing to see that levels of complaints continue their downward overall trend. Evidence of this is best pointed to in the 'Fail to Run' category which remains at much lower levels than previously, a drop of 83% from February 2007.



Top 10 complaints, for all operators, in October 2007 are shown below:

Category	October 2007
Driver/guard complaint	88
Failed to uplift passenger(s)	55
Failed to run service	47
Ran late	26
Ran early	24
Dangerous/careless driving	14
Driving too fast	8
Wrong route	7
Failed to set down passenger(s)	7
Wrong fare	5
% of Total Complaints	91%

## 4.4 Rail services

### 4.4.1 General

Both the Greater Wellington monitored and Toll reported levels of reliability on the Paraparaumu, Hutt Valley and Johnsonville lines remain within contract performance requirements. Greater Wellington officers have been carrying out monitoring during November 2007. The results from the previous Greater Wellington on site monitoring, 15-19 October 2007, showed the following results:

*On-time departure from Wellington Station - 94% of all services*

*Within 2 minutes of schedule - 97% of all services*

*Within 3 minutes of schedule - 98% of all services*

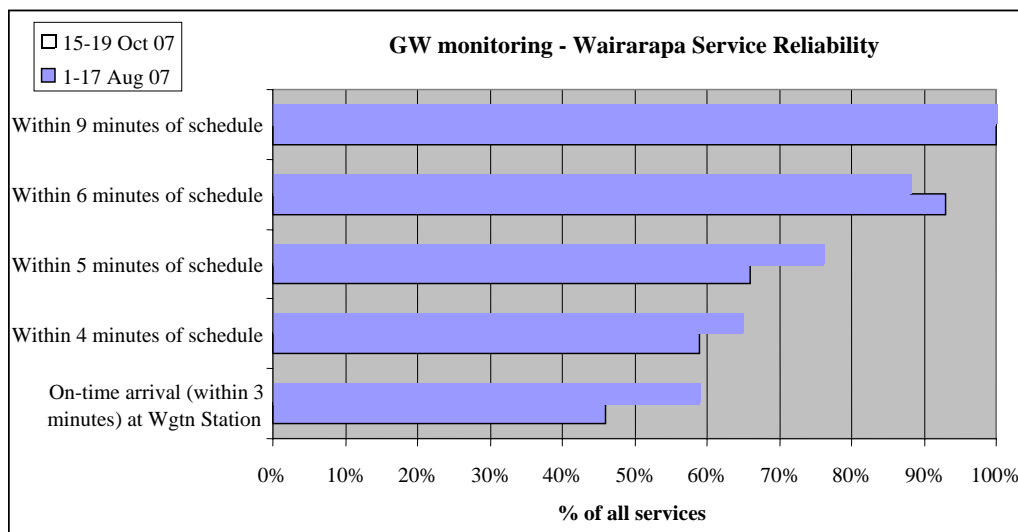
*Within 4 minutes of schedule - 99% of all services*

*Within 5 minutes of schedule - 99.5% of all services*

*Within 6 minutes of schedule - 100% of all services*

### 4.4.2 Wairarapa services

Greater Wellington officers and Toll continue to closely monitor reliability of Wairarapa services and there has been an overall improvement in reliability following completion of the Wairarapa stations upgrade work. Our monitoring results are shown below:



A review of the timetable will be undertaken now all of the new rolling stock is in operation. There is a possibility that slightly earlier departures from Masterton will be considered, in order that there is less chance of congestion with other Hutt Valley line trains during the morning peak.

## 4.5 Wellington bus service reschedule

Reliability issues resulting from NZ Bus's reschedule of Wellington bus services in February this year have been ongoing and it has been evident that more work was required. Greater Wellington has been approached by senior



management of NZ Bus Ltd to request a second reschedule this year in order to correct the errors from the first reschedule and to address the following:

- ensuring running times between start and finish points are sufficient
- improving the linking of bus services for maximum efficiency

NZ Bus Ltd has provided Greater Wellington with a detailed project plan and has provided weekly reports on progress to plan. It has been essential that the issues which contributed to the first reschedule not going to plan are not repeated this time. Thus a considerable amount of time has been spent on staff consultation and staff involvement in the planning of this reschedule. Planning for this second reschedule has focussed much on driver and vehicle requirements with contingency plans in place prior to day one. These plans include extra staff over and above requirements, additional vehicles and additional training for staff.

All costs associated with reproduction of timetables and promotion is being met by NZ Bus Ltd. They have also supplied staff to assist with these functions. The proposed date of the reschedule is 25 November 2007.

## **4.6 Procurement strategy and process review**

### **4.6.1 Background**

As previously reported to the Passenger Transport Committee, Greater Wellington is required by Land Transport NZ to develop a Bus and Ferry Procurement Strategy (Strategy) and Implementation Plan (Plan). The Strategy will evaluate what constitutes 'best value for money' and how best to achieve the goals of the New Zealand Transport Strategy, Greater Wellington's Regional Passenger Transport Plan and Procurement Philosophy.

Hyder Consulting (NZ) Limited has been engaged to provide professional services in respect to the review and that work is well underway.

The Strategy and Plan will be developed by June 2008, and will involve consultation with key stakeholders such as contracted bus and ferry operators, Land Transport NZ, Ministry of Transport, and the Commerce Commission. Following development of the Strategy and the Plan, Greater Wellington will seek approval from Land Transport NZ to enact the documents, a requirement under section 25 of the Land Transport Management Act. It is planned that the new procurement procedures will be introduced for contracts to be released for tender at the end of 2008.

Consultation with key stakeholders on 'value for money' is being carried out during November 2007.

## 4.7 Total Mobility scheme

### 4.7.1 Ministry of Transport (MoT) / Land Transport New Zealand (LTNZ) Review

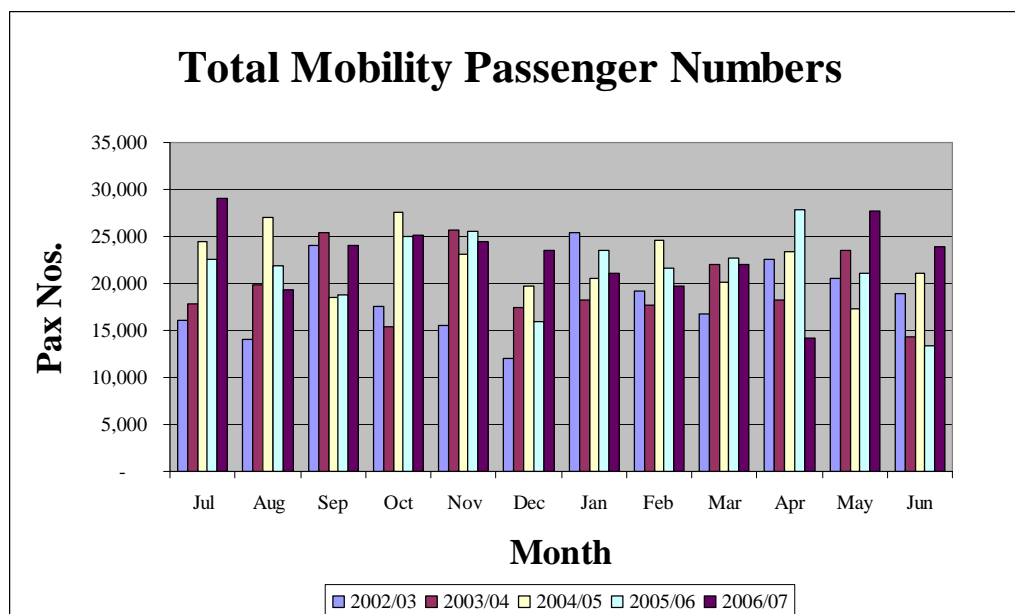
Following the review of the scheme by the Ministry of Transport and Land Transport NZ, Greater Wellington is now in receipt of the final 'Phase Two' amended improvements (Attachment 1). The amended version of 'Phase Two' contains no surprises and has deferred implementation of some changes previously consulted as part of 'Phase Two'. Amended 'Phase Three' changes have not yet been announced.

As an outcome of the review, over the next twelve months Officers will be:

- developing and implementing contracts with assessment agencies, aligned with national guidelines
- developing and implementing contracts with taxi companies and other service providers, aligned with national guidelines
- working to develop a business case to improve administration systems, in an effort to streamline the current voucher system.

### 4.7.2 Total Mobility passenger numbers

Year	Average Monthly Passenger Numbers	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	22,832	273,984	5.4%



**Rhona Hewitt**

Manager, Transport Procurement

Attachment 1: Letter from Land Transport NZ – Total Mobility scheme – Phase Two  
draft documents



FILE REF:	
7/10/04/001	
Doc. No. 11-5778	
Referred to	Int
B Hewitt	KL
C Dowland	
R. Broadbent	
- original copy	

28 SEP 2007

Ref B676855

21 September 2007

Chrissy Dowland  
 Greater Wellington Regional Council  
 P O Box 11646  
 WELLINGTON 6142

Dear Chrissy

**RE: Total Mobility scheme - Phase Two draft documents**

Thank you to those who provided feedback concerning the draft Total Mobility phase two documents circulated to local authorities in May 2007. All responses received have been considered and, where possible, amendments to the documents have been made taking these into account.

I have attached a report which lists all phase two improvements, the shared concerns of local authorities regarding these improvements and Land Transport NZ's responses to these concerns. The revised versions of the assessment handbook, application form, assessment contract and operator contract have also been attached for your reference. I have highlighted the areas that have been changed as a result of your feedback to make these easier to identify.

Many of the questions raised in the feedback were around details such as vehicle age, notification of change in fares, contract terms etc. As the attached report explains, it is not Land Transport NZ's intention to impose rigorous rules around details such as these. Although one of the key objectives of the Ministry of Transport's 2005 review was to improve national consistency, it was recognised that regional differences do exist and that allowances must be made for these when local authorities are implementing the changes.

As you will be aware, phase two has been on hold since September 2006 pending a review by the Ministry of Transport. This decision was made by the Minister of Transport after concerns were raised at a meeting with Local Government NZ about the implications associated with their implementation, particularly around improvements 3, 6, 9 and 10.

This delay in the implementation of phase two has created complications for those councils that have based their 2007/08 budgets on the expectation that the financial assistance rate for Total Mobility will increase to 60% (upon sign up to phase two). Land Transport NZ is pleased to announce that after extensive discussion with the Ministry of Transport regarding local authority concerns, the following alterations have been made to facilitate its implementation.

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These changes will enable councils that are ready to sign up to phase two to do so with minimal delay:

1. improvements 3 and 6 have been distilled into one improvement as follows:

*"Local authorities are encouraged to take into consideration the following when allocating Total Mobility trips:*

- *The needs of the individual user;*
- *Budget constraints of the council; and*
- *Alignment with other regions' methods of allocation".*

2. improvements 9 and 10 have been removed from phase two and will now form part of phase three to allow the Ministry of Transport time to work through the associated issues with local authorities, assessment agencies and Total Mobility users.

Further information regarding these changes has been included in the report attached, along with the revised phase two improvements.

A 'Conditions of Funding' schedule for phase two is expected to be distributed to you in November, along with the completed guidelines for phase two for those that are ready to sign up. We will also be working on a 'user guide' that will provide information for local authorities on all phase one and phase two improvements and include the contract guidelines, application form and assessment handbook templates. This will be published on our website for your reference.

If you have any further questions please contact me on 04 931 8700 or email [caroline.stone@landtransport.govt.nz](mailto:caroline.stone@landtransport.govt.nz).

Kind regards



Caroline Stone

Advisor

**Land Transport NZ**

- 1.** Local authorities determine maximum subsidised fares for the Total Mobility scheme in negotiation with Land Transport NZ, taking into account the NZ travel survey, and review them annually.
- 2.** Town boundary travel restrictions for the Total Mobility scheme are removed and replaced with a maximum subsidised fare.

**Key comments on maximum fares:**

The improvement notes that maximum fares will be reviewed annually, but in the explanations it notes that it will be done three yearly - this is an inconsistency.

Reviewing maximum fares 3 yearly is preferable, but using LTCCP timeframes may not be appropriate.

What data from the NZ Household Travel Survey will be utilised for determining the maximum fares and how is it relevant? Would Land Transport NZ be able to develop the model for regions to enter data so that there was a consistent mechanism for doing this?

Feedback given by councils at Total Mobility workshops in late 2006 was that an annual review of maximum fares was too frequent. As a result, Land Transport NZ has amended this condition to read:

*"Local authorities determine maximum subsidised fares for the Total Mobility scheme in negotiation with Land Transport NZ, taking into account the NZ travel survey, and review them at least 3 yearly"*

Each council can decide when the preferred time to do this is (eg) in line with the LTCCP process, the Regional Passenger Transport Planning process.

As stated in the information sheet distributed with Phase Two draft documents, most councils have set their maximum fares at a satisfactory level and will not need to increase their maximum fares at this time. When fares are reviewed, the following information will be helpful in determining a reasonable maximum fare:

- a. Average distance travelled in region (according to the NZ Household Travel Survey, using both 75<sup>th</sup> and 90<sup>th</sup> percentile to provide a fare range)
- b. Average taxi tariff rate for the region
- c. Average flag fall for the region

Formula:  $a \times b + c = \text{maximum fare}$

It should be noted that travel time is not taken into account in this calculation. Therefore regions with congestion issues should factor that into their maximum fare calculations also.

3. The number of allocated subsidised trips for the Total Mobility Scheme takes into account the self-assessed needs of individual Scheme members, be adjusted by local authorities to manage their budgets, and negotiated with Land Transport NZ.

In light of concerns raised by councils at the workshops in late 2006, this improvement has been re-worked as follows:

*"Local authorities are encouraged to take into consideration the following when allocating Total Mobility trips:*

- *The needs of the individual user*
- *Budget constraints of the council*
- *Alignment with other regions' methods of allocation".*

The majority of concerns raised at the workshops related to the ability of councils to balance user needs against budget constraints and the administrative costs involved with the self-assessed needs system on the one hand, and the idea that vouchers should be limited at all on the other. A majority of councils already take into account the needs of users when allocating trips by either having no limit on the number of trips a user can make or by allowing users to request more trip vouchers if their initial allocation is not sufficient.

The change in wording of this condition will allow councils already taking into account individual users needs to continue with this approach, but those councils that strictly limit trips will need to adopt a more flexible approach when allocating trips to users.

The Assessment Facilitator contract and handbook have been amended to take into account these changes.

**4.** Land Transport NZ develops guidelines for contracts between local authorities and assessment agencies to ensure high quality and consistent assessments.

**5.** Local authorities enter into contracts with assessment agencies, aligned with the guidelines produced by Land Transport NZ.

**Key comments on assessment contracts:**

This is valuable, but would like the ability to expand on the level of detail in some areas, particularly around service quality and performance management.

Need to include clauses that are in current contracts and have not been added to draft contract. For example, storage of vouchers in a secure manner, issue of photo ID card, attendance of agency representatives at meetings to discuss TM issues etc.

Total Mobility coordinators should not be prevented from conducting TM assessments.

Concerns expressed from some agencies about not being able to assess individuals for whom they had Power of Attorney. Would these individuals need to be assessed by an independent assessor under Land Transport NZ phase 2 rules in these circumstances? Could they still access vouchers through IDEA services if this process was completed & the individual deemed eligible for TM?

What is the average term of TM contracts nationally? Note Land Transport NZ is proposing 5-year contracts for TM transport operators. A regular review of contracts is essential especially in first years of operation.

The contract template is designed to act as a core contract between councils and assessment agencies/assessment facilitators only. As the improvement states: *Local authorities enter into contracts with assessment agencies, aligned with the guidelines*. If councils want to include more information in terms of service quality and performance management, storage of vouchers, attendance at meetings etc they may do so.

Feedback from many councils has demonstrated the benefits of allowing Total Mobility coordinators to be engaged in the assessment process. As such, this requirement has been removed from the assessment contract. It will be left up to the discretion of each council as to whether it will allow the coordinator to conduct TM assessments. The conflicts of interest section of the assessment contract has been amended to take account of this change.



Agencies that have Power of Attorney will not be able to conduct Total Mobility assessments for these individuals. They may go to another agency that will provide an assessment, or to an independent assessment facilitator. Once they have been deemed eligible for the Total Mobility scheme they can access vouchers through the Power of Attorney agency.

**6.** That the assessment process assists Total Mobility members estimate how many trips they would use (self-assessed needs). This information will be provided to local authorities to assist them determine the appropriate number of allocated subsidised trips.

This improvement has been combined under the new improvement 3.

**7.** A Handbook, including best practice guidelines, should be developed and published by Land Transport NZ in conjunction with local authorities, to help assessors in consistently apply the eligibility criteria.

**Comments on the handbook:**

An age limit should be specified to ensure national consistency.

Page 9 of the handbook refers to 'six months retrospective'. The same rule should apply for 6 months going forward as well, otherwise there could be a lot of cost incurred by the council for assessments when the need could be for as little as a month.

The questions relating to self-assessment in the assessment handbook seem quite invasive. They should be more generic like, "if you were to use the scheme, how often do you think you would require access to vouchers on a weekly / monthly basis?"

Medical certificates are currently required as part of the assessment in some regions. This isn't the case under the proposed changes.

Applying the criteria - does this assume that the client does not have to be present? We would recommend strongly that the presence of the client is an essential requirement of the assessment.

Land Transport NZ cannot specify an age at which children are considered 'independent' enough to use public transport. A guideline is provided in the handbook: *"if the child's impairment prevents them from being able to use a bus, train or ferry, and it is reasonable to expect that children in their peer group can independently use such transport, then the child should be eligible for the scheme.*

*Conversely, if the child is so young that other children in that age group would not be reasonably expected to independently use such transport, then the child would not be within the scope of the Total Mobility scheme”.*

The assessment facilitator will need to apply his/her own judgement when assessing each individual case.

The handbook covers both retrospective (the impairment has already lasted for 6 months) and anticipated (the impairment is expected to last for at least 6 months) (refer page 9 of the handbook).

The questions relating to estimating how many trips a Total Mobility user might need in a month are contained in the handbook to provide a guide for assessment facilitators. These questions are intended to be used in situations where the potential client is having trouble estimating how many trips they might need over a month. They are optional, and for this reason they have not been included in the application form.

Following the changes made to the improvements relating to self-assessed needs, it will be left up to each council to decide whether it wants to use this tool as a means of determining user needs, but it would still be advantageous from the assessment facilitators point of view to leave the questions in the handbook should they need them.

Medical certificates may still be requested under phase two but should not be required in all circumstances. Where the impairment is not clearly evident, a medical certificate may be requested by the assessment facilitator/council. The handbook has been amended to allow for these situations.

The client must be present for the assessment. The handbook has been amended to read *“the ‘assessment’ will mainly consist of going through the criteria with the prospective client (or, in some instances, with the aid of an authorised representative)”.*

**8.** Appropriate training is provided to assessors to assist in the consistent application of the eligibility criteria.

**Comment:**

Who would provide training? There was a mixed reaction to this. Some welcomed this, others thought ongoing training unnecessary once initial training has been given.

It is up to each council to determine who conducts the training. It may be that one of the existing Total Mobility assessment facilitators is appointed a 'Chief Assessor' and would be responsible for training new assessors when they come onboard and for conducting periodic 'refresher' training sessions for more experienced assessment facilitators. Another option may be for the Total Mobility coordinator to facilitate training sessions for all agencies/facilitators that provide Total Mobility assessments in the region.

The cost of providing the training will be financially assisted at a rate of 60% by Land Transport NZ and can be claimed through the Total Mobility administration budget.

**9.** Local authorities should make a financial contribution towards the cost of assessments and administration undertaken by assessment agencies.

**10.** Potential members of the Total Mobility scheme are not required to become financial members of an assessment agency in order to have an assessment for the scheme, although they may be asked to pay an application fee. The appropriate amount of any such fee should be negotiated between Land Transport NZ, local authorities and assessment agencies.

These two improvements have been removed from phase two and will now form part of phase three to allow the Ministry of Transport time to resolve the issues raised by local government and assessment agencies.

**11.** Potential members of the Total Mobility scheme have the option to be assessed by an independent disability sector agency

**Comments on the use of independent disability sector agencies:**

There seems to be the perception that under phase two potential Total Mobility members can approach any Total Mobility agency for an assessment and if they meet the eligibility criteria, access TM services through that agency (e.g. If a person has had a stroke, but does not wish to become a member of the Stroke Foundation, but wants Total Mobility services, they can approach (for example) Epilepsy Association for an assessment. Is this the case or would that person (not wanting to be a member of the Stroke Foundation) need to approach the independent agency/assessor for their assessment?

This improvement relates mainly to those councils that use general practitioners to conduct assessments. It requires that each region must provide Total Mobility applicants with a choice of where they can be assessed. (ie) there must be an alternative to being assessed by a general practitioner.

Re-wording the improvement to read '*an independent disability sector agency*' instead of '*voluntary disability sector agency*' has probably confused this understanding, but this was changed as a result of the local government workshops in 2006 where most councils expressed a preference for the use of '*independent*' as opposed to '*voluntary*' agency.

**12.** Land Transport NZ encourages local authorities to establish systems for data collection, monitoring and evaluation.

**13.** Land Transport NZ encourages local authorities to improve their administration systems for the allocation and redemption of trip entitlement vouchers.

Councils wishing to set up a smart card system or other for Total Mobility usage may apply to Land Transport NZ for funding under Work Category 518.

**14.** Land Transport NZ develops guidelines for contracts between local authorities and Total Mobility scheme transport operators to ensure high quality and adequate service levels, including the provision of wheelchair accessible taxis within the fleets.

**15.** Local authorities enter into contracts with transport operators, aligned with the guidelines produced by Land Transport NZ.

**Comments on contract guidelines for transport operators:**

Some councils commented that the vehicle age referred to in the contract guidelines are too long, others said they are too short.

As part of the Transport Services Licensing Act 1989, transport operators are required to notify the appropriate regional council of changes to registered fares within 21 days of the proposed change being implemented. For consistency, would it be more appropriate for this clause to state 21 days (rather than 14 days) as proposed?

There appear to be a lot of details in the draft contract documentation that relate to wheelchair hoists. Is it the intention of Land Transport NZ that all companies that undertaken a Total Mobility contract have hoist vehicles?

In the contract, what is the definition of a "Total Mobility vehicle". Is this a wheelchair vehicle, or any vehicle within the fleet of the Total Mobility contracted company.

The vehicle ages provided in the operator contract template are guidelines only. There is room within the contracts for regional variances depending on the types of operators being contracted and in which areas etc. This contract template only contains the essential clauses required in a contract between the local authority and the Total Mobility transport operator.

The contract has been altered to 21 days for consistency as requested.

The Total Mobility review 2005 recommendation stated that "Land Transport NZ encourages adequate provision of wheelchair accessible **taxis** by providing a flat rate payment (in addition to the fare) to the transport operator for each trip taken by a Total Mobility scheme member using a wheelchair hoist". This recommendation refers to funding assistance for approved taxi organisations only. However, as part of phase two also specifies the investigation of other types of vehicles coming on to the scheme, there may be some scope to re-examine the eligibility criteria to determine who qualifies

for the flat payment in the future. This is an area that the Ministry of Transport will need to address in the near future.

It is up to each region to decide which operators to contract. Not all operators, particularly in smaller areas, will have wheelchair hoist vehicles in their fleet. Councils may decide to have two different contracts for hoist and non-hoist providers. This is fine as long as the relevant clauses are covered for each provider.

A "Total Mobility vehicle" is any vehicle which is contracted by a Council to transport Total Mobility clients. This term is not specific to wheelchair accessible vehicles.

**16.** Land Transport NZ encourages adequate provision of wheelchair accessible taxis by providing a flat payment (in addition to the fare) to the transport operator for each trip taken by a Total Mobility scheme member using a wheelchair hoist.

This improvement has been removed from Phase Two to enable the earlier implementation date of 1 July 2007.

**17.** Land Transport NZ investigates the establishment of an appropriate regime to ensure that wheelchair hoists meet acceptable safety standards.

No questions were received regarding this improvement.

**18.** Local authorities are encouraged to investigate the possibility of contracting taxi services operating in areas that are not currently covered by the Total Mobility scheme, to provide a scheme service.

**Comments:**

Need to take into account the communities willingness to support and help fund Total Mobility schemes and recognise that not all areas have a taxi service operating through a lack of financial viability.

This improvement does not mean that a Total Mobility service must be available in every area within a region. It means that the council should investigate the possibility of contracting services in that area if there is an unmet need. If a taxi company is already operating in an area where there is no existing Total Mobility service, then it is fitting that the council discuss the possibility of that taxi company providing a Total Mobility service.

**19.** The possibility of other types of transport operators participating in the Total Mobility scheme is investigated.

**Comments:**

Is this only Approved Taxi Organisation's or Small Passenger Service Vehicle operators?

Land Transport NZ is currently investigating the possibility of other (non-taxi) transport operators providing Total Mobility services in the future. We understand that there are many issues and concerns that must be resolved before a framework for such services can be put in place.

It is possible that a Small Passenger Service License would not be required, but each driver would need a minimum of a 'P' endorsement.

## **Phase Two – amended improvements**

### **Entitlement**

- 1 Local authorities determine maximum subsidised fares for the Total Mobility Scheme in negotiation with Land Transport NZ, taking into account the NZ Travel Survey, and review them at least 3 yearly.
- 2 Town boundary travel restrictions for the Total Mobility Scheme be removed and replaced with a maximum subsidised fare.

### **Assessment services**

- 3 Local authorities are encouraged to take into consideration the following when allocating Total Mobility trips:
  - The needs of the individual user
  - Budget constraints of the council
  - Alignment with other regions' methods of trip allocation.
- 4 Land Transport NZ develops guidelines for contracts between local authorities and assessment agencies to ensure high quality and consistent assessments.
- 5 Local authorities enter into contracts with assessment agencies, aligned with the guidelines produced by Land Transport NZ.
- 6 A handbook, including best practice guidelines, should be developed and published by Land Transport NZ in conjunction with local authorities, to help assessors in consistently applying the eligibility criteria.
- 7 Appropriate training is provided to assessors to assist in the consistent application of the eligibility criteria.
- 8 Potential members of the Total Mobility Scheme have the option to be assessed by an independent disability sector agency in every region.

### **Administration**

- 9 Land Transport NZ encourages local authorities to establish systems for data collection, monitoring and evaluation.
- 10 Land Transport NZ encourages local authorities to improve their administration systems for the allocation and redemption of trip entitlement vouchers.



### **Transport operators**

- 11 Land Transport NZ develops guidelines for contracts between local authorities and Total Mobility Scheme transport operators to ensure high quality and adequate service levels, including the provision of wheelchair accessible taxis within the fleets.
- 12 Local authorities enter into contracts with transport operators, aligned with the guidelines produced by Land Transport NZ.
- 13 Land Transport NZ investigates the establishment of an appropriate regime to ensure that wheelchair hoists meet acceptable safety standards.
- 14 Local authorities are encouraged to investigate the possibility of contracting taxi services operating in areas that are not currently covered by the Total Mobility Scheme, to provide a Scheme service.
- 15 The possibility of other types of transport providers participating in the Total Mobility Scheme is investigated.

## **Metlink Manager's Report for period ending 9 November 2007**

### **1. Marketing and Information Team (Team Leader □ Michelle Smith)**

#### **1.1 Timetable outlet audit**

Throughout September and October, an audit was carried out at each of the 120 Metlink timetable outlets throughout the region to review their timetable requirements. The audit showed that some timetable outlets need to be more regularly restocked and this will be actioned when a new distributor is appointed in early 2008, following the current distributor's retirement.

#### **1.2 New Metlink Wairarapa trains**

The third and final Metlink Wairarapa train went into service on 8 October 2007, which means that all Wairarapa services are now operated by new Metlink trains. Posters and leaflets were used to communicate this to Wairarapa Line passengers, along with a press release.

Familiarisation sessions for people with disabilities are planned for 6 December 2007 at Wellington Station and 8 December 2007 at Masterton Station to show people how to use some of the trains' special features, such as the wheelchair hoist. Metlink is working with Tranz Metro to provide these sessions and disability organisations between Wellington and Masterton have been invited to attend.

#### **1.3 Metlink brand guidelines**

Brand guidelines for Metlink owned promotions have been in place for some time and at the end of October agreement was reached with the key public transport operators on brand guidelines for two other types of promotions: Metlink owned promotions for a specific public transport operator and operator owned promotions. This now means that standardised templates, which clearly show the positioning of each brand, will be used for further promotions, saving time and money.

#### **1.4 Camborne □ Plimmerton shopper bus**

A promotion was implemented in late September to promote the Camborne – Plimmerton Shopper bus service (see Report PE 07.587). This service has very low patronage and the promotion was aimed at growing this.

The promotion was targeted mainly at the elderly and included a leaflet that was delivered to houses and doctors' surgeries in the area and a media release. The leaflet is also being delivered to Grey Power members in early November 2007.

## **1.5 Christmas timetables**

Timetables for services over the 2007/08 Christmas and New Year holiday period will be printed soon. A promotion to let people know about the reduced services starts on 7 December 2007.

## **1.6 Go Wellington brand**

Stagecoach Wellington is now known as Go Wellington and all communications in future will use the new Go Wellington brand. Metlink posters to let people know about the new brand are now on Go Wellington buses and at bus stops throughout Wellington City.

## **1.7 Annual PT customer satisfaction monitor**

The research company that has conducted our annual public transport satisfaction monitor for the last three years has closed its Wellington office and this has provided us with an opportunity to re-tender this survey. To assist with this process, Metlink is working with a research broker. A new research company will be in place before April 2008 when the fieldwork for next year's survey will be conducted.

## **1.8 World Carfree Day promotion □ 22 September 2007**

Metlink marketing staff worked with the public transport operators to develop a promotion for World Carfree Day. The promotion allowed free travel for children on the day, accompanied by one fare paying adult for all operators, apart from Tranz Metro. Tranz Metro offered their Group Rover ticket for six people, instead of the usual four people.

In addition, the Greater Wellington Communications Team ran the CEO Challenge promotion.

## **1.9 School term train ticket fare increase**

The fares for school term train tickets are increasing on 1 January 2008. This will be the third and final stage of a phased increase that started in September 2006. The change will only affect school students travelling for more than four fare zones. Communication to school students and their parents is underway.

## **1.10 Go Wellington reschedule - 25 November**

Metlink will promote the new Go Wellington timetables to the public two weeks prior to their proposed implementation on 25 November. Promotional activities will include: press and radio advertising; posters and leaflets; website information; and a media release.

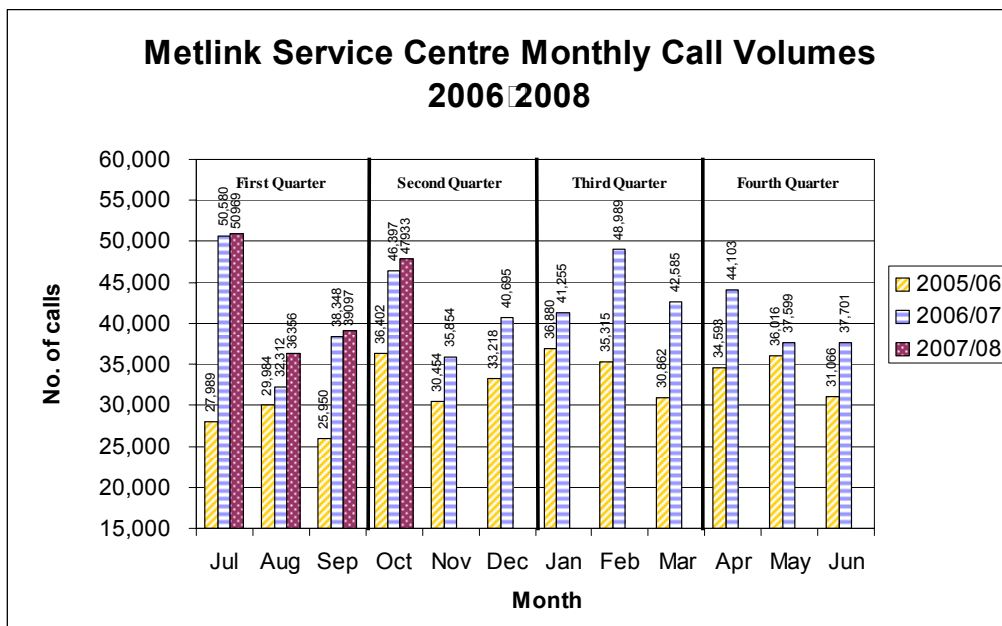
## **1.11 Metlink News - Issue 4**

Issue four of Metlink News will be released in mid November. The following articles will be included: the launch of the new Valley Flyer brand; the survey results from issue three of Metlink News; the new Go Wellington timetables; reduced services over the Christmas and New Year period; and the introduction of the new prototype trolley buses.

An online survey to obtain feedback from readers was promoted in issue three of Metlink News. The results of the survey were very positive. A total of 283 responses were received. 72% had read Metlink News, 32% read it regularly from cover to cover, 97% found it easy to read and understand, 90% agreed that articles are relevant to them and 92% like the layout. Hot topics for future issues fall into two main areas: updates on new public transport developments and improvements (33%) and fare, route and timetable information on existing services (27%).

## 2. Metlink Service Centre (Team Leader James Clarke)

### 2.1 Call volumes 2006-2008

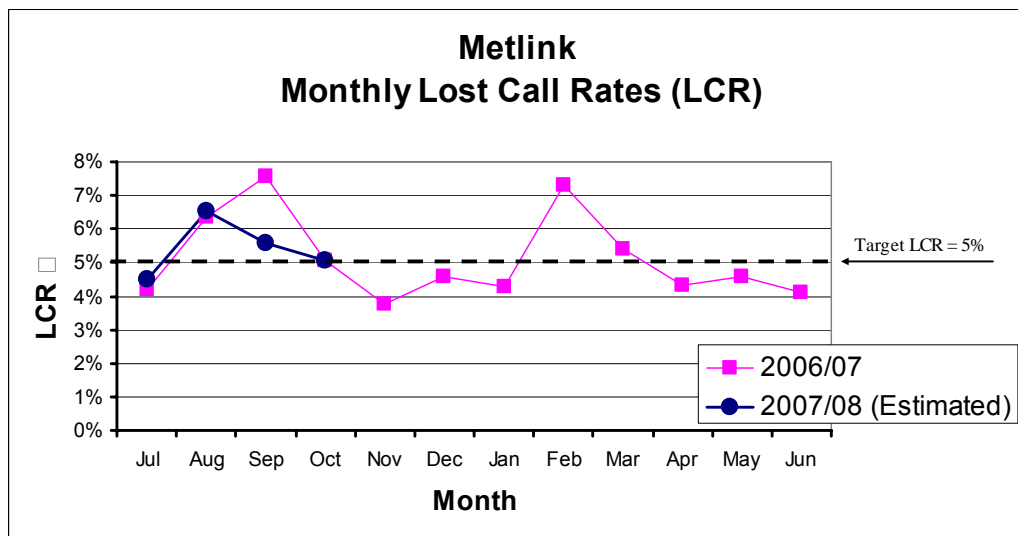


The table above shows the number of calls taken by the Metlink Service Centre and our out of hours service during 2006-8

Call volumes for July, August, September and October are unfortunately estimated due to the failure of Clarity, our call recording software. Call volumes have been estimated based on last year's call volumes for these months, coupled with actual monthly data from our out of hours call centre which showed a steady increase in calls. The technical issue with Clarity has now been resolved.

Call volumes have been steady over the last four months during which time there were no significant disruptions to bus or train services.

## 2.2 Monthly lost call rates

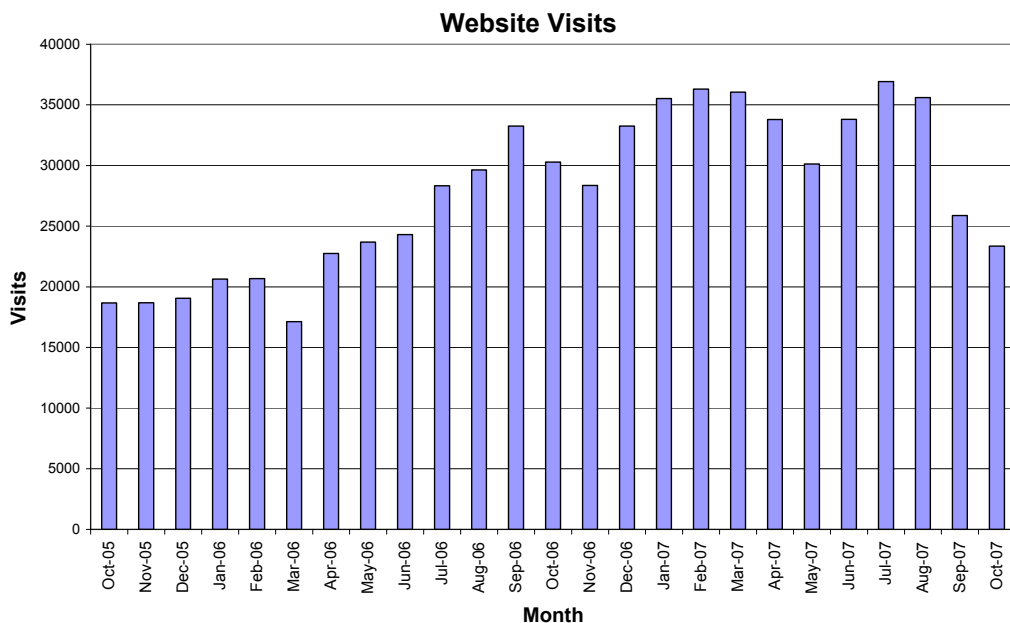


This table shows the monthly percentage of calls that are unanswered by the Metlink Service Centre due to callers hanging up. The Metlink Service Centre’s lost call rate (LCR) target is 5% or less.

Again the LCR for July, August, September and October 2007 are estimated due to the problems with our call recording software. These estimates are based on the previous year’s data, coupled with the LCR information from our out of hours call centre. The rise in the LCR during August and September 2007 was due to staff shortages, a matter that has now been rectified.

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

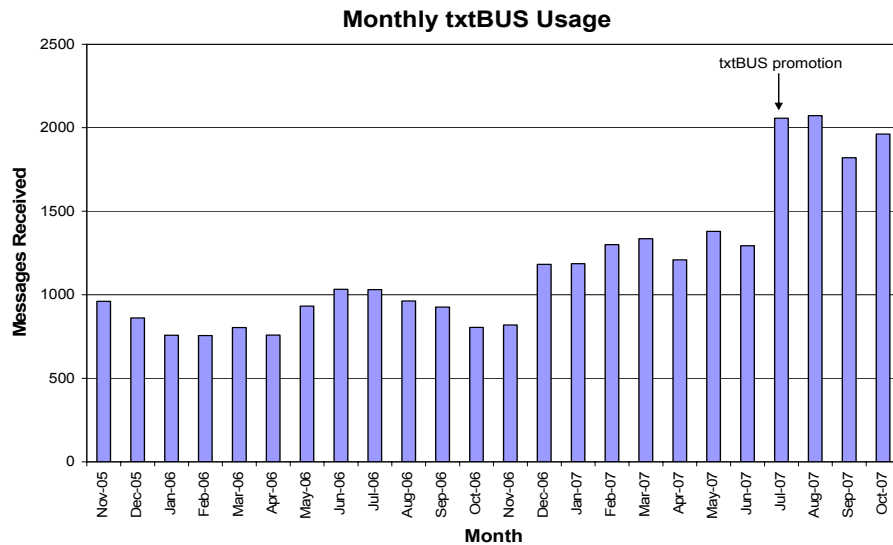
### 3.1 Metlink website



To date over 696,000 visits have been made to the Metlink website since its launch in October 2005. For the financial year to date, July – October 2007,

122,000 visits were made to the site, an increase of 0.2% over the same period last year.

### 3.2 txtBUS



Since being launched in November 2005 txtBUS has handled 28,200 information requests. For the financial year to date, July – October 2007, 7912 information requests have been handled, an increase of 112% over the same period last year.

During July a limited promotion of the txtBUS service was carried out with radio adverts, posters on buses, flyers distributed at major bus stops and information on the Metlink web site. The result of this promotion is clearly visible in the graph above.

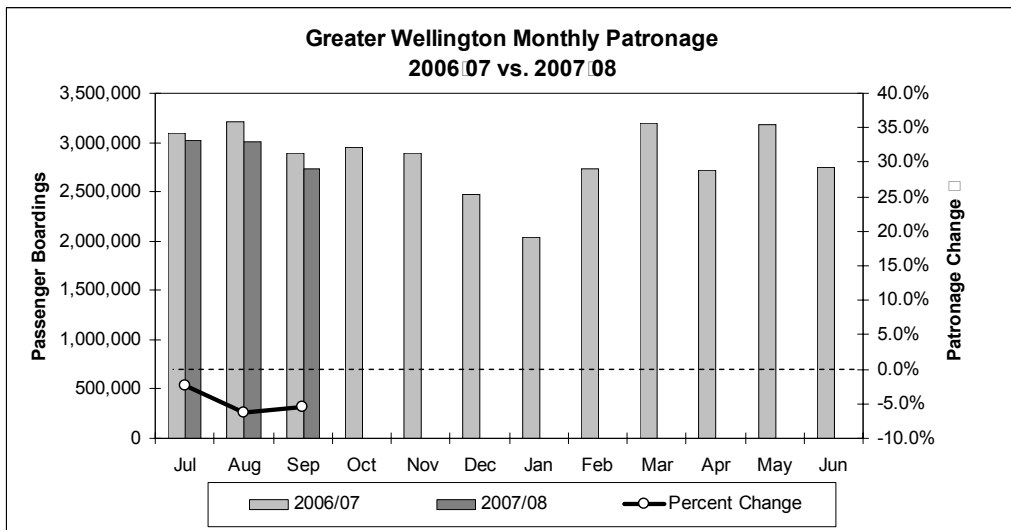
## 4. Public transport patronage (Alex Campbell)

For the 2007/08 financial year to date approximately 8,767,000 passenger trips have been made on the region’s bus, train and ferry services. This represents a 4.7% decrease over the previous financial year.

### 4.1 Monthly patronage - 2007 08 financial year

Passenger Trips	2006 07	2007 08	Change
July	3,088,631	3,018,103	-2.3%
August	3,211,603	3,008,950	-6.3%
September	2,896,284	2,739,910	-5.4%
October	2,943,486		
November	2,892,810		
December	2,469,894		
January	2,043,608		
February	2,728,084		
March	3,199,691		
April	2,721,642		
May	3,178,749		
June	2,753,221		
<b>Year to Date</b>	<b>9,196,518</b>	<b>8,767,258</b>	<b>-4.7%</b>

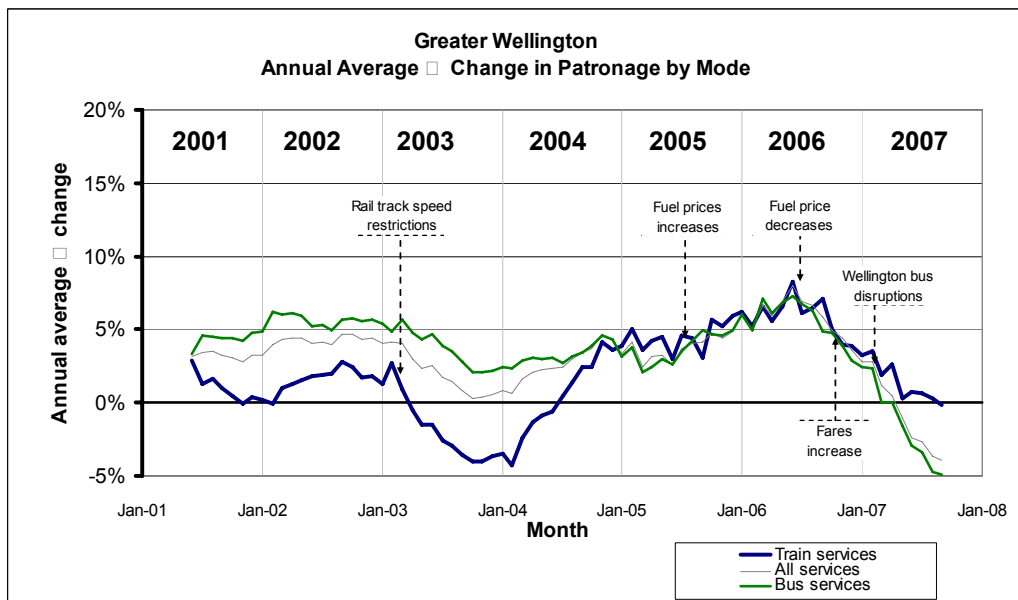
\*Provisional data, some minor operator key factor data not yet submitted.



The above graph shows total monthly passenger boardings for both 2006/07 and 2007/08 with the percentage change in patronage for each month.

The retail fuel price spike during 2006 resulted in exceptionally high public transport usage at the beginning of the 2006/07 financial year. Subsequent fuel price decreases have contributed to a subsequent decline in public transport usage for the same period this financial year 2007/08.

#### 4.2 Long term patronage trends

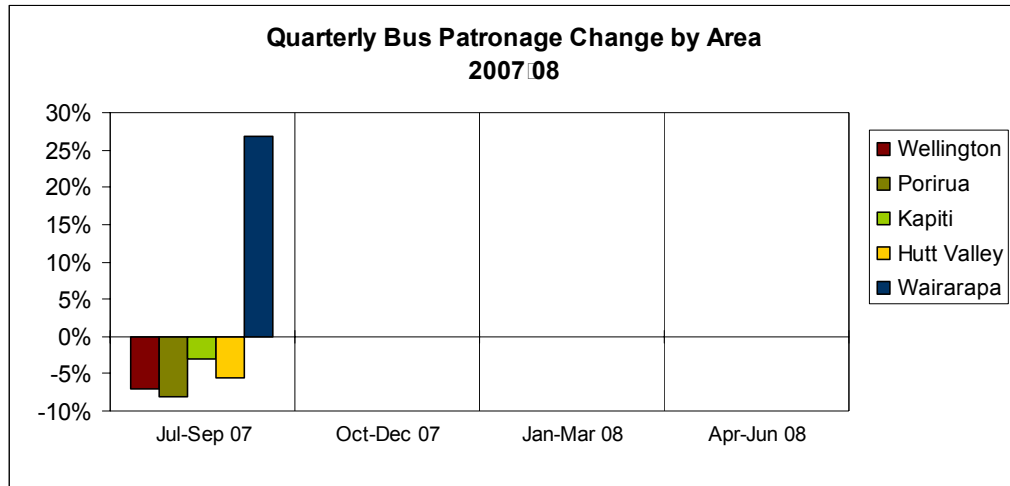


The above graph indicates the annual average percentage change in public transport patronage since July 2001. This is a rolling average which compares patronage for the last twelve months with the previous twelve months, allowing underlying patronage trends to be viewed.

The effect of recent major events affecting use of public transport in the Greater Wellington region can be seen in the above graph with their relative affect on the two principal public transport modes.

The decline of consumer fuel prices from their mid 2006 high point, increased fares from September 2006 and the Wellington bus disruptions from February 2007 have all contributed to declining public transport usage during 2007.

#### 4.3 Quarterly bus patronage change by area



For the first quarter of 2007/08 financial year bus services in all areas of Greater Wellington showed a decrease in boardings except for the Wairarapa where bus use increased by 27%.

A major review of Wairarapa public transport was carried out in 2005. Changes to bus services and fare products recommended by this review were launched on 30 July 2007. Initial response to these service enhancements appears to have been very positive judging by the patronage growth seen to date, especially when compared with other areas of Greater Wellington.

#### 4.4 Train patronage update

In the previous Metlink Manager's report for the period ending 31 August it was noted that Tranz Metro were reviewing their 2005/06 patronage data. Patronage data for non-Metlink services had been included with their key factor returns for 2003/04, 2004/05 and 2005/06. As a result of this update it can be seen that train patronage increased by 0.7% in 2006/07 rather than the decline previously reported.

#### 4.5 Best and worst performing bus routes

The following table shows the fifteen bus routes with the greatest growth in patronage during 2006/07 when compared with the previous financial year. The growth shown by these services is particularly significant when considering that overall patronage across all bus services declined by 6.4% during the same period. Some notes are provided outlining any recent changes to the services which may have helped contribute to their strong growth.



Route		Change	Notes
70	Otaki	19 □	Simplified route, extra trips and hail and ride stops replaced with regular bus stops from October 2005
67	Whitby - Porirua	18 □	Changed route and Sunday buses from August 2004
59	Johnsonville □ Porirua	15 □	Extra trips and Sunday service added from April 2005
6	Lyllall Bay	14 □	Extra trips added from February 2007
204	Greytown - Woodside Station	13 □	No recent changes to service
53	Johnsonville West	11 □	Additional trip extended to Courtenay Place from November 2005
80	Wainuiomata Commuter	10 □	Extra trips added from September 2006
200	Masterton □ Featherston	8 □	Service carrying additional school students
31	Miramar North Express	8 □	No recent changes to service
13	Mairangi	7 □	No recent changes to service
81-85	Eastbourne	7 □	Improved timetable from May 2005
73	Paraparumu Beach	6 □	Changed routes and more frequent buses introduced in May 2001
46	Broadmeadows	5 □	No recent changes to service
72	Paraparumu Beach	4 □	Changed routes and more frequent buses introduced in May 2001
74	Raumati South	4 □	Changed routes and more frequent buses introduced in May 2001

The following table shows the fifteen bus routes that have experienced the greatest decline in patronage during 2006/07 when compared with the previous financial year. The increase in bus and train fares in September 2007 while affecting all services appears to have had a particular impact on Porirua services (61, 64, 69 & N6). Notes are provided outlining specific issues that may have contributed to the decline in these services, as well as any recent actions being undertaken.

Route		Change	Notes
301	Cambourne Plimmerton Shopper	-24 □	Ongoing decline □ service reviewed with decision to retain with increased promotion
201-3	Masterton Town	-19 □	Ongoing decline □ Service has been reviewed with new bus stops installed, branded bus and five day service introduced from Aug 07 (55% growth in Sept 07)
79	Paekakariki Shopper	-19 □	Ongoing decline - service under review
145	Belmont	-17 □	Sept 06 fares increase & ongoing bus/train connection issues
78	Otaihanga Shopper	-16 □	Ongoing decline □ service under review
159	Wai-iti Shopper Service	-16 □	Ongoing decline - service will finish March 2008
N6	Porirua After Midnight	-16 □	Decline since Sept 06 fares increase
22/23	Mairangi - Southgate/Houghton Bay	-13 □	Decline since Sept 06 fares increase and Feb 06 bus disruptions
29	Southern Shopper	-12 □	Decline since Feb 06 bus disruptions
5	Hataitai	-11 □	Decline since Sept 06 fares increase and Feb 06 bus disruptions
64	Castor Crescent	-10 □	Decline since Sept 06 fares increase
69	Titahi Bay (Pikarere Street)	-10 □	Decline since Sept 06 fares increase
61	Ascot Park	-9 □	Decline since Sept 06 fares increase
7	Kingston	-9 □	Decline since Sept 06 fares increase and Feb 06 bus disruptions
2	Miramar	-9 □	Decline since Sept 06 fares increase and Feb 06 bus disruptions

It is significant that seven of the eight 'hail and ride' bus services that operate in the Greater Wellington region appear in this list of poorest performing

services. These 'hail and ride' services (route 78, 79, 159, 201, 202, 203 and 301) all share the common feature of having few, if any, fixed bus stops on their routes and pick up and set down passengers at any point along the route.

It is possible that this lack of any 'visible' bus stops renders them 'invisible' to potential new customers. The 70 Otaki route was formerly a 'hail and ride' route and the installation of bus stops along the route is likely to have contributed, in part, to it growing by 19% in the last financial. It is also worth noting that since the introduction of bus stops on the Masterton Town bus services (routes 201-203), along with extended days of operation, these routes have experience significant growth in patronage (55% in September 2007).

**Karen Richardson**  
Manager, Metlink

## **Design and Development Manager's Report for period ending 9 November 2007**

### **1. Service reviews (Yvonne Gwyn)**

Officers are currently working on several service reviews, including the following:

**Porirua bus services** (as required by the LTCCP). This review is underway, and an initial round of consultation has been undertaken. Issues that have arisen include:

- Improved routing of buses through the city centre to connect areas of high use, including the North City Shopping Centre, the Mega Centre and Whitireia Polytech
- The need for a connection between Porirua and Wellington airport
- Bus services in the new Aotea Block subdivision
- Links to Kenepuru Hospital
- Services between Porirua and Johnsonville.

The next stage of the review is to develop possible solutions to these issues.

**Kapiti buses** – plans are well advanced to re-route the number 71 Paraparaumu bus via the Kapiti Health Centre.

**Some of the Wellington bus routes**, in association with NZ Bus, in an attempt to simplify the routes, and increase service levels. These include the Blue Route, and in particular the Ngaio, Khandallah and Broadmeadows area. Proposals for improvements to these routes have been circulated to affected residents. The changes are expected to be introduced in the new year.

### **2. Integrated Ticketing (Anke Kole)**

See report elsewhere in this agenda.

### **3. Real Time Information (Anke Kole)**

See report elsewhere in this agenda.

### **4. Total Mobility scheme improvements**

Work has begun investigating electronic options to replace Total Mobility vouchers. This will improve the ease of use, and administration, of the scheme. It will also help ensure compliance with the requirements arising from

the recent MOT review of the scheme, and will enable potential expansion of the scheme.

## **5. Johnsonville bus/rail interchange (Adam Lawrence)**

We have commissioned consultants to carry out the initial investigation and preliminary design for the bus rail interchange and associated passenger transport and roading improvements around the Johnsonville triangle. The initial phase of this work is expected to be completed at the end of this month, identifying a preferred option and cost of such option. The final report is expected in March 2008.

Discussions about design, implementation and funding are continuing with the developer.

## **6. Ngauranga-Airport study (Adam Lawrence)**

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

A presentation from Opus was made to this Committee on 8 August. As a result of feedback from that, and the presentations to Transit NZ and WCC, the study team is currently finalising the brochure for consultation on options and choices.

Consultation is planned to start on 19 November. Submissions will be invited and will close before Christmas.

The consultation process is aimed at feeding into the development of a corridor plan.

### **Brian Baxter**

Manager, Transport Design and Development

## **Business Manager's Report for period ending 9 November 2007**

### **1. Manager's comments (Kerry Saywell)**

This report provides an initial forecast of the expected year end result to 30 June 2007. Of particular note are projected increases in costs associated with diesel bus contracts and the rail operating contract.

A key challenge for the division in 2007/08 will be ensuring that upgrades to Public Transport infrastructure proceed as planned. There is a heavy workload in 2007/08, in respect of upgrades to rail infrastructure and rolling stock. These projects are outlined in section 4.

### **2. Net operating result for the division (to 31 October 2007)**

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

The net operating surplus from operations for the Public Transport Division for the four months ended 31 October 2007 is \$0.9 million compared to the budgeted surplus of \$0.1 million. The most significant variance is the \$0.4 million reduction in expenditure on the diesel bus operating contract. This was mainly because the June quarter diesel bus inflation was less than expected which has had a positive impact on the year-to-date spend for this financial year. However, as noted in section 2.2, we expect this result to turn around by year end.

If operating costs and revenues associated with capex are also included, then the overall operating position becomes a deficit of \$1.9 million compared to the budgeted deficit of \$2.9 million. The decreased deficit is because of changes to timing of capex and improvement projects i.e. Ontrack infrastructure upgrades, rail rolling stock projects and station, platform and carpark upgrades.

#### **2.2 Forecast full year net operating result**

The full year forecast net operating deficit from operations is \$1.1 million compared to the budgeted deficit of \$0.1 million. When capital and improvement projects are taken into account we are anticipating a full year deficit of \$16.9 million which is \$1.5 million favourable to budget.

Currently diesel prices are at record high levels (around \$90 USD a barrel) and in anticipation of these levels staying high through the remainder of the year we have forecast a \$1.5 million unfavourable variance on diesel bus contract expenditure. Depending on the price of oil and the exchange rate, the actual number could be higher or lower than this.

We have also forecast increased expenditure of \$0.5 million on the rail operating contract based on an expected reduction in patronage. This number has yet to be confirmed by a forecast from Tranz Metro.

The favourable variance in Grants and Subsidies revenue is the result of these changes to forecast costs.

### 3. Detailed net operating result for the division

More detail on the actual and forecast operating result for the division is included in the following table and explanations:

#### Public Transport Division Financial Performance by Programme for the Period Ended 31 October 2007

	Year To Date				Full Year			
	Actual £'000	Budget £'000	Variance £'000	Variance %	Forecast £'000	Budget £'000	Variance £'000	Variance %
<b>Revenue</b>								
Rates Revenue	11,426	11,426	0 F	0%	34,277	34,277	0 F	0%
Grants & Subsidies	12,282	12,608	326U	-3%	39,050	38,000	1,050 F	0%
External Revenue	40	36	4 F	11%	107	107	0 F	0%
Investment & Other Revenue	18	-2	20 F	-1000%	-7	-7	0 F	0%
Internal Revenue	28	40	12U	-30%	120	120	0 F	0%
<b>Total Revenue</b>	<b>23,794</b>	<b>24,108</b>	<b>314U</b>	<b>-1%</b>	<b>73,547</b>	<b>72,497</b>	<b>1,050 F</b>	<b>1%</b>
<b>Expenditure</b>								
Rail Operating Contracts	7,046	7,061	15 F	0%	21,683	21,183	500U	0%
Diesel Bus Operating Contracts	9,514	9,945	431 F	4%	31,323	29,835	1,487U	0%
Trolley Bus Operating Contracts	2,315	2,230	85U	-4%	6,690	6,690	0 F	0%
Ferry Operating Contract	97	94	3U	-3%	293	281	13U	0%
Bus Stop & Shelter Maint/Upgrades	173	185	12 F	6%	554	554	0 F	0%
Carpark & Station Maint/Operations	148	271	123 F	45%	824	824	0 F	0%
Wellington Interchange Payments	206	206	0 F	0%	617	617	0 F	0%
Bus Priority Measures	0	0	0 F	0%	195	195	0 F	0%
Procurement Studies	91	235	144 F	61%	725	725	0 F	0%
Signage Maint & Upgrades	9	72	63 F	88%	265	265	0 F	0%
Total Mobility Scheme	582	649	67 F	10%	1,948	1,948	0 F	0%
<b>Procurement</b>	<b>20,181</b>	<b>20,948</b>	<b>767 F</b>	<b>4%</b>	<b>65,115</b>	<b>63,115</b>	<b>2,000U</b>	<b>-3%</b>
Design and Development Projects	53	150	97 F	65%	420	420	0 F	0%
<b>Design &amp; Development</b>	<b>53</b>	<b>150</b>	<b>97 F</b>	<b>65%</b>	<b>420</b>	<b>420</b>	<b>0 F</b>	<b>0%</b>
Promotion and Marketing	45	59	14 F	24%	383	383	0 F	0%
Information and Systems	187	342	155 F	45%	1,002	1,002	0 F	0%
<b>Metlink</b>	<b>232</b>	<b>401</b>	<b>169 F</b>	<b>42%</b>	<b>1,385</b>	<b>1,385</b>	<b>0 F</b>	<b>0%</b>
<b>Total Project Expenditure</b>	<b>20,466</b>	<b>21,499</b>	<b>1,033 F</b>	<b>5%</b>	<b>66,920</b>	<b>64,920</b>	<b>2,000U</b>	<b>-3%</b>
Admin	2,219	2,306	87 F	4%	6,964	6,964	0 F	0%
Non-Cash Items	168	177	9 F	5%	531	531	0 F	0%
Other	69	62	7U	-11%	198	198	0 F	0%
<b>Total Expenditure</b>	<b>22,922</b>	<b>24,044</b>	<b>1,122 F</b>	<b>5%</b>	<b>74,613</b>	<b>72,613</b>	<b>2,000U</b>	<b>-3%</b>
<b>Net Operating Surplus (Deficit) from Operations</b>	<b>872</b>	<b>64</b>	<b>808 F</b>		<b>-1,066</b>	<b>-116</b>	<b>950U</b>	
Total Revenue associated with Capex Improvement Projects	6,514	8,724	2,210U	-25%	38,841	42,381	3,540U	-8%
	9,217	11,639	2,422 F	21%	54,647	60,619	5,971 F	10%
Net Operating Revenue & Costs associated with Capex	-2,703	-2,915	212 F	-7%	-15,806	-18,238	2,431 F	-13%
<b>Net Operating Surplus (Deficit)</b>	<b>-1,831</b>	<b>-2,851</b>	<b>1,020 F</b>		<b>-16,872</b>	<b>-18,353</b>	<b>1,481 F</b>	

### **3.1 Revenue**

Grant and subsidies revenue is showing a \$0.3 million unfavourable variance and this is the result of reduced expenditure. If expenditure does not take place, then the associated grant funding is not claimed from Land Transport NZ. The most significant reduction in expenditure was on diesel bus contracts. Section 3.2 outlines key changes to expenditure.

Grants and subsidies expenditure is forecast to be \$1.1 million favourable at year end because of the forecast increase in expenditure. This assumes that Land Transport NZ will approved funding over our approved allocation for 2007/08.

### **3.2 Expenditure**

#### **3.2.1 Rail operating contracts**

Rail operational expenditure is currently very similar to budget. However with the reduction of rail patronage that is now becoming evident, we have forecast a full year overspend of \$0.5 million. This number has yet to be confirmed by a forecast from Tranz Metro.

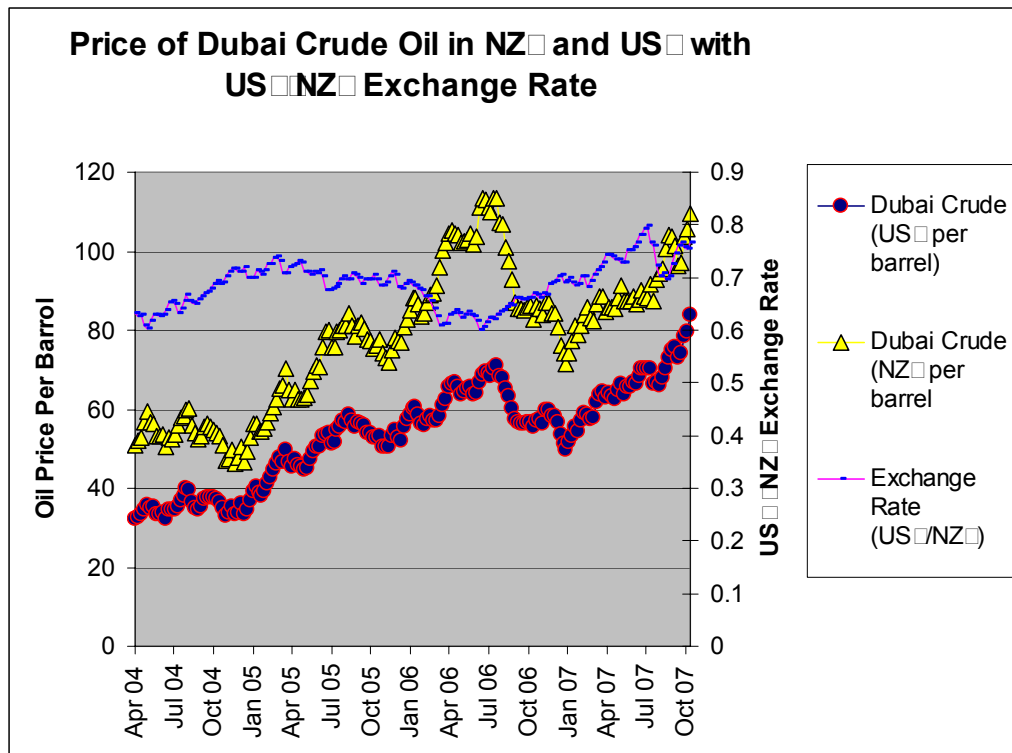
#### **3.2.2 Diesel bus operating contracts**

Diesel bus expenditure is \$0.4 million under budget. This was mainly because the June quarter diesel bus inflation was less than expected which has had a positive impact on the year-to-date spend for this financial year.

Currently diesel prices are at record high levels (around \$90 USD a barrel). In anticipation of these levels staying high through the remainder of the year, we have forecast a \$1.5 million unfavourable variance on diesel bus contract expenditure. Depending on the price of oil and the exchange rate, the actual number could be higher or lower than this.

There are significant risks around the forecast diesel bus inflation costs, given the extreme volatility of oil prices over the last two years. Oil prices are now substantially higher than expected when the budget was set in June (oil prices drive the index that determines contractual inflation payments to bus operators) although to some extent this has been offset by a higher NZ dollar.

The attached graph shows the fluctuations of oil prices and the US\$/NZ\$ exchange rate over the last two years and highlights the extreme volatility of oil prices.



### 3.2.3 Other expenditure variances

The year-to-date numbers also show reduced expenditure in carpark and station maintenance, procurement studies and information and systems. These variances relate to the timing of work and are anticipated to be on budget at year end.

## 4. Capital expenditure and improvement projects

### 4.1 Overview

The combined improvement and capital projects show a year-to-date figure of \$9.3 million compared to a budget of \$14.1 million.

The full year improvement and capital expenditure forecast is \$60.8 million which is a reduction of \$7.2 million on the full year budget. Where work is not anticipated to be completed this financial year it will be carried forward to 2008/09. Primarily this expenditure is essential work on the passenger rail network or on improvements to passenger rail rolling stock.

Detailed variances are provided in section 4.3.

Capital expenditure and improvement project expenditure is funded by a mix of Land Transport NZ 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.



## 4.2 Definitions

Improvement project expenditure is expenditure on assets that Greater Wellington does not, and will not, own. These projects include:

- Improvements to ONTRACK owned infrastructure (platforms, track and signals)
- Investment in rail rolling stock. Legally Greater Wellington can't have a direct ownership interest in these assets. They are owned by 100% subsidiary, Greater Wellington Rail Ltd (GWRL).

Capital projects are projects that improve (or create) assets where the asset will be owned by Greater Wellington. These assets include station buildings, car parks, bus shelters and signage.

## 4.3 Detailed capital expenditure and improvement projects

More detail on actual and forecast capital expenditure and improvement projects is included in the following table and explanations:

### PublicTransport Division

#### Improvement Projects and Capital Expenditure for the Period Ended 31 October 2007

	Year To Date				Full Year			
	Actual \$'000	Budget \$'000	Variance \$'000	Variance %	Forecast \$'000	Budget \$'000	Variance \$'000	Variance %
<b>Improvement Projects (Opex)</b>								
Station Platform Upgrades	1,251	517	734U	-142%	1,412	2,124	711 F	33%
ONTRACK Infrastructure Upgrades	0	1,791	1,791 F	100%	20,085	22,094	2,010 F	9%
Rail Rolling Stock Heavy Maintenance	135	914	779 F	85%	2,741	2,741	0 F	0%
Capacity Rail Rolling Stock	425	2,867	2,442 F	85%	13,250	16,500	3,250 F	20%
SW Cars Project	6,331	4,240	2,091U	-49%	7,420	7,420	0 F	0%
New EMU Related Expenditure	816	1,088	272 F	25%	8,663	8,663	0 F	0%
Other Rail Rolling Stock Upgrades	139	165	26 F	0%	905	905	0 F	0%
Other Projects	120	57	63U	-111%	171	171	0 F	0%
<b>Improvement Projects</b>	<b>9,217</b>	<b>11,639</b>	<b>2,422 F</b>	<b>21</b>	<b>54,647</b>	<b>60,619</b>	<b>5,971 F</b>	<b>10</b>
<b>Capital Projects Investment Additions</b>								
Signage Maintenance & Upgrades	9	82	73 F	89%	450	450	0 F	0%
Bus Stop & Shelter Upgrades	0	43	43 F	100%	235	235	0 F	0%
Station Building & Carpark Upgrades	52	2,336	2,284 F	98%	4,118	5,318	1,200 F	23%
New EMUs	7	10	3 F	26%	957	957	0 F	0%
Other Capex	28	28	0 F	0%	419	419	0 F	0%
<b>Capital Expenditure and Investment Additions</b>	<b>96</b>	<b>2,499</b>	<b>2,403 F</b>	<b>96</b>	<b>6,179</b>	<b>7,379</b>	<b>1,200 F</b>	<b>16</b>
<b>Improvement Projects and Capital Expenditure</b>	<b>9,313</b>	<b>14,138</b>	<b>4,825 F</b>	<b>34</b>	<b>60,826</b>	<b>67,998</b>	<b>7,171 F</b>	<b>11</b>

### 4.3.1 Station, platforms and carpark upgrades

When budgets were prepared, some station and platform upgrades work was assumed to be owned by other parties (i.e. ONTRACK) and are budgeted as operating expenditure (covered by this improvement project budget). Expenditure on these projects is \$0.7 million over budget for the year-to-date.

Other station building and carpark upgrade work was assumed to be owned by Greater Wellington and was budgeted as capital expenditure. Expenditure on these projects is \$2.3 million under budget.

The combined year-to-date results are shown in the following table:

**Station, Platform and Carpark Upgrades**

	Year To Date				Full Year			
	Actual \$'000	Budget \$'000	Variance \$'000	Variance %	Forecast \$'000	Budget \$'000	Variance \$'000	Variance %
Improvement projects	1,251	517	734U	-142%	1,412	2,124	711 F	33%
Capital expenditure	52	2,336	2,284 F	98%	4,118	5,318	1,200 F	23%
<b>Total Station, Platform &amp; Carpark Upgrades</b>	<b>1,303</b>	<b>2,853</b>	<b>1,550 F</b>	<b>54</b>	<b>5,530</b>	<b>7,442</b>	<b>1,911 F</b>	<b>26</b>

The combined result shows a \$1.6 million favourable variance which is made up of a number of items and overall represents delays to some projects. Some station upgrade work is dependant on the specifications of the new passenger trains (EMU's) and is likely to be deferred until 2008/09.

At this stage we anticipate that \$1.9 million of expenditure will be deferred until 2008/09.

#### 4.3.2 ONTRACK infrastructure upgrades

These projects include:

- Upgrade of the Johnsonville line
- Upgrade signals and electrical systems on the whole network
- MacKay's to Waikanae double tracking and electrification work

The \$1.8 million year-to-date variance relates to expenditure on the Johnsonville Line upgrade and MacKay's to Waikanae double tracking and electrification work which had been budgeted to start in October. However at this stage, Greater Wellington had not incurred any expenditure although ONTRACK have started detailed planning and design on both projects.

The reduction in the full year forecast by \$2.0 million relates the signals and electrical work required for the new passenger trains (EMU's). It is anticipated that only \$3.0 million of this work will now be completed this year compared to the original budget of \$5.0 million.

#### 4.3.3 Rail Rolling Stock Heavy Maintenance

This project provides for a programme of essential heavy maintenance on the Tranz Metro fleet of rail rolling stock.

The \$0.8 million year-to-date variance relates to the timing of this work which is partly related to operational requirements and workshop availability. The project expenditure is expected to be on budget at year end.

#### 4.3.4 Capacity Rail Rolling Stock

These projects are to provide additional passenger capacity in the short to medium term on the passenger rail network. They are funded by way of a Crown loan. The projects include:

- Purchase and refurbishment of six ex British Rail carriages

- Refurbishment and lease of two Toll EO class locomotives
- Refurbishment and bringing into service up to three EE class passenger units that are not part of the current operational fleet
- Refurbishment of two EE class passenger units that will be leased from Canterbury Railway Society

The \$2.4 million year-to-date variance primarily relates to timing of this work, although as noted below, it is expected that some expenditure will now fall into 2008/09.

Expenditure has been incurred in the purchase of the six BR carriages. The refurbishment contract was signed at the end of October and work has now commenced.

Investigations are being undertaken and negotiations continue with Toll NZ regarding the EO class locomotives and the EE class passenger units. However, it has taken longer than expected to agree the scope of the work and negotiate these contracts. Toll NZ has also had difficulties negotiating a lease agreement with Canterbury Railway Society.

It is anticipated that approximately \$3.3 million of this expenditure will be deferred to 2008/09.

#### 4.3.5 SW Cars Project

This project is to complete the purchase and refurbishment of the passenger carriages for the Wairarapa line.

Year-to-date actual expenditure is \$6.3 million compared to the budget of \$4.2 million. This unfavourable variance of \$1.1 million is a budget phasing issue only. The project is on track and is essentially complete at the time of writing this report.

#### 4.3.6 New EMU Related Expenditure

Expenditure on the new EMU project (new passenger trains) is largely on track although there have been delays in signing the procurement contract.

At this stage the forecast full year result is still the same as budget but this may change on the signing of the contract when more details are known. The overall project is still on track to be completed by the original target date in 2010.

**Kerry Saywell**  
**Manager, Business**