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## **Report 01.750**

5 October 2001

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### **Minutes of the Special Meeting of the Wellington Regional Council held in the Wellington Regional Council Chamber, The Regional Council Centre, 142-146 Wakefield Street, Wellington on Friday, 5 October 2001 at 9.30am**

#### **Present**

Councillors Macaskill (Chairperson), Allen, Bonner, Buchanan, Gibson, Laidlaw, Long, McDavitt, McQueen, Shaw, Shields, Thomas, Turver and Werry

#### **Officers Present**

Messrs Allard, Benham, Cutler, Darroch, Maguire, Schollum, Stone, Wright and Dr Watson

## **Public Business**

### **Procedural Items**

#### **471 Apologies**

There were no apologies.

#### **472 Public Participation**

The Chairperson said 11 persons had indicated they wished to speak and Standing Order 64 limited public participation to 15 minutes. To give all speakers the same opportunity for speaking, Standing Order 64 should be suspended.

*Resolved*

*(Chairperson/Cr McQueen)*

*That Standing Order 64 limiting public participation to 15 minutes, be suspended.*

**1. Jenny Brash, Mayor of Porirua City and John Terris, Mayor of Hutt City**

Mayor Brash and Mayor Terris presented a joint oral and written submission confirming the regional mayors' view that a franchise arrangement with a private operator should be established in the long term. Both mayors commented that the report by consultants Booz Allen and Hamilton said there was insufficient information to make a decision on any preference yet. The mayors also urged Regional Councillors to look further at the best way to get a franchise operation probably through buying all of Tranz Metro. More time should be spent on due diligence which is the commercial procedure involving a thorough investigation of a company's financial health. They also requested options on how best to move towards a franchising out of Tranz Metro's operation while keeping the assets in Council hands.

The mayors tabled and circulated the following information:

- A memorandum dated 5 October 2001 entitled "Wellington Urban Rail Services" setting out the agreed position with respect to the Wellington Regional Council's proposals for Wellington Urban Rail Services which was signed by Mark Blumsky Mayor of Wellington City, John Terris Mayor of Hutt City, Rex Kirton Mayor of Upper Hutt City, Jenny Brash Mayor of Porirua City.
- A copy of a letter dated 20 September 2001 from the Hon Mark Gosche Minister of Transport to Mayor Jenny Brash about Wellington Passenger Rail Services.
- Six pages of an overhead presentation which was undated.

Responding to the presentation Councillor Macaskill said the Regional Council noted the Mayors' preference but said to buy 100% of the rail system without the financial support and knowledge of a private sector partner would be too high a risk for the Regional Council to bear.

During a question and answer session Councillor Shields noted that the Booz Allen and Hamilton Report suggested the Regional Council's favoured position of a joint venture partnership would give greater confidence that the Tranz Metro business would be properly set up as a stand alone business to operate effectively over an extended period.

Councillor Shaw noted that the Mayors had never had access, for commercial reasons, to the funding document that was crucial in devising an appropriate policy for Wellington Urban Rail Services.

**2. Sue Kedgley, MP, and Mary Varnham, Wellington City Councillor and Mayoral Candidate**

Sue Kedgley said that Mary Varnham and herself were today commencing a campaign to save Wellington Rail Services. The Government will be asked to support and facilitate Wellington Regional Council's proposal for a public/private joint venture and buy back the Rail Corridor in Wellington as the Government is doing in Auckland.

Sue Kedgley said the Regional Council proposal is viable and can be speedily implemented while leaving open other long-term options such as franchising. A number of excellent private rail operators are interested in partnering with the Regional Council and local and territorial authorities in the Wellington region should be united and rally behind the Regional Council's proposals.

Mary Varnham said the Wellington City Council had considered the proposal to buy Tranz Metro Rail at committee level but had never discussed a policy position at Council level and therefore any statements made by Mayor Blumsky did not reflect a Wellington City Council position. Mary Varnham exhorted all present to join in the initiative commencing today to save Wellington Rail Services by supporting the Regional Council's proposals.

### **3. Stephanie Cook, Wellington City Councillor and Mayoral Candidate**

Stephanie Cook said she was concerned that Mayor Blumsky had not been reflecting the Wellington City Council position which had never been debated at Council level. Stephanie Cook said she totally supported the Wellington Regional Council's plans to jointly buy into the Tranz Metro Passenger Rail Service with a private sector operator and said that she would work very hard in the new triennium for good working relationships with the Wellington Regional Council. Stephanie Cook particularly commended the Regional Council for the introduction of the late night bus service which she said had been a success story and showed what both Councils could do when they worked in a positive way together.

### **4. Barry Saunders, President, Wellington Regional Chamber of Commerce**

Barry Saunders said he wished to congratulate the Regional Council for taking the initiatives it has and also for being so open and helpful to the Chamber about its thinking and proposals. Every question we have asked has been dealt with expeditiously and professionally. Mr Saunders said that the Chamber supports the Regional Council taking a lead role but recommends it:

1. Focuses first on its expectations from Suburban Rail over the decade.
2. Estimate the costs involved and consider the benefits against other possible road options which might become available if central government changes its policies.
3. After this has been done review the three options presently on the table.

A copy of Mr Saunders' representations were circulated.

### **5. Brent Efford, Co-ordinator Transport 2000+, New Zealand Green Party Candidate, Wellington City Council**

Brent Efford expressed strong support for the Regional Council doing whatever it takes to retain the Regional Rail System as a going concern. The 50/50 Regional Council and private sector split seemed the best option for doing this and confirmed the objective of survival then expansion of the Rail System was the key issue.

A copy of Mr Efford's representations were circulated.

**6. Max Shierlaw**

Max Shierlaw criticised the Council's proposal to enter into a joint venture with Tranz Metro and said he was most disappointed that the Regional Council had not attempted to renew the contract it presently had with Tranz Metro for a further 10 years.

**7. Howard Philips**

Howard Philips said the Rail System in Wellington was at risk and he congratulated the Regional Council on the position it had arrived at, noting that common sense had prevailed over ideology. Howard Philips noted that the Regional Council's proposal allowed for a joint partnership in the short term with the possibility of a franchise or other arrangement with a private operator in the long-term. Mr Philips concluded by congratulating the Chairperson for the leadership he had shown during his time as Chairperson of the Regional Council and wished him well in his retirement following the forthcoming elections.

**8. Jill Beveridge, Chairperson, Western Ward Committee, Lower Hutt**

Jill Beveridge said that the Melling Line was very important for the persons that she represented in the Western Ward and it was very important that an efficient Rail Service was maintained during the present period of uncertainty. It would be a shame if passengers stopped travelling by train as this would cause greater congestion on the roads and it would be unlikely that those passengers would ever return to rail.

Jill Beveridge concluded that her Committee fully supported the proposals of the Wellington Regional Council.

**9. David W H Berry, Ratepayer**

David Berry said he was a concerned train user and from a technical point of view did not support the Regional Council's proposal for taking on a joint venture partner. Mr Berry said he could produce figures to support his position.

A copy of Mr Berry's written representations were circulated.

The Chairperson thanked all those who had participated in the meeting and now adjourned the meeting at 10.45am.

The meeting reconvened at 12.25pm.

## **Matter for Consideration**

473 **Policy and Finance Committee – 5 October 2001**

**Report 01.745**

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*Resolved*

*(Chairperson/Cr Shaw)*

*That the recommendations of the Policy and Finance Committee meeting held on 5 October 2001 be adopted, the public excluded business to remain confidential.*

Councillor Gibson dissented.

The meeting closed at 12.26pm.

CR SA MACASKILL  
Chairperson

Date: