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Committee Passenger Transport Committee
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Urban Passenger Rail Update

1. Purpose

To formally update the Committee on the progress being made to secure a long term contract for urban passenger rail services in the Wellington region.

2. Comment

2.1 English Electric Refurbishment

Our current contract with Tranz Metro Wellington (TMW) has been amended to include the refurbishment of all 36 English Electric carriages with Toll NZ contributing 50% of the \$5.4m cost, Transfund New Zealand 30% and the Council 20%. TMW have begun the preparatory work, in particular the adaptation of one of its Wellington yard sheds into a paint shop. Once the first carriage is underway the project should run for about 18 months.

2.2 Wairarapa Carriages

We have engaged Toll Professional Services to prepare tender documents for the building of 18 new carriages, using the frame of some existing ex British Rail's carriages. These tender documents should be available by the end of November. Tenders will then be called prior to Christmas, closing around the end of January 2005. This could mean, subject to workshop capacity, that the first new carriage will be developed by July 2005. The intention is to get the new carriages into service as they arrive rather than wait for a full train set of six carriages. Again the expectation is that carriages will be built over an 18 month period.

2.3 New EMU's

We have engaged Toll Professional Services to substantiate the estimated cost of new EMU's by obtaining preliminary expressions of interest from rolling stock companies around the world. This information will assist in firming up the likely cost but also defining the type of EMU that can be purchased for New Zealand conditions.

We are also starting discussions with Auckland Regional Council to see if we can combine our proposed purchases into a New Zealand order that might be more attractive to rolling stock providers that see orders of less than one or two hundred units as too small to be worthwhile.

Accessibility issues are of some concern and resolving these may not be simple.

2.4 Base Business Case

Transfund New Zealand at their last ever Board meeting (Thursday 25 November) will be receiving the base business case. Transfund New Zealand joins with the LTSA in December to become Land Transport New Zealand.

The base business case economically justifies the retention of urban passenger rail by looking out 25 years and testing the level of investment in rail rolling stock, to retain existing capacity and accommodate natural growth, with that required to operate an equivalent bus only network.

Acceptance of the base business case by Transfund New Zealand will ensure their funding contribution towards the proposed rolling stock refurbishment and replacement over the next several years. Enhancements to capacity through either additional rolling stock or track improvements will have to be separately justified to obtain Transfund funding.

2.5 The Contract

The contract negotiations with Toll NZ for the Tranz Metro Wellington services are nearing completion. The finally agreed contract document will need to be formally approved by Transfund New Zealand, some proposed changes to it have already been submitted and approved by Transfund.

The contract price is also being negotiated and good progress has been made on this. The finalisation of the contract price must however await the final community consultation process early next year. The signing of a contract between Toll NZ and Greater Wellington is therefore not expected until around May or June 2005.

2.6 The Business Plan

The ten year business plan is part of the final contract. This will specify the capital expenditure going forward that is required to retain and enhance the urban rail system. The business plan gets completed once the contract document and base contract price have been negotiated and the community consultation process has been undertaken.

2.7 The Community Consultation

In February and March 2005 the Council will be undertaking a formal review of its LTCCP with particular emphasis on the proposed rail expenditure. Over the next few weeks Councillors will be getting a completed understanding of

the likely costs of the proposed urban rail programme and the possible funding options.

3. Communication

A communications plan for the proposed rail programme is being developed.

4. Recommendation

That the report be received.

Report prepared by:

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