



Report 05.646
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Committee Passenger Transport
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Transport Information Bulletin

1. Purpose

To provide information on transport issues not covered by other reports.

2. Significance of the decision

The matters for decision in this report **do not** trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

3. Effective Speed (Dave Watson)

I attended the Australasian Transport Research Conference held in Sydney at the end of September 2005. Much of the conference was again focused on “Smart Travel” examples around Australia. In New Zealand this is part of the growing Travel Demand Management programmes. Both are seeking travel behaviour change. We have much to learn from the Australian examples. However this note is about the concept of “effective speed”. This was a paper presented at the conference that caught my eye. I have attached it in full (**attachment 1**). Nothing in the paper is itself new but it is a novel way of looking at travel and may open up your own way of thinking about what is important to you.

Effective speed equals distance travelled divided by the total time associated with the journey and the means used to make it. The total time is therefore the actual time taken to undertake the journey plus the time spent earning the money to pay for the journey by the chosen mode.

So rather than travelling faster by driving a high performance car you are calculated to be travelling slower because of the extra time it takes to pay for privilege of driving that car.

4. Financial Update (Vyvette Najbert)

The following table summarises the financial performance of the Transport Division for the year to September 2005.

| | Year To Date | | | Full Year | Full Year |
|--------------------------------|-----------------|-----------------|-------------------|-----------------|-------------------|
| | Actual \$000 | Budget \$000 | Variance \$000 | Budget \$000 | Forecast \$000 |
| Rates Revenue | 7,314 | 7,314 | 0 | 29,255 | 29,255 |
| Grants & Subsidies | 8,201 | 11,862 | (3,660) | 48,803 | 48,377 |
| External Revenue | 65 | 76 | (11) | 333 | 333 |
| Investment & Other Revenue | 48 | 29 | 19 | 115 | 192 |
| Internal Revenue | 834 | 834 | 0 | 3,336 | 3,336 |
| REVENUE | 16,462 | 20,114 | (3,651) | 81,842 | 81,494 |
| Service Expenditure | | | | | |
| Procurement | 12,913 | 14,377 | 1,465 | 57,643 | 60,049 |
| Service Design | 55 | 249 | 194 | 605 | 715 |
| Access Planning | 157 | 511 | 354 | 2,750 | 3,581 |
| Marketing | 578 | 410 | (168) | 1,640 | 1,663 |
| Service Expenditure | 13,703 | 15,548 | 1,845 | 62,638 | 66,007 |
| Operational Expenditure | 2,362 | 2,417 | 56 | 9,687 | 9,741 |
| Total Indirect Charges | 352 | 371 | 19 | 1,482 | 1,482 |
| NET SURPLUS/(DEFICIT) | 46 | 1,778 | (1,732) | 8,035 | 4,263 |

The focus of this report is on the full year financial forecast based on the first quarter results of the Transport Division.

4.1 September Forecasts

The forecast full year surplus is \$4,263k compared to the budgeted surplus of \$8,035k.

The principle changes between the forecast and budget are in the Procurement Department and relate to the re-classification of rail heavy maintenance from capital expenditure to operating expenditure, the impact of inflation and the cost of the Western Corridor programme of work.

Heavy maintenance expenditure on Rail rolling stock has been reclassified as operating expenditure because GWRC does not own the underlying asset (the rolling stock) and therefore the expenditure does not meet the definition of capital expenditure. In addition, the level of expenditure has been forecast down to \$2M due to delays in the signing of the Rail contract. The exact timing and forecast expenditure can not be accurately assessed until the contract is signed. This delay may have serious consequences on the operation of the rolling stock should this deferral of maintenance be lengthy.

Inflation costs are forecast to be higher than budget due to the higher oil and power prices that NZ has experienced since the budget was constructed. The

indices used by LTNZ for the contract inflation calculation have been impacted by a rise in petrol prices of 20.3% over the last twelve months. Meetings have been initiated with LTNZ by GWRC Transport staff to attempt to mitigate the on-going risk of high oil and power prices.

The delay in signing the Trolley Bus contract until January next year has resulted in the budgeted costs not being fully incurred until then. These included the costs associated with the overhead wires.

The Northern Suburbs services study was commissioned by Councillors to assess the continuation of the Johnsonville rail versus other transport systems. This is to be completed prior to the purchase of the Rail Rolling Stock.

The other large forecast item relates to the Western Corridor programme. The two current parts are the public consultation arising from the August RLTC meeting and the commencement of the first stage of the project. Both of these were not budgeted.

4.2 Capital Expenditure

The capital expenditure programme has not yet commenced but is forecast to meet the budgeted expenditure of \$11.995M less the amount for heavy maintenance of \$4.270M which has been reclassified as operating expenditure. The remainder, \$7.725M is made up of \$2.625M for Rail Stock, \$4.68M for infrastructure maintenance and security, \$50k for a Total Mobility database, \$50k for a contract management database and \$50k for an Asset management database.

4.3 Year to Date Revenue and Expenditure Analysis Summary

4.3.1 Revenue

The year to date actual revenue is lower than budget due to the delay in capital expenditure and the favourable variance in operating expenditure. Funds can not be claimed from LTNZ and other parties until this expenditure has been committed or spent.

4.3.2 Expenditure

| Expenditure Analysis | Year To Date | | |
|--|-----------------|-----------------|-------------------|
| | Actual \$000 | Budget \$000 | Variance \$000 |
| Total Transport Administration Costs | 2,362 | 2,417 | 56 |
| Bus, Rail & Trolley Contracts | 11,265 | 11,439 | 174 |
| Inflation | 735 | 577 | (158) |
| Rail Carriage Refurbishment | 0 | 382 | 382 |
| Bus / Rail Infrastructure Build & Maintenance | 491 | 566 | 74 |
| Bus / Rail Service Improvements | 17 | 298 | 281 |
| Bus Priority Measures | 0 | 36 | 36 |
| Rail Projects | 41 | 430 | 389 |
| Total Mobility | 358 | 411 | 53 |
| Travel Demand Projects | 0 | 66 | 65 |
| Access Planning Projects | 50 | 159 | 109 |
| Western Corridor Studies | 107 | 83 | (24) |
| Projects (Integrated Tkting, Real Time Info etc) | 6 | 385 | 379 |
| PT Upgrade Options | 0 | 38 | 38 |
| Wairarapa Log Freight | 0 | 167 | 167 |
| Service Design | 13 | 100 | 87 |
| Northern Suburbs PT Service Study | 42 | 4 | (38) |
| Marketing & Communications | 578 | 410 | (168) |
| Total Expenditure | 16,065 | 17,965 | 1,900 |

4.3.3 Bus, Rail & Trolley Contracts

The favourable variance reflects the delay in signing of the Trolley and overhead wire contracts.

4.3.4 Inflation

As mentioned above, inflation costs relating to bus and trolley service contracts are higher than budget.

4.3.5 Projects

The year to date across all projects is lower than budget due to the delays in commencement. These under expenditures are expected to reverse over the course of the financial year.

4.3.6 Western Corridor Studies

The higher than budgeted expenditure for the Western Corridor studies relates to the cost of the current consultation process as required by the RLTC. This is included in the forecast.

4.3.7 Marketing & Communications

The higher than budgeted marketing & communications expenditures relates to the rollout of Metlink and will reverse over the remainder of the financial year except for timetable production costs which are forecast to be over budget by \$23k for the year.

4.3.8 Northern Suburbs PT Service Study

The Northern Suburbs services study was commissioned by Councillors to assess the continuation of the Johnsonville rail versus other transport systems. This is unbudgeted expenditure.

4.3.9 Wairarapa Log Freight

This is an externally funded project relating to the transport of logs from the Wairarapa to the Wellington Port. Any expenditure is 100% off-set by revenue.

5. **Review of Transport Services Licensing Act (Dave Watson)**

The MoT are undertaking a review of the Transport Services Licensing Act to see what changes, if necessary, are required to improve the delivery of passenger transport services in the Auckland region. Auckland has been singled out because of difficulties they have been facing with commercial registrations on key routes that make it difficult for them to provide an integrated network of services with a common fare system (see attached ARTA and MoT presentations made to a recent RTO meeting **attachment 2**).

The review involves a national land government reference group, of what I am a member, to ensure any law change will have benefits for the rest of the country.

6. **Land Transport New Zealand Audit of Public Passenger Transport Operations (Dave Watson)**

The passenger transport tendering processes, our handling of our land transport disbursement account and all other related activities approved by Land Transport New Zealand are audited every three years or so. Land Transport New Zealand have just released their last audit report, dated 6 October 2005. A copy of the summary of findings and recommendations are attached (**attachment 3**).

7. **The Accessible Journey**

The Report of the Human Rights Commission's Inquiry into Accessible Public Land Transport has been distributed to councillors. An invitation has been extended to one or more of the commissioners to meet with councillors in the New Year to discuss the report and its ramifications.

8. Bus Services Update (Anthony Cross)

Since the Committee last met, the following changes have been implemented:

8.1 Otaki

The Otaki service was recently re-tendered as a result of which there is a new contracted operator - Madge Coachlines of Palmerston North. Metlink bus stops were installed at most bus stops on the new route in time for the start of the new service on Monday 31 October 2005. We have had some positive feedback about the new service, including a woman who rang to say that she'd seen the new signs indicating that Otaki now had a "proper bus service", and that her teenage children had already used the service to get to and from Paraparaumu so that she did not need to take them herself.

8.2 Newlands

Also from 31 October 2005, there were significant changes to bus services in the Newlands, Paparangi, Grenada Village, Woodridge and Baylands areas. As always there have been some teething problems, most of which point to the need to increase service frequencies at the "peak of the peak". Some service adjustments have already been made; others will be implemented when patronage begins to build up again after the quiet December-January period.

8.3 Whitby

Major improvements to Whitby's bus services were implemented on 1 October. Whitby now has a more direct main bus route to and from Porirua City Centre and Station, with a half-hourly frequency in daylight hours Monday to Saturday, hourly services on Sundays and public holidays, and later evening services.

8.4 Waikanae Beach - Weggery Drive

We recently consulted with residents at the south end of Waikanae Beach about a possible change to the bus route to serve a newly developed subdivision. 79 out of 106 responses were in favour of the change which, depending on Kapiti Coast District Council's ability to secure suitable bus stop locations, will be implemented in late January or early February.

8.5 Evans Bay and Miramar Heights

We are currently consulting on a proposal to amalgamate routes 24, 27 and 42 into a single route 24 Miramar Heights via Evans Bay service. In addition to simplifying the network this change would enable us to provide Evans Bay Parade with a weekday interpeak service (currently peak periods only), increase the peak frequency for both Miramar Heights and Evans Bay (we have had numerous requests for improvements since the high-density housing development at Greta Point was completed) and improve the service for workers at NIWA at Greta Point. The consultation brochure has been distributed to all letterboxes in the Evans Bay, Maupuia and Nevey Road areas, posters have been put up at most affected bus stops, community groups and

schools have been notified and there has been limited advertising in local newspapers. The consultation period finishes on 12 December 2005; any changes will be introduced in February 2006 at the earliest.

9. Petone to Wellington Ferry Service (Kevin Grace)

The trial Petone to Wellington ferry service should be up and running before Christmas.

Petone Wharf is a very old structure with no facilities to accommodate the birthing of a ferry.

Hutt City have commissioned engineering drawings to enable a basic boarding facility to be constructed which will allow the trial service to commence.

The process of acquiring building and resource consents from both Hutt City and Greater Wellington has been successfully completed and Hutt City have accepted a tender to have this facility constructed.

Completion is expected within two weeks which will allow the new service to commence at the end of November. The costs of construction will be shared between Hutt City Council and ourselves. Our contribution is expected to be around \$8k.

10. QPA Meetings (Dave Watson)

Minutes of the first combined Porirua/Kapiti Coast QPA meeting, held on 5 October 2005 (**attachment 4**).

We currently await feed back from staff of Porirua City Council and the Kapiti Coast District Council on the wording of the set up agreement. QPA members from both Porirua City Council and Kapiti Coast District Council indicated they would be seeking some minor wording change.

11. Response to Questions raised by Councillors at the 22 September 2005 Meeting

11.1 Cr Turver asked that additional operational analysis be carried out by TMG Consultants to assess the feasibility of including a station at Raumati before doubling tracking work begins on the Western rail line.

There are 2 issues which confine our ability to progress the building of Raumati South Station at a greater pace than that set out in the latest Western Corridor reports.

The first is operational and relates to the fact that including a stop in the middle of the single track section could affect capacity of the system and the ability of the train service to recover from delayed trains. In other words, having a stop in the single section means that the section is occupied longer meaning that effective capacity would be reduced.

The second issue, whilst not insurmountable, would be the need to advance funding from our partners at an earlier point in time to allow the construction of the station to proceed.

- 11.2** Cr Aitken asked that the Transport Division consider and report back on how it could establish a working relationship with Health Boards and Education agencies relating to passenger transport.

We have had a working relationship on several levels with District Health Boards and Education agencies for several years. We have met regularly with staff from Capital Coast District Health Board and are currently funding a travel planning project at the Wellington Hospital site which could lead to additional initiatives. A representative of the Hutt Valley District Health Board, Cheryll Graham attended the July and November meetings of the Hutt Valley QPA.

This is a concept that the next QPA meetings in Wellington and Porirua/Kapiti Coast should consider. On top of this we are seeking a once a year Health Boards (all three in the region) and Regional Council political representatives meeting to ensure appropriate links are maintained. With the resources available in the Division we think that to do more would require additional staff and financial resources not currently budgeted. As for education agencies we have a strong link with individual schools through the annual school bus provision at the start of each academic year. We have had several meetings with the Ministry of Education around school transport issues and finally we have met with the Tertiary Education Cluster over proposals for concessionary fares or free fares for students and in some cases staff. We have suggested the development of a travel plan for each or all tertiary campuses once we have the resources to undertake such plans. We have not plans to extend our involvement with Health Boards or Education agencies beyond that described above.

12. Communication

There is nothing to communicate at this stage.

13. Recommendations

That the Committee:

1. ***Receives the report.***
2. ***Notes the content of the report.***

Report prepared by:

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Attachment 1: Effective Speed Conference Paper

Attachment 2: ARTA and MoT Presentations

Attachment 3: LTNZ audit summary of findings and recommendations

Attachment 4: Porirua/Kapiti Coast & Hutt Valley QPA minutes