

Report 10.322
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Committee Transport & Access Committee
Author Wayne Hastie, General Manager, Public Transport

General Manager's Report

1. Purpose

To provide a brief update on public transport activities.

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. Highlights

3.1 Stations maintenance

The upgrade of the toilet facilities at Waterloo Interchange was completed recently. The upgrade included a deep clean of the facilities, painting of the cubicles plus anti-graffiti coating, new fixtures and fittings, re-tiling, and new plumbing. Since this work was completed there have been several failed attempts to tag and set light to the cubicles.



Before



After

3.2 Park and ride facilities

Greater Wellington has been provided with the opportunity to purchase land at Paraparaumu and Tawa for additional commuter car parking. This is a strategic opportunity as it would enable Greater Wellington to have security of tenure of land and thus be in a better position to easily develop additional car park facilities when demand dictates and funding is available. The cost of procuring the land can be accommodated within existing budgets. The Tawa land could be funded from the Station's Improvements budget and the Paraparaumu land could be funded from the Kapiti Station's Budget. Officers are seeking the Committee's approval to go into preliminary discussions with the relevant land owners. Formal approval from Council will be required for any purchase to proceed.

Work continues on the construction of the new park and ride car park at Pomare rail station despite rain interruptions last week. However, completion is now expected in July.

Phase three of the Waterloo Interchange lighting upgrade programme is due to commence shortly to complete the lighting upgrade programme. Twenty new street light columns and lamps will be installed at the North West car park opposite the ambulance station.



Waterloo South East car park which was completed earlier this year

3.3 Bus Shelters and bus stops

As planned, nineteen new bus shelters were installed across the region during the last week of May.

Following a number of attacks on bus drivers at the Lyall Bay Terminus at Hungerford Road, Greater Wellington officers organised (in collaboration with Go Wellington and Wellington City) a clean up of the area including installation of a new bus shelter and standing pad with lighting, extensive bush

clearance, a deep clean and repainting of the driver's toilet to the rear of the shelter. These improvements should significantly improve the safety of the site.



Before



After

The renewal programme to replace Metlink bus stop signs in the Hutt Valley has commenced and will be completed by the end of June 2010. The signs have exceeded their design life and have begun to fade.

3.4 Disability Reference Group initiatives

The Council's Disability Reference Group has initiated two projects. The first has involved working with the Kapiti Disability Reference Group and Kapiti Coast District Council to install 33 new standing pads at bus stops at Kapiti. Some minor work to adjust timetable locations remains.

The picture on the right shows one of the new disability access pads.



The second project, to install Braille bus stop identification plates on bus stop poles, has commenced. Greater Wellington officers have been working with the Royal New Zealand Foundation of the Blind to design and verify the new plates. Plates have been ordered for the following routes and installation will follow over the next few months:

- Route 1 (Island Bay – Wellington)
- Route 3 (Lyll Bay – Karori)

- Route 11 (Seatoun – Wellington)
- Route 56 (Wellington – Newlands – Johnsonville)
- Route 91 (Airport Flyer)
- Route 110 (Petone – Upper Hutt)

The Braille plates will enable Braille readers to determine the bus stop number and hence access txtBUS which in the future will provide real time information.

3.5 Bus Services

April 2010 saw industrial action affect Go Wellington, Valley Flyer and Mana Coach Services to varying degrees. Communications between the operators and Greater Wellington worked well prior to and during the disruptions. Given the relatively short notice of the industrial action (72 hours) Greater Wellington was still able to get information out to the public at bus stops, on the Metlink website, Twitter, through media communications, and through the Metlink Service Centre.

Although the action was on a relatively minor scale (approximately 5 hours), this provided a good test for the Public Transport Group's Business Continuity Plan (BCP) and has assisted us to plan how we can minimise the impact of any future industrial action.

Trial use of bus stop pole-mounted cameras has commenced for the monitoring of bus services. Camera footage, which is time stamped, is able to be used to monitor behaviour of services, as well as timely operation. The cameras have already greatly increased the amount of data now available for establishing trends and reporting information back to bus operators in order to assist in the improvement of service provision to our customers.

3.6 Total Mobility (TM)

The introduction of the new Total Mobility electronic system is continuing. The first stage of the central system, providing for client and assessment management, went live on 12 May 2010. The second stage, enabling external access for contracted assessment agencies to submit client assessments over the internet, went live on 3 June 2010. The final stage, enabling photo cards to replace the existing paper vouchers, is underway and clients will be able to use their photo cards from early August.

Contracts continue to be reached with the regions taxi operators, as only contracted taxi operators will be able to provide the TM scheme in the future. To-date, out of the twenty taxi operators in region that have expressed an interest in continuing to provide the TM scheme, seven operators have signed contracts. The aim is to now get all remaining operator contracts signed by mid-June 2010. These contracts include customer service standards, training requirements and audit provisions.

Following on from training sessions for new Total Mobility assessors held in March 2010, further assessor refresher courses and training for the use of the new electronic system were held at the end of May 2010.

Tenders have been awarded for new and replacement wheelchair hoists to Wellington Combined Taxi Limited and Hutt & City Taxi Limited. Greater Wellington has funding for two hoists this year. In one case particularly good value for money has been achieved through re-use of an existing hoist which was removed from another van (avoiding the purchase of a new hoist).

3.7 Matangi

In the period to early May 2010, 42% of the 96 vehicles were in production and Unit 1 is undergoing final test. Many key systems have successfully passed static testing and moving tests under it's own power, started in early June.

The internal photo highlights the CCTV camera, luggage racks, transverse seating, handholds and the unobstructed passage between the two cars. The other pictures show the first 2-car set (trailer car and motor car) being shunted up and down the Hyundai-Rotem test track. Note the external side mounted PIDS (passenger information display system) and the low floor section on the trailer car (furthest from the camera).



Hyundai-Rotem have made bookings with shipping companies and the first unit is expected late August. Greater Wellington is finalising the process for vehicle acceptance with KiwiRail (KR) and the New Zealand Transport Agency (NZTA).

3.8 Ganz Mavag Detailed Condition Assessment and Prototype

Work is well underway on the prototype vehicle at the Hutt workshops. Work completed includes reconstruction and modification of the pantograph well (a major source of water ingress), internal/external stripping and hydro blasting of the exterior painted surface. The prototype is targeted to be in revenue service **by end 2010** and will begin its reliability performance monitoring and verification period for a number of months.



3.9 MacKay's to Waikanae double tracking (and electrification to Waikanae)

Civil construction works are progressing well north of Otaihunga road now that the last of the land access arrangements have confirmed. Sections of double track are now in place and work continues on the overhead wiring and various significant retaining walls.

3.10 Kapiti Stations upgrade

With confirmation from the Maori Land Court regarding the lease of land at Waikanae, the final station consents in from Kapiti Coast District Council, and the awarding of tenders, work has now started at both Paraparaumu and Waikanae Stations. Kapiti Coast District Council is yet to grant approval allowing for the modification of Elizabeth St to improve the traffic flow through the area.

3.11 Platform works (Matangi enabling)

Work at Wellington Station and Redwood station is complete, work continues at Johnsonville and Boxhill.

3.12 Kaiwharawhara Throat (Wellington Station Entry)

Track, signal and overhead work continues and discussions have commenced with KiwiRail drivers regarding the future changes to track layouts.

3.13 Power and signalling system upgrade for new trains

Commissioning of new substations continues with full network commissioning started in April. New track circuits (signals) continue to be rolled out and commissioned across the network.

3.14 Depot upgrade

Major works continue in the new depot area. The roof is on the new building (see below). The wheel lathe building is nearly complete and awaiting the new wheel lathe from Germany. The new train wash is installed and is now cleaning the existing trains. Regular meetings continue to manage operations and shunting movements during construction.



3.15 Response to Public Participation

At the 20 April meeting the Wellington Civic Trust spoke on public transport aspects of its 2040 vision for the future of the central city. The Trust stressed the value of strong partnerships between Greater Wellington, Wellington City Council, bus and rail operators, and government agencies.

The Trust also raised questions about the proposals for the Basin Reserve and in particular the economic analysis that was done. Greater Wellington officers forwarded the concerns to the New Zealand Transport Agency who have responsibility for this project, including the economic analysis. A response has been prepared by NZTA and will be sent to the Trust.

4. Financial report

4.1 Year-to-date operating result overview

The net operating surplus from operations for the Public Transport Division for the ten months ended 30 April 2010 was \$1.8 million compared to the budgeted deficit of \$0.7 million.

Total expenditure on operations was \$67.1 million compared to the budget of \$70.9 million. The most significant variances are:

- Expenditure on rail operations is \$21.6 million compared to the budget of \$20.7 million. Rail patronage has declined which has increased the subsidy required to operate passenger rail services.
- Diesel bus operating contract expenditure is \$24.3 million compared to the budget of \$27.7 million. Budgeted inflation payments to bus operators were based on a projection of the NZTA index which included oil at \$NZ65 a barrel and the \$NZ/\$US exchange rate at \$0.60. In the year-to-date, oil prices have been higher than projected but these have been more than offset by a higher than expected exchange rate. In addition, the commercial registration of some Hutt Valley services has reduced the costs of services (effective from the 1st February 2010).
- SuperGold card expenditure for the ten months was \$4.1 million compared to the budget of \$3.3 million. This scheme is 100% funded by NZTA and NZTA have approved expenditure of \$4.7 million for 2009/10.
- Expenditure on Real Time Information operations is \$48,000 compared to the budget of \$0.5 million. The year-to-date expenditure reflects the contract that was signed on 4 September 2009.
- Bus shelter, carpark and station maintenance and security expenditure is \$1.3 million compared to the budget of \$1.7 million. Savings are expected for the full year and \$365,000 will be rebudgeted to 2010/11 for the Pomare and Petone car park developments.
- Design and development expenditure was \$0.3 million below budget. A number of projects commenced in the second half of the year. These

projects include the Disability Programme, the Wellington Bus Review, and the development of a bus-stop and bus-shelter consultation/installation process. Planned expenditure on the Regional Public Transport Plan and initial work on Integrated/Electronic Ticketing will be rebudgeted to 2010/11.

- Marketing and communications expenditure was \$0.2 million below budget. A number of items are planned for the last quarter of the year including the annual market survey and promotion of the new website (and mobile phone website) after it goes live.

Total revenue from operations was \$68.9 million compared to the budget of \$70.3 million. Grants and subsidies revenue is \$2.0 million under budget reflecting the overall reduction in operational expenditure and SuperGold card revenue is \$0.7 million over budget because of higher number of SuperGold card passengers.

If operating costs and revenues associated with capex are also included, then the overall operating deficit is \$4.3 million compared to the budgeted deficit of \$6.7 million. The decreased deficit is because of changes to the timing of capex and improvement projects, primarily passenger rail infrastructure upgrades and the new Matangi trains.

A detailed operating results table is included below.

4.2 Forecast full year operating result

The full year forecast net operating surplus from operations is \$1.2 million compared to the budgeted deficit of \$0.9 million.

Total expenditure on operations is forecast to be \$81.9 million compared to the budget of \$85.3 million. The main drivers of this change in the forecast are:

- Rail operations expenditure is forecast to be \$26.0 million which is \$1.1 million above budget. This forecast is based on figures supplied by KiwiRail in March which show a significant decline in patronage and some increase in expenditure. KiwiRail have recently advised us that their full year forecast expenditure has increased by \$1.0 million because of additional electricity and bus replacement costs. This increase in cost is not reflected in our full year forecast.
- Diesel bus contract expenditure is forecast to be \$29.3 million which is \$4.1 million below budget. This forecast reflects:
 - A forecast reduction in payments to operators of \$2.9 million for ‘inflation’ on contractual payments (this is dependant on the price of oil and the US\$/NZ\$ exchange rate remaining at current levels)
 - Forecast savings of approx \$1.2 million following the commercial registration of some Hutt Valley services.

- Trolley bus operations expenditure is forecast to be \$7.3 million which is \$0.3 million above budget. The trolley bus operations contract price reset for 2009/10 is \$0.1 million more than budget and the cost of maintaining the trolley bus overhead wires is expected to be \$0.2 million more than budget.
- SuperGold card expenditure is forecast to be \$4.7 million which is \$0.7 million above both Greater Wellington's budget and the New Zealand Transport Agency (NZTA) original approved expenditure limit. NZTA is reviewing the scheme with findings expected later this year. NZTA has approved \$700,000 of additional funding in 2009/10.
- Real Time Information operational costs are forecast to be \$145,000 which is \$0.5 million less than budget. This reflects the timing of expenditure in the Real Time Information Project contract which was signed on 4 September 2009.
- Bus shelter, carpark, station and signage expenditure is forecast to be on budget. However recent delays mean that items will need to be rebudgeted to 2010/11. These include \$245,000 to fund the development of an overflow carpark at Petone and \$120,000 to fund the Pomare carpark development. These are not yet reflected in the forecast expenditure.
- Full year savings of \$161,000 are expected for design and development projects. Some of this will be rebudgeted to 2010/11 including \$45,000 for the Regional Public Transport Plan and \$56,000 for initial work on Integrated/Electronic Ticketing.
- Full year savings of \$160,000 are expected for customer services. There has been a reduction in branding and promotional expenditure reflecting the increased emphasis on providing customer information.

Revenue from operations is forecast to be \$83.0 million compared to budgeted revenue of \$84.4 million. Forecast grants and subsidy revenue (excluding SuperGold card) is anticipated to be \$1.9 million below budget. This is because of overall forecast reductions in expenditure. SuperGold card revenue is forecast to be \$0.7 million above budget.

When capital and improvement projects are taken into account, the overall forecast operating position becomes a deficit of \$7.4 million compared to the budgeted deficit of \$8.9 million.

4.3 Detailed net operating result for the division

Detailed actual and forecast operating results for the division are:

**Public Transport Group
Financial Performance by Programme for the Period Ended 30 April 2010**

	Year To Date				Full Year			
	Actual \$000	Budget \$000	Variance \$000	Variance %	Forecast \$000	Budget \$000	Variance \$000	Variance %
Revenue								
Rates Revenue	30,368	30,368	0 F	0%	36,442	36,442	0 F	0%
Grants & Subsidies	33,862	35,862	2,000 U	-6%	41,230	43,126	1,896 U	-4%
Grants & Subsidies - SuperGold Card	4,046	3,333	713 F	21%	4,700	4,000	700 F	18%
External Revenue	356	449	93 U	-21%	388	539	151 U	-28%
Investment & Other Revenue	117	122	5 U	-4%	147	147	0 F	0%
Internal Revenue	116	116	0 F	0%	139	139	0 F	0%
Total Revenue	68,865	70,250	1,385 U	-2%	83,046	84,393	1,347 U	-2%
Expenditure								
Rail Operations	21,555	20,729	826 U	-4%	26,027	24,940	1,087 U	-4%
Diesel Bus Operating Contracts	24,283	27,726	3,443 F	12%	29,271	33,375	4,104 F	12%
Trolley Bus Operations	5,937	5,868	69 U	-1%	7,295	7,042	253 U	-4%
Ferry Operating Contract	219	237	18 F	8%	254	286	32 F	11%
SuperGold Card	4,070	3,333	737 U	-22%	4,700	4,000	700 U	-18%
Real Time Information Operations	48	542	494 F	91%	145	650	505 F	78%
Shelter, Carpark, Station & Signage	1,287	1,733	446 F	26%	2,086	2,081	5 U	0%
Wellington Interchange Payments	514	514	0 F	0%	617	617	0 F	0%
Procurement Studies	160	167	7 F	4%	189	200	11 F	6%
Total Mobility Scheme	1,646	1,728	82 F	5%	2,048	2,073	25 F	1%
Procurement	59,719	62,577	2,858 F	5%	72,633	75,264	2,631 F	3%
Design and Development Projects	44	346	302 F	87%	254	415	161 F	39%
Design & Development	44	346	302 F	87%	254	415	161 F	39%
Marketing & Communications	134	324	190 F	59%	283	389	106 F	27%
Systems & Information	482	539	57 F	11%	593	647	54 F	8%
Service Centre External Costs	130	146	16 F	11%	175	175	0 F	0%
Customer Services	746	1,009	263 F	26%	1,051	1,211	160 F	13%
Total Project Expenditure	60,509	63,932	3,423 F	5%	73,938	76,890	2,952 F	4%
Admin	6,410	6,805	395 F	6%	7,733	8,168	435 F	5%
Non-Cash Items	84	99	15 F	15%	120	120	0 F	0%
Other	90	94	4 F	4%	105	108	3 F	3%
Total Expenditure	67,093	70,930	3,837 F	5%	81,896	85,286	3,390 F	4%
Net Operating Surplus/(Deficit) from Operations	1,772	-680	2,452 F		1,150	-893	2,043 F	
Total Revenue associated with Capex Improvement Project Expenditure	64,359 70,477	114,999 121,041	50,640 U 50,564 F	-44% 42%	88,780 97,347	145,941 153,969	57,161 U 56,622 F	-39% 37%
Net Operating Revenue & Costs associated with Capex	-6,118	-6,042	76 U	1%	-8,567	-8,028	539 U	7%
Net Operating Surplus/(Deficit)	-4,346	-6,722	2,376 F		-7,417	-8,921	1,505 F	

4.4 Capital expenditure and improvement projects

Year-to-date capital and improvements project expenditure is \$71.5 million compared to the budget of \$128.8 million. A change to the timing of payments on the new Matangi trains and on rail infrastructure upgrades are the main contributors to this variance. There is also reduced expenditure on rail rolling stock heavy maintenance, the Ganz Mavag prototype, trolley bus infrastructure renewals, bus shelter upgrades and on the real time information project.

The full year capital and improvement expenditure forecast is \$99.5 million compared to the budget of \$163.4 million. The main differences are delays to the timing of payments on the new Matangi trains, rail infrastructure upgrades, the real time information project and Ganz Mavag prototype/refurbishment. To a lesser extent, these are offset by an increase in forecast trolley bus infrastructure renewals.

A detailed capital expenditure and improvement projects table is included below.

Capital expenditure and improvement project expenditure is funded by a mix of NZTA and Ministry of Transport grants and internal loan funding. Consequently, delay or deferral of these projects has only a minor effect on the overall funding position of the division.

**Public Transport Group
Improvement Projects and Capital Expenditure for the Period Ended 30 April 2010**

	Year To Date				Full Year			
	Actual \$000	Budget \$000	Variance \$000	Variance %	Forecast \$000	Budget \$000	Variance \$000	Variance %
Improvement Projects (Opex)								
Rail Infrastructure Upgrades	52,824	70,845	18,021 F	25%	70,566	85,052	14,486 F	17%
Rail Rolling Stock Heavy Maintenance	2,147	3,120	973 F	31%	3,742	3,742	0 F	0%
Capacity Rail Rolling Stock	0	0	0 F	0%	0	0	0 F	0%
New EMU Related Expenditure	12,945	43,527	30,582 F	70%	18,992	60,356	41,365 F	69%
Ganz Mavag Prototype	637	1,581	944 F	60%	1,269	1,957	689 F	35%
Ganz Mavag Refurbishment/Purchase	0	1	1 F	100%	0	502	502 F	100%
Trolley Bus Infrastructure Renewals	1,585	1,838	253 F	14%	2,377	2,206	171 U	-8%
Other Projects	339	129	210 U	-163%	402	154	247 U	-160%
Improvement Project Expenditure	70,477	121,041	50,564 F	42%	97,347	153,969	56,622 F	37%
Capital Projects								
Real Time Information	813	4,042	3,229 F	80%	1,594	4,850	3,256 F	67%
Bus Shelter Upgrades	0	208	208 F	100%	250	250	0 F	0%
Total Mobility Systems Devt	169	233	64 F	27%	309	350	41 F	12%
Rail Infrastructure Upgrades	0	3,167	3,167 F	100%	0	3,867	3,867 F	100%
Other Capex	0	63	63 F	100%	0	75	75 F	100%
Capital Expenditure	982	7,713	6,731 F	87%	2,153	9,392	7,239 F	77%
Total Asset Acquisition	30	32	2 F	6%	29	32	3 F	9%
Asset Additions	30	32	2 F	6%	29	32	3 F	9%
Improvement Projects and Capital Projects	71,489	128,786	57,297 F	44%	99,529	163,393	63,864 F	39%

4.5 Funding

The year-to-date funding surplus above budget (shown as an increase in reserves instead of the planned decrease) is \$2.8 million. The forecast full year funding surplus above budget (decreased transfer from reserves) is \$2.4 million.

The increase in expenditure now being forecast by Kiwirail would reduce the forecast full year funding surplus above budget to \$2.0 million.

5. Communication

No communications are required.

6. Recommendations

That the Committee:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Approves Officers entering into preliminary discussions with relevant land owners for the potential purchase of commuter car parking land at Tawa and Paraparaumu.*

3. *Notes that Council must approve any land purchase.*

Report prepared by:

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