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Report to the Passenger Transport Committee
From Dr D J Watson, Division Manager Transport

Other Matters of Interest – April/May 2002

1. Purpose

To keep the Committee informed of any matters of interest which are not raised elsewhere in the order paper.

2. Financial Performance

Attached is a summary of the Division's financial position as at 30 April 2002 (**attachment 1**). Overall, the Division has a favourable financial variance of \$645,000. This is primarily due to:

- A \$343,000 favourable variance as a result of Transfund's contribution for expenditure over the 2000/01 Regional Programme. This amount was included as a contingent asset in the 2000/01 accounts, as it was not sufficiently certain to be accrued.
- A \$297,000 favourable variance with kickstart services having commenced later than planned as a result of delays in the Transfund approval process

3. Annual Plan Performance Indicators

The annual plan performance indicators are expected to be achieved, with the exception of those associated with the production of timetables. Costs will be above budgeted levels due to the need to include the new kickstart services on timetables.

4. Patronage Information and Revenue

Patronage revenue of \$1,350,000 was budgeted for the 9 months ended 31 March 2002. Returns from operators equate to actual patronage revenue of \$1,654,117 for the 9 months ended 31 March 2002.

Patronage revenue is earned in four categories of measurement:

- increase in passenger boardings in peak period
- increase in passenger kms in peak period
- increase in passenger boardings in off peak period
- increase in passenger kms in off peak period.

Increases are measured in relation to the baseline data. The baseline data represents the passenger numbers and kms on the Wellington network for the 99/00 year.

Table 1 – Summary of Patronage Revenue by payment category to 30.03.02

Category	Patronage Rate	Patronage Increase	Patronage Increase %	Patronage Revenue
Peak Boardings	\$1.05	+254,584	+ 2.3%	+ \$267,313
Peak Kms	\$0.17	+ 4,324,891	+ 2.6%	+ \$735,232
Off Peak Boardings	\$0.15	+819,822	+ 8.4%	+ \$122,973
Off Peak Kms	\$0.06	+8,809,983	+ 8.7%	+ \$528,599
Total				+ \$1,654,117

Table 2 below further analyses the patronage % increases within the region.

Table 2 – Patronage Growth %s by major area grouping

Area Grouping	Peak Boardings	Peak Kms	Off Peak Boardings	Off Peak Kms
Rail	+ 1.8%	+ 3.1%	+ 4.4%	+ 6.8%
Buses – Wellington	+ 1.8%	+ 2.2%	+ 5.3%	+ 7.2%
Buses – Newlands to Kapiti	+ 15.7%	+ 19.5%	+ 31.9%	+ 34.0%
Buses - Hutt Valley	- 3.9%	- 7.6%	+ 12.8%	+ 10.3%

Two major points can be made from the figures:

- We have achieved strong growth in all areas where kickstart services have been introduced.
- The decline in peak patronage in the Hutt Valley justifies the current review of Hutt Valley services.

5. Visitors

On 22 March 2002, Mr John Kirk, Executive Director of the Australasian Railway Association visited with Mr David Hill, their research officer. Dr Murray King, formerly Tranz Rail Limited, was their local guide. The Australasian Railway Association (ARA) is akin to the New Zealand Bus and Coach Association. It

provides research and advice to its members and is seen as the rail lobbyist in Australia and presumably now in New Zealand. Previously Tranz Rail Limited had their own staff position of corporate lobbyist. We might well be hearing much more about and from the ARA in the future.

On 24 March 2002, Mr Lyndon Rees, Managing Director of Citybus Limited, Hong Kong and his engineer, Mr John Blay, paid a visit. Mr Ross Martin of Stagecoach attended. They were in New Zealand to look at the Christchurch electric buses. Hong Kong is suffering severe air pollution. Alternative fuels for buses are seen as a true option. Citybus built a double deck, air conditioned, trolley bus. This operates on a test track at their main depot. They would like to test the bus in service over several months. They are thinking about bringing it down to Wellington. Hong Kong moved about two years ago to a fully integrated electric ticketing system named octopus. Almost 85% of users now carry electronic smart cards. This has improved bus boarding times and reduced over riding. Their system logs people on and off the bus.

Brian Souter, Chairman of Stagecoach International, paid one of his regular six monthly visits to New Zealand and the Council on 23 May 2002. I discussed with him the trolley bus proposal mentioned above and the refurbished single deck trolley bus coming from Ashburton. We also talked about how to improve bus patronage in the Hutt Valley.

Jennifer Dorn, from the Federal Transit Administration of the USA, came on 29 May as part of her visit to New Zealand sponsored by the American Embassy as part of the International Symposium on Competitive Bidding for Transit Services held in Wellington on 30 May 2002. She and five others from her contingent spent about one hour learning about our experiences with competitive tendering and the roles of different New Zealand agencies.

6. Meetings

6.1 Hutt City Council – Petone Railway Station

Cr Turver and I spoke at the Hutt City Council meeting held on 21 May 2002 regarding ownership of the Petone Railway station building once it was rebuilt. The Hutt City Council then dealt with this item on the agenda and agreed to become temporary owners of the station as long as the Regional Council took ownership as soon as it was legally possible to do so. As a consequence we are currently working with Tranz Rail and the NZ Railways Corporation to have the land under the proposed station vested in Hutt City Council.

6.2 Wellington City and Regional Councils, Newlands Coach Services and Stagecoach Wellington Quality Partnership Agreement meeting (QPA)

Two three-monthly QPA meetings have been held since the last Committee meeting, on 13 March and 12 June. Work is being undertaken to refresh the current Quality Partnership Agreement and include Mana/Newlands.

7. Audit New Zealand Review

Audit New Zealand were hired to undertake a management processes review of the Division. They have reported back saying that the Division is in good health but needs to undertake some work in a few important areas. In particular the knowledge of the

Division is retained by just a few people and this needs to be formalised in documentation. Also though the Council currently cannot own public transport infrastructure it should prepare asset management plans for the infrastructure it funds to ensure appropriate maintenance and refurbishment regimes. Both these areas will be addressed over the next year.

8. Public Transport Infrastructure

8.1 Lambton interchange

This project has been dogged with a series of funding issues. Once the Council, reluctantly, agreed to the terms and conditions linked to the funding from Transfund New Zealand it was expected that the funding issues would be over. Two matters however caused concern but now appear to be resolved. The first related to the “kick-start” elements of the project, primarily the pedestrian canopies that link the facility with the CBD. The project had been delayed while the Council sought a more appropriate level of funding for the project from Transfund. This delay meant that some “kick-start” elements would not be completed by 1 July 2002 and hence under the “kick-start” funding scheme would receive only 40% Transfund support rather than the 60% supplied if they had not been delayed. Letters between the Chairperson of the Council and Transfund have resolved that issue.

The second matter relates to the patronage funding claw back provisions and Transfund’s requirement for interest to be paid on any outstanding claw back amount at the end of each year. The Auckland Regional Council had a legal opinion suggesting that Transfund could not impose an interest charge. The ARC pursued this issue at a meeting with the full Transfund Board. It is understood that the ARC position has been rejected and that the ARC are to concede on the matter of interest. We have recently agreed to finalise the annual claw back payment rate with Transfund, it will be \$109,464 a year for twenty years.

8.2 Woburn/Waterloo carpark extensions

Work on extending these carparks began in February and is now almost completed. At Woburn, an extra 58 spaces have been created and at Waterloo both carparks on the eastern side have been extended creating 50 additional spaces.

8.3 Tawa/Ngaio carpark

Work on this contract began last week and will see 40 additional spaces and a stair extension to the footbridge created at Tawa station, and the current Ngaio park and ride site extended by 22 spaces. This contract also includes ramping the bus layover area in the Johnsonville Mall to provide room for 3 full sized buses to layover out of the busy traffic flow.

8.4 Johnsonville commuter carparking

A contract has just been let for the provision of 35 new parking spaces off Moorefield Road, and a further 18 new spaces within the existing carpark at the southern end of the railway station platform. Work will commence shortly.

8.5 Wellington bus lanes

Committee members will have read or heard about the opening of three bus lanes in Wellington City on 10 June 2002. The lanes are on Chaytor Street, Karori (operates 24 hours, 7 days a week), Adelaide Road (weekdays 7 am - 9 am) and Kaiwharawhara Road (weekdays 7 am – 9 am). The Chaytor Street bus lane has been painted green and the road way is marked in white with the words “bus lane”. The others, being morning peak only, only have the white road marking “bus lane”. All the promotional material produced to inform the public, prior to the lanes opening, was clearly identifiable as coming from both the City and Regional Councils.

The Chaytor Street bus lane being painted green has caused less confusion with other road users and is working as expected. The other lanes have yet to settle down as both bus and car drivers had problems on the first few days of operation. All the lanes are on trial for a year. If the trial is successful it will lead to other lanes being formed across the city at key ‘bus’ congestion points. The Regional Council is funding the costs of the bus lanes with some support from Transfund.

9. Land Transport Legislation

It had been understood that the first of two bills dealing with changes to Land Transport management and funding should be introduced into Parliament this month. Local Government New Zealand had organised a Forum for 25 June to consider it. The announcement of a 27 July election means that any transport legislation will now await the outcome of that election. LGNZ can be expected to postpone their 25 June forum to a later date.

10. Staff Changes

Rochelle Thomson started last month on the Transport Division reception desk. She is assisting Chrissy Dowland with Total Mobility issues and Andrea McColl with general administration duties. If you ring or visit the Division you are likely to make contact with Rochelle.

11. Communications

There is nothing to communicate.

12. Recommendation

That the report be received.

DAVE WATSON
Divisional Manager, Transport

Attachments:

- 1- Summary of division’s financial situation as at 30 April 2002**