

## **Procurement Manager's Report for period ending 15 June 2007**

### **1. Rail rolling stock (Patrick Chu)**

#### **1.1 Wairarapa passenger cars**

Trainset one (4 carriages) was successfully launched on 14<sup>th</sup> May 2007 with national and local government politicians as well as the rail industry being well represented. Trainset one entered service later that week, but did not stop at Matarawa and Renall Street stations whilst necessary platform modifications were being completed.

There have been some production delays at Toll's Hillside factory with regard to the delivery of the remaining carriages. On behalf of GW, Halcrow has completed a review of the programme and production management and has obtained commitment from Toll to implement mitigation measures. The whole fleet of trains is still due to be in service by the end of December 2007.

The next 3 passenger carriages were delivered to Wellington on 11 June 2007 and entered service on 19 June 2007. These carriages were added to the existing 4 carriages to make one long train. This means the new carriages have changed their running position in the timetable.

The next two carriages are due in the middle of July 2007 at which time the carriages that have already been delivered and these next carriages will be split to make two trains. This will mean that only one peak service will be provided by older rolling stock.

#### **1.2 New Electric Multiple Units (EMUs)**

All the three tenderers submitted their tender proposals on the closing date, ie, 8 May 2007. Over the period 9 to 10 May 2007 the tenders presented a summary level overview of their tender submission to the GWRC evaluation group. The purpose of the presentations was to allow the tenderers the opportunity, before GWRL commence evaluation, for Tenderers to introduce the fundamentals of their conforming offer and rationale of submitted alternatives.

Tender evaluation commenced on 10 May 2007. A number of Request For Clarification (RFC) have been issued to the tenderers, both on technical and commercial issues. The evaluation is anticipated to be completed by end June 2007, and negotiation with a preferred tenderer to commence shortly after that.

Contract award is targeted for the end August 2007.

## 2. Rail strategy (Angus Gabara)

### 2.1 Regional Rail Plan (RRP)

A Steering Group will be formed from the main funding parties and development agencies, and will comprise Land Transport NZ, GW, Ministry of Transport, ONTRACK, and Toll NZ. The group will be made of nominees who have extensive local knowledge of the project and who fully understand its strategic nature at both regional and national level. The main objective of the Group will be to provide a high level 'sounding board' to the GW Project Team. It will also allow each representative to report to their respective organisations on the progress of the RRP. This will ensure that there will be no surprises regarding the content and direction of the outcomes.

The Steering Group will work within an agreed Terms of Reference. The Terms of Reference for the RRP has been drafted and will be issued to Steering Group for review by end June 2007.

#### *Purpose and Scope*

The overall purpose of the RRP will be to explain and demonstrate how individual rail projects, and their implementation, fit within the strategy for the development of rail passenger transportation during the next 10 years. In addition it will indicatively explore future enhancements to the passenger rail network over the next 30 years.

The RRP programme will cover development of the commuter rail network with planning timeframes of 5, 10 and 30 years.

The RRP will be constructed in such a way that it consistent with and delivers the objectives of the Regional Land Transport Strategy (RLTS) and Regional Passenger Transport Plan (RPTP).

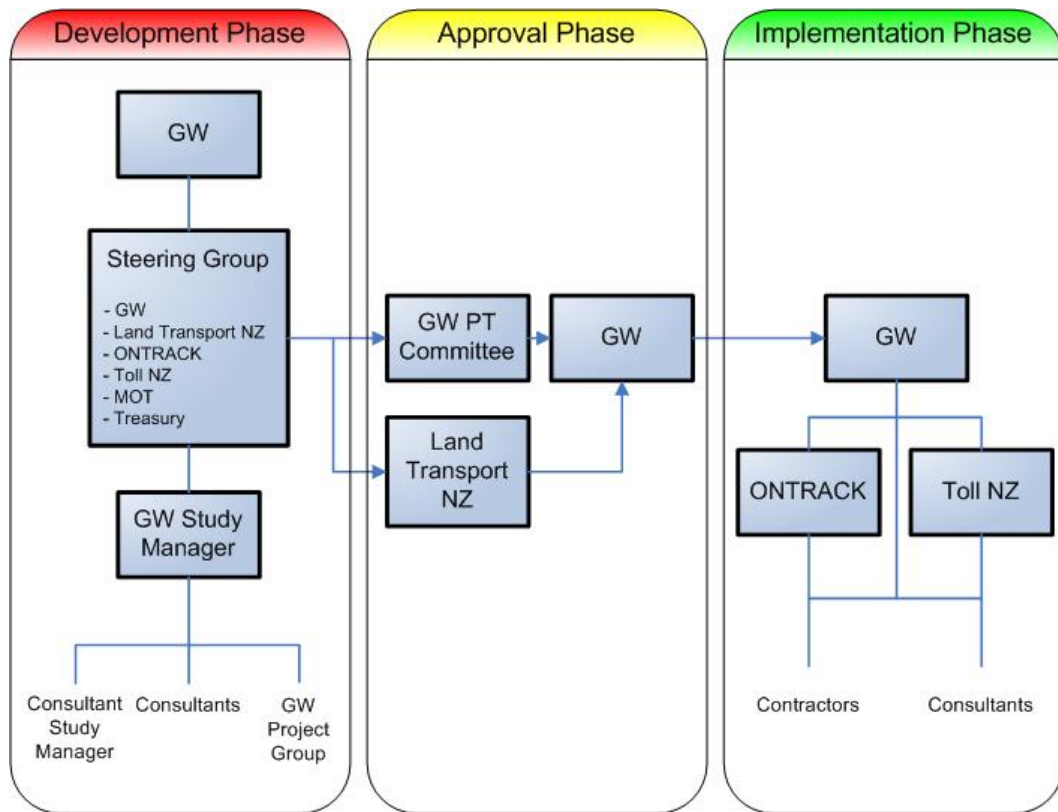
The RRP will be constructed from three distinct but interrelated documents, to be agreed with Land Transport NZ, these being:

- **Business Case** – which will encompass the review and evaluation of a number of proposed Service Level Specification (SLS) Scenarios.
  - **Base Case** – Do minimum (patronage to the committed capacity limit)
  - **15 Minute Peak Service Frequency**
  - **10 Minute Peak Service Frequency**
  - **Future expansion of rail network and services**
- **Funding Plan** – that will determine the requirements for CAPEX and OPEX funding, additional future requirements, implications for funding

bodies and risk management arrangements. The plan will support a medium term to long term funding package.

- **Implementation Plan** – which will consider and propose the overall approach to the implementation of the rail upgrade including work packages, consents, stakeholders, capability and capacity of the NZ market and procurement arrangements.

*Proposed Regional Rail Plan Governance Structure*



*Indicative Programme*

<b>Deliverables</b>	<b>Milestone</b>
Terms of Reference for the production of the RRP	July 07
First meeting of Steering Group	July 07
Monthly Progress Reports	End of Each Month
Project Working Papers (for each of the Service Level Specifications including model outputs, Economic Evaluation, Gap Analysis)	Dec 07

Draft Business Case (for review, comment and approval);	Mar 08
Draft Funding Plan (for review, comment and approval);	Mar 08
Draft Implementation Plan (for review, comment and approval);	Apr 08
Risk Register (for the Wellington passenger transport rail network Development Programme);	Mar 08
Peer Review Reports	Periodic
Final Version RRP (for Approval / Endorsement);	June 08

## 2.2 Western corridor implementation

A funding application, including a economic analysis, for double tracking and electrification to Waikanae, has been prepared for submission to the Land Transport NZ July Board meeting. The application also seeks approval for a Competitive Pricing Procedure allowing GW to enter into a funding agreement with ONTRACK for consultancy and contractor services.

The Request for Tender (RFT) for the Kapiti Stations Construction Design study is being finalised and is due for release in June. There will be strong links between this study and Transit NZ State Highway 1 (SH 1) Kapiti Strategic Study, with each agency represented on the others Advisory / Reference Group. The purpose of the Advisory / Reference Group is to facilitate dialogue between stakeholders.

GW transport officers attended the KCDC facilitated Waikanae Town Centre Design Workshops on 8 and 9 June. GW's rail plans and Transit's SH 1 plans will be hugely relevant to this community plan.

On the 18 July GW officers will make a presentation to KCDC Councillors on the progress to date on the rail Western Corridor projects.

## 3. Transport infrastructure (Richard Noakes)

### 3.1 Commuter Car Parks

#### 3.1.1 Epiha street commuter carpark extension

The opening of 57 new park and ride spaces at Paraparaumu has been delayed by the contractor experiencing compacting problems on site, parts of the new site are to re-excavated and re-laid. Completion is now expected by the end of June.

### 3.1.2 Petone commuter carparks

Work continues by GW officers to progress the new 42 space commuter carpark on the Hutt road south of Petone station. Changes to the original proposed layout requested by ONTRACK have now been completed but issues still remain around leasing arrangements from ONTRACK. It is now planned to carry this work forward to the new financial year to coincide with the upgrade of SH2.

Upgrade work to SH2 Dowse to Petone is due to begin in August 2007. GW Officers are attending regular meetings with Transit and Hutt City Council to

assist in providing contingency plans for potential traffic congestion which may exist during the interchange construction. The first phase of construction will include the development of the old Chep site into a replacement car park as the existing main car park will be used for the road widening. The Chep site development will provide the same number of car parking spaces that were already provided at Petone station. GW officers are still to establish if further space is available for additional car parking developments.

### 3.1.3 Plimmerton

GW officers are in contract negotiations with ONTRACK for the extension to the Plimmerton subway and associated works. Design and construction will be managed by ONTRACK and work is now expected to start late July 2007.

## 3.2 Bus Stop Facilities

### 3.2.1 Metlink CBD signage

Tender documents are expected to be released for the manufacture of 17 CBD units at the end of June. Installation of the remaining 17 units between Wellington Interchange and Coutenay Place is expected to be completed by end November 2007. A total of 21 units will then be in place throughout the centre of Wellington.

### 3.2.2 Days Bay Wharf Shelter

Days Bay wharf Eastbourne will see the erection of a new passenger shelter which has been designed in line with heritage and local requirements. Hutt City Council will oversee the project and completion is expected by the end of June 2007.

### 3.2.3 Upper Hutt Bus Shelter and Subway Maintenance

GWRC has awarded a contract for the continued cleaning and maintenance of the 36 bus shelters and 2 subways located in Upper Hutt (the contract was previously awarded and managed by UHCC). The contract is a temporary measure until a review of the region's bus shelter needs is completed.

### **3.3 Rail Stations Facilities**

#### **3.3.1 Wairarapa platforms**

Matarawa station was opened to the public on 7 June and is now in full operation.

Work at Renall Street is progressing well and it is anticipated that the station will re-open to the public in early July (weather permitting).

The stabling compound in Masterton for the new trains has been delayed up to two weeks due to track bedding problems and is now due for completion at the end of June. Masterton station is the first of four stations that now has a fully operational CCTV system, platform, depot and car park.

Works on all other stations is progressing well, with all works due to be complete by the end August.

#### **3.3.2 Security Patrols and CCTV coverage**

A review of current security arrangements for both stations and commuter car parks is being undertaken by GW officers along with security consultants STOKS Ltd. The review is intended to provide better information on crime statistics throughout the region's transport network and to improve on security patrols. CCTV coverage is also being reviewed and a priority program of installations is to be produced.

### **3.4 Asset management**

#### **3.4.1 Asset management plan**

The first draft of the asset management plan compiled by GHD is currently being reviewed by GW officers.

#### **3.4.2 Asset management system**

Public Transport officers are participating in the corporate assessment of asset management systems.

A list of detailed functions, requirements and capabilities has now been demonstrated by several companies. Four follow up sessions have been arranged for the preferred system to be discussed and demonstrated in greater detail before the tender is awarded.

## **4. Contract & Quality update (Rob Braddock)**

### **4.1 Bus Services**

#### **4.1.1 Bus Capacity Issues**

GW officers are continuing to investigate requests for additional school bus services in Wellington City. A number of these requests seem to be due to the fact that whilst many schools are close to one another geographically, they have significantly different start and finish times. This is particularly prevalent in the Basin Reserve area and may not necessarily be capacity related.

#### **4.1.2 Wairarapa Bus Services**

We are pleased to announce that negotiations are complete with Wairarapa Coachlines over provision of Wairarapa bus services and that negotiations with one other operator are very close to being finalised.

We can now look forward to much improved services commencing 30 July 2007 including:

- Super-low floor buses with wheelchair access on all routes
- Increased service levels including new weekend services between Featherston and Masterton and an increase from 2 days to 5 days per week for Masterton town services
- Connections with all Wairarapa trains at Featherston serving Carterton, Greytown and Masterton. This includes weekend and late services
- Integrated ticketing between bus operators

#### **4.1.3 Petone Bus Services**

Following a proposal from the Lower Hutt Police's Community Policing Division and discussions with management at Cityline Hutt Valley, GW will be proposing to NZ Bus Ltd a change to the Route 130 service (operating between Petone, Lower Hutt and Naenae). The proposed change will involve redirection of all trips from Jessie Street into Schofield Street, Petone. The purpose of this is to serve the housing estates that are situated on Schofield Street and at the eastern end of Jackson Street.

This proposal will remove service from Jessie Street in the off-peak (the peak is still served by Eastbourne bus services to Lower Hutt, Petone and Wellington), however GW have been advised that the bulk of Jessie Street customers are actually residents of Jackson and Schofield Streets. The possibility of serving both streets has been investigated but this has shown to be operationally impractical.





## **Metlink Manager's Report for period ending 15 June 2007**

### **1. Marketing and Information Team (Team Leader – Michelle Smith)**

#### **1.1 New Wairarapa train launch – 14 May**

The launch of the first new Metlink train on the Wairarapa Line was the main focus of activity for the first half of May. Positive feedback was received about the launch from our partners, Toll and Tranz Metro, as well as from MPs, regional Councillors and the media.

The launch was covered by local and regional newspapers as well as by Prime News and TV3 News, and was attended by Transport Minister, Annette King.

#### **1.2 Wairarapa Station upgrades**

Several different leaflets were distributed on the Wairarapa trains in May and early June advising people of station upgrades. The details about the station upgrades changed over time which meant updated leaflets were distributed to train passengers to ensure that they were kept informed.

#### **1.3 Metlink News**

The second issue of Metlink News was distributed in early May through Metlink timetable outlets, as well as Metlink staff handing out the newsletter to commuters at Wellington Station. The print run was increased by 5000 for this issue, to a total of 25,000, to ensure the newsletter reached as wide an audience as possible in the Greater Wellington region.

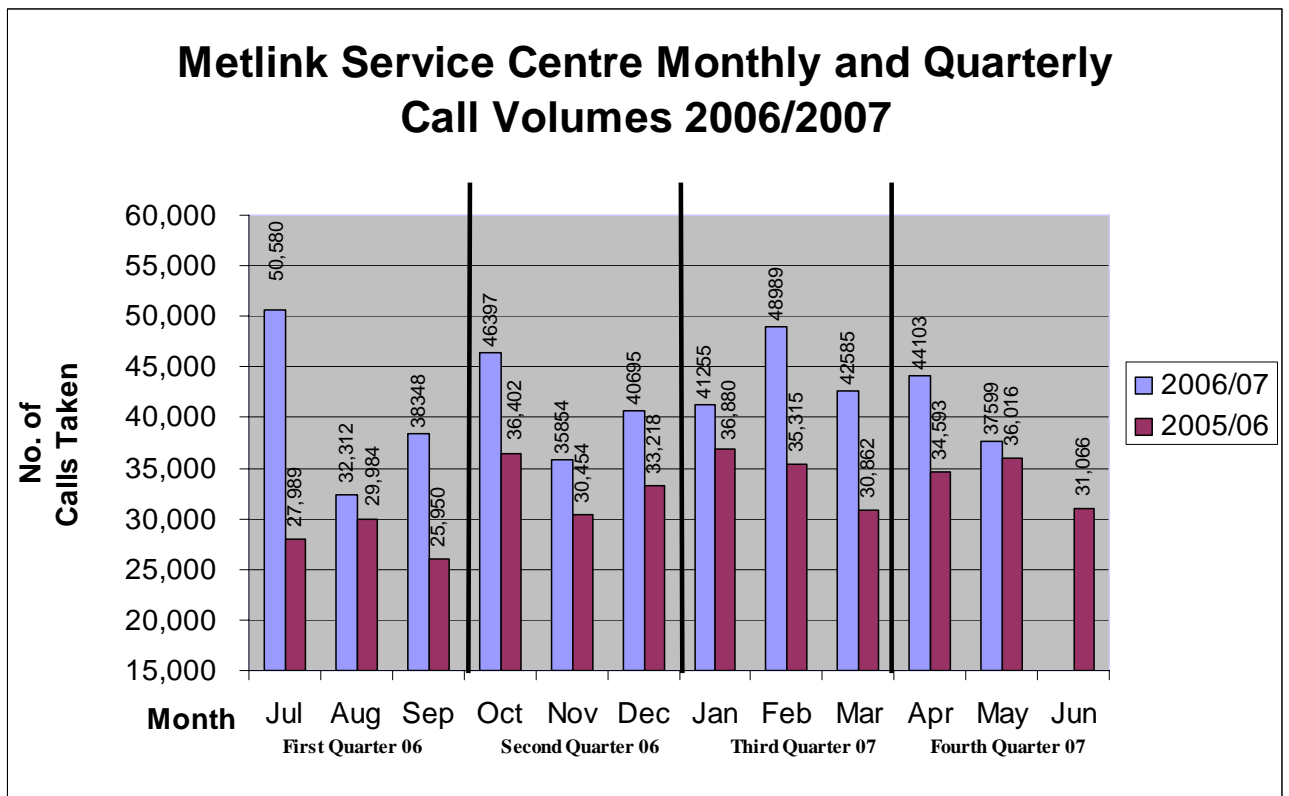
#### **1.4 Metlink City Safari**

This year's Metlink City Safari was another success, attracting nearly 400 people. The orienteering challenge – which has been sponsored by Metlink for the last three years - involved participants reaching checkpoints dotted around Wellington and earning a variety of points. They raced against the clock using public transport and their feet.

Course planner Michael Wood, said: "The event shows that public transport is much better than urban folklore suggests."

Metlink sponsorship involved the design and printing of the promotional leaflets and posters, a highly visible banner at Kilbirnie Park in Wellington and Metlink branded vests for the teams to wear throughout the day.

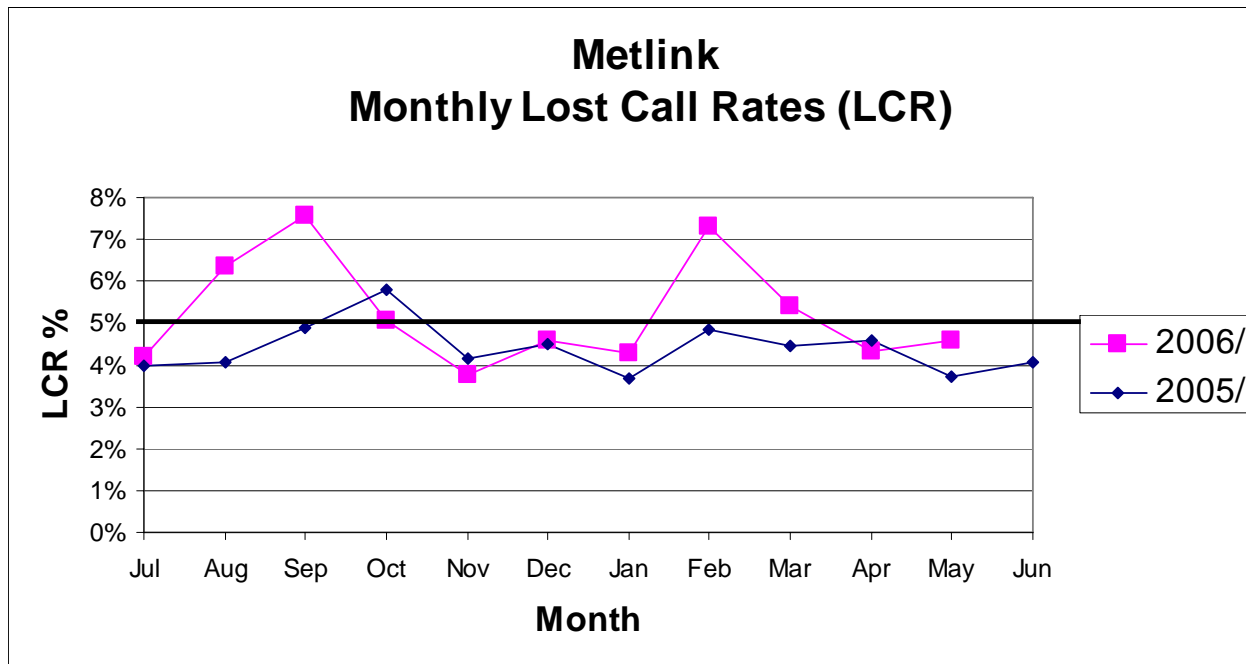
## 2. Metlink Service Centre (Team Leader - Pele Aulavemai)



The table above shows the number of calls taken by the Metlink Service Centre and our out of hours service, comparing this financial year with the last financial year.

The number of calls increased by 27% in April and 4% in May 2007 compared with April and May 2006.

From 3 April, the number of carriages on the Johnsonville Line trains were reduced for several weeks due to essential maintenance, which generated additional calls to the Service Centre. Also, it was extremely busy on 12 April when over 200 metres of overhead wire at Kaiwharawhara came down which meant that no trains operated on the Hutt Valley Line during the morning and afternoon peak times. This resulted in a very high volume of calls from commuters - 2244 calls were taken, twice the daily average.



This table shows the monthly percentage of calls that are unanswered by the Metlink Service Centre due to callers hanging up.

Our aim is to achieve a lost call rate (LCR) of 5% or below. This was achieved in January 2007, however, due to circumstances beyond our control the LCR rate for February was 7.3%. By March this had dropped back to 5.4% and was under 5% for both April (4.3%) and May (4.6%).

## 2.1 Complaints and customer feedback

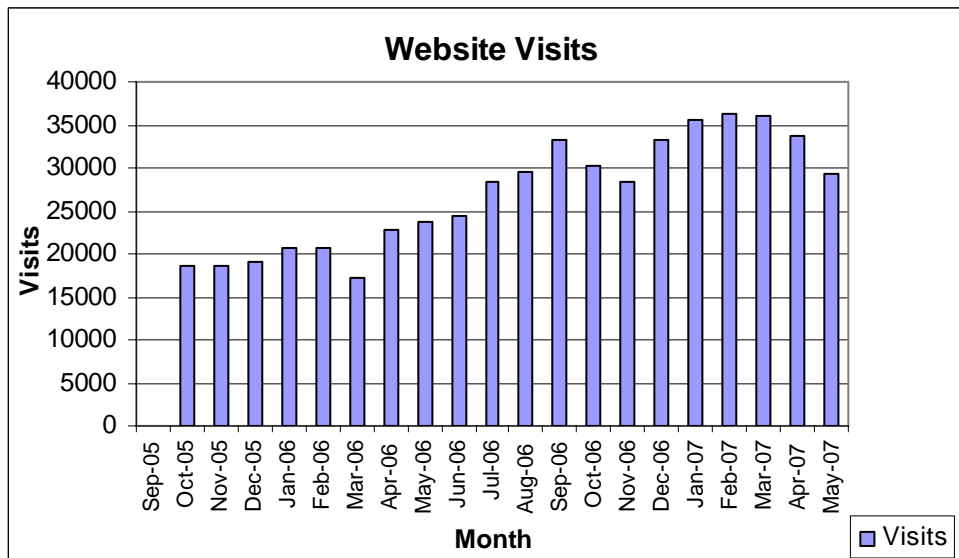
The following table shows customer feedback by type recorded by the Metlink Service Centre during March, April and May 2007.

<b>Customer Feedback by Category</b>			
	<b>March</b>	<b>April</b>	<b>May</b>
Accident	1	0	1
Bus/train broke down	0	0	4
Bus/train overloaded/heavy loading	1	3	10
Bus/train presentation	1	0	4
Dangerous/careless driving	15	11	20
Driver/staff complaint	72	57	109
Driving too fast	2	5	5
Failed to run service	76	70	97
Failed to set down passenger(s)	1	2	4
Failed to uplift passenger(s)	41	31	58
Incorrect Change	2	0	2
Miscellaneous/other	93	43	107
Not stopping	34	30	60
Passenger caught in door	3	1	4

Prams/wheelchairs	0	0	1
Ran early	17	15	28
Ran late	62	24	59
Ran red light	0	1	0
Started before passenger alighted	0	0	0
Started before passenger seated	0	0	1
Ticket discrepancy	7	8	5
Went wrong route	13	2	7
Wrong destination shown	0	2	4
Wrong fare	5	8	5
Wrong route no. shown	1	0	1
<b>Total Complaints</b>	<b>447</b>	<b>313</b>	<b>596</b>
Compliment	3	4	6

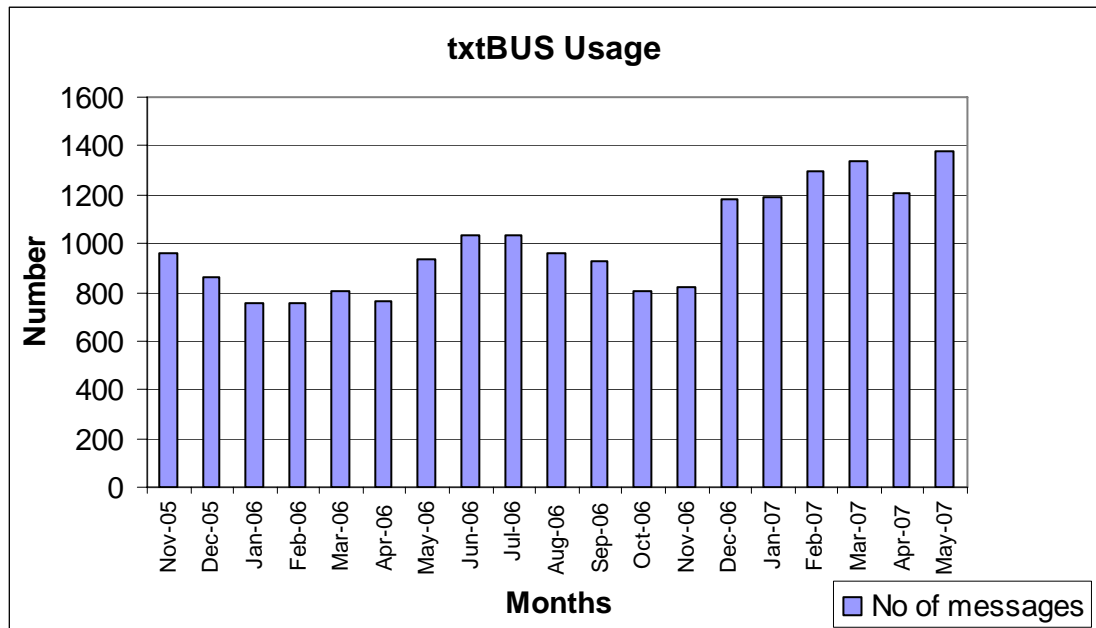
### 3. Information and Systems (Team Leader - Alex Campbell)

#### 3.1 Metlink website



A total of 29,288 website visits were recorded in May 2007, a 24% increase over May 2006.

### 3.2 txtBUS



Use of txtBUS, the text message bus information service, reached a new high in May 2007 with 1379 information requests handled.

### 3.3 Public Transport Contact Management System

Work is continuing on the introduction of a new customer contact management system (CMS) for the recording and tracking customer complaints and feedback. Origen, the software supplier, has completed the initial system set up and configuration and detailed workflows for all types of customer complaint and feedback are currently being established. Initial training with service centre staff will be carried out on 7 July 2007.

Subject to the availability of Origen technical staff, the system is still on track for implementation by 30 June 2007.

## 4. Public Transport Patronage (Alex Campbell)

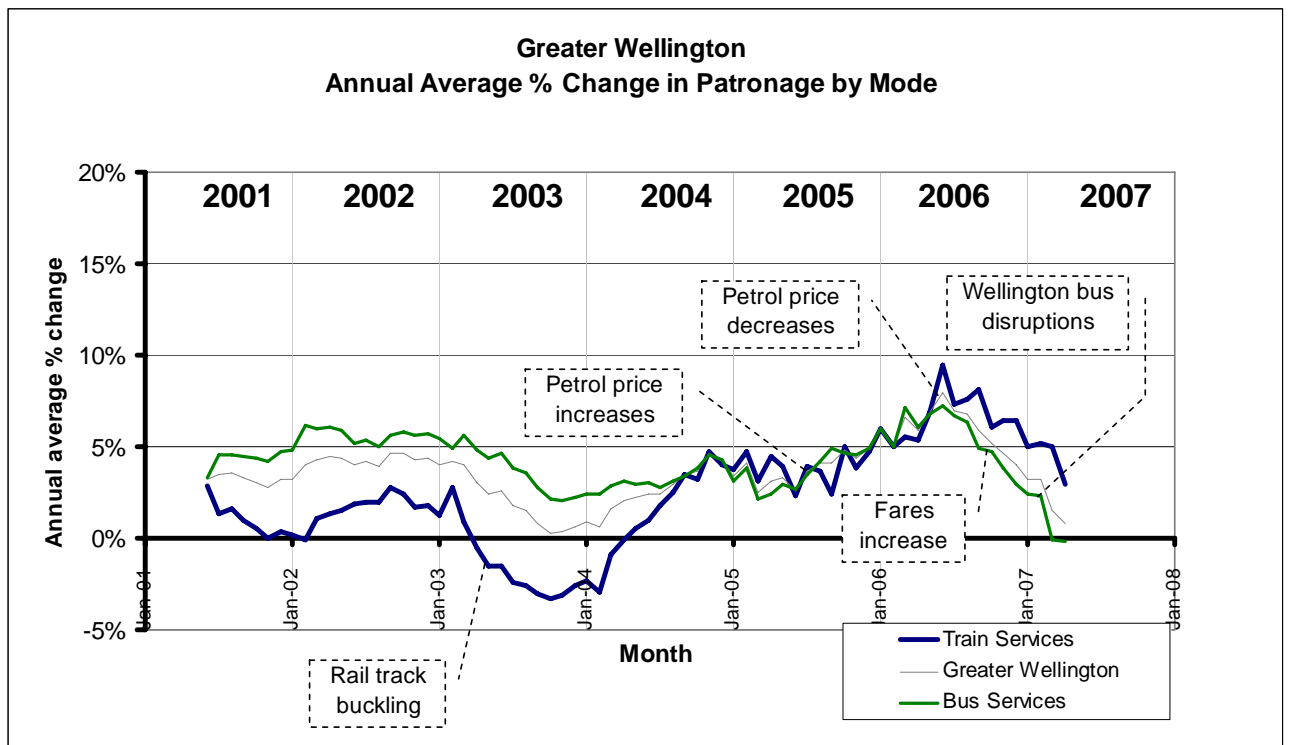
For the financial year to date from 1 July 2006 to 30 April 2007 a total of 28,299,522 passenger trips were made on the region's bus, train and ferry services. This represents a 1.3% decrease over the same period for the previous financial year. During this period peak time patronage decreased by 3% while off peak patronage increased by 0.4%.

When looking at passenger trips by month (see below) the effects of the September 2006 fares increase, decreasing consumer fuel prices from mid 2006 and the Wellington bus disruptions in February 2007 have contributed to declining public transport usage in all but two months since September 2006.

### 4.1 Monthly Patronage - 2006/07 Financial Year

Month	Passenger Trips 05/06	Passenger Trips 06/07	% Change
2006 July	3,058,909	3,105,897	1.5%
2006 August	3,048,188	3,224,935	5.8%
2006 September	2,979,259	2,908,704	-2.4%
2006 October	2,957,798	2,960,494	0.1%
2006 November	2,931,648	2,905,788	-0.9%
2006 December	2,537,868	2,552,421	0.6%
2007 January	2,117,288	2,044,128	-3.5%
2007 February	2,771,039	2,711,597*	-2.1%*
2007 March	3,403,083	3,183,872*	-6.4%*
2007 April	2,878,061	2,700,923*	-6.2%*
2007 May	3,336,249		
2007 June	2,941,694		
<b>Total July to April</b>	<b>28,682,841</b>	<b>28,299,522*</b>	<b>-1.3%*</b>

\*Provisional data, some minor operator key factor data not yet submitted.



The effect of recent major events affecting use of public transport in the Greater Wellington region can be seen in the above graph when looking at the Annual Average % Change in Patronage. This graph compares the patronage for the latest twelve months with the patronage for the previous twelve months to show the annual average percent change in patronage.

Looking at the above trends it is likely that the 2006/07 financial year overall will see no growth in public transport usage over 2005/06.

## **4.2 Quarterly Patronage Change**

The next update on quarterly patronage change by mode and area will be provided after July 2007.

**Karen Richardson**  
Manager, Metlink

## **Design and Development Manager's Report for period ending 15 June 2007**

### **1. Manager's comments (Brian Baxter)**

#### **1.1 Regional Passenger Transport Plan**

Submissions on the Draft Regional Passenger Plan closed on 16 February 2007. A total of 122 submissions were received. Hearing of submissions occurred in March. Deliberations began on 12 April, but were delayed as a consequence in the delay in finalising the Regional Land Transport Strategy.

Further Plan deliberations occurred on 15 May and 5 June. A further meeting is to be held on 20 June, and a final meeting will be held on 4 July at which time it is expected that the sub-committee will approve a final version of the Plan.

The Plan is expected to be presented back to this Committee for final adoption at its meeting on 24 July.

#### **1.2 Service reviews**

Officers are currently working on several service reviews, including the following:

- Ferry services (see report elsewhere on this agenda). This review is now complete.
- Kapiti buses (to try and better integrate the rail and bus services at Paraparaumu, and investigate ways in which train users can be encouraged to use the bus rather than the currently overloaded park-and-ride facilities). A survey of train users was undertaken recently to ascertain where they came from, how they travelled to the station, and what might influence them to use the connecting bus services. The survey results are currently being analysed, and will then be used to assist with options for the future. One option is likely to be allowing free travel on the connecting buses for train passengers.
- Some of the Wellington bus routes, in association with Stagecoach, in an attempt to simplify the routes, and increase service levels.
- Porirua bus services (as required by the LTCCP).

#### **1.3 Integrated ticketing**

See paper on this subject elsewhere in this agenda.



## **1.4 Real time information**

As a consequence of the decisions made at the last Committee meeting, consultants MWH has been engaged to undertake the work needed to assist the Committee to make a final decision regarding the introduction of real time information.

This work includes consultation with operators, users and councils, evaluating several real time information systems operating elsewhere in NZ and worldwide, the design and evaluation of how real time might work in Wellington, and the preparation of an internal and external (for funding purposes) business case.

The results of this work will be reported back to the November meeting of this Committee.

## **1.5 Concession fare standardisation**

Officers are continuing to work on developing a Council policy on the standardisation of concession fares within the region. The standardisation of fares is important from an equity perspective, and also as a pre-cursor for integrated ticketing and integrated fares. The project involves:

- identifying who should be eligible for concession fares
- determining the amount of the concession
- determining how those eligible for the concession might be identified and
- investigating any implementation issues (including funding implications).

A discussion document is being prepared. This is likely to be the subject of a Committee workshop, before consultation with operators and passengers.

## **1.6 Total Mobility Scheme improvements**

There are two parts to this project:

- A review of our administration of the scheme as it operates in our region. This will focus on reducing the reliance on the current manual paper based system and maybe introducing an electronic smartcard. A smartcard would make it easier for people to use the service, and provide us with more information on scheme usage and allow greater scheme control.
- Improving and standardising the scheme in line with the outcomes from the MOT review of the scheme. Some of the MOT outcomes involve the expansion of the scheme, but many relate to the scheme administration, and these therefore overlap with the first part of this project.

Neither part of this project can proceed until the MOT review has been completed. Unfortunately the MOT review has been substantially delayed, although some progress has been made recently. Thus it is likely that we can soon make some progress on this project.

### **1.7 Johnsonville bus/rail interchange**

The Johnsonville interchange must be relocated to enable redevelopment of the Johnsonville Mall. The road stopping process for Gothic and Hawea Streets (which are located in the mall carpark) is continuing. The developers intend to lodge resource consent by September. Construction is expected to commence in April 2008.

The first stage of construction is expected to include the Johnsonville interchange. Greater Wellington and Wellington City Council have commissioned an initial operational design that will be completed by the end of July. The operational design will be incorporated into the mall redevelopment and will assist in negotiations with the developers.

The cost of relocating Johnsonville interchange is currently unknown. Greater Wellington's Proposed 2007/08 Annual Plan currently identifies \$1.0 million capital expenditure for the interchange.

A detailed paper will be prepared for the September meeting of this Committee.

### **1.8 Ngauranga – Airport study**

The Ngauranga to Airport Strategic Study is being undertaken by Opus International Consultants Ltd for Transit NZ, Greater Wellington, and Wellington City Council.

The purpose of the study is to identify the present and future transport needs of the Ngauranga to Airport/Hospital transport corridor, and propose solutions that best meet those needs in a manner that facilitates and supports the current and future land uses, social, business, recreational and other strategic goals.

The study project team is currently developing a number of packages for consultation, which is expected to occur later in 2007. Passenger transport options are likely to feature prominently within these packages.

Little has happened on this since my last report, but a steering group meeting is to be held on 21 June and any update from that group will be made at the Committee meeting.

**Brian Baxter**  
Manager, Transport Design and Development

## **Business Manager's Report for period ending 15 June 2007**

### **1. Manager's comments (Kerry Saywell)**

A number of changes will be made to the final 2007/08 Annual Plan to reflect up-to-date cost estimates as well as changes to timing of some projects. Key changes to public transport projects include:

- Additional measures to increase short term passenger rail capacity including
  - Refurbishment of five English Electric trains
  - Refurbishment of six additional train carriages and additional locomotives
- An earlier start to construction on double tracking of the railway line from MacKays Crossing to Waikanae and electrification from Paraparaumu to Waikanae
- An earlier start to an upgrade to the Johnsonville railway line to allow the new passenger trains to operate
- An increase in rates required for the TranzMetro rail operating contract because of a number of cost increases in TranzMetro. Discussions have been held between Toll and Greater Wellington regarding the final agreed charge for 2007/08 and these are still continuing
- Adjustment to the budgeted Land Transport NZ funding rates for capital projects. This follows clarification from Land Transport NZ on the allocation of C1 and C2 funding (funding previously announced for Transport in the Wellington Region)
- Delays to some capital expenditure projects which will now see them completed in 2007/08 (SW Car refurbishment, Wairarapa Stations, CBD signage units)

### **2. Looking ahead**

A key challenge for the division in 2007/08 will be ensuring that upgrades to Public Transport infrastructure proceed as planned. The earlier start to some projects, combined with delays to some 2006/07 planned projects (see above) means that there is a heavy workload in 2007/08, particularly in respect of upgrades to rail infrastructure that will be completed in conjunction with Ontrack. In 2007/08 there also are a number of planned rolling stock upgrade projects where we are dependant on work completed in conjunction with TranzMetro / Toll.

We will continue to work with TranzMetro to ensure that we add any value that we can to the operation of the rail contract and continue to build an effective partnership.

Current high oil prices are being offset by the strength of the NZ dollar. A change in either will have an impact on our estimate of inflation on bus contracts. We will continue to monitor this and build any impact of this into our 2007/08 forecasts.

### **3. Net operating result for the division**

The net operating surplus for the Public Transport Division for the eleven months ended 31 May 2007 is \$9.3 million compared to the budgeted surplus of \$36.9 million. However, both actual and planned net operating surplus results are distorted by the planned 2006/07 capital expenditure. This is because funding from Land Transport NZ for capital works is recognised as revenue in the year of receipt.

If the numbers are restated to exclude capital related operating results then the net operating deficit for the Public Transport Division for the year to date is \$1.6 million compared to the budgeted deficit of \$0.5 million. The unfavourable variance of \$1.1 million is primarily because of higher than anticipated costs of inflation on diesel bus contracts.

Looking at the full year forecast on the same adjusted basis, shows a forecast operating deficit of \$2.0 million compared to the full year budget deficit of \$0.6 million.

More detail is included in the following table and explanations:

Public Transport Division  
Financial Performance by Programme for the Period Ended 31 May 2007

\$ Thousands	Year To Date				Full Year			
	Actual \$000	Budget \$000	Variance \$000	Variance %	Forecast \$000	Budget \$000	Variance \$000	Variance %
Rates Revenue	28,116	28,139	23U	-0.1%	30,697	30,697	0 F	0%
Grants & Subsidies - Opex	30,868	31,657	789U	-2.5%	33,501	34,829	1,328U	-4%
Grants & Subsidies - Capex	10,090	42,781	32,691U	-76.4%	15,397	65,536	50,139U	-77%
External Revenue	116	135	19U	-14.1%	148	148	0 F	0%
Investment & Other Revenue	74	112	38U	-33.9%	80	122	42U	-35%
Internal Revenue	46	742	696U	-93.8%	50	809	759U	-94%
<b>Total Revenue</b>	<b>69,310</b>	<b>103,566</b>	<b>34,256U</b>	<b>-33%</b>	<b>79,873</b>	<b>132,141</b>	<b>52,269U</b>	<b>-40%</b>
Rail Operating Contracts	17,479	16,259	1,220U	-7.5%	18,949	17,737	1,211U	-7%
Diesel Bus Operating Contracts	24,851	22,179	2,672U	-12.0%	27,274	24,195	3,079U	-13%
Trolley Bus Contracts	4,992	5,972	980 F	16.4%	5,458	6,515	1,057 F	16%
Ferry Operating Contract	196	82	114U	-139.0%	215	90	125U	-139%
Rail Rolling Stock	654	7,429	6,775 F	91.2%	1,583	8,077	6,494 F	80%
Bus Priority Measures	0	0	0 F	0.0%	0	0	0 F	0%
Carpark Developments	35	35	0 F	0.0%	39	39	0 F	0%
Bus Stop & Shelter Maintenance	471	965	494 F	51.2%	773	1,053	280 F	27%
Park N Ride Development	583	703	120 F	17.1%	790	779	11U	-1%
Wellington Interchange Payments	565	565	0 F	0.0%	617	617	0 F	0%
Waterloo Interchange Payments	272	284	12 F	4.2%	317	309	7U	-2%
Johnsonville Line Project	0	0	0 F	0.0%	0	0	0 F	0%
Rail Development Project	474	0	474U	-100.0%	510	0	510U	-100%
Western Corridor Rail Projects	7	417	410 F	100.0%	50	500	450 F	90%
Total Mobility Scheme	1,578	1,708	130 F	7.6%	1,743	1,864	121 F	6%
Integrated Ticketing Maintenance	5	406	401 F	0.0%	5	507	502 F	99%
Rail Rolling Stock Maintenance	0	35	35 F	100.0%	0	38	38 F	100%
Rail Station Upgrades & Maintenance	101	166	65 F	39.2%	149	182	33 F	18%
Service Improvements	780	1,289	509 F	39.5%	827	1,545	719 F	47%
<b>Subtotal Procurement</b>	<b>53,043</b>	<b>58,494</b>	<b>5,451 F</b>	<b>9%</b>	<b>59,297</b>	<b>64,046</b>	<b>4,750 F</b>	<b>7%</b>
Integrated Ticketing -Design	55	100	45 F	45.0%	100	100	0 F	0%
Service Design Studies	31	114	83 F	72.8%	40	125	85 F	68%
Total Mobility Scheme Extension	0	784	784 F	100.0%	0	941	941 F	100%
<b>Subtotal Design &amp; Development</b>	<b>86</b>	<b>998</b>	<b>912 F</b>	<b>91%</b>	<b>140</b>	<b>1,166</b>	<b>1,026 F</b>	<b>88%</b>
Transport Systems	161	226	65 F	28.8%	198	233	35 F	15%
Marketing & Promotion	592	993	401 F	40.4%	765	1,117	352 F	32%
<b>Subtotal Metlink</b>	<b>753</b>	<b>1,219</b>	<b>466 F</b>	<b>38%</b>	<b>963</b>	<b>1,350</b>	<b>387 F</b>	<b>29%</b>
<b>Total Project Expenditure</b>	<b>53,882</b>	<b>60,711</b>	<b>6,829 F</b>	<b>11%</b>	<b>60,400</b>	<b>66,563</b>	<b>6,163 F</b>	<b>9%</b>
Administration and Overheads	4,820	4,716	104U	-2.2%	5,078	5,144	66 F	1%
Other	1,319	1,238	81U	-6.5%	1,353	1,351	2U	0%
<b>Total Expenditure</b>	<b>60,021</b>	<b>66,665</b>	<b>6,644 F</b>	<b>10%</b>	<b>66,831</b>	<b>73,058</b>	<b>6,227 F</b>	<b>9%</b>
<b>Net Operating Surplus Deficit</b>	<b>9,289</b>	<b>36,901</b>	<b>27,612U</b>	<b>-75%</b>	<b>13,042</b>	<b>59,083</b>	<b>46,042U</b>	<b>-78%</b>
Less Operating costs and revenue associated with capex	10,865	37,422	26,557 F	71.0%	15,119	59,689	44,570U	-74.7%
<b>Adjusted Operating Surplus/Deficit</b>	<b>-1,576</b>	<b>-521</b>	<b>1,055U</b>		<b>-2,077</b>	<b>-606</b>	<b>1,472U</b>	

### 3.1 Revenue

Operating expenditure related grants and subsidy revenue is showing a \$789,000 unfavourable variance for the year to date and this is expected to increase to \$1.3 million unfavourable by year end.

Capital expenditure related grants and subsidy revenue is \$32.7 million unfavourable for the year to date and is expected to be \$50.1 million unfavourable for the full year. This is the consequence of changes to the timing of capital expenditure which has pushed some costs into later years (primarily the purchase of the new trains (EMU's)). Our accounting policies require that funding from Land Transport NZ for capital works is recognised as revenue in the year of receipt. If capital expenditure is reduced or delayed, so is the associated revenue from Land Transport NZ.

Internal revenue is showing an unfavourable variance of \$696,000. However, this is internal within the Division and does not affect the overall result as there are offsetting internal cost variances.

### **3.2 Expenditure**

The rail operating contract is forecast to be \$1.2 million over budget reflecting Tranz Metro's estimate of their full year operating result. This increase has been driven by increases in Tranz Metro's labour, fuel and traction and purchased services expenditure.

Diesel bus operating contracts are \$2.7 million over budget for the year to date and are forecast to be \$3.1 million more than budget for the full year. This is the result of higher than anticipated costs of inflation on existing contracts.

Trolley bus contract expenditure is \$980,000 under budget and is forecast to be \$1.1 million under budget at year end. The new contract for Trolley Bus services has now been signed and the expected cost for 2007/08 will be reflected in the final 2007/08 Annual Plan.

Rail rolling stock expenditure is \$6.8 million under budget and is forecast to be \$6.5 million under budget. The main reasons for this are delays to heavy maintenance on rail rolling stock and the refurbishment of the EE trains – the remainder will be required in future years. Tranz Metro has advised us that a total of \$1.5 million will be spent by 30 June on these projects.

Bus stop and shelter maintenance is showing a favourable year to date variance of \$494,000. Some of this relates to the timing of expenditure which is still expected to be completed by 30 June. However expenditure on CBD Metlink signs has been rebudgeted into 2007/08 resulting in a favourable forecast variance of \$280,000 in 2006/07.

The rail development project which was not allocated a budget for 06/07 is showing year to date expenditure of \$474,000 and is forecast to be \$510,000. The forecast includes \$100,000 for capacity studies and \$410,000 for work on the rail ownership plan. This rail ownership review is strategically important for the Division and was not apparent when the 2006/07 budgets were set. The review will provide asset management information which forms an important component of the Long-term Council Community Plans and is also required for Land Transport NZ funding requests.

Western Corridor rail projects are forecast to be \$450,000 less than budget. A review of the suite of Western Corridor rail projects is underway with a renewed focus on rail service reliability and infrastructure capacity for growth. Contact is being made with Transit and Ontrack to ensure early co-ordination of joint projects and interdependent projects. Work has begun on designing the studies and surveys which are required to produce robust information on the operational benefits of specific groups of projects. There have also been

discussions with KCDC and we have agreed to work closely with them as projects proceed.

The 2006/07 integrated ticketing budget has been deferred and will show a \$502,000 favourable variance by year end.

Service improvements are planned increases in bus and ferry services. Service improvements have been reduced in 2006/07 to help offset increased diesel bus expenditure. This is reflected in the forecast \$719,000 favourable variance for the full year.

The Total Mobility scheme extension expenditure of \$941,000 will not occur in 2006/07. This expenditure (that was assumed to be 100% funded by external parties) is dependent on guidance and funding from Central Government.

The marketing and promotion activity is showing a \$401,000 favourable variance for the year to date. Work is underway now (i.e. Metlink news) which will see this favourable budget variance reduce to \$352,000 by 30 June.

#### **4. Capital expenditure**

Capital expenditure (net of asset disposals) for the year to date is \$16.0 million compared to a budget of \$51.0 million.

The full year capital expenditure forecast (net of disposals) is \$24.0 million or \$59.0 million under budget. Most of this expenditure will be deferred to future years.

The majority of the full year forecast variance (\$42.7m) is because of delays to timing of expenditure on the new EMU project. There has been some slippage in the new EMU's project timeline because negotiations around the procurement process with Toll. Moreover, approval of the procurement process with Land Transport NZ took longer than anticipated. However, other procurement timeframes have been compressed to keep the overall project timeline on track (new EMU cars into service in 2010). The 2007/08 Annual Plan contains revised estimates of EMU expenditure.

Capital expenditure is funded by a mix of Land Transport NZ grants and internal loan funding. Consequently, delay or deferral of capital expenditure has only a minor effect on the overall funding position of the Division.

More detail is included in the following table and explanations:

PublicTransport Division  
Capital Expenditure for the Period Ended 31 May 2007

Project	Year To Date				Full Year Forecast			
	Actual \$000	Budget \$000	Variance \$000	Variance %	Forecast \$000	Budget \$000	Variance \$000	Variance %
<b>Capital</b>								
J'ville Mall	0	917	917	100.0%	0	1,000	1,000	100.0%
PT Enhancements	0	833	833	100.0%	0	1,000	1,000	100.0%
Concessionary ID Cards	0	300	300	100.0%	0	360	360	100.0%
Metlink signage	95	0	(95)		94	0	(94)	
Other capital items (vehicles etc)	84	207	123	59.3%	149	255	106	41.6%
<b>Investment Additions</b>								
SW Wairarapa Cars (trains)	12,677	15,085	2,408	16.0%	19,665	26,420	6,755	25.6%
Ganz Mavag (trains)								
Refurbishment	0	167	167	100.0%	0	200	200	100.0%
New EMUs (trains)	1,366	25,234	23,868	94.6%	1,500	44,172	42,672	96.6%
Western Corridor Rail Projects	0	167	167	100.0%	0	200	200	100.0%
Rail Depot Equipment	0	4,375	4,375	100.0%	0	5,250	5,250	100.0%
Rail Station Upgrades	1,727	3,208	1,481	46.2%	2,011	3,500	1,489	42.6%
Rail Security	63	495	432	87.2%	536	550	14	2.5%
<b>Total Capital Expenditure</b>	<b>16,013</b>	<b>50,988</b>	<b>34,975</b>	<b>68.6%</b>	<b>23,955</b>	<b>82,907</b>	<b>58,953</b>	<b>71.1%</b>

#### 4.1 Johnsonville Mall

The Johnsonville Mall redevelopment project is proceeding slowly and is not now expected to proceed in 2006/07. We have met with the developer and agreed to an ongoing role as the project progresses. In particular, we will lead the development of the passenger transport aspects of the project. There is uncertainty around the shape any development will take and any consequential Public Transport expenditure required.

#### 4.2 PT enhancements

Greater Wellington is not able to have an ownership interest in the PT Enhancements (i.e. bus lanes) and the work is now planned to be undertaken in 2007/08 (as operating expenditure). Land Transport NZ has questioned Greater Wellington's involvement in this work and has indicated that they will not fund a share of it. A consequence of this is that Greater Wellington will look to fund a share of the work that Wellington City is planning to complete in 2007/08.

#### 4.3 Concessionary ID cards

The concessionary ID cards work budgeted here will not be undertaken in 2006/07. A study is now planned in 2007/08.

#### 4.4 SW Wairarapa cars

There have been some delays to the delivery of the new SW rail carriages for the Wairarapa line. The year to date favourable variance of \$2.4 million is expected to increase to \$6.8 million at year end with the remainder of the work rebudgeted to 2007/08.



#### **4.5 New EMU's**

The timing of the project to purchase new trains (EMU's) has been significantly altered, which is reflected in the favourable year-to-date variance of \$23.9 million and forecast full year variance of \$42.7 million. However the overall project is still on track to be completed by the original target date in 2010.

#### **4.6 Western Corridor rail projects**

The Western Corridor rail projects budgeted work on the Kapiti Bus/Rail interchange is now not expected to be undertaken in 2006/07 (see comments under 3.2).

#### **4.7 Rail depot equipment**

The work budgeted under rail depot equipment will now be funded from the rail operating contract in future years. Land Transport NZ have indicated that they would not fund this work because the assets would not be solely used for provision of passenger rail and ownership of the assets would not reside with Greater Wellington

#### **4.8 Rail station upgrade work**

There have been some delays to completion of rail station upgrade work (primarily Wairarapa stations) which is reflected in the \$1.5 million favourable year to date variance which will continue until year end. Some work on the Wairarapa stations, Upper Hutt car parks and Plimmerton subway extension will be rebudgeted to 2007/08.

#### **4.9 Rail security**

The rail security budget will be used on Wairarapa CCTV and stabling work which should be completed by 30 June.

**Kerry Saywell**  
Manager, Business