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Report to the Passenger Transport Committee
By Dr D J Watson, Divisional Manager Transport

Divisional Manager's Report : December 2000

1. Financial

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As agreed at a previous meeting I attach a copy of material drawn from the first quarter of the 2000/01 year's management review document (**Attachment 1**). As can be seen in these pages the overall financial position for the Division at 30th September 2000 was favourable by \$1,235,000. The main reasons for this position are the difficulties associated with setting up the financial arrangements relating to the Lambton Bus/Rail Interchange project, the unresolved negotiations over purchase of the land for the Raumati Station carpark and slower progress than expected on the Wellington City CBD bus priority measures.

2. Annual Plan Performance Indicators

It is expected that all performance indicators will be achieved except for that associated with service contract payments. This performance indicator's financial limit will be exceeded due to two reasons. The inflation factor used in the contracts will be higher than expected due to diesel price changes. The overall level of activity will be higher due to Transfund New Zealand's Patronage Funding scheme and its kick start funding.

3. Staff Change

Mr Alan Davey is leaving to follow his wife to Australia. He finishes with us at Christmas. Mr Mark Waddington replaces him as Divisional Accountant and will be at the meeting. He is not new to the Council having worked as the acting Divisional Accountant for the Environment Division for the eight months when Mr Richard Waddy was seconded to the SAP installation team.

4. **Reserves**

This meeting the financial topic I have chosen in reserves. How they arise and how they are spent.

As the Transport rate is a rate for a specific purpose, all Transport reserves must legally be utilised for transport purposes.

A reserve balance arises from a surplus of income over expenditure. This can be caused by expenditure under that budgeted, timing differences ie. Delayed expenditure, or income exceeding the budgeted amount. In the case of the Transport Division, reserves tend to arise from Transfund income being in excess of budget. We typically take a conservative line in budgeting Transfund subsidies, basing the expected income on the previous year adjusted for any known increases. Transfund advise us of our annual allocation after the budget has been approved by Council. As a rather extreme example, Transfund advised on 1 August 2000 that \$780,000 in funding for Ganz Mavag refurbishments completed in the 1999/00 year had been approved.

In addition, the cash asset represented by the reserve is invested (or used to reduce debt) by the Council's Treasury function and the interest credited to the Division.

The Passenger Transport Committee some years back resolved as a matter of principle that reserves should be spent on the provision of infrastructure in the region, however, at its discretion is able to use reserves for other purposes, for example to offset rates increases.

The scale of the Division's budget is such that a small percentage variation in income or expenditure can result in a large transfer to or from reserves.

5. **Tranz Metro –CPP**

A further meeting with Transfund staff was held on Wednesday 15th November to discuss the Councils' application for a sole supply CPP for urban rail services in Wellington. As a result of that meeting an amended application for a sole supply CPP has been lodged with Transfund New Zealand. Transfund have acknowledge its receipt. It is unlikely to be considered by the Transfund Board until after Christmas.

6. **Tranz Metro – Auckland**

... Councillor Terry McDavitt, Mr Barry Leonard and I went to Auckland on 22nd November to catch up with the Auckland Tranz Metro position. Councillor

McDavitt met with Councillor Les Paterson the Auckland Regional Land Transport Committee Chairman. Mr Leonard and I had a series of meetings with key Auckland personnel working on the Tranz Metro Auckland deal. **Attachment 2** is part of a presentation being made to the Auckland Councils on the current proposal of "double assignment". The Auckland and Wellington concepts for the future of the Tranz Metro services are basically the same, that is greater community control to ensure best use of public funding. **Attachment 3** is a joint media release made after the meeting which covers that topic.

It was interesting to note that the relationship between Tranz Metro Auckland and the ARC was not good and had been so for an extended period of time. This contrasted markedly with the Wellington situation where there is a good working relationship on all operation matters.

7. **Two Million**

On the 15th of November 2000 the Ridewell Customer Service Centre received its 2 millionth call.

8. **Infrastructure Update**

8.1 **Petone Commuter Carpark**

McCormack Ashphalts have started work on creating approximately 50 new parking spaces within the existing carpark. This work is expected to be completed by Christmas.

8.2 **Paremata Commuter Carpark**

Contract documents are being prepared by Sinclair Knight Merz for the creation of approximately 30 carparks at the southern end of the western carpark. Construction will go out to tender in the New Year.

A report on security issues is being prepared by Frank Stoks Ltd and will cover options and make recommendations. In the meantime, two quotes for surveillance cameras have been received, but the issue of monitoring is still being addressed.

8.3 **Lyttelton Ave Shelter Reclad Porirua**

Work has begun on replacing the old Perspex cladding on these shelters. This work should be finished by Christmas.

8.4 **Featherston Carpark Extension**

Duffill Watts and Tse have prepared plans for approximately 50 new parking spaces within the existing carpark. Construction will go out to tender in the New Year.

8.5 **Paraparaumu Commuter Carpark**

Duffill Watts and Tse have prepared plans for approximately 50 new parking spaces to the south, including sealing and marking of the existing carpark. Construction will go out to tender in the New Year.

9. **Holiday Break**

As we again approach Christmas and the end of the first year of the new millennium or the start of the new millennium (depending on your up bringing) I would like to wish all Committee members of the Passenger Transport Committee a Merry Christmas and a prosperous New Year from the staff at the Transport Division. I look forward to seeing all of you in February 2001.

10. **Recommendation**

That the report be received.

Report prepared by:

DAVE WATSON
Divisional Manager, Transport

Attachment 1 : Transport Division Summary

Attachment 2 : Auckland Presentation

Attachment 3 : Joint ARC/WRC Media Release