



Report **04.324**
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Committee **Passenger Transport**
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Urban Passenger Rail Update

1. Purpose

To update the Committee on the progress being made to secure a long term contract for urban passenger rail services in the Wellington region.

2. Comment

Since the last meeting of the Committee on Friday 7 May 2004 a number of key steps have been made towards securing a long term urban rail contract.

2.1 The business case

The funding allocation procedures used by Transfund New Zealand require the Council to demonstrate that any new project fulfils the requirements of the Land Transport Management Act. This means that the Council has to demonstrate how the project takes into account the five objectives of the Act, namely:

- assists economic development
- assists safety and personal security
- improves access and mobility
- protects and provides public health
- ensures environmental sustainability

and also demonstrate that it is economically justified.

The economic justification analysis was presented at the 31 May Council meeting. This showed an incremental efficiency ratio (ER) of the rail network over an alternative bus network of 1.72.

Discussions are currently being held with Transfund officials on how and when to present this information to them so as to get their agreement for the funding of rolling stock refurbishment and the purchase of new rolling stock in the future.

2.2 The draft contract

The Council at the 31 May meeting approved the draft contract. A Transfund New Zealand subcommittee is required to approve the draft contract, this action is necessary as the draft contract is the Transfund New Zealand procurement procedure, before it is provided to Toll Holdings.

2.3 The business plan

Committee members will be aware that Toll has presented a proposed business plan and that this plan is the basis of the business case analysis. The contract will include the finally agreed business plan. Negotiations with Toll will produce a final contract incorporating the business plan and this will come to the Council for approval later in the process.

2.4 Community consultation

Council staff are working on a community consultation programme on the basis that the eventual agreement with Toll may result in a significant change to the Council's Long Term Council Community Plan. A decision will have to be taken shortly about the timing and extent of the consultation process. A key to this will be the outcome from the Toll negotiations as this will form the basis for the consultation.

2.5 Other matters

A number of other matters are being worked on as part of this progress towards securing a long term urban rail contract. These cover issues such as:

- funding options
- ownership of rolling stock
- TrackCo issues
- linkages with the Government Transport Initiative

3. Communication

There is nothing additional to communicate to.

4. Recommendation

That the report be received.

Report prepared by:

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