

**Office of Hon Dr Michael Cullen****Deputy Prime Minister**

Attorney-General

Minister of Finance

Minister for Tertiary Education

Leader of the House of Representatives

**03 NOV 2006**

Kerry Prendergast
Mayor
Wellington City

Ian Buchanan
Chair
Greater Wellington Regional Council

Dear Kerry and Ian

Re: North Wellington Public Transport Study

Thank you for your letter to me seeking clarification of whether the Governments preferred position is to retain rail on the Johnsonville Line.

As I stated in the House in answer to the questions which you have included in your letter, the Government would not support the conversion of the Johnsonville line into a bus way and that we would see little justification in taxpayers being asked to fund such a conversion.

Indeed, if the quoted cost of the conversion of the rail line to bus way is correct, then a small proportion of that amount spent on a rail upgrade would deliver a very modern and reliable rail service.

I am aware of the desire to look at extending the Johnsonville line to Courtenay Place and this decision should not preclude that option in the future.

I have attached an editorial written by the Chief Executive of ONTRACK that fairly reflects the Governments view on the future of the Johnsonville line.

I hope this clarifies the view of the Government on this matter.

Yours sincerely

Hon Dr Michael Cullen
Minister of Finance

Johnsonville bus lane - no worries - we're just the owner

By David George, Chief Executive, ONTRACK

It has been an interesting experience watching and listening to different interest groups decide what's best for the Johnsonville railway line. It's rather like watching the neighbours decide what colour your house should be painted without consulting the party most affected - you the owner.

As the owner, on behalf of the Crown, it could help debate on the issue to get a few things clear.

The first and most obvious is that the Crown would have to decide that the rail corridor would be better used as a bus lane for any change to occur. It's not for ONTRACK to pre-judge what the Crown may do, but as an advocate for rail as well as the custodian of the Johnsonville line, we strongly favour the status quo.

We hold this view for both philosophical as well as practical reasons. At a philosophical level, we look to interpret the Crown's National Rail Strategy, a document with a 10-year focus that was released in May last year.

The strategy focuses on growth in two areas: freight, particularly bulk and containerised cargo but more importantly for this issue, urban passenger transport. It notes that it is in the low cost movement of large amounts of uniform freight or large numbers of people that the rail network is at its most efficient.

Bus lane proponents could argue that their plan isn't inconsistent with these objectives. But they'd struggle with the NRS's last objective - creating a transport system that supports environmental sustainability and makes most efficient use of resources.

As most of Wellington knows, trains running on the Johnsonville line are electricity-driven. Bus replacements would inevitably use diesel.

Leaving aside the philosophical argument, there are a number of practical issues which bus lane advocates would need to address and overcome.

I've already noted that the Crown owns the corridor. It also owns significant infrastructure in terms of tunnels, bridges, signalling and the overhead electrification system. It would be a big ask to simply hand these over at no cost for a bus operator to use.

Arguably the biggest hurdle to be overcome by the pro-bus advocates would be the cost in relation to the benefit that would accrue. The rail industry has looked at the cost of converting the line to a bus lane and estimated it at between \$100 and \$115 million - and that's without considering the cost of the buses.

It could also take up to two years to establish, during which time, no services - bus or train, would operate.

The Dominion Post quotes a figure of \$70 million for a bus lane - whichever estimates are used, we're talking about a significant amount of money. Our own estimate is that spending \$5 million to lower tunnels to accommodate other rolling stock such as the Ganz Mavag units or future rolling stock purchases, would significantly enhance services.

Imagine what we could do with \$70 million. In our view, converting to buses only has the potential to increase capacity marginally. This is an important consideration when it's becoming apparent that demand for peak time space on the trains is growing rapidly, fuelled by the increase in petrol prices.

Significant investment in the rail infrastructure, would increase capacity to a much greater extent.

For those who argue pro-bus on reliability grounds, I suggest that significant investment in the infrastructure would bring rail up to the same levels of reliability that road service could provide. And in terms of speed, rail would have an advantage.

The bus lane would need to re-join the existing roading network somewhere near the entrance to the Ngaio Gorge. One of the delights of the current rail service is that Johnsonville commuters can glide past grid-locked traffic on Old Hutt Road and Thorndon Quay.

To the pro-bus lobby, I say well done for raising the issue. There is no harm in looking outside the square. But let's also recognise that when the rest of the world is turning to rail to address urban transport problems, thinking about converting an existing rail corridor to a bus lane is definitely swimming against the tide.

And a word of advice, when you're deciding what's best use of the rail corridor, don't forget to ask the owner.

Ends

Issued by ONTRACK