
REPORT 1
(1215/52/IM)

NORTH WELLINGTON PUBLIC TRANSPORT STUDY

1. Purpose of Report

To report on the findings to date of the North Wellington Public Transport Study and recommend future action.

2. Executive Summary

The Technical Evaluation Report on the four public transport scenarios for the northern suburbs prepared by consultants Sinclair Knight Mertz shows that none of the scenarios yields sufficient extra benefits to justify their additional cost under LTNZ funding criteria. The report therefore recommends that the 'base case', which broadly involves a continuation of existing rail and bus services, be taken forward.

This report supports the findings of the SKM report, and discusses the advantages and disadvantages of continuing the consultation on the Study.

3. Recommendations

It is recommended that the Committee:

- 1. Receive the information.*
- 2. Agree that the 'base case' as set out in the Technical Evaluation Report be taken forward.*
- 3. Agree that no further consultation be undertaken but that the public be informed of the outcome of the Study and reasons for not continuing with consultation*

4. Background

4.1 Study Process

The North Wellington Public Transport Study (NWPTS) arose from the decision in November 2004 by Transfund NZ (the predecessor to Land Transport New Zealand) to provide \$276m of funding to the region over 10 years in response to the Rail Business Case developed by Greater Wellington Regional Council. One of the conditions of that decision was:

Confirmation by GWRC that a full review of the Business Case will be completed in 3 years, including a review of the passenger transport services to Johnsonville and Melling

In discussion with GWRC, it was agreed to broaden out the review of the Johnsonville Line to include all public transport services in the northern suburbs of Wellington (the area bounded by Churton Park and Grenada to the north, Woodridge and Newlands to the east, Johnsonville to the west and following the Johnsonville Rail Line south to the Wellington Central Business District).

At its meeting on 11 August 2005, SPC agreed to the Council's participation in the Study as co-convenor.

The Study was to be undertaken in three stages.

Stage 1 involved the identification of issue and needs for public transport in the suburbs. Public consultation was undertaken in November 2005 which yielded 500 submissions.

The overall themes raised by submitters were the need for a sufficiently frequent, reliable public transport system with convenient routes. The top five issues identified in the Summary of Submissions were frequency of buses, the reliability of bus and train services, the route of the service, the need for new trains, and the rundown state of trains.

Stage 2 of the Study involved the development of public transport scenarios to meet the needs identified in stage 1. Four scenarios were developed:

1. Enhanced rail – new or refurbished units and improved timetable;
2. Bus on street – replacement of rail with buses running on street, with the existing railway line converted to a walking and cycling track ;
3. Busway – replacement of rail with buses running on a guided busway; or
4. Light rail – replacement of rail with a light rail service running on an extended Johnsonville line through to Courtenay Place.

All scenarios also included further enhancements to existing bus services throughout the northern suburbs.

These scenarios were put out for consultation in June and July this year with 1606 submissions received. 981 supported the busway scenario (858 of these on a pro-forma distributed by the Bus and Coach Association), 589 submitters supported enhanced rail, 456 supported light rail, and 68 supported bus with walking and cycling (refer Figure 1 below).

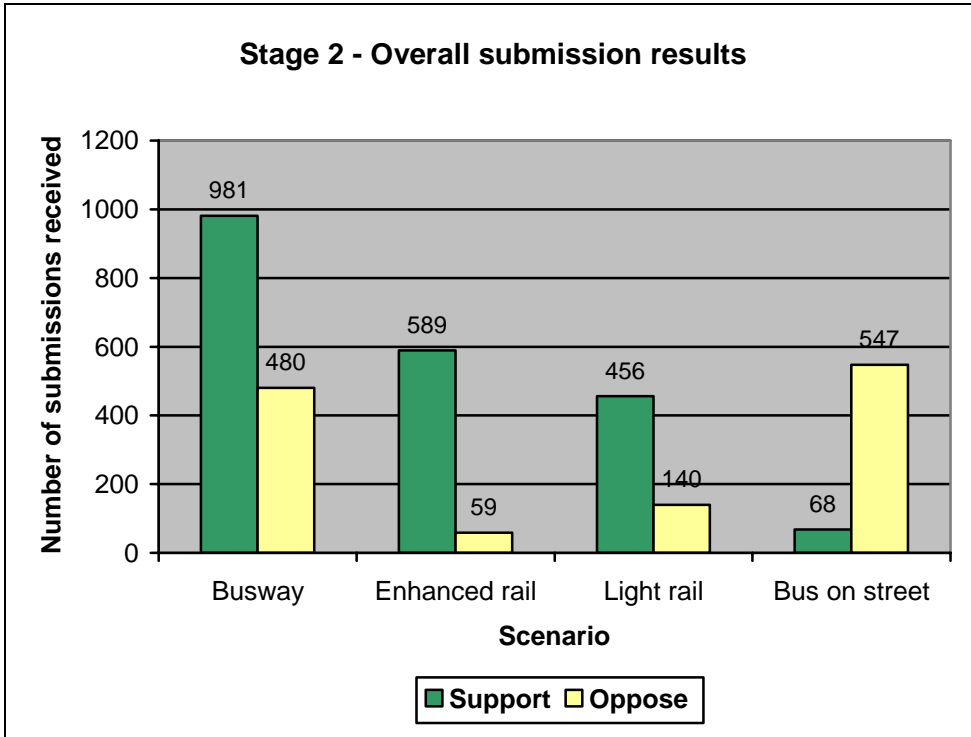


Figure 1 – Actual number of submissions received that expressed support for, or opposition to, a specific scenario.

Of the 1606 submissions received, 858 were on a form distributed by the Bus and Coach Association, 389 on the standard submission form, 269 were made electronically, and the balance by other ways. Many submissions supported more than one scenario.

A feature of the consultation was the degree of involvement from interested parties. In addition to the involvement of the Bus and Coach Association, Tranz Metro also distributed their own brochure offering to assist people to fill in their submission forms.

Further consultation was to have taken place as part of stage 3 of the study. This would have involved sending out a preferred option to residents and interested parties for their comment. The outcomes sought from this stage of consultation, as set out in the Study consultation plan were:

- 1) *Greater level of understanding among stakeholders and wider community of the issues and reasoning behind the preferred option; and*
- 2) *A clear understanding of the level of support for and opposition to the preferred Passenger Transport Services Strategy.*

As part of the Study, a Reference Group was established to provide a sounding board as issues were considered and options developed. The members of the Reference Group are:

- Mayor Kerry Prendergast (WCC)
- Councillor Fran Wilde (GWRC)
- Councillor Judith Aitken (GWRC)
- Mr Brent Efford (RLTC Sustainability Representative)

Mr Tony Randle (Johnsonville Commuter)
Mr Peter McKenzie (Ngaio resident and transport economist)

The Reference Group has been consulted during each major phase of the Study and meets on Monday 13 November to discuss the Technical Report.

4.2 Technical Reports

Stage 3 of the study involved the main study consultants, Sinclair Knight Mertz, undertaking a technical evaluation of the four scenarios against the criteria agreed by the joint project team from the two councils.

This report, which has been distributed under separate cover, concludes that none of the scenarios yields sufficient benefits to justify the additional investment and increased operating costs involved. It therefore recommends the adoption of the 'base case' in regard to rail, which is essentially a continuation of the status quo apart from new or refurbished rail units. It also recommends incremental improvements to bus services and bus priority measures for the parts of the northern suburbs not directly serviced by rail.

There are two critical sections of the report which lead to these conclusions.

The first is Appendix A. Table 5-2 on page 36, which gives projected mode share, shows that none of the scenarios has the ability to significantly influence public transport mode share. The spread between the best and worst scenarios as at 2016 is 2% (16%-18%). Table 5-1 on the previous page gives projected patronage growth for each scenario and shows relatively modest levels of growth, even for the most expensive scenarios.

It is worth noting that all the rail options (base, ER1 and ER2) show rail patronage remaining virtually static over the modelled period, with most of the growth occurring in bus patronage. This result, which is confirmed by transport modelling for other projects, occurs primarily because most of the projected population growth in the suburbs is outside the rail catchment area (e.g. Stebbings Valley, Lincolnshire Farms).

The second critical section is Appendix G. Table 5-45 on page 121 shows the benefits and costs of each option. This table is particularly significant because it reflects the funding criteria used by LTNZ and therefore the likelihood of any scenario obtaining funding.

Under LTNZ funding criteria, the costs and benefits of public transport enhancements are assessed against a base case (essentially the status quo), and the benefit-cost ratio (BCR) is based on the incremental benefits of any option against the base case in relation to its incremental costs. LTNZ advise that they are unable to fund any investment where the BCR is less than 1. Table 5-45 shows that none of the scenarios has a BCR greater than 0.56.

In addition to the main SKM report, WCC officers commissioned a report from Derek Kemp to help understand the specific effects of each of the scenarios on the future urban

form of the suburbs, and their potential implications on our Urban Development Strategy aspirations. His Report is mainly concerned with the relationships between public transport choice, public transport use, public transport operational efficiency and urban densities, land use planning, urban design and urban form. It found that the busway scenario was clearly superior in terms of the 'qualitative' benefits considered in the Report.

WCC officers had also intended to commission additional work on the sustainability aspects of the Study, including a consideration of the impact of rising fuel prices ("peak oil"). However, when it became apparent that none of the scenarios would meet funding criteria, this work was cancelled.

4.3 Government Position

On 14 September, Hon Peter Dunne addressed a question in the House to the Minister of Finance on the future of the Johnsonville Line. Dr Cullen's reply suggested that the government had already decided the future of the line. The Mayor and the Chair of GWRC wrote to the Minister to seek confirmation of the government's position. A copy of that letter and Dr Cullen's reply is attached.

Dr Cullen's letter includes a two page editorial from David George, the Chief Executive of ONTRACK. Officers note the figure of \$5m quoted by Mr George in his editorial is not comparable with the figures in the Technical Evaluation Report because it does not include purchase of rail units or operating costs. Table 5-45 on page 121 of the Technical Report shows the costs of the scenarios, including capital and operating costs, expressed in present value terms. Even the lowest cost rail option, the base case, is \$128m.

4.4 GWRC Concerns

GWRC are concerned that undertaking further consultation as part of this study will delay procurement of new units for the wider regional passenger rail network. They have recently released a document to the marketplace seeking expressions of interest from possible suppliers with responses due by 7 November 2006. They are intending to issue a Request for Tender prior to Christmas. This will go out to a limited number of companies who register their interest to supply 58 new electric rail units for the Wellington regional commuter network, 12 of which are intended for the Johnsonville Line. It is likely that there will be economies of scale in purchasing the new units; that is, the more units purchased, the lower the price of each unit. Over 58 units, even a small level of savings per unit could be significant. The original timeframe for this study had consultation completed by September, which would have allowed the study outcomes to feed into the procurement process.

While WCC and GWRC are joint convenors of the Study, responsibility for implementing its findings (with the exception of any bus priority measures) lies primarily with GWRC. The Passenger Transport Committee of GWRC is meeting on 16 November to consider the Study.

5. Discussion

There are two main decisions to be made by the Committee on the NWPTS: first, whether to accept the findings of the Technical Evaluation Report and second, whether to request GWRC to continue with consultation.

5.1 Findings of the Technical Evaluation Report

The primary purpose behind WCC's involvement in the Study was to develop a public transport solution that would facilitate the implementation of its Urban Development and Transport strategies and provide a strategic framework for future investment in public transport. Ideally, the Council was seeking a cost effective transport solution that in effect, took public transport "to the next level". The Council engaged in the Study with an open mind as to which mode or technology might be best placed to deliver this outcome.

The Technical Evaluation report appears to provide a competent analysis of the relevant issues for a strategic study. Officers reviewed the initial draft of the report closely and submitted a large number of questions to the consultants which have resulted in considerable additional explanation being provided in the final report. However, our comments also resulted in a significant number of changes to the critical tables 5-1 and 5-45 which has left us with some residual concerns about the robustness of the analysis. We would have liked, therefore, to have a greater period to consider the final report before a decision on the Study was finalised.

It is a little disappointing that there is no cost effective transport solution available that would provide a quantum increase in patronage for the northern suburbs. However, officers are satisfied that the findings of the report are valid within the Terms of Reference of the Study.

5.2 Consultation

It is clear from the responses received from the initial stage of consultation and the increase in responses at stage 2 that public transport is an issue of considerable interest to residents of the study area. To provide a comparison, stage 1 consultation of the NWPTS yielded 500 submissions, whereas the first stage of consultation on the Ngauranga-Airport Strategic Transport Study, which covers the whole of the city, yielded only 46 submissions.

Arguments in favour of continuing consultation are:

- The 'base case' has not been described in detail to the residents of the northern suburbs, unlike the four scenarios, and so they deserve the opportunity to provide comment on it prior to implementation.
- Not consulting would be a breach of an undertaking made to residents that they would have the opportunity to comment on the preferred option.

- While the Minister of Finance has indicated that the government would not accept closing the rail line, there are other scenarios that would utilise the line for rail purposes, such as the two rail scenarios and the light rail scenario.
- The Technical Evaluation Report, upon which the proposal to adopt the ‘base case’ is founded, should be opened up for scrutiny by interested parties and the public before any final decision is made.
- It would allow the study to meet both the outcomes sought for Stage 3 consultation, (that is, a greater level of understanding among stakeholders and wider community of the issues and reasoning behind the proffered option and a clear understanding of the level of support or opposition to the preferred option).

The arguments against continuing consultation are:

- Greater Wellington Regional Council has already consulted on the ‘base case’ while consulting on proposed rail investment for the region during the formulation of its Long Term Council Community Plan in 2005.
- The recommended option in the report (the ‘base case’) is in effect business as usual, meaning there is nothing to consult on.
- The Minister of Finance has indicated that the government will not accept any proposals to close the Johnsonville Line and replace it with buses, meaning there is little opportunity for the public to affect the outcome.
- GWRC wishes to order its new rail units as soon as possible and to include the Johnsonville units in the order. Undertaking further consultation as part of this study will delay procurement of new units for the wider regional passenger rail network.
- None of the scenarios in the stage 2 consultation document would meet LTNZ funding criteria.
- Informing the public of the decision would still allow the Study to meet the first outcome sought for Stage 3 consultation (that is, a greater level of understanding among stakeholders and wider community of the issues and reasoning behind the preferred option).

An extract from the Council’s draft Engagement Policy, currently out for consultation, is attached as an appendix, setting out the circumstances in which the Council will consult. The most relevant sections appear below:

If the influence a person or group is able to have on a decision is limited, and it is considered that a genuine two-way process cannot be undertaken, consultation will either not be initiated or be limited to a targeted, smaller scale exercise.

This may occur where:

- the Council already has an established position or made a prior decision on the issue
- budgetary or legal constraints mean that only one option is feasible or a decision is structured so that there are limited options.

*When a decision is made not to consult, then the Council will generally only engage to the level of **informing** – which in this case would probably mean telling residents and communities of the decision that has been or will be made. The risks of not consulting need to be carefully considered in all of these situations. These risks include:*

- *the Council potentially being subject to legal challenge*
- *community dissatisfaction/loss of trust*
- *lack of public commitment to the project.*

Finally, there is a practical consideration involving process.

GWRC and WCC initiated the NWPTS as a joint project. However, the Chair and officers of GWRC are strongly of the view that consultation should not be continued. In this circumstance, it would be impracticable for WCC to continue with the consultation process alone. WCC officers do not have the detailed technical information available regarding public transport services that would be necessary to compile a consultation document. Moreover, it is difficult to see what purpose such consultation would serve given that GWRC is responsible for implementing public transport services and would presumably not accept the findings of any consultation.

6. Conclusion

The arguments for and against continuing the process of consultation are set out above and these are relatively finely balanced. If it were not for the desire by GWRC to proceed with its order for new rolling stock, officers would be of the view that there would be merit in continuing with the consultation, perhaps in a reduced form. However, just informing the public of the decision would be consistent with the draft engagement policy, on the basis that there is no ability to influence the decision, and would also meet the first objective sought from stage 3 consultation.

In practical terms Council could not proceed with consultation without the participation of GWRC who are primarily responsible for implementing the vast majority of findings from the study.

If Councillors wish to proceed with consultation, they will need to resolve to make a recommendation to GWRC to this effect.

Contact Officer: *Greg Campbell, Principal Advisor - Transport*

Supporting Information

1) Strategic Fit / Strategic Outcome

The North Wellington Public Transport Study is consistent with both the Council's Transport and Urban Development Strategies.

2) LTCCP/Annual Plan reference and long term financial impact

Not applicable.

3) Treaty of Waitangi considerations

Not applicable.

4) Decision-Making

This is an important decision. The future of public transport in the northern suburbs is central to the Council's Transport and Urban Development Strategies.

5) Consultation

a) General Consultation

Consultation issues are discussed in detail in the report. GWRC officers have been consulted during the preparation of this report.

b) Consultation with Maori

Not applicable.

6) Legal Implications

Not applicable.

7) Consistency with existing policy

The recommendations in this report are consistent with the draft Council engagement policy.

Appendix: Extract from WCC Draft Engagement Policy

5.2 When Council will consult

The Council needs to determine whether or not it is aware of the views and preferences of persons likely to be affected by, or interested in, the decision. The Council can use discretion to determine whether it needs to consult to make itself aware of these views. In making this decision, the following factors should be considered (noting references to the LGA 2002 are also included):

▪ ***Significance*** ***Section 79(1)(a)***

Significance is the primary test for determining the appropriate nature, extent and degree of the Council's compliance with the decision-making and consultation provisions of the Act. The Council's approach to "significance" – the criteria and thresholds used to determine whether or not an issue falls in this category – is outlined in the Significance Policy.

▪ ***Prior knowledge of community views*** ***Section 79(2)(a)***

If the Council already knows and understands the views and preferences of affected and interested parties (e.g. from a previous consultation exercise such as the community outcomes and LTCCP processes, or an earlier consultation on the same issue), consultation will either not be initiated or limited to a targeted, smaller scale exercise to verify the decision.

▪ ***Possible influence on the decision*** ***Section 79(2)(c)***

If the influence a person or group is able to have on a decision is limited, and it is considered that a genuine two-way process cannot be undertaken, consultation will either not be initiated or be limited to a targeted, smaller scale exercise.

This may occur where:

- the Council already has an established position or made a prior decision on the issue
- budgetary or legal constraints mean that only one option is feasible or a decision is structured so that there are limited options.

▪ ***Resources required*** ***Section 79(2)(b)***

If the cost of undertaking consultation outweighs the impact of the decision, the Council may choose to limit its consultation. For example, if a decision has minimal financial impact, wide consultation may not be necessary or appropriate.

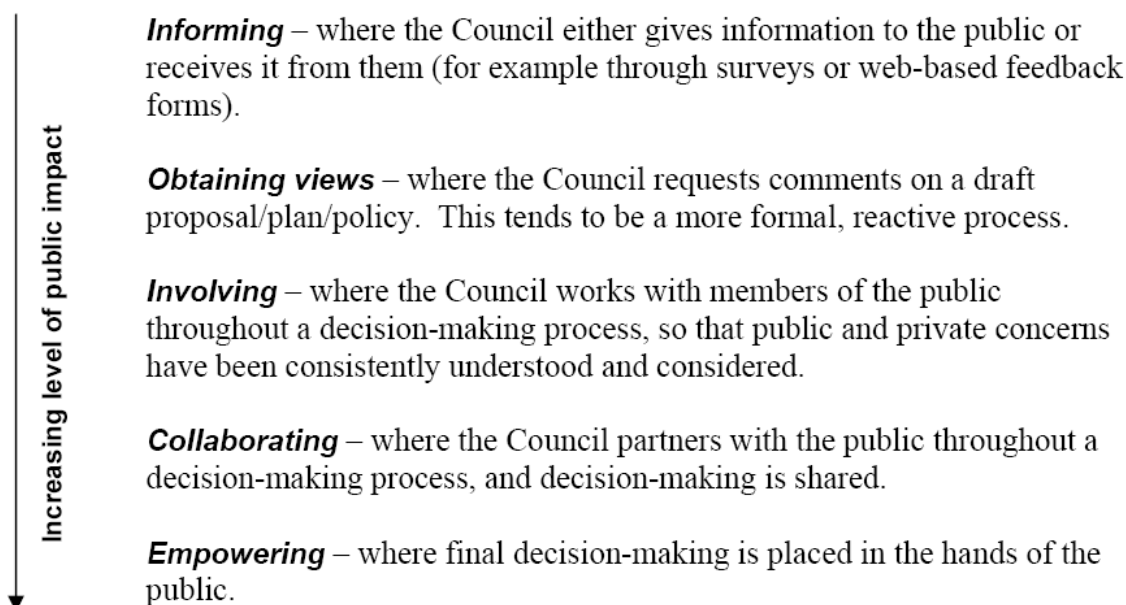
Summary of considerations for undertaking consultation

The following table provides a summary of the considerations the Council must take into account when deciding when to consult, and the resulting consultation expectations on the Council.

Factors to be considered	Consultation expectations	
	Yes	No
Does the decision require the Special Consultative Procedure?	<ul style="list-style-type: none"> • Special Consultative Procedure • Consider other factors to determine the extent of early consultation 	<ul style="list-style-type: none"> • Consider other factors to determine whether or not to consult
Is the decision significant?	<ul style="list-style-type: none"> • Early consultation • Variety of engagement/consultation mechanisms used 	<ul style="list-style-type: none"> • Consider other factors to determine whether or not to consult
Does the Council have prior knowledge of communities' views?	<ul style="list-style-type: none"> • No or limited consultation i.e. verification of views through a targeted consultation process 	<ul style="list-style-type: none"> • Early consultation • Consider other factors to determine the extent of consultation
Can communities have a reasonable influence on the decision?	<ul style="list-style-type: none"> • Early consultation • Consider other factors to determine the extent of consultation 	<ul style="list-style-type: none"> • Consider not consulting, or limited consultation to a targeted group
Do the resources required to consult outweigh the impact of the decision?	<ul style="list-style-type: none"> • Consider not consulting or limited consultation 	<ul style="list-style-type: none"> • Consider other factors to determine the extent of consultation

When a decision is made on consultation

Engagement, in the context of the consultation/decision-making process, occurs at different levels, where the public has a varying degree of impact on the decision. Engagement can be about:



When a decision is made to consult, the Council will generally operate at the level of **involving**. The Council is clear that involving is about being informed of people's views and taking them into consideration rather than being about:

- reaching agreement or consensus
- negotiating the outcome

- treating the feedback/comments received as a “vote”, where the majority view must be recommended and adopted.

When a decision is made not to consult, then the Council will generally only engage to the level of **informing** – which in this case would probably mean telling residents and communities of the decision that has been or will be made. The risks of not consulting need to be carefully considered in all of these situations. These risks include:

- the Council potentially being subject to legal challenge
- community dissatisfaction/loss of trust
- lack of public commitment to the project.

Attachments