

By email

3 July 2018

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Tony Randle

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Dear Mr Randle

Request for information OIA 2018-100

I refer to your request for information dated 8 June 2018, which was received by Greater Wellington Regional Council (GWRC) on 8 June 2018. You have requested the following information:

“This information request follows a previous information request to the GWRC (OIA 2018 014) This request provided the spreadsheet with the Wellington Regional PT costs and PT revenue amounts used to calculate the GWRC Farebox Recovery Ratios used in the 2018 Fare Review.

The following detailed information about amounts contained in the previously provided "Ess Expenses" worksheet "Attachment to OIA 2018 014 2018 19 PROJECTED FARE TARGETS Ccl meeting 14 3 18 without formulas.xlsx" are requested:

1) The source information used to describe purpose of the expenditure labelled in the "Ess Expenses" worksheet as "W.560/1440/01 Fare Structure Review Initiatives - Bus Bus - revenue 3,000,000" and to calculate the amount of 3,000,000 in the spreadsheet cell 'Ess Expenses'!D13

2) The source information used to describe purpose of the expenditure labelled in the "Ess Expenses" worksheet as "W.560/1602/20 SuperGold Card Grant Revenue - Bus & Ferry Supergold bus & ferry -2,103,046 D15" and to calculate the amount of -2,103,046 in the spreadsheet cell 'Ess Expenses'!D15

3) The source information used to describe purpose of the expenditure labelled in the "Ess Expenses" worksheet as "W.560/1816/01 BUS – Fare Revenue Bus - revenue -48,250,791" and to calculate the amount of -48,250,791 in the spreadsheet cell 'Ess Expenses'!D80

4) The source information used to describe purpose of the expenditure labelled in the "Ess Expenses" worksheet as "W.560/2100/21 Lambton Interchange Lease Bus 500,000" and to calculate the amount of 500,000 in the spreadsheet cell 'Ess Expenses'!D90

RESPONSE TO OIA 2018-100



5) *The source information used to describe purpose of the expenditure labelled in the "Ess Expenses" worksheet as "W.564/2100/20 Rail - Fare Revenue Rail - fare revenue - 51,569,189" and to calculate the amount of -51,569,189 in the spreadsheet cell 'Ess Expenses'!D174*

6) *The source information used to describe purpose of the expenditure labelled in the "Ess Expenses" worksheet as "W.564/2105/01 Fare Structure Review Initiatives - Rail Rail - fare revenue 2,700,000" and to calculate the amount of 2,700,000 in the spreadsheet cell 'Ess Expenses'!D184*

7) *The source information used to describe purpose of the expenditure labelled in the "Ess Expenses" worksheet as "W.564/2110/02 Rail - Network Renewals Rail network renewals 9,511,791" and to calculate the amount of 9,511,791 in the spreadsheet cell 'Ess Expenses'!D187*

8) *The source information used to describe purpose of the expenditure labelled in the "Ess Expenses" worksheet as "W.564/2110/08 Rail - Network Business Case Renewals Rail 3,928,860" and to calculate the amount of 3,928,860 in the spreadsheet cell 'Ess Expenses'!D191*

9) *The source information used to describe purpose of the expenditure labelled in the "Ess Expenses" worksheet as "W.564/2122/20 SuperGold Card Grant Revenue - Rail Supergold rail -1,193,259" and to calculate the amount of -1,193,259 in the spreadsheet cell 'Ess Expenses'!D193*

10) *The source information used to describe purpose of the expenditure labelled in the "Ess Expenses" worksheet as "Supergold rail -2,538,849 for Calc-proposed" and to calculate the amount of -2,538,849 in the spreadsheet cell 'Ess Expenses'!D316*

11) *The source information used to describe purpose of the expenditure labelled in the "Ess Expenses" worksheet as "Supergold bus & ferry -4,291,931 for Calc-proposed" and to calculate the amount of -4,291,931 in the spreadsheet cell 'Ess Expenses'!D317*

12) *The source information used to describe purpose of the expenditure labelled in the "Calc-proposed" worksheet as "Supergold Card revenue - Bus exempt 753,709" and to calculate the amount of 753,709 in the spreadsheet cell 'Calc-proposed'!B17*

I am also interested in the supporting information related to the "Rail Network Renewals" expenditure. The following information is requested in relation to "Rail Network Renewals"

13) *A copy of the agreement or agreements between the GWRC and the recipient(s) of "Rail Network Renewals" expenditure describing the funding agreement under which the GWRC agrees to provide this funding and the benefits from this expenditure.*

14) *A copy of the information that outlined the amount of 2017/18 "Rail Network Renewals" expenditure including, if available, the individual items to which the "Rail Network Renewals" expenditure was/is to be put*

15) A copy of the information that described and justified the amount of \$3,928,860 was required in 2018/19 for “W.564/2110/08 Rail - Network Business Case Renewals Rail 3,928,860” expenditure including, if available, the individual items to which the \$3,928,860 expenditure was/is to be put

16) A copy of the information that described and justified the amount of \$9,511,791 was required in 2018/19 for “W.564/2110/02 Rail - Network Renewals Rail network renewals 9,511,791” expenditure including, if available, the individual items to which the \$9,511,791 expenditure was/is to be put”

GWRC’s response follows:

1. **The source information used to describe purpose of the expenditure labelled in the "Ess Expenses" worksheet as “W.560/1440/01 Fare Structure Review Initiatives - Bus Bus - revenue 3,000,000” and to calculate the amount of 3,000,000 in the spreadsheet cell 'Ess Expenses'!D13**

The budget provision of \$3,000,000 for 'W.560/1440/01' 'Fare Structure Review Initiatives – Bus' in GWRC’s farebox recovery forecast for 2018/19 was a high level estimate using the best available information at the time. The figure was estimated based on the fare revenue split between bus and rail for previous years.

Please note that the estimated \$3 million budget provision for bus includes an estimated \$2.4 million revenue impact as a result of introducing free bus to bus transfers from 2018. The remaining is expected to be from other initiatives including the 25% off-peak discount. Based on the modelling carried out through the fares review in 2016/17, introducing the 25% off-peak discount was estimated to have a revenue impact of about \$2.8 million.

Noting that off-peak bus boardings account for majority of total off-peak travel in Wellington region, the suite of fare initiatives would in effect have greater negative impact on bus revenue compared to rail. However, taking into account the changes in composition of cost and revenue, and therefore uncertainties about the expectations of fare revenue under the new bus contracts, using the actual and estimated bus and rail fare revenue for previous years was considered appropriate for the purpose of budgeting. The new gross-based contracts and the interim Snapper ticketing system are expected to improve the data that is needed for financial forecasts and budgeting.

GWRC has provided you with copies of the 2016/17 fares review model in response to your request for information OIA 2017-104.

2. **The source information used to describe purpose of the expenditure labelled in the "Ess Expenses" worksheet as “W.560/1602/20 SuperGold Card Grant Revenue - Bus & Ferry Supergold bus & ferry -2,103,046 D15” and to calculate the amount of -2,103,046 in the spreadsheet cell 'Ess Expenses'!D15**

See attached spreadsheet (Attachment 1).

3. **The source information used to describe purpose of the expenditure labelled in the "Ess Expenses" worksheet as "W.560/1816/01 BUS – Fare Revenue Bus - revenue - 48,250,791" and to calculate the amount of -48,250,791 in the spreadsheet cell 'Ess Expenses'!D80**

See attached spreadsheet (Attachment 1).

4. **The source information used to describe purpose of the expenditure labelled in the "Ess Expenses" worksheet as "W.560/2100/21 Lambton Interchange Lease Bus 500,000" and to calculate the amount of 500,000 in the spreadsheet cell 'Ess Expenses'!D90**

The Lambton Interchange Lease Bus refers to the use, maintenance and control of the Interchange which has become available for GWRC to lease from Wellington City Council. No lease has been entered into. The amount of \$500,000 was provided to budget for the lease and any associated works (the actual amount needed is still yet to be determined).

5. **The source information used to describe purpose of the expenditure labelled in the "Ess Expenses" worksheet as "W.564/2100/20 Rail - Fare Revenue Rail - fare revenue -51,569,189" and to calculate the amount of -51,569,189 in the spreadsheet cell 'Ess Expenses'!D174**

See attached spreadsheet (Attachment 1).

6. **The source information used to describe purpose of the expenditure labelled in the "Ess Expenses" worksheet as "W.564/2105/01 Fare Structure Review Initiatives - Rail Rail - fare revenue 2,700,000" and to calculate the amount of 2,700,000 in the spreadsheet cell 'Ess Expenses'!D184**

The budget provision of \$2,700,000 for 'W.564/2105/01' 'Fare Structure Review Initiatives – Rail' in GWRC's farebox recovery forecast for 2018/19 was a high level estimate using the best available information at the time. The figure was estimated based on the fare revenue split between bus and rail for previous years. In addition, please refer to the information provided in response to Q1 above.

GWRC has provided you with copies of the 2016/17 fares review model in response to your request for information OIA 2017-104.

7. **The source information used to describe purpose of the expenditure labelled in the "Ess Expenses" worksheet as "W.564/2110/02 Rail - Network Renewals Rail network renewals 9,511,791" and to calculate the amount of 9,511,791 in the spreadsheet cell 'Ess Expenses'!D187**

The “W.564/2110/02 Rail - Network Renewals Rail network renewals” budget line represented previous agreements between GWRC and KiwiRail in relation to the level of renewal investment into the Railway Network. However, it was realised that additional funding would be required, and hence an additional budget line was created for this, which was called “W.564/2110/08 Rail - Network Business Case Renewals Rail”.

8. **The source information used to describe purpose of the expenditure labelled in the "Ess Expenses" worksheet as “W.564/2110/08 Rail - Network Business Case Renewals Rail 3,928,860” and to calculate the amount of 3,928,860 in the spreadsheet cell 'Ess Expenses'!D191**

KiwiRail have undertaken a more thorough assessment of the Network Asset needs within the Wellington Region and this was documented within the Network Management Plan. This document suggested that a steady state renewal investment of \$13,440,651 was required in 2018/2019 (which is 9,511,791 + 3,928,860).

9. **The source information used to describe purpose of the expenditure labelled in the "Ess Expenses" worksheet as “W.564/2122/20 SuperGold Card Grant Revenue - Rail Supergold rail -1,193,259” and to calculate the amount of -1,193,259 in the spreadsheet cell 'Ess Expenses'!D193**

See attached spreadsheet (Attachment 1).

10. **The source information used to describe purpose of the expenditure labelled in the "Ess Expenses" worksheet as “Supergold rail -2,538,849 for Calc-proposed” and to calculate the amount of -2,538,849 in the spreadsheet cell 'Ess Expenses'!D316**

See attached spreadsheet (Attachment 1).

11. **The source information used to describe purpose of the expenditure labelled in the "Ess Expenses" worksheet as “Supergold bus & ferry -4,291,931 for Calc-proposed” and to calculate the amount of -4,291,931 in the spreadsheet cell 'Ess Expenses'!D317**

See attached spreadsheet (Attachment 1).

12. **The source information used to describe purpose of the expenditure labelled in the "Calc-proposed" worksheet as “Supergold Card revenue - Bus exempt 753,709” and to calculate the amount of 753,709 in the spreadsheet cell 'Calc-proposed'!B17**

See attached spreadsheet (Attachment 1).

13. **A copy of the agreement or agreements between the GWRC and the recipient(s) of “Rail Network Renewals” expenditure describing the funding agreement under which the GWRC agrees to provide this funding and the benefits from this expenditure.**

The agreement for 2018/2019 is still in final preparation. You may wish to request a copy of this document in August 2018.

14. **A copy of the information that outlined the amount of 2017/18 “Rail Network Renewals” expenditure including, if available, the individual items to which the “Rail Network Renewals” expenditure was/is to be put**

See attached (Attachment 2).

15. **A copy of the information that described and justified the amount of \$3,928,860 was required in 2018/19 for “W.564/2110/08 Rail - Network Business Case Renewals Rail 3,928,860” expenditure including, if available, the individual items to which the \$3,928,860 expenditure was/is to be put**

The “W.564/2110/02 Rail - Network Renewals Rail network renewals” budget line represented previous agreements between GWRC and KiwiRail in relation to the level of renewal investment into the Railway Network. However, it was realised that additional funding would be required, and hence an additional budget line was created for this, which was called “W.564/2110/08 Rail - Network Business Case Renewals Rail”. Refer below for complete Rail Network Renewal budget for 2018/19.

16. **A copy of the information that described and justified the amount of \$9,511,791 was required in 2018/19 for “W.564/2110/02 Rail - Network Renewals Rail network renewals 9,511,791” expenditure including, if available, the individual items to which the \$9,511,791 expenditure was/is to be put**

Total Rail Network Renewal budget for 2018/19 is \$13,440,651 (which is 9,511,791 + 3,928,860). The details of this are outlined below:

	2018/19
Network Control	\$ -
Track and Permanent Way	\$ 8,334,144
Signals	\$ 1,087,475
Telecommunications	\$ 495,133
Traction and Electrical	\$ 960,000
Station Platforms	\$ 800,000
Structures	\$ 209,356
Civils	\$ 380,229
Slopes and seawalls	\$ -
Corridor	\$ -
Route Access	\$ 820,000
Level Crossings	\$ 354,315
Totals	\$ 13,440,651

If you have any concerns with the decision(s) referred to in this letter, you have the right to request an investigation and review by the Ombudsman under section 27(3) of the Local Government Official Information and Meetings Act 1987.

Yours sincerely



Wayne Hastie
General Manager, Public Transport

- Attachment 1:** Source data – Farebox Recovery follow up
Attachment 2: Rail network renewals expenditure 2017/18