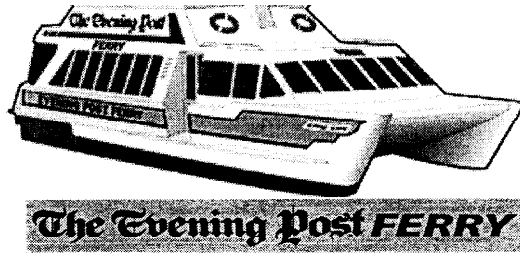


Wellington Regional Council
17 JUL 2001



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Tuesday, 17 July 2001

Dr David Watson
Manager, Divisional Transport
Wellington Regional Council
142 146 Wakefield St
P.O.Box 11 646
Wellington

FILE REF:	
T/11/10/1	
NAME	Int/Date
D. Watson	DW
TO ACTION:	

Dear Dave

Proposed Seatoun ferry service

Further to our meeting earlier this month, I have enclosed our application for kick start funding in respect of the above.

I am a little unsure of how much detail, financial or otherwise, is required at this stage, but no doubt should you require any further information or clarification, you will contact me.

I look forward to hearing from you in due course.

Kind Regards

Jeremy Ward
Managing Director



East By West Company Limited

69723

Kick-Start Funding

(copy as required for each project or aggregated service improvement)

Regional Council Wellington

Project Description (Service Improvement/Project)

Objective <i>To set up and provide a new fast ferry commuter service from Seatoun to Queens wharf, Wellington Central.</i>	
Location: <i>Wellington</i>	Time Period: <i>1 year minimum</i>
Features of project: <i>Offering initially between 2 + 3 AM peak services Seatoun wharf to Queens wharf and 2 - 3 AM peak services Queens wharf to Seatoun wharf. Duration of trip fifteen (15) minutes approximately.</i>	
Start Date: <i>Between October 2001 + February 2002</i>	Contract Period <i>1 year minimum</i>

Rationale

Attach supporting information to show (minimum level of) rationale/analysis prepared to validate proposed expenditure

Costing Information

Median Cost Estimate: Net: <u>\$156,000</u>	Range \$ <u>130,000</u> to <u>\$175,000</u>
Gross: <u>\$356,000</u>	Range \$ <u>330,000</u> to <u>\$375,000</u>
Estimated Passenger Boardings to 30 June ^{Initial Year} <u>40,000</u>	Range <u>35,000</u> to <u>55,000</u>
Estimated Passenger Kilometres to 30 June ^{Initial Year} <u>300,000 km</u>	Range <u>262,500</u> km to <u>412,500 k m</u>
Expected fare revenue: \$ <u>200,000</u>	Fare Revenue \$ <u>225,000</u>
to 30 June ^{Initial Year}	Annual Average

Basis for procurement

	Contracted Trial Service	Variation to Existing Contract	New Contract let by approved CPP	Commercial Trial Passenger Transport Patronage
Procurement Method (tick one)		✓		

Legal requirements

Does this project implement the Regional Land Transport Strategy	
Has it been included in a Regional Programme (or District Programme if delegated to TLA)	

Ongoing commitment

Attach supporting information to show regional council commitment to ongoing funding support to the project. e.g. inclusion in Annual Plan or Financial Strategy.

(copy as required for each project or aggregated service improvement)

Seatoun to Queens Wharf Wellington Proposed New Commuter Ferry Service

East By West Company Limited, the promoter of the proposed service, has operated the current Days Bay to Queens Wharf ferry service since its inception in March 1989. EB W therefore has the expertise and experience necessary to set-up, commission and implement such a new service out of Seatoun.

The socio economic makeup and population of Seatoun and its surrounding residential catchment area has many similarities with Days Bay and its surrounding Eastern Bays. With increasing peak hour traffic congestion from Seatoun into Wellington, an alternate and efficient non road based transport option by fast passenger catamaran would now be welcomed and is anticipated to be well patronised by commuters. In time this service would be expected to carry similar numbers to those now being carried out of Days Bay. i.e. up to 85,000 + passenger trips annually.

A point to note is that in making comparisons with the Days Bay commuter ferry market, the majority of existing commuters are previous car commuters and were not bus users. A similar reaction is expected with Seatoun commuters in as much as the majority of new ferry users would be existing car commuters and therefore reducing the number of vehicles on the road and not merely swapping from one public transport option to another.

There are obviously significant set up and capital costs associated with the sourcing and introduction of a suitable fast passenger vessel for the service. These costs would necessarily have to be borne in the initial year of service and hence the high level of expenditure in year one reflected in the attached kick-start funding application.

By year two, with initial set up costs defrayed, the economies of scale in managing a two vessel operation, would mean significant cost savings, which would be reflected in any future funding required.