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Report to the Passenger Transport Committee
By Dr Dave Watson, Divisional Manager Transport

Patronage Funding - Proposals for the Remainder of 2000/01 Year

1. Purpose

To agree to participate in the Transfund Patronage Funding scheme.

To adopt and action proposals for additions and enhancements to the public transport network for the remainder of 2000/01 that will attract "kick start" funding from Transfund New Zealand under its "Patronage Funding" scheme.

2. Exclusion of the Public

Grounds for exclusion of the public under section 48(1) of the Local Government Official Information Act 1987 are:

"That public conduct would be likely to result in the disclosure of information for which good reason is withholding exists, ie. to protect information which is subject to an obligation of confidence."

Transfund New Zealand have asked that their Patronage Funding scheme remain confidential until the Minister of Transport has agreed it. The expectation is that the Minister will do so prior to the Committee meeting. If this is the case this agenda item can be brought into the public business part of the meeting.

3. Background

... Transfund New Zealand's Board at their meeting on 19th October 2000 adopted a "Patronage Funding" scheme for passenger transport. This scheme replaces their current subsidies for contracted passenger service costs. A description of the scheme is appended as **Attachment 1**.

At the September meeting of the Committee the following resolution was adopted.

"That the officers report back to the next Committee the service improvements they are moving to implement and their additional cost for the period up to 30 June 2001."

4. **Comment**

The Council made a submission on the proposed patronage funding scheme. This was presented to the Chairman of the Transfund Board, Michael Gross and his CEO, Martin Gummer by Councillor Margaret Shields and Councillor Terry McDavitt on Tuesday 11 October 2000.

... **Attachment 2** is a copy of that submission. Changes made to the original patronage funding proposal reflect many of the concerns expressed in the Council's submission. The Committee needs now to decide whether or not to commit to the patronage funding scheme. Once the Council does commit the Council will be eligible for additional administration funding, kick start funding and patronage funding. The additional administration funding will be required to set up and obtain the detailed patronage data for the baseline year and future time periods. Officers will move to organise this once the Committee commits to the scheme.

... The remainder of this report assumes the Council is participating in the patronage funding scheme. At the request of Transfund New Zealand the officers produced a list of possible bus and rail improvements and additions for the remainder of 2000/01 and their likely costs. **Attachment 3** is that list.

Additional to the service changes shown in the list, here are some other ideas that have not yet been shared with Transfund:

(a) **A Universal Age Related Concessionary Fare**

- ◆ everybody up to age 20 (all day)
- ◆ everybody over 65 (non peak)

The first element would capture all existing groups involved in education. It would also encourage young people to use public transport rather than purchase a 'first' car.

The second element would encourage the growing proportion of elderly in our population to use public transport as a mode of choice.

(b) **A Marketing Strategy for Public Transport**

This would involve a new image and the promotion of travel opportunities through signage and/or discounted travel.

Both these concepts have yet to be fully worked up and costed. They might be worth considering for inclusion in subsequent applications to Transfund New Zealand for kick start funding.

(c) **Integrated Ticketing**

This project is in our Long Term Financial Strategy for 2002/03. It would be possible to bring this project forward a year if the Transfund contract issues can be resolved.

Canterbury are moving towards such a system in the next six months. They have selected 'ERG' as the preferred supplier. The 'ERG' contactless smartcard has been used by Mana/Newlands for the past couple of years.

The kick start funding proposal mean that the Council will have to fund 20% of any new expenditure for the rest of the year. This 20% however, should be recouped from increased patronage.

It seems to be in the best interests of the regional community to instigate as many new services as possible during the kick start period.

The proposals listed for implementation in the remainder of the year are all supported by existing strategies and plans. They should therefore be implemented as soon as practical and feasible. They will need to be submitted to Transfund New Zealand to be evaluated for kick start funding.

The future ownership of Tranz Metro Wellington is now a complicating factor. Major investments in rail services cannot proceed until the ownership issue is resolved. This is unfortunate because the kick start programme favours services that are brought into operation sooner than later.

5. **Communication**

A media release will be prepared showing how the government's increased expenditure on public transport from 1 November 2000 will result in service improvements in the Wellington Region.

6. **Recommendation**

- (1) *That the Council elect to join the Transfund "Patronage Funding" scheme from 1 November 2000.*
- (2) *That the officers implement as many new passenger service improvements as are practical during the remainder of the 2000/01 year as long as they attract Transfund kick start funding.*

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Attachments : 3