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

Patronage Baseline Data, Patronage Growth and Patronage Funding

1. Purpose

To inform the Committee of the patronage baseline data, patronage changes since 1 November 2000 and hence the patronage growth claim for the period 1 November 2000 to 30 June 2001.

2. Background

The Patronage Funding Scheme promoted by the government and administered by Transfund New Zealand came into being on 1 November 2000. The Council elected to join the scheme from 1 November 2000. This allowed the Council to submit new projects for “Kick Start” funding, progress on these is reported elsewhere, and made the Council eligible for additional Transfund payments linked to patronage growth.

The patronage funding scheme required a baseline of patronage numbers to be established for the July 1999 to June 2000 period. To claim for patronage growth from 1 November 2000 the same data was required for each month from that date.

The Council employed the consultants Pricewaterhouse Coopers to assist the Council to establish the baseline data, to assist operators to establish procedures to collect the data and to provide an independent audit role that would give Transfund New Zealand and ourselves some confidence in the numbers.

3. Baseline Patronage Data

The patronage data collected consists of all services, commercial and contracted, provided by public transport operators of the region. The data is in the hybrid form the Council elected to use. That is, the data consists of peak and off-peak passenger numbers and passenger kilometres. The definition of “peak” differs between operators and area. The reasons for this are that the further the area is away from the Wellington CBD, the earlier the morning peak and the later the evening peak.

The complete baseline patronage data set is Attachment 1. Attachment 2 is the peak period definitions by operator and area. The Cityline data is included in these totals but is being reviewed and may change.

The Council holds the baseline data by operator. The data at the detailed level is commercially sensitive.

4. Patronage Data Post 1 November 2000

Patronage data has been collected from all operators except Cityline for the period 1 November 2000 to 30 June 2001 on the same basis as the baseline data. Some of the May and June 2001 data is estimated at this stage. The table below shows a month-by-month comparison between the baseline and this more recent data. (Cityline data is excluded from this table.)

Difference Between Baseline and Current Patronage Data				
	Peak		Off-Peak	
	<i>Passenger Numbers</i>	<i>Passenger Kilometres</i>	<i>Passenger Numbers</i>	<i>Passenger Kilometres</i>
Nov 99/Nov 00	48,257	1,209,434	53,596	729,475
Dec 99/Dec 00	-63,257	-792,948	-10,236	-142,787
Jan 00/Jan 01	110,754	1,923,544	10,815	-169,125
Feb 00/Feb 01	-101,983	-1,188,690	-28,242	-118,475
Mar 00/Mar 01	-30,024	-209,198	2,055	-407,865
Apr 00/Apr 01	85,197	1,407,536	78,056	415,723
May 00/May 01 *	8,157	391,613	17,674	51,153
June 00/June 01 *	8,157	391,613	17,674	51,152
TOTAL	65,258	3,132,904	141,392	419,261

* Estimated data

This table shows how the month to month comparisons exhibit a swing up and down. The principle reason for these swings is the different number of weekdays in the months being compared. Over a longer period the swings are negated. The total figures in the table are therefore an accurate reflection of the growth trend. The percentage growth in passenger numbers and kilometres between the baseline and the current information is:

% Change

Peak Passengers	0.74
Peak Kilometres	2.39
Off-Peak Passengers	1.89
Off-Peak Kilometres	0.54

The assumption made in the Councils annual plan on patronage growth is 2% per annum until 2002/03 and thereafter remaining level. The figures above suggest overall passenger growth of 1.1% (per annum). Passenger kilometres have grown by 1.6% per annum.

5. Patronage Growth Funding

The Transfund New Zealand rates for patronage growth funding are:

	\$
Peak Passengers	1.05
Peak Kilometres	0.17
Off-Peak Passengers	0.15
Off-Peak Kilometres	0.06

The patronage growth funding claim for the year ending 30 June 2001 is therefore \$646,879. This compares favourably with the predicted \$800,000 for this period. When the Cityline data is complete it may change these numbers up or down. We will not have a complete set of patronage data until August.

6. Summary

The Patronage Funding Scheme was seen by the Council as a funding risk. To date, the assumptions made by the Council set out in the annual plan are close to being met. The risk remains as we go into the new financial year.

7. Communication

It would be appropriate to announce that patronage growth in the Region is modest but in keeping with predictions. That the kick start projects the Council initiated in 2001/02 have been funded entirely by Transfund's 80% subsidy and patronage growth funding.

8. Recommendation

That the report be received.

Report prepared by:

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Attachment 1: Baseline data for all operators

Attachment 2: Peak hour and passenger kilometre assumptions