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## **Report 01.264**

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

### **Baseline Funding and Patronage**

#### **1. Purpose**

To update the Committee on the collection of Baseline Patronage Data and the negotiation with Transfund New Zealand over Baseline Funding.

#### **2. Background**

The Patronage Funding scheme developed by Transfund New Zealand came effective from 1 November 2000. The Council joined the scheme on that date and hence qualified for kick start funding and patronage growth funding. The scheme requires two baselines to be established for it to work. The first is baseline patronage for the 1999/2000 year split between peak and off peak including the number of passenger boardings in these periods and the distance travelled. The second baseline is the funding necessary to retain the services existing prior to 1 November 2000 as funding of additional services after that date will come from patronage growth and any kick start initiatives. This funding baseline being based on historic funding for buses and an agreed understanding of the long term funding requirements to retain current rail services.

#### **3. Comment**

... The baseline funding proposal made to Transfund for the Wellington Region is contained in the 14<sup>th</sup> February 2001 letter sent to them (**attachment 1**). It appears that this has been accepted by Transfund. The letter leaves the finalisation of the rail baseline until the Tranz Metro Wellington sale process has been completed.

The collection and auditing of the baseline patronage data was contracted out to PriceWaterhouseCoopers. At the time of writing they had only just received returns from all

operators for the 1999/2000 baseline year. Staffing problems at Tranz Rail meant that their return was the last to be received. A deadline of 29<sup>th</sup> April was set for the 1 November 2000 to 31<sup>st</sup> March returns. An update on the achievement of that date will be made at the meeting. Subsequent to this first “quarterly” return (it is recognised that this first quarterly return is for five months), operators have been instructed to make monthly returns which will enable the Council to claim any patronage growth funding in a timely fashion.

#### 4. **Recommendation**

*That this report be received.*

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**Attachment 1 : Baseline Funding Proposal Letter to Transfund New Zealand**