



Transfund General Circular No. 04/13

Additional Information to assist approved organisations to implement the Patronage Funding Scheme

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Circulation	All Regional Councils, Unitary Authorities & Road Controlling Authorities with delegated passenger transport responsibilities	<i>For action</i>
	Local Government New Zealand	<i>For information</i>
	Energy Efficiency & Conservation Authority	<i>For information</i>
	Audit New Zealand	<i>For information</i>
	Bus & Coach Association	<i>For information</i>
	Auckland Regional Transport Authority	<i>For information</i>

Purpose

The purpose of this general circular is to provide approved organisations that are involved with the patronage funding scheme (the scheme) with a guideline to assist with the data collection and verification process. It also conveys recent decisions by the Transfund Board clarifying some aspects of the scheme.

Guide to developing a data collection and verification process

Each participating approved organisation has been asked to develop a Data Collection and Verification Process which includes a list of passenger transport services and associated patronage for 2002/03 and 2003/04. They have also been asked for a report giving details of how the information was collected and verified.

Transfund has now developed a guide to assist participating approved organisations complete these requirements. The guideline includes:

- explanations of the requirements of the *Data Collection and Verification Process*, and advice on its preparation
- an example set of information as produced for the Hawke's Bay Regional Council, including:

- the Hawke's Bay Data Collection and Verification Process
- lists of Hawke's Bay services for 2002/03 and 2003/04, together with the reports on how the information for those years was collected and verified.

Clarification decisions

Recent Transfund decisions relevant to the revised patronage funding scheme are set out below:

Collection of patronage data for commercial and contract services

The Guide released in general circular 04/09 required all participating approved organisations to provide a list of all contract, commercial, and school bus services that operated during the 2002/03 year. Following requests for clarification from many participating approved organisations, Transfund has made the following decisions:

- commercial services are defined as those services that are open to the general public and required to be registered under the Transport Services Licensing Act
- commercial school bus services which are not registered are no longer required to be included on this list
- small commercial services that will not have a material effect on the scheme may also be excluded.

See Step 1 of the Guide for more details.

Frequency of patronage data collection

Transfund initially advised that patronage data for use in the patronage funding scheme should be collected at least quarterly. Quarterly reporting will enable both Transfund and the authority to carry out regular checks on the end of year projections and likely Transfund financial assistance during the year. This is still Transfund's preferred option for Auckland, Wellington and Christchurch. If commercial information is not available quarterly, especially in smaller urban centres, collection on a six monthly basis may be sufficient. Please discuss this with your Transfund regional manager or liaison engineer.

Quality of data

If there are any problems in either collecting 2002/03 or 2003/04 patronage data, or if the accuracy of that data cannot be verified, participating approved organisations should highlight this in their *Data Collection and Verification Process*, and contact their Transfund regional offices to develop a solution.

Financial assistance rates during the transition period

Transfund policy for the transition period determines that the Transfund assistance rate for the years 2004/05 and 2005/06 will be stepped up or down to an assumed rate of 50% in 2006/07 according to what the actual financial assistance rate was for that region in 2003/04. However because the 2003/04 numbers were not available when the 2004/05 allocations were made, the figures set in the 2004/05 National Land Transport Programme were calculated from 2002/03 end of year expenditure for each region.

Now that the end of year figures for 2003/04 are available, Transfund has now decided that the allocations for 2004/05 and 2005/06 will be calculated from the higher of either the 2002/03 or 2003/04 figures and “stepped” either upwards or downwards to a payment rate calculation of 50% for 2006/07.

Note the following:

- the actual financial assistance rate in 2006/07 may not be 50%, this rate is used for calculation purposes only
- 2006/07 will be the first year when the actual scheme commences with core and growth funding. Initially it will be based around projected expenditure and patronage for 2006/07 until the completion of this year.

Date for submission of data

The date for the completion of the *Data Collection and Verification Process* and lists of services has been extended from 31 October 2004 to 30 November 2004. If participating approved organisations are not be able to meet this extended deadline, they should advise Transfund by mid-November, with a brief progress report and setting out the reason for the delay and expected completion date.

Attachments

Attachment 1: is a copy of the *Guide to the Preparation of the Data Collection and Verification Process*.

Attachment 2: is a copy of the Hawke's Bay Regional Council *Data Collection and Verification Process*, and the 2002/03 and 2003/04 list of services and reports thereon.

Enquiries

For further information please contact your Transfund Regional Manager or Liaison Engineer.



Bob Alkema
Operations Manager

Guide to the preparation of the data collection and verification process

Introduction

The *Data Collection and Verification Process* (DCVP) is required to be completed by each approved organisation (AO), i.e. regional council, unitary authority or territorial authority with delegated passenger transport responsibility, seeking patronage funding from Transfund.

This guide is to assist those AOs in the preparation of their DCVP. This guide covers the 15 steps in the process as set out in the Transfund General Circular No. 04/09 *Guidelines on the Information Required for the Revised Patronage Funding Scheme* dated 1 July 2004.

These steps are shown below:

No.	Step
1	List services that operated in the region in 2002/03
2	Highlight those services for which patronage information is not available, and explain why
3	Choose which growth payment method will be used in 2006/07, and document the availability of this information in the three previous years
4	Agree peak hours
5	Decide method of calculating passenger-kilometres
6	Establish with each operator how patronage data is to be collected for each service
7	Agree with operators the process for the collection of commercial service data. Collect data from 2002/03 and 2003/04
8	Arrange for patronage impacts from future service changes to be identified separately
9	Review 2002/03 and 2003/04 data and highlight any changes in the collection processes proposed for 2004/05, and any implications this might have on the previous years
10	Collect Information for 2004/05 on a quarterly basis as per the agreed process
11	Develop a monitoring system to ensure that the data collection process is being followed, and that the numbers being generated are accurate. Record the results
12	Undertake quarterly comparisons of numbers to see if changes have occurred; and seek and record reasons (if any) for the changes
13	Check at least once a year the base information recorded by operators to ensure processes are being followed, and the information is being accurately recorded
14	During 2004/05, and thereafter at least every two years, use an independent auditor to check the <i>Data Collection and Verification Process</i> is being followed, and the patronage numbers being generated are accurate
15	Agree this whole process with Transfund

This guide should be read in conjunction with the previous instructions from Transfund, and in particular the *Guidelines on the Information Required for the Revised Patronage Funding Scheme*, and the *Guide to the Implementation of the Revised Patronage Funding Scheme*.

We have included an example DCVP in conjunction with this guide. It contains lists of services prepared for the Hawke's Bay region.

The guide

Step 1: list the services that operated in the region in 2002/03

All subsidised services that operated in the region in 2002/03 should be listed, even if they have subsequently ceased. Commercial services are to be included.

Transfund has set some guidelines regarding which services should be included in the list:

Services to be included:

- all contracted/funded services, and associated patronage
- commercial services available to the public and recorded in the regions Passenger Transport Register or Regional Passenger Transport Plan unless:
 - they are not considered to be material or relevant (based on the impact on the transport network), or
 - there are likely to be ongoing difficulties concerning the availability and/or accuracy of patronage data.

Services not to be included:

- commercial services not on the Passenger Transport Register or in the Regional Passenger Transport Plan, including fare paying school services
- Ministry of Education funded services

As a general guide, it is more important that urban services be included rather than rural services.

In addition:

- if an AO has decided that the patronage information from a particular service will not be included in the list of services, the service itself should still be shown, (see the Hawke's Bay example)
- if the commercial service is one that may become a contracted service at a later date, it is important that the AO try to obtain patronage data for this service. Otherwise there may be difficulties at a later stage should the service become contracted

- in the situation where there is no data for previous years, either patronage estimates will have to be made for those years, or patronage from the service not included in growth funding calculations (including the calculation of core patronage) until sufficient information is available
- patronage may be shown for each service, or may be shown only as an overall total. If an overall total is shown, AOs must be able to show to Transfund (if required to do so) how the total was made up. It must also be clear on the list as to the services for which patronage data is available, and those services for which it is not.

[See the section *2002/03 Patronage* in the July guidelines for more information on the preparation of this list]

Step 2: highlight those services for which patronage information is not available, and explain why

Reasons for not including information are set out in Step 1 above.

Step 3: choose which growth payment method will be used in 2006/07, and document the availability of this information in the three previous years

AOs do not necessarily have to choose a growth payment method at this time, and need only make a final decision on which method it will use prior to the preparation of the 2006/07 NLTP (which will be in approximately October 2005). However data will need to be collected for 2003/04 and 2004/05 in a format appropriate to the growth payment method likely to be chosen.

Auckland, Wellington and Canterbury

- AOs in Auckland, Wellington and Canterbury are required to use the hybrid growth payment method. This means that information for the 2003/04 and 2004/05 years needs to be in the format required for that method. If a change from the current peak period, or to the method of calculating passenger-kilometres is proposed then patronage from the previous years will need to be re-calculated to ensure the numbers for each year are consistent
- the hybrid growth payment method may be used across the whole region, or just in the main centre. For example, in Canterbury, Christchurch payments must be calculated according to the hybrid method, but services outside of Christchurch (such as Timaru) could be funded according to the simplified flat rate boardings method if the region so chooses.

Other regions

- AOs in other than Auckland, Wellington and Canterbury must use the simplified flat rate boardings method unless it is able to prove the existence of traffic congestion, in which case it may use the simplified peak/off-peak method. AO's may use the peak/off-peak method in the main centre that is subject to traffic congestion, and use the simplified flat rate boarding method in other areas

- AOs wishing to choose the simplified peak/off-peak method, or use two payment types in a single region, must discuss this with Transfund.

Step 4: agree peak hours

This step only applies to those that have chosen either the hybrid or the simplified peak/off-peak growth payment method.

- the proposed peak period must be discussed and agreed with Transfund. Transfund has indicated that for Auckland, Wellington and Canterbury, if the AO proposes to use the peak period used for the previous patronage-funding scheme, then approval of those hours is automatic. However if a change in the peak period is proposed, then approval will be required from Transfund
- other AOs wishing to calculate patronage according to peak/off-peak hours will have to prove the existence of traffic congestion to Transfund, and agree the peak period relevant to the congested conditions
- there is no longer a requirement to limit the peak period to four hours per day
- the Transfund Project Evaluation Manual contains a methodology for assessing congestion on the road network, and AOs should use this as a basis for seeking a change in peak hours or proving the existence of congestion. (See also Q21 in the June guidelines).

Step 5: decide method of calculating passenger-kilometres

This step applies to all AOs, even those that have not chosen the hybrid or the peak/off-peak growth payment method. This is because all AOs will have to report to Transfund on passenger-kilometres for performance monitoring and reporting purposes.

The July 2004 guidelines set out three possible methods that can be used to calculate passenger-kilometres:

- AOs must use one of these methods unless Transfund approval has been gained for an alternative method
- different operators may be allowed to use differing methods but AOs should move to a uniform method (to avoid consistency issues in the event of a contract changing operators, and for comparative purposes)
- if the survey method is to be chosen, the AOs will need to set out how it intends to undertake the survey such as; frequency, numbers surveyed in order to be statistically significant, how passengers are to be surveyed (observation or questionnaires). Surveys must be conducted at least annually, with all routes covered, and a weighted average used to determine the average distance travelled.

Step 6: establish with each operator how patronage data is to be collected for each service

AOs must establish with each operator how that operator is to collect patronage information. This will include format, how long the information should be retained, and how to calculate patronage from the use of multi-trip tickets.

- whatever method is chosen must be recorded and then used consistently. If the chosen method differs from that used in the past, patronage information from the previous years will have to be reviewed to ensure consistency
- all AOs are encouraged to require the use electronic ticketing machines (ETMs) or equivalent to record patronage information. Those AOs not requiring ETMs should move towards this system, and at least require the use of ETMs when the services are next tendered. However the use of ETMs will not be required where patronage is insufficient to justify using ETMs.

Step 7: agree with operators the process for the collection of commercial service data. Collect data from 2002/03 and 2003/04

AOs should make every endeavour to obtain the patronage information from commercial services. If the information is not made available to it, or is not used by the AO for any reason (such as unreliability), the AO should record the reason for this on the list of services or in the report that accompanies the list.

In an attempt to overcome some of the confidentiality issues, Transfund is developing, in association with the Bus and Coach Association, a draft agreement available to be used by AOs and operators to safeguard the use of patronage information. This agreement states that AOs will only use the information for the purposes of calculating funding. AOs are not required to use this agreement – alternative formal or informal agreements between the AO and operators are sufficient.

- patronage information from commercial services is required for the 2002/03 year (total numbers only) and subsequent years (according to the growth payment method chosen)
- if an operator will not make patronage information available, and the information is considered material, the AO should state what steps it has taken to obtain the information, and then record the patronage for that service as nil in the list of services
- any problems with the 2002/03 or 2003/04 data, such as availability and accuracy, will need to be identified. This can be done in the report accompanying the list of services. Transfund and the AO can then consider options for addressing the problems.

Step 8: arrange for patronage impacts from future service changes to be identified separately

Only the impacts of major service changes, such as the introduction of a new route, late night or weekend services, need be identified.

All that is required under this step is for AOs and operators to agree to attempt to record the impacts of major service changes.

Step 9: review 2002/03 and 2003/04 data and highlight any changes in the collection processes proposed for 2004/05, and any implications this might have on the previous years

If a change in the method of collecting patronage information is proposed in Step 6 above, the impacts on previous data will need to be assessed. The figures for each year must be prepared on a consistent basis, otherwise a change in passenger numbers may be indicated when in fact the change was simply the result of a change in the calculation process.

If peak hours are to be changed, then the implications of this will need to be shown.

To ensure consistency, it may be that the numbers from previous years will need to be re-calculated (see the example in the Hawke's Bay list and accompanying Hawke's Bay report).

Step 10: collect information for 2004/05 on a quarterly basis as per the agreed process

Patronage information should be collected on at least a quarterly basis for quarterly validation of patronage payment claims and for patronage monitoring purposes. However if information (such as that from commercial services, or small services) is not available quarterly, then six-monthly will suffice.

Step 11: develop a monitoring system to ensure that the data collection process is being followed, and that the numbers being generated are accurate. Record the results

AO's should build on the operators own monitoring systems to ensure all revenue is collected and accounted for. The monitoring system used by the AO should ensure that:

- the agreed data collection system as per Step 6 above is being used to collect patronage information
- if the operator is supplying passenger-kilometres information, this is accurate
- the information supplied to AOs is as collected by the operator.

Extra AO monitoring will be required where manual data collection systems are in place.

Step 12: undertake quarterly comparisons of numbers to see if changes have occurred; and seek and record reasons (if any) for the changes

Regular reviews of the patronage data must be undertaken in order to identify any changes that are occurring and the funding implications of those changes.

Step 13: check at least once a year the base information recorded by operators (rather than just the summary information) to ensure processes are being followed, and the information is being accurately recorded

This will involve checking the data held by the operator (or the operators systems) to ensure that accurate data is being collected. For example, a check should be made of the raw data to ensure that any summary reports prepared by the operators for the AO are accurate.

This will mean that operators must retain raw data for such a check to be undertaken. The data should be kept for as long as possible to not only enable annual checks to be made, but to enable any re-calculations to occur (such as in the event of a change in peak hours, or a change in the method of calculating passenger-kilometres).

Step 14: during 2004/05, and thereafter at least every two years, use an independent auditor to check the Data Collection and Verification Process is being followed, and the patronage numbers being generated are accurate

The audits are to be initiated by the AO and are to be separate to the audits undertaken from time to time by Transfund.

The first independent audits are expected to occur late in 2004/05 year. This will allow time for the DCVP to be implemented. The audit should address issues including:

- the appropriateness of the DCVP
- whether the operators and AO are complying with the DCVP
- the validity of the 2002/03 and 2003/04 (and eventually of subsequent years) patronage data
- whether accurate information is being produced for the chosen growth payment method.

A copy of the audit report should be sent to the Transfund regional manager.

Transfund is currently preparing model terms of reference for the audits.

Step 15: agree this whole process with Transfund

Once this DCVP has been completed, it should be sent to your Transfund regional manager along with:

- the 2002/03 list of services
- the report on the 2002/03 list
- the 2003/04 list of services
- the report on that 2003/04 list.

It is not necessary to complete all five documents prior to them being sent to or discussed with Transfund, although Transfund may not be able to give final approval to the process or any of the figures without seeing all the information.

If you have any problems with any of these issues, please contact your regional manager.

Transfund New Zealand
5 November 2004

DATA COLLECTION AND VERIFICATION PROCESS

Hawke's Bay Regional Council

Introduction

This process is based on the Transfund 15 step process as set out in Transfund Circular No 04/09, and the Transfund guide to undertaking that process.

Step 1: List all services in the region that operated in 2002/03

See attached list (Appendix A).

Step 2: Highlight those services for which patronage information is not available, and explain why.

See attached list (Appendix A). Patronage information from all services was available.

No other scheduled commercial services of any note have been identified in the region. Some school services do operate in the region. These are shown on the list under the “Non-Registered Commercial Services” category. However the patronage associated with these services has not been included because the services are paid for by the schools concerned and the services are not available to the public. Therefore the council considers they should not form part of the overall patronage figure for the region, nor be included in the funding calculations.

Step 3: Choose which growth payment method will be used in 2006/07, and document the availability of this information in the three previous years.

It is intended that the simplified flat rate boarding method will be used to calculate the growth funding payment.

Patronage information on this basis is available in 2002/03 and 2003/04, and will be available in all subsequent years.

Step 4: Agree peak hours

Not applicable as the simplified flat rate boarding method has been chosen.

Step 5: Decide method of calculating passenger-kilometres

Because it is intended to use the simplified flat rate boarding method to calculate the growth funding payment, passenger-kilometre information is not required for funding calculations.

However for performance monitoring purposes, method 3 (ticket sales basis, using average section length), will be used to calculate passenger-kilometres from 2004/05 onwards. Information is provided from operators on a section-by-section basis and therefore the passenger-kilometres calculation is relatively easy to undertake.

No monthly or term passes are used and therefore no estimates of distances travelled on these tickets is needed.

Step 6: Establish with each operator how patronage data is to be collected for each service

There are two operators currently providing services in the region - Nimons and Sons Ltd and Metro Buses. The following methods to collect patronage information are currently used, and no change in the methods are proposed:

- Nimons
- operate the Napier and Hastings urban services, and the fruit pack-house service
 - use ETM's to collect patronage information on these services, and will continue to use this method to determine patronage. A system is in place to record passenger numbers in the event that a vehicle without an ETM is used, or the ETM is not working. Patronage summaries by ticket type and section are reported monthly to council, and more detailed reports are available if required
 - patronage numbers are supplied to council by section, and therefore passenger-kilometre information is relatively easy to calculate
 - there are no monthly or term passes and so no patronage assumptions need to be made for these
 - transfer tickets are counted as two trips.
- Metro
- operate the Saturday service between Napier and Hastings
 - patronage information is currently collected manually by the driver (and recorded on the drivers waybill). As Metro only operate this one relatively small service, and given the monitoring processes that are in place, it is considered that this method of collecting patronage is adequate
 - patronage information is available by section
 - no monthly, term, or transfer tickets are used on this service.

Step 7: Agree with operators the process for the collection of commercial service data. Collect data from 2002/03 and 2003/04.

Information from the Nimons Napier and Hastings commercial services (including for 2002/03 and 2003/04) is available to council already and has been included in the patronage calculations. The process for the collection of this information remains unchanged i.e. as per Step 6 above.

There are no other material commercial services operating in Hawke's Bay.

Step 8: Arrange for patronage impacts from future service changes to be identified separately.

This will be done as new services are introduced. Patronage on any new services will be separately highlighted in patronage reports.

Service changes to be reported on will be only those that are considered to be material in nature (such as the introduction of night-time services, or a new routes). For example, the introduction of the Saturday services between Napier and Hastings has been treated as a separate service and reported on separately.

Minor changes, such as small changes to existing routes or timetables, will not be separately identified.

Step 9: Review 2002/03 and 2003/04 data and highlight any changes in the collection processes proposed for 2004/05, and any implications this might have on the previous years

The only change in the collection process has been in the collection of information on non-subsidised full-fare paying adult passengers. Prior to 2003/04, patronage information was only available for concession fare sales, and adult passenger numbers were not provided to the council. However from 2003/04 total patronage has been supplied to the council.

In order to ensure consistency between the numbers for each year, the passenger numbers for 2002/03 has been adjusted to include adult passengers. Due to the unavailability of the actual numbers, an estimate has been used, and the 2002/03 figures adjusted accordingly. This adjustment has been calculated taking the percentage of adult passengers in 2003/04 (8.1% of total passengers) and adjusting the 2002/03 figures by this amount.

No other changes in the collection processes are proposed.

Step 10: Collect Information for 2004/05 on a quarterly basis as per the agreed process.

Information, including the commercial information, is already collected on a monthly basis for each service. No change in the frequency of the collection of the data is proposed.

Information will continue to be collected according to the agreed process.

Step 11: Develop a monitoring system to ensure that the data collection process is being followed, and that the numbers being generated are accurate. Record the results.

A monitoring programme has been prepared and is attached. Essentially, this process involves ensuring that the operators collect patronage information as per the method agreed in Step 6 above, and then checking from time to time that the process is being followed and that accurate information is generated. Refer to Appendix B.

Step 12: Undertake quarterly comparisons of numbers to see if changes have occurred; and seek and record reasons (if any) for the changes.

This is addressed in the monitoring programme.

Step 13: Check at least once a year the base information recorded by operators (rather than just the summary information) to ensure processes are being followed, and the information is being accurately recorded.

This is addressed in the monitoring programme.

Step 14: During 2004/05, and thereafter at least every two years, use an independent auditor to check the process is being followed and the patronage numbers being generated are accurate.

This is addressed in the monitoring programme. The first audit is programmed for early 2005.

Step 15: Agree this whole process with Transfund

The process is submitted for the approval of Transfund.

Appendices

Appendix A: list of services for 2002/03 and 2003/04 for Hawkes Bay

Appendix B: monitoring programme for Hawkes Bay.

Hawkes Bay Regional Council

List of services 2002/03

	Patronage	Comments
Services included in patronage calculations		
Contracted services		
Saturday service between Napier and Hastings		Note 1
Fruit Packhouse service		Note 2
Hastings services (Camberly, Mahora, Parkvale/Akina routes)		Note 3
Saturday services (Flaxmere and Maraenui/Onekawa routes)		Note 4
Registered Commercial Services (with CFS)		
Napier/Hastings services (Napier-Hastings, Havelock North, Flaxmere, Maraenui/Onekawa, Tamatea, Camberly, Mahora, Parkvale/Akina routes)		Note 5, 6
Total	430,464	Note 7
Services not included in patronage calculations		
Other Registered Commercial Services		
Nil		Note 8
Non-Registered Commercial Services		
School services to Hereworth, Woodford and Iona schools	0	

Notes

- 1 This service began as a trial service on 7-12-02
- 2 The local share of the cost of this service was met by Work and Income NZ
- 3 The contract for this service ended on 30 September 2002. At that stage the service became commercial and was subsequently included in the Napier/Hastings concession fare scheme. This passenger numbers included are those up to 30-9-02.
- 4 The contract for this service ended on 30 September 2002. At that stage the service became commercial and was subsequently included in the Napier/Hastings concession fare scheme. The passenger numbers included are those up to 30-9-02.
- 5 This includes the Hastings and Flaxmere and Maraenui/Onekawa Saturday services from 1-10-02 onwards.
- 6 This is total passengers i.e. concession fare plus full fare paying customers.
- 7 A breakdown of this figure by service is available if requested.
- 8 No other bus or ferry services of any materiality operate in Hawkes Bay.

Hawke's Bay Regional Council

Report on the 2002/03 Patronage Numbers

Service	Type of Service	How the Data was Collected	What Processes Were in Place to Verify the Information was Accurate
Saturday Service between Napier and Hastings	Contracted – service began on 7/12/02	Data was collected via electronic ticketing machines	<ol style="list-style-type: none"> 1. Operator has recording and monitoring processes in place to ensure drivers accurately record patronage 2. Operator records checked by council annually to verify the numbers provided to the council by the operator were as recorded by the operator 3. Six-monthly analysis of patronage data undertaken by council
Fruit Pack-house Service	Contracted	Data was collected manually	<ol style="list-style-type: none"> 1. Drivers waybills checked annually to verify that the numbers provided to the council were as recorded by the driver 2. Six-monthly analysis of patronage data undertaken by council
Hastings Service	Contracted – contract ended on 30-9-02	Data was collected via electronic ticketing machines	<ol style="list-style-type: none"> 1. Operator has recording and monitoring processes in place to ensure drivers accurately record patronage 2. Operator records checked by council annually to verify the numbers provided to the council by the operator were as recorded by the operator 3. Six-monthly analysis of patronage data undertaken by council
Saturday Flaxmere and Maraenui/Onekawa Service	Contracted – contract ended on 30-9-02	Data was collected via electronic ticketing machines	<ol style="list-style-type: none"> 1. Operator has recording and monitoring processes in place to ensure drivers accurately record patronage 2. Operator records checked by council annually to verify the numbers provided to the council by the operator were as recorded by the operator 3. Six-monthly analysis of patronage data undertaken by council
Napier and Hastings Urban Service	Commercial services, but with a concession fare scheme in place	Data was collected via electronic ticketing machines	<ol style="list-style-type: none"> 1. Operator has recording and monitoring processes in place to ensure drivers accurately record patronage 2. Operator records checked by council annually to verify the numbers provided to the council by the operator were as recorded by the operator 3. Six-monthly analysis of patronage data undertaken by council 2. Comparisons with previous years undertaken

Hawkes Bay Regional Council

List of services 2003/04

	Patronage 2002/03	Patronage 2003/04	Change	Comments
Services to be included in patronage calculations				
Contracted services				
Saturday service between Napier and Hastings				Note 1
Fruit Packhouse service				Note 2
Hastings services				Note 3
Saturday services (Flaxmere and Maraenui/Onekawa routes)				Note 4
Commercial Services (with CFS)				
Napier/Hastings services (Napier-Hastings, Havelock North, Flaxmere, Maraenui/Onekawa, Tamatea, Camberly, Mahora, Parkvale/Akina routes)				Note 5, 6
Total	430,464	443,501	13,037	Note 7
Services not to be included in patronage calculations				
Registered Commercial Services not included above				
Nil	0	0	0	Note 8
Non-Registered Commercial Services				
School services to Hereworth, Woodford and Iona schools	0	0	0	

Notes

- 1 This service began as a trial service on 7-12-02, and was subsequently made permanent.
- 2 The local share of the cost of this service continues to be met by Work and Income NZ
- 3 The contract for this service ended on 30 September 2002. At that stage the service became commercial and was subsequently included in the Napier/Hastings concession fare scheme.
- 4 The contract for this service ended on 30 September 2002. At that stage the service became commercial and was subsequently included in the Napier/Hastings concession fare scheme.
- 5 This includes the Hastings, and Flaxmere and Maraenui/Onekawa Saturday, services from 1-10-02 onwards.
- 6 This is total passengers i.e. concession fare plus full fare paying passengers.
- 7 A breakdown of these figures by service is available if requested.
- 8 No other bus or ferry services of any materiality operate in Hawkes Bay.

Hawke's Bay Regional Council

Report on the 2003/04 Patronage Numbers

Service	Type of Service	How the Data was Collected	What Processes Were in Place to Verify the Information was Accurate
Saturday Service between Napier and Hastings	Contracted – service began on 7/12/02	<p>Data until 7-12-03 was collected via electronic ticketing machines.</p> <p>From 7-12-03 onwards a new contract was in place, with a new operator. Passenger numbers were collected on a manual basis by the driver.</p>	<ol style="list-style-type: none"> 1. Operator has recording and monitoring processes in place to ensure drivers accurately record patronage 2. Operator records checked by council annually to verify the numbers provided to the council by the operator were as recorded by the operator 3. Six-monthly analysis of patronage data undertaken by council <ol style="list-style-type: none"> 1. Drivers waybills checked occasionally to verify numbers 2. Checks made against previous operators figures to compare numbers
Fruit Pack-house Service	Contracted	Data was collected manually	<ol style="list-style-type: none"> 1. Drivers waybills checked annually to verify that the numbers provided to the council were as recorded by the driver 2. Six-monthly analysis of patronage data undertaken by council
Napier and Hastings Urban Service	Commercial services, but with a concession fare scheme in place	Data was collected via electronic ticketing machines	<ol style="list-style-type: none"> 1. Operator has recording and monitoring processes in place to ensure drivers accurately record patronage 2. Operator records checked by council annually to verify the numbers provided to the council by the operator were as recorded by the operator 3. Six-monthly analysis of patronage data undertaken by council

Reasons for Differences in Patronage Between 2002/03 and 2003/04

<i>Service</i>	Difference in Patronage	Reasons for Difference in Patronage
Saturday Service between Napier and Hastings	3,938	This service only began on 7-12-02, and therefore figures for 2002/03 were only for 6 months and 3 weeks. 2003/04 figures were for whole year.
Hastings Service	-5,959	The contract for this service ended on 30-9-02 and the service was then operated on a commercial basis (and included in the concession fare scheme). The patronage on these services from 1-10-02 onwards is included in the Napier and Hastings Urban services shown below.
Saturday Flaxmere and Maraenui/Onekawa Service	-1,356	The contract for this service ended on 30-9-02 and the service was then operated on a commercial basis (and included in the concession fare scheme). The patronage on these services from 1-10-02 onwards is included in the Napier and Hastings Urban services shown below.
Fruit Pack-house Service	3,154	This increase is a consequence of a small re-scheduling of these services to better reflect demand.
Napier and Hastings Urban Service	13,260	This increase is mainly the result of the inclusion of the Hastings services, and the Saturday Flaxmere and Maraenui/Onekawa services, from 1-10-02. A small overall patronage increase has also been experienced.

MONITORING PROGRAMME

(For all Services Included in Patronage Funding Calculations)

Item Monitored	Frequency	Method	Reporting Procedure
Patronage data received from operator (to ensure appropriate data is being received)	Monthly	Passengers shown by fare category and section, together with overall totals, any recording problems e.g. services not operated, ETM failure, noted and addressed	Spreadsheet/graphs of patronage numbers maintained
Patronage levels, patterns and trends (to identify variances from estimates, and enable better predictions)	Quarterly	Compare with previous periods, and with councils own predictions (as used to estimate funding) for the current year. Seek explanation if necessary from operator for major changes	Results recorded Transfund advised if substantial variance from estimates used to calculate funding
Operator recording systems (to ensure that all passengers are being ticketed and appropriately recorded)	Annually	Check process from passenger boarding bus to passenger numbers being sent to council; ensure the Data Collection and Verification Process as it applies to the operator is being followed; check calculation of passenger-kilometres and recording in correct period (peak/off-peak) if applicable	Results recorded
Operator base data (to ensure that correct summaries are being provided to council)	Annually.	Data for at least one month of the year to be analysed to ensure it matches with what is shown on operator summary sheets as sent to council. Any variances checked and reasons ascertained	Results recorded
Annual report to be prepared (to record annual numbers)	Annual	Figures for year to be shown, comparisons made with previous years, reasons for any changes noted, and any change in service levels recorded	Report compiled
Independent audit (to ensure the <i>Data Collection and Verification Process</i> remains appropriate and is being followed by operators and council)	Every two years	Audit to check that the council and operators are following the <i>Data Collection and Verification Process</i> , and that the process remains appropriate	Report compiled; recommendations noted/actioned by council; copy of report sent to Transfund