

Public passenger transport

A convenient, attractive passenger transport system is an essential means of providing public access to employment, educational and social facilities.

Key issues for 2008/09

Movement of people: There are people in the community, including some with disabilities, who rely on public passenger transport to travel to work, and to educational, social and recreational facilities. Increasing numbers in the community are choosing to use public passenger transport for a variety of reasons ranging from convenience, to cost, environmental sustainability and lifestyle choice. There is demand for improvements to existing services, which will require additional new technology infrastructure, and for new services, such as dial-a-ride. The cost of re-tendering existing services is expected to rise as tender prices are increasingly impacted by rising costs.

Traffic congestion: Increasing traffic volume is putting pressure on infrastructure and the environment throughout the region. Public passenger transport can significantly reduce the growth in traffic congestion and, as a result, reduce pressure on infrastructure. See also, key issues for Land page 38 and Regional Land Transport page 56.

» What's changed since the 2006-16 LTCCP?

No change.

Uncertainties

For 2008/09 the following is uncertain:

- whether territorial authorities will provide the necessary bus priority measures, bus shelters and interchanges to achieve forecast patronage growth and reliability of passenger transport trips.
- the degree to which the volatility in operating costs, such as fuel costs, will impact on total expenditure.
- the Public Transport Management Bill 2007, if adopted, will impact on the required content of the Canterbury Regional Passenger Transport Plan as well as the consultation process required to develop and amend it.
- the likely cost to upgrade or replace the Metro ticketing system because of the need to go out to tender and consider other providers.

Note: The Long Term Council Community Plan includes Environment Canterbury's Land Transport Programme, details of which are available from Customer Services on request.

The public passenger transport group of activities contributes to the following community outcomes:

- Transport and travel needs are met
- Easy to travel around Canterbury's cities and towns and easy access to shops and other community services
- Alternatives for moving people and freight

Environment Canterbury's role is as the lead agency for public passenger transport and for licensing public passenger transport services.



Levels of service

These services deliver Environment Canterbury's contribution to the community outcomes.

» What's changed since the 2006-16 LTCCP?

Reliability of passenger trips has been added to the uncertainty relating to territorial authorities.

Proposed new legislation will affect the Canterbury Regional Passenger Transport Plan.

Previously it was proposed to upgrade the Metro ticketing system rather than go out to tender.

Assumptions

For 2008/09 it is assumed that:

- territorial authorities will provide the necessary bus priority measures, bus shelters and interchanges to achieve forecast patronage growth and reliability targets.
- operating costs will be volatile due to the application of Land Transport New Zealand's indexing requirements. See note on page 55.
- central Government funding will continue at forecast levels.
- the Canterbury Regional Passenger Transport Plan will be affected by proposed new legislation.
- if the cost to upgrade or replace the Metro ticketing system is more than is budgeted, any additional cost will be funded from Public Passenger Transport reserves.

» What's changed since the 2006-16 LTCCP?

Reliability targets have been added in a).

Increased operating costs were previously estimated at between two and five percent annually.

Due to cost increases for fuel and other factors outside the control of the bus companies, operating costs have increased by 21%. See note on page 53 for further details.

Previously it was proposed to upgrade the Metro ticketing system rather than go out to tender.

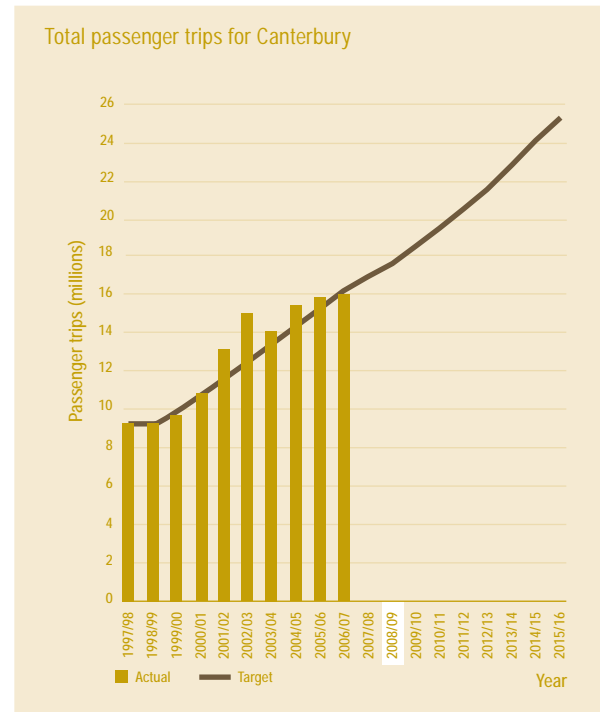
1. Providing public passenger transport and encouraging people to use it to reduce the growth in traffic congestion

Measure 1

Annual total passenger trips for Canterbury.

Target

Refer to the graph below.
2008/09 - 16.59 million.



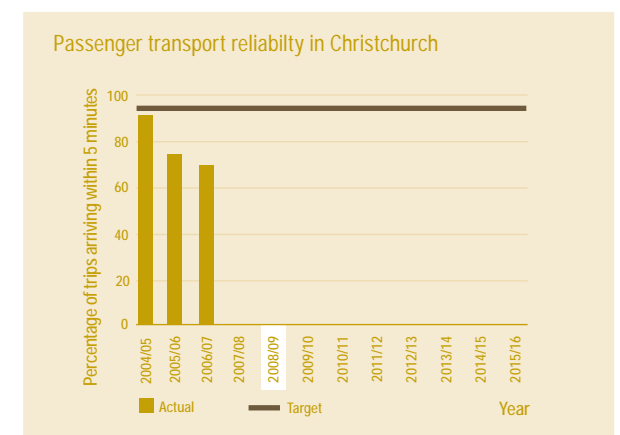
Source: Environment Canterbury's patronage data.

Measure 2

Reliability of passenger transport in Christchurch.

Target

95% of trips arrive within five minutes of scheduled arrival times at timetable timing points.¹



Source: Environment Canterbury's real time information system.

Note: Refer to Uncertainty a).

» What's changed since the 2006-16 LTCCP?

In measure 1 the target has been revised to reach the 2015/16 target of 25 million annual passenger trips set in the Metro Strategy. Measure 2 was proposed in the 2006-16 LTCCP and added in the 2007/08 Annual Plan.

¹ Points are identified on individual route timetables.

2. Satisfying customers to ensure continued patronage

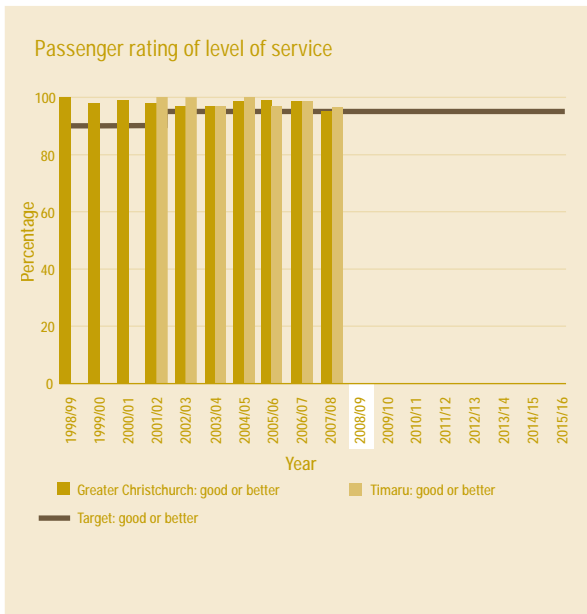
Measure

Passenger rating of value for money and level of service.

Target

95% of passengers rate the service as satisfactory, very good or excellent.

(On a scale of very poor, poor, satisfactory, very good and excellent.)



Source: Environment Canterbury's annual user survey ¹

- » What's changed since the 2006-16 LTCCP? No change.

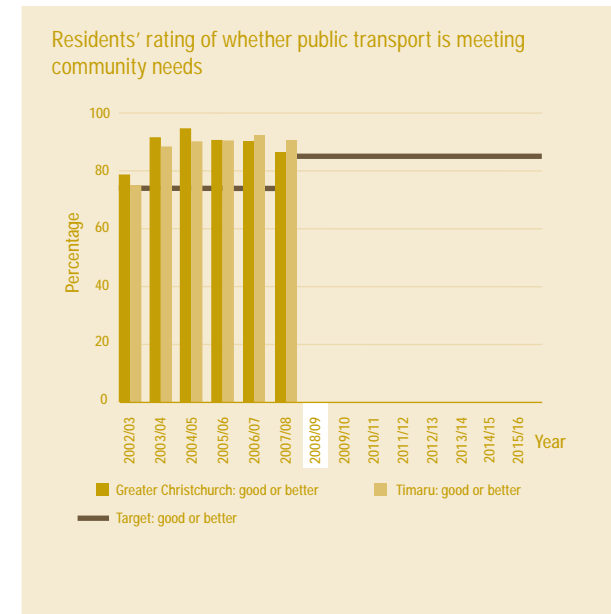
3. Satisfying the community to ensure continued support

Measure

Residents' views of whether public transport is meeting community needs and is affordable.

Target

85% of residents say they are satisfied or very satisfied with the service. (On a scale of very dissatisfied, dissatisfied, satisfied and very satisfied.)



¹ The annual user survey involves face-to-face interviews with a representative sample of bus users aged 15+ (2000 in Christchurch and 200 in Timaru).

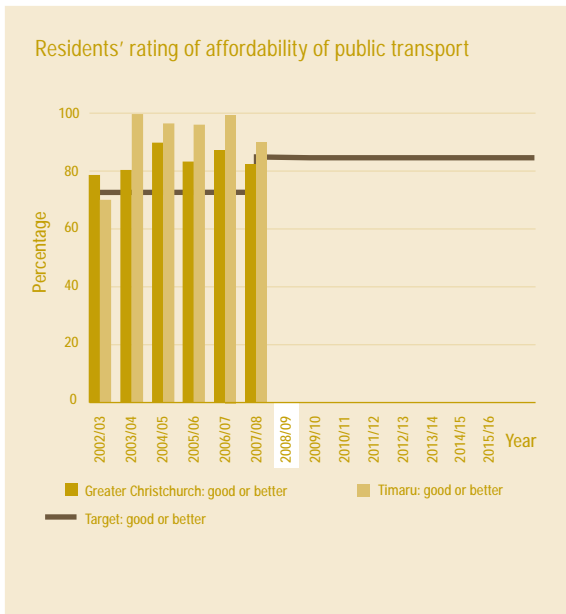
4. Managing Total Mobility schemes for transport-disadvantaged people to enable them to have mobility

Measure

Transport-disadvantaged people's rating of the level of service and value for money for services in Christchurch, Ashburton, Waimate and Timaru.

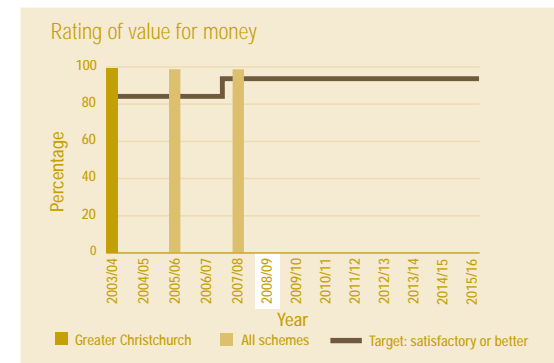
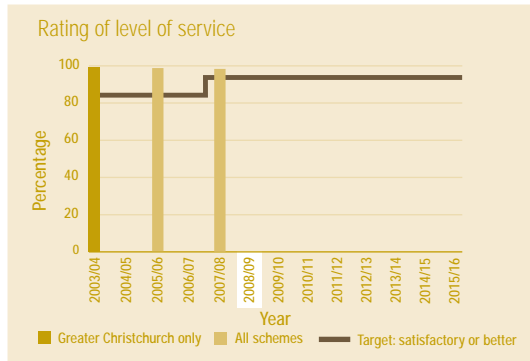
Target

95% of users are satisfied with the service. (On a scale of very poor, poor, satisfactory, very good and excellent.)



Source: Environment Canterbury's residents' survey ²

- » What's changed since the 2006-16 LTCCP?
The target has been raised from 75% to 85%.



Source: Environment Canterbury's survey³

- » What's changed since the 2006-16 LTCCP?
The target has been raised from 85% to 95%.

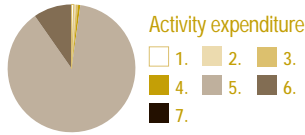
² The annual residents' survey of community satisfaction with the public transport system involves telephone interviews among a representative sample of residents of aged 15+ (700 in greater Christchurch and 100 in Timaru).

³ The two-yearly Total Mobility users' survey involves all users.

Activities

What we plan to do

Work programmes for 2008/09 are set out below.



» Variation from 2006-16 LTCCP

Changes have been made to Activity headings: a new activity 'Strategy' has been added, 'Policy making and planning' has been renamed 'Planning and consents' and 'Regulating and enforcing' has been renamed 'Regulating'. These changes better reflect the way the Council's responsibilities are organised internally and delivered to the community. Items listed under the headings 'what we plan to do' that are affected by these new arrangements have been moved to their new activity.

1. Strategy

This activity develops regional strategies for Environment Canterbury's contribution to community outcomes for public passenger transport.

What we plan to do

Year 2008/09

- Develop strategies for new initiatives for passenger transport.
- Evaluate strategy options for addressing issues identified in the Regional Environment Report.

» This work has no identified significant negative effects on community well-being.

2. Investigations

This activity investigates community passenger transport needs.

What we plan to do

Year 2008/09

- Undertake service reviews prior to services being re-tendered.
- Jointly implement the greater Christchurch Urban Development Strategy in partnership with Selwyn and Waimakariri District Councils, the Christchurch City Council and Transit New Zealand.

» This work has no identified significant negative effects on community well-being.

3. Planning and consents

This activity develops policy for managing public passenger transport and monitors policy effectiveness and efficiency.

What we plan to do

Year 2008/09

- Ensure consistency between district and city plans and regional policies for managing passenger transport.

» This work has no identified significant negative effects on community well-being.

4. Monitoring

This activity measures the performance of contracted passenger transport services.

What we plan to do

Year 2008/09

- Monitor bus users' satisfaction with passenger services in greater Christchurch and Timaru.
- Monitor residents' satisfaction with passenger services in greater Christchurch and Timaru.
- Monitor users' satisfaction with Total Mobility schemes (every second year).

» This work has no identified significant negative effects on community well-being.

5. Operations

This activity provides passenger transport services in greater Christchurch and Timaru and manages Total Mobility schemes.

What we plan to do

Year 2008/09

- Manage competitively tendered passenger service contracts.
- Investigate complaints about passenger services.
- Ensure the quality of services is maintained.
- Manage the Total Mobility schemes.
- Work with the Christchurch City Council on identifying and implementing bus priority measures and developing an expanded central city bus exchange.

» This work has no identified significant negative effects on community well-being.

6. Communicating, educating and advocating

This activity promotes the use of passenger services to the community, bus users and schools.

What we plan to do

Year 2008/09

- Provide timetable and journey planning information for bus users, including printed timetables, real-time electronic information in Christchurch, the Metro and Timaru call centres, and Metro info at the Bus Exchange.
- Implement marketing initiatives to increase bus patronage.
- Provide passenger transport education programmes in primary and intermediate schools in Christchurch and Timaru.

» This work has no identified significant negative effects on community well-being.

7. Regulating

This activity licenses public passenger transport services.

What we plan to do

Year 2008/09

- License public passenger transport services.

» This work has no identified significant negative effects on community well-being.

Financial summary

\$ in thousands	Annual Report 2006/07	Annual Plan 2007/08	LTCCP 2008/09	Annual Plan 2008/09
Operating Revenue				
General rates	57	46	47	48
Targeted rates	13,543	16,686	14,628	18,043
Statutory charges/User pays	145	-	-	-
Grants	16,741	17,159	14,888	19,862
Interest	353	442	577	327
Total Operating Revenue	30,839	34,333	30,140	38,280
Operating Expenditure				
Expenditure	32,602	34,370	30,204	38,442
Interest	-	-	-	-
Depreciation	352	413	279	310
Total Operating Expenditure	32,954	34,783	30,483	38,752
Operating Surplus/(Deficit)	(2,115)	(450)	(343)	(472)
Operating Surplus/(Deficit) transferred to Passenger Transport Reserve	(2,115)	(450)	(343)	(472)
Operating Surplus/(Deficit) transferred to General Reserve	-	-	-	-

Capital Expenditure

■ Refer to Appendix 2 page 108
for more information on capital expenditure associated with this activity.
Capital expenditure associated with this group of activities is funded
from PPT reserves and included as depreciation expense.

For more information on source of funds and rationale for selection, see:

Funding and Financial Policies

2006/16 LTCCP Part B

Pages 3-33

» Variation from 2006-16 LTCCP

Inflation adjustments - Land Transport New Zealand Cost Indexing

The Passenger Transport targeted rate is affected by Land Transport New Zealand's cost indices for inflation adjustments being higher than anticipated in the 2006-16 LTCCP. Indexing compensates bus companies for cost increases for fuel and other factors outside their control.

Cost indexing is a condition of contract under Land Transport New Zealand's Competitive Pricing Procedure and is provided for in Environment Canterbury's Funding and Financial Policies. In 2008/09, the impact is a \$6.38 million increase in expenditure over the figure in the 2006-16 LTCCP.

This represents a 21% increase over the 2006/16 LTCCP and a 7.25% increase over the 2007/08 Annual Plan. An allowance of 2% had been provided for 2008/09, whereas an increase of 7.25% over 2007/08 expenditure is now required.

While some of the additional funding required will come from a government grant, a combination of fare increases and higher rates is proposed to generate the remainder. Alternatives considered included adjusting fares, which have not changed for three years, and increasing targeted rates. The recommended option aims to ensure that the relative contribution from targeted rates and fares paid by passengers is equitable. An increase in fares will be considered by the Council at a later date.

LTNZ is currently reviewing their passenger transport cost indexation methodology. Should the outcome of this review result in changes to the indexation levels prior to finalising the 2008/09 budget, it will be reviewed and amended accordingly.

Bus shelters and facilities

An additional \$1.78 million of Government grant funding (and expenditure) is included in the 2008/09 Annual Plan due to an adjustment in budget treatment. This relates to grants to improve and upgrade bus shelters and infrastructure, requested by Territorial Authorities, for which Environment Canterbury is required to co-ordinate and act as banker. The funds are passed on to the Territorial Authorities to spend in accordance with their grant approval. There is no impact on Environment Canterbury rates from this adjustment.