NZ Bus

2008
Overview

• Public transport market
• Public transport in NZ
  – History
  – Players and roles
  – Looking forward
• NZ Bus
  – History
  – Business units
  – Financials
  – Infratil investment
  – Challenges, Key projects & Opportunities
Public Transport Market

### Population ('000) NZ Regions

- **Northland**: 1400
- **Auckland**: 1200
- **Waikato**: 1000
- **BoP**: 800
- **Gisborne**: 600
- **Hawkes Bay**: 400
- **Marlborough**: 200
- **Canterbury**: 100
- **West Coast**: 50
- **Tasman**: 20
- **Nelson**: 10
- **Taranaki**: 5
- **Wellington**: 2

### Annual Public Transport Trips per Capita NZ Regions

- **Northland**: 70
- **Auckland**: 40
- **Waikato**: 30
- **BoP**: 20
- **Gisborne**: 10
- **Hawkes Bay**: 5
- **Marlborough**: 2
- **Canterbury**: 1
- **West Coast**: 0.5
- **Tasman**: 0.1
- **Nelson**: 0.05
- **Taranaki**: 0.01
- **Wellington**: 0.005

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NZBUS
Public Transport Market

New Zealand Urban Bus Company locations

North Star, Go West, Stagecoach
Ritchies, Howick & Eastern, Birkenhead
Go Bus
Okato Bus Lines, Tranzit Coachlines
Uzabus
Ritchies, SBL Group
Passenger Transport
Adams
Bayline Buses
BayBus
Go Wellington, Valley Flyer, Runicimans
Mana
Ritchies, RedBus, Leopard
Citibus, Passenger Transport

NZBUS
International Comparisons

Annual Public Transport Trips per Capita (2006/07)

Bus funding and Fares per boarding ($, 2005)

Auckland Wellington Christchurch Adelaide Perth Brisbane

Fare revenue Public funding
Public transport in NZ
Public transport in NZ

Pre 1991
• Run by local governments
• Declining passengers and increasing costs

1991
• Deregulation; NZ Rail privatised and a number of municipal operations
• New legislation bought in:
  – Commercial routes
  – Subsidies only allowed following a competitive tender process

Post 1991
• Consolidation
• Increasing passengers, cost control
Players

Policy • Funding • Service planning • Service Delivery • Monitoring

Government

Regional Councils

Local Councils

Operators

• LTNZ
• ARTA
• GWRC
• ACC, NSCC
• WCC
• NZ Bus, Ritchies, RedBus, GoBus, Howick & Eastern
Policy environment

- LTNZ sets procurement rules within which Regional Councils operate
- New Public Transport Management Bill under discussion (due early 2008)
  - Give regional authorities greater control over commercial services
  - NZ Bus advocating changes to the proposed bill
- LTNZ also reviewing procurement procedures
  - Larger and longer contracts
  - Longer entry times
  - Possibility of negotiated tenders
Funding

Application of funds (06/07) ($m, Total $3.4b)

- Local Roads
- State Highways
- Cycling, Walking, Shipping etc
- Police, Admin, Information
- Public transport Infrastructure
- Public transport Services

Regional funding for PT Services (07/08p $'000)

- Auckland
- Wellington

Regional funding for PT Infrastructure (total for initiatives currently underway) $m

- Auckland
- Wellington

- Rail
- Bus & Ferry
Service Planning (Regional Councils)

• Define routes and timetables and put out for competitive tender
  – ARTA currently making significant changes to the nature of the transport network in Auckland
• Set fares and fare structure
• Monitor service delivery of operators
  – Missed trips, early and late running, complaints
  – Real Time Information Systems increasing ability to monitor
• City Councils responsible for bus shelters, bus priority lanes etc
## Priorities looking forward

<table>
<thead>
<tr>
<th>LTNZ</th>
<th>ARTA</th>
<th>GWRC</th>
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</thead>
<tbody>
<tr>
<td>Merging with Transit to form new Transport Authority</td>
<td>Implementing the passenger network plan</td>
<td>Implementing the Regional Passenger Transport Plan</td>
</tr>
<tr>
<td>– Potential hiatus in policy development</td>
<td>– Electrified rail</td>
<td>– Increasing use of Public transport</td>
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<tr>
<td></td>
<td>– Design of an integrated PT network</td>
<td>– Investment in rail (carriages &amp; electrification)</td>
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<td>– Integrated ticketing system and simplified fare structure</td>
<td>– Considering RTIS &amp; ticketing</td>
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<td></td>
<td>– Expanding busway system</td>
<td>– Reviewing procurement procedures</td>
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NZ Bus at a glance
Stagecoach NZ - History

- Stagecoach PLC purchased Wellington City transport in 1992 following deregulation
- Followed by purchase of Wellington and Auckland railways bus operations
- Next major acquisition was in 1998 of Auckland Yellow Buses (Municipal operation) and Fullers Ferries
- Other smaller operators were purchased in intervening years
  - Eastbourne 1993
  - Runcimans over period 1992-94
- Sold operations to Infratil in 2006, and renamed NZBus in 2007
- Recently (2008) purchased Adams Travelines Ltd in Whangarei and investigating other growth options
Auckland

City depot & regional office
– 351 staff, 150 buses
– 10.15 PAX trips, 6m km run

North Star
– 217 staff, 129 buses
– 4.42m PAX trips, 5.9m km run

Go West
– 194 staff, 94 buses
– 4.12m PAX trips, 4.3m km run

Roskill depot
– 251 staff, 139 buses
– 8.00m PAX trips, 6m km run

Wiri depot
– 262 staff, 145 buses
– 6.36m PAX trips, 8.2m km run

33.1m passengers carried over 30.4m km
Fare revenues of $56.0m
Subsidies of $53.2m
Wellington
Wellington

GO Wellington
- 398 staff, 224 buses
- 14,47m PAX trips, 6.6m km run

Valley Flyer
- 190 staff, 106 buses
- 4.97m PAX trips, 6.5m km run

Runcimans
- 43 staff, 45 buses
- 844,000 Pax trips, 1m km run

Head Office
- 36 staff

20.3m passengers carried over 14.1m km
Fare revenues of $30.7m
Subsidies of $24.5m
Fullers
• 212 staff, 11 ferries, 15 buses
• 4.5m passenger trips, 50.5m km travelled
• Fare Revenue $23.4m, subsidies of $3.1m
# Financial Performance

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<tr>
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<th>‘000)</th>
<th>2005/6 (11 months)</th>
<th>2006/7</th>
<th>2007/8 (f)</th>
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<tbody>
<tr>
<td>Passengers - Bus</td>
<td>47,876</td>
<td>53,327</td>
<td>53,018</td>
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<tr>
<td>Passengers – Ferry</td>
<td>4,296</td>
<td>4,293</td>
<td>4,456</td>
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<tr>
<td>Km Travelled (bus)</td>
<td>53,583</td>
<td>44,609</td>
<td>33,720 (YTD)</td>
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<tr>
<td>Total Revenue</td>
<td>176,494</td>
<td>203,491</td>
<td>207,617</td>
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Infratil’s investment

• Recognised public transport as infrastructure sector undergoing significant change
  – Increasing pressure on existing transport infrastructure
  – Rising costs of private transport

• Purchased Stagecoach NZ in 2006 from Stagecoach PLC for $252m
  – Driving change through the business
  – Rebranding
  – Customer Focus
  – Management team
  – Committed to ongoing capital investment

• Provide platform for further expansion
# Major challenges

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<th>External</th>
<th>Internal</th>
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<tr>
<td>• Legislative environment</td>
<td>• Customer focus</td>
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<tr>
<td>• Competitive challengers</td>
<td>• Culture: flexibility and adaptability</td>
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<tr>
<td>• Stakeholder relationships</td>
<td>• Service reliability</td>
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<td></td>
<td>• Fleet standard</td>
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<td></td>
<td>• Industrial relations</td>
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## Achievements and plans

### Vision
NZ Bus is recognised as the World Leader in Passenger Transport
Delivering the Highest Quality Service
Introducing Innovation to the Industry

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010-2013</th>
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<td>Connecting with our</td>
<td>Rebranding</td>
<td>PT management bill</td>
<td>Customer engagement survey</td>
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<td>Customers and</td>
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<tr>
<td>Stakeholders</td>
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<tr>
<td>Investing in our</td>
<td>Management team</td>
<td>Customer service &amp; technical training</td>
<td>Cultural change</td>
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<tr>
<td>People</td>
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<td></td>
<td>Staff engagement survey</td>
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<tr>
<td>Excelling in</td>
<td>New trolleys</td>
<td>New diesels</td>
<td>New technologies</td>
<td>Ticketing system</td>
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<td>operations</td>
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<td></td>
<td>Link service</td>
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<td>Adams Transport</td>
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<tr>
<td>Strengthening and</td>
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<td>Mt Eden Espresso</td>
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<tr>
<td>growing our business</td>
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<td>Further route enhancements &amp;</td>
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<td>acquisitions</td>
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Achievements: Link example

- Link route – loop service, 10 min frequency, 2.5m passengers pa
- Service enhanced and relaunched in May 2007
- Improvements made to the service
  - New branding and livery
  - 20 new environmentally friendly (Euro 5) buses
  - Customer enhancements including additional standing space, wider doors, air conditioning, in-bus displays and stop announcements, CCTV
  - Location information sent to bus stops and traffic lights
  - Additional safety, driver comfort and fuel economy improvements
- Further improvements include a new ticketing system to speed up boarding being launched in 2008
Immediate key priorities

- Culture, Communication and Customer Focus
- Passenger Transport Management Bill
- Fleet – Replacement, Refurbishment, Rebranding and Reliability
- Stakeholder relationships
- Electronic ticketing
- Leadership
Opportunities – Passenger Transport

**BUS**
- Other urban
- Intercity transport
  - Tourism
  - Provincial
  - Schools

**FERRY**
- Tourism

**RAIL**
- Management
- Electrification