



**25 October 2017**

### **NZ Bus secures future in Auckland**

NZ Bus confirms it has successfully concluded negotiations to secure long-term scale and stability for its Auckland bus operations. With 20 long-term contracts in Western, Central and Northern regions of Auckland secured, NZ Bus will continue its long-standing partnership with Auckland Transport. The result of the Auckland directly appointed negotiation process is consistent with Infratil's recent market messaging on the expected future scale of the NZ Bus business and earnings guidance.

Zane Fulljames, CEO of NZ Bus, said that NZ Bus' Auckland public transport business remains large and sustainable, servicing high growth areas, employing over 1,000 people, and with a fleet of approximately 480 modern buses operating from six depots.

"The contracts have an average term of nine years, and a total contract value of around \$1bn providing our customers, people and shareholders with long term stability and giving NZ Bus the certainty it needs to continue to innovate and invest" said Mr Fulljames. Growth prospects in the Auckland region are very positive with population growth and public transport initiatives to reduce congestion expected to provide momentum for increased requirements for services and capacity. As part of the Auckland contract renewals, NZ Bus expects to invest around \$47 million in new fleet, including an additional 75 double decker buses, to support its existing fleet and infrastructure investment.

NZ Bus' future Auckland scale will be similar in size to its existing combined activities in West, Central and North Auckland prior to concluding the PTOM contracts and that scale will enable NZ Bus to maximise the efficiencies of its services. Contracts in West Auckland started in June this year, with the remainder commencing in the second half of 2018.

As a major transport operator, NZ Bus is committed to continuing to deliver high quality, reliable services in Auckland and to be part of the future of public transport in New Zealand.

Mr Fulljames said "Electric vehicles are the future of public transport and will be a key focus now the contracting process for NZ Bus in Auckland has concluded. We are extremely well positioned for future market and technology challenges and have a solid platform to continue our journey towards cleaner and greener transport solutions".

Negotiations for five direct appointed Wellington contracts with Greater Wellington Regional Council are ongoing. The services associated with these contracts are expected to start in the middle of 2018. As notified recently by GWRC, NZ Bus' trolley fleet will progressively be decommissioned over the next few weeks. NZ Bus continues to work towards deployment of the trolley fleet with alternative power train technologies.

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