



# NZ Bus

2008

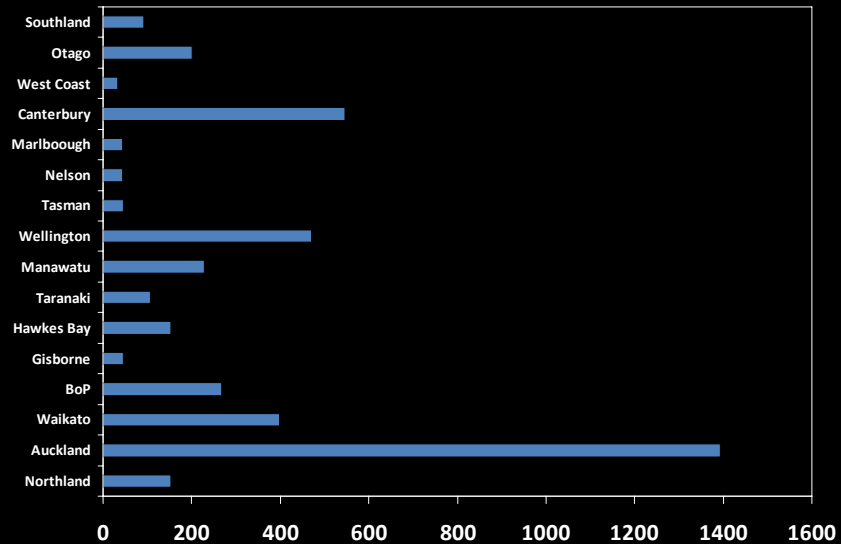
# Overview

- 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

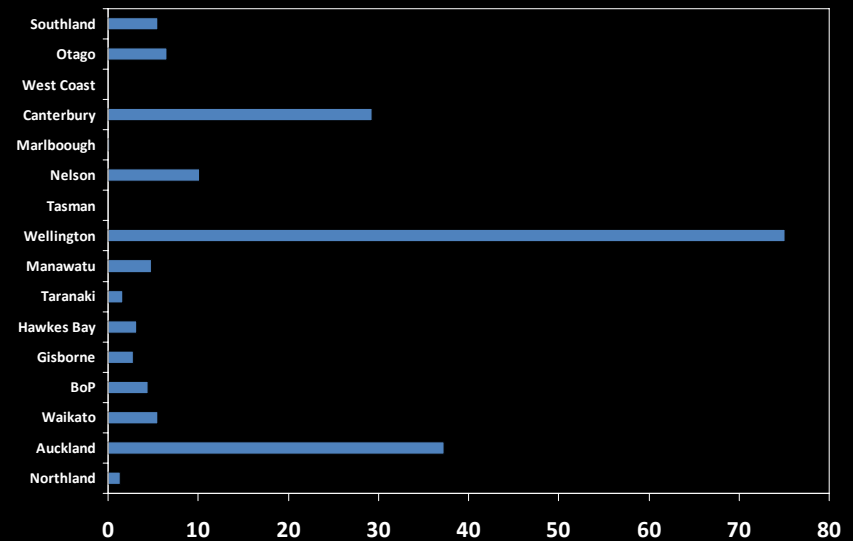


# Public Transport Market

Population ('000)  
NZ Regions



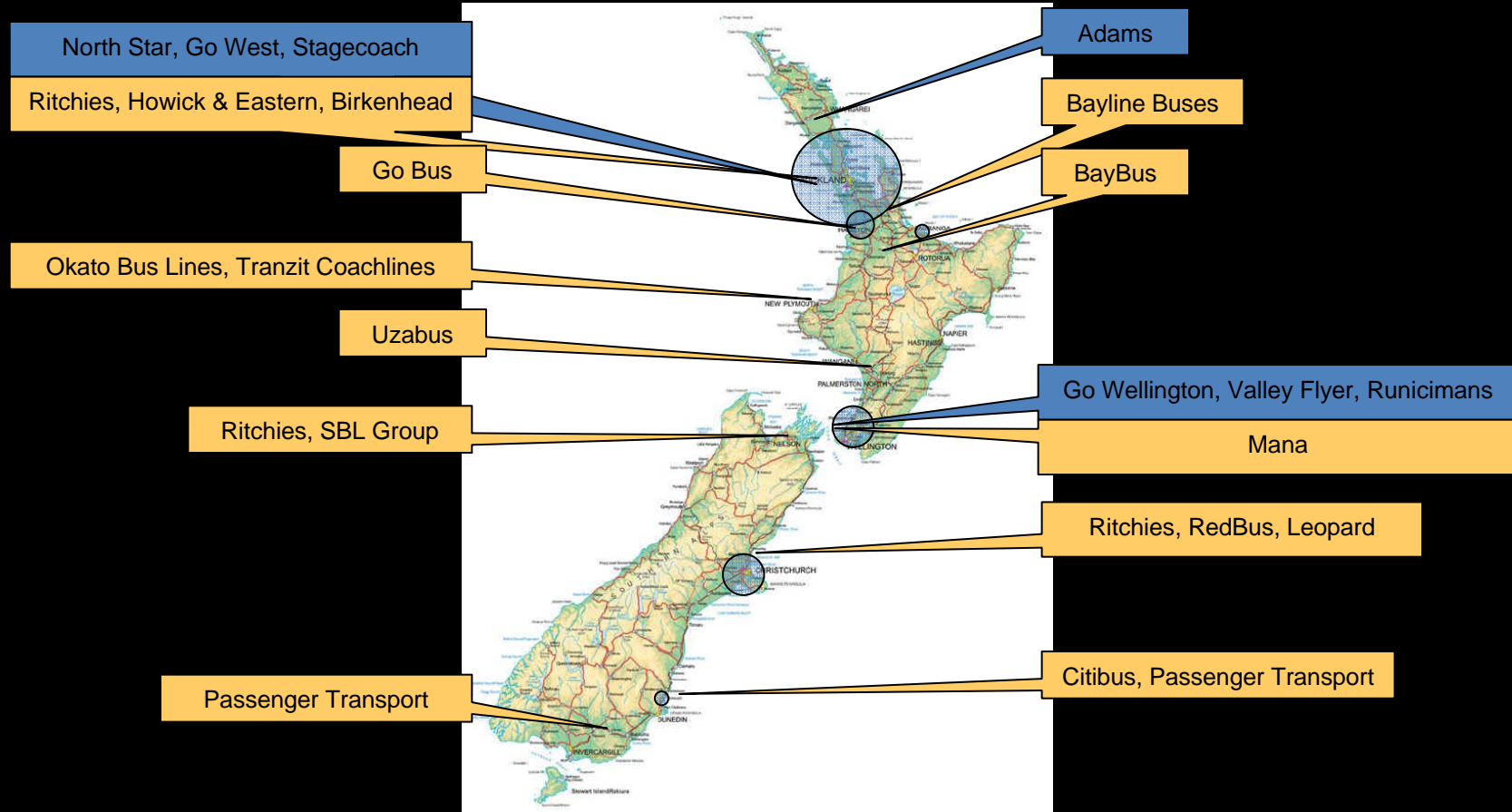
Annual Public Transport Trips per Capita  
NZ Regions



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# Public Transport Market

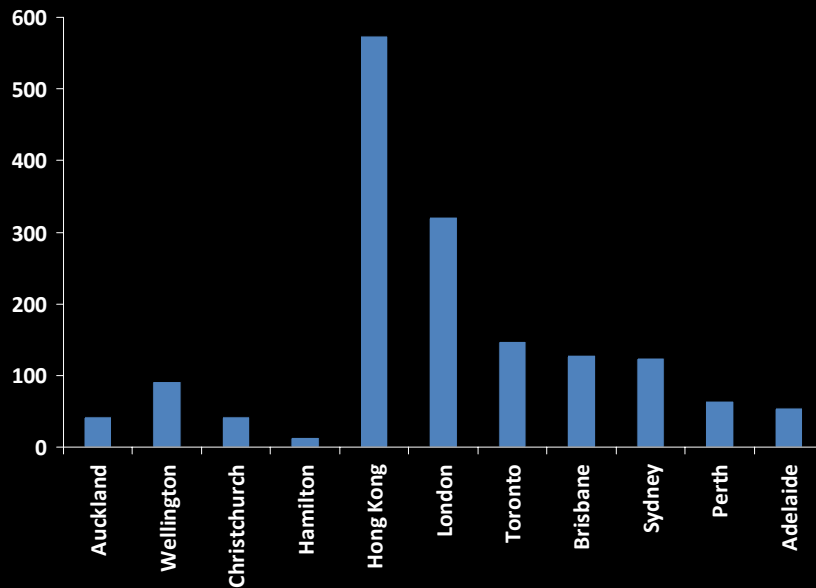
New Zealand Urban Bus Company Locations



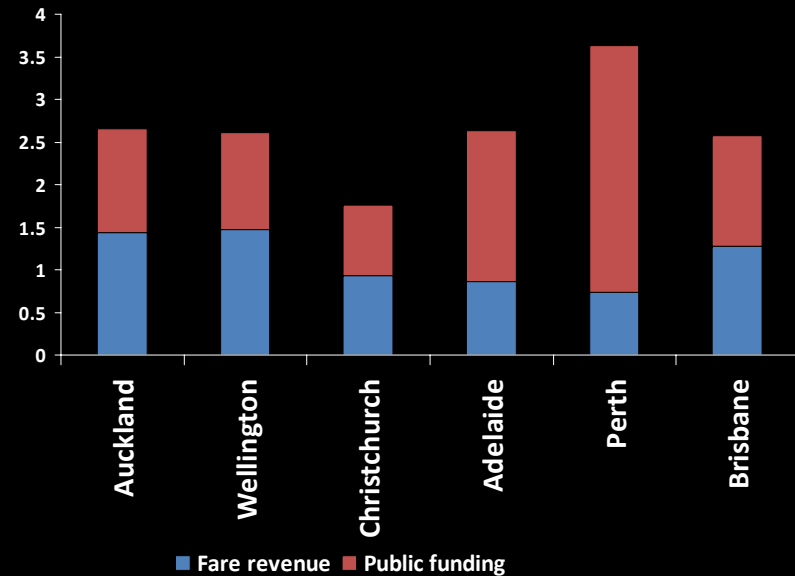


# International Comparisons

Annual Public Transport Trips per Capita  
(2006/07)



Bus funding and Fares per boarding  
(\$, 2005)



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# Public transport in NZ



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# 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



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# Players



Government

- LTNZ

Regional

Councils

- ARTA
- GWRC

Local Councils

- ACC, NSCC
- WCC..

Operators

- NZ Bus, Ritchies, RedBus, GoBus, Howick & Eastern...



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# Policy environment

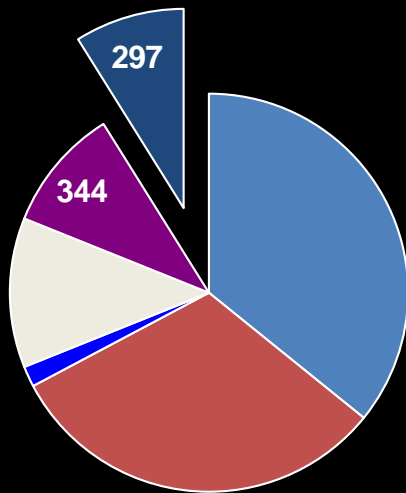
- LTNZ sets procurement rules within which Regional Councils operate
- New Public Transport Management Bill under discussion (due early 2008)
  - Give regional authorities greater control over commercial services
  - NZ Bus advocating changes to the proposed bill
- LTNZ also reviewing procurement procedures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



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# Funding

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

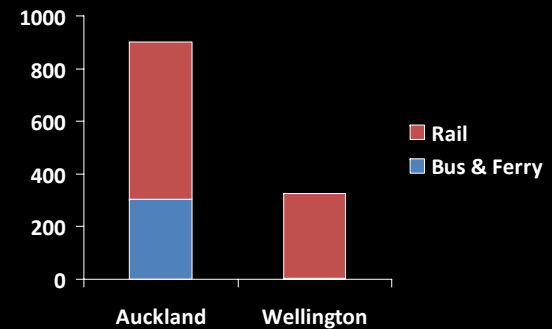


- Local Roads
- State Highways
- Cycling, Walking, Shipping etc
- Police, Admin, Information
- Public transport Infrastructure
- Public transport Services

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



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



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# 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



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# Priorities looking forward

LTNZ	ARTA	GWRC
<p>Merging with Transit to form new Transport Authority</p> <ul style="list-style-type: none"><li>– Potential hiatus in policy development</li></ul>	<p>Implementing the passenger network plan</p> <ul style="list-style-type: none"><li>– Electrified rail</li><li>– Design of an integrated PT network</li><li>– Integrated ticketing system and simplified fare structure</li><li>– Expanding busway system</li></ul>	<p>Implementing the Regional Passenger Transport Plan</p> <ul style="list-style-type: none"><li>– Increasing use of Public transport</li><li>– Investment in rail (carriages &amp; electrification)</li><li>– Considering RTIS &amp; ticketing</li><li>– Reviewing procurement procedures</li></ul>





# NZ Bus at a glance



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# Stagecoach NZ - History

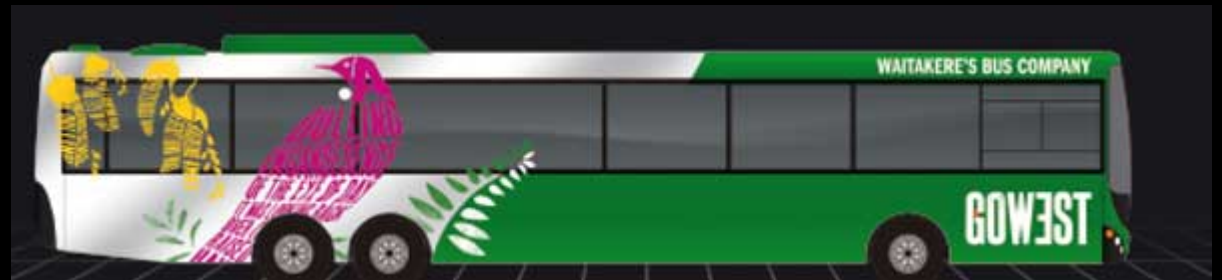
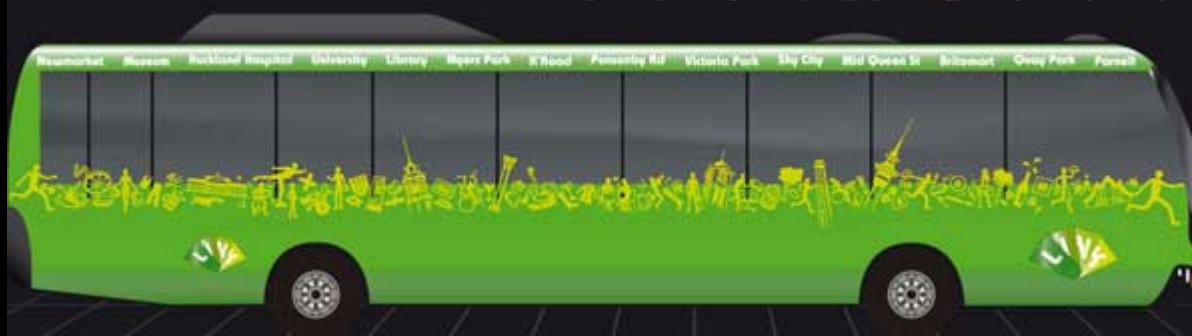
- Stagecoach PLC purchased Wellington City transport in 1992 following deregulation
- Followed by purchase of Wellington and Auckland railways bus operations
- Next major acquisition was in 1998 of Auckland Yellow Buses (Municipal operation) and Fullers Ferries
- Other smaller operators were purchased 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



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# Auckland



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# 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

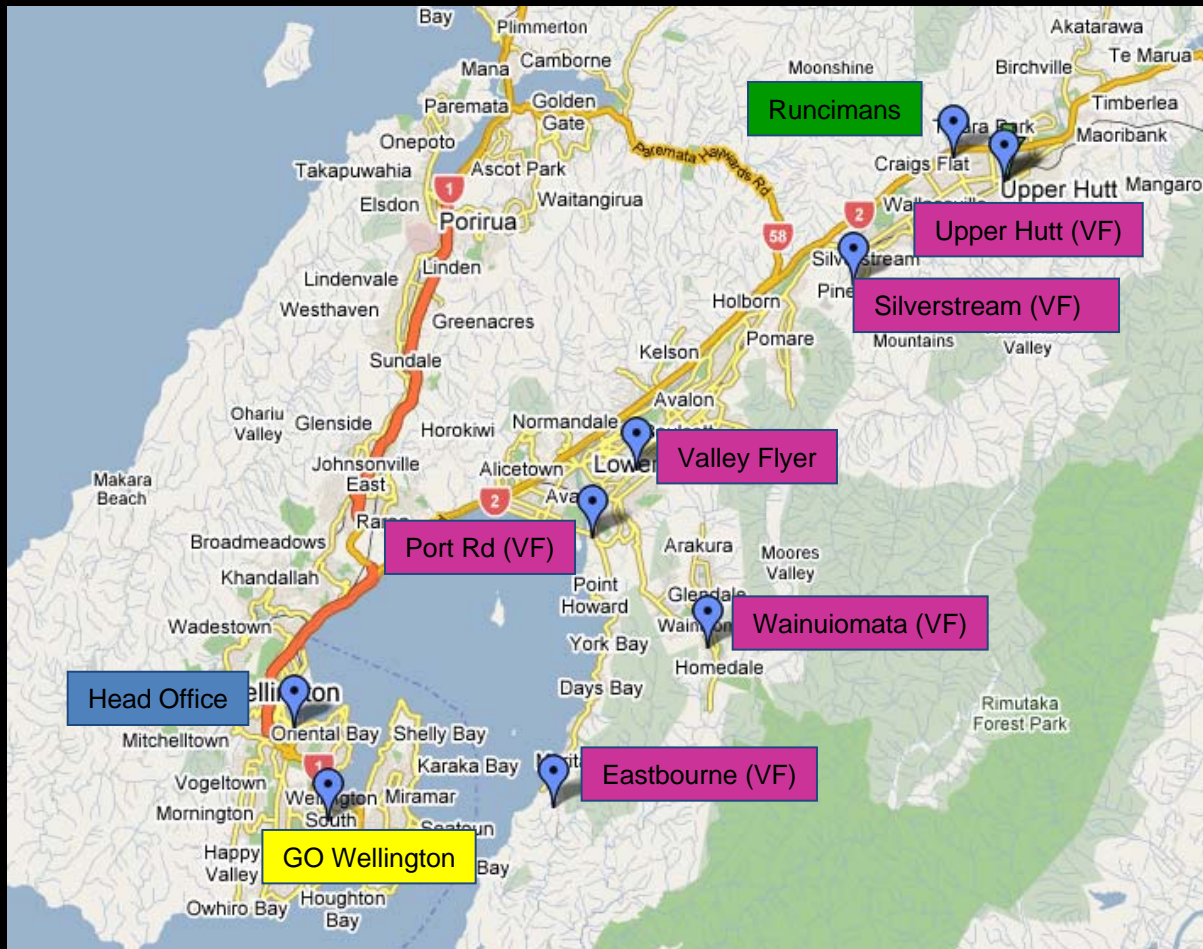
Subsidies of \$53.2m



# 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

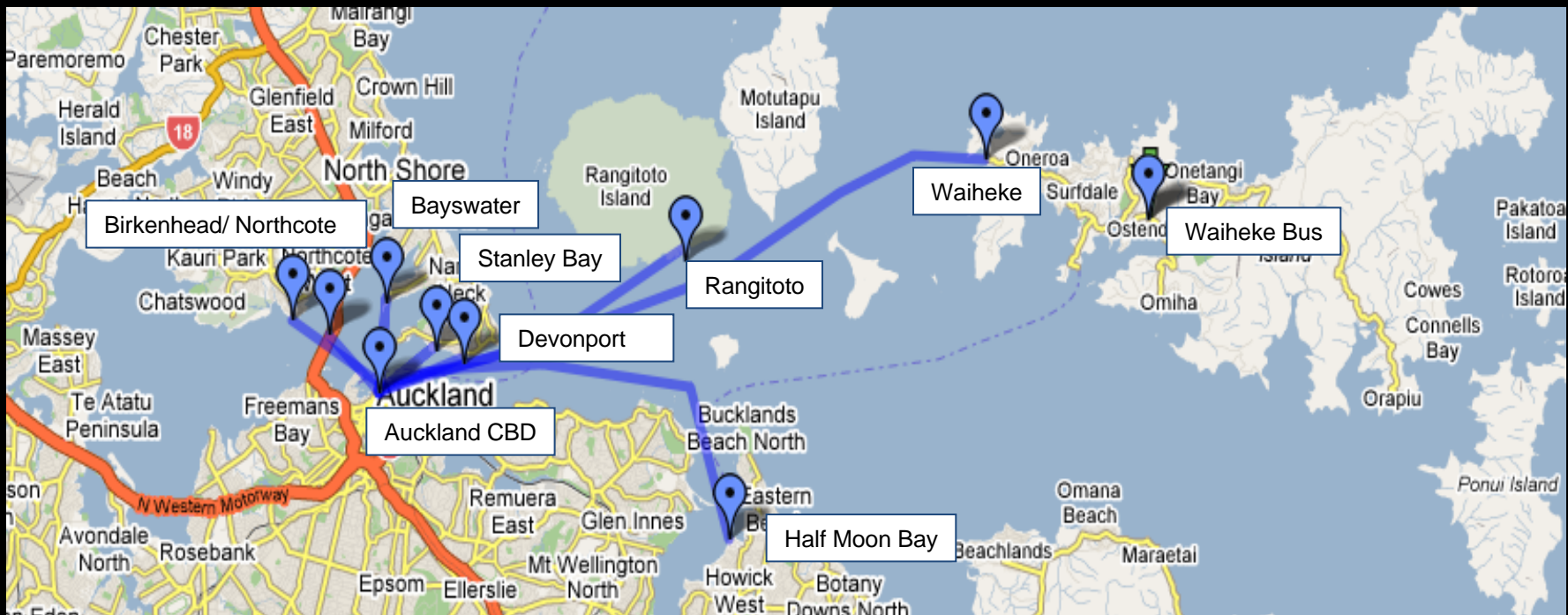


# Fullers



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# 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

('000)	2005/6 (11 months)	2006/7	2007/8 (f)
Passengers - Bus	47,876	53,327	53,018
Passengers – Ferry	4,296	4,293	4,456
Km Travelled (bus)	53,583	44,609	33,720 (YTD)
Total Revenue	176,494	203,491	207,617



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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



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# Major challenges

## External

- Legislative environment
- Competitive challengers
- Stakeholder relationships

## Internal

- Customer focus
- Culture: flexibility and adaptability
- Service reliability
- Fleet standard
- Industrial relations

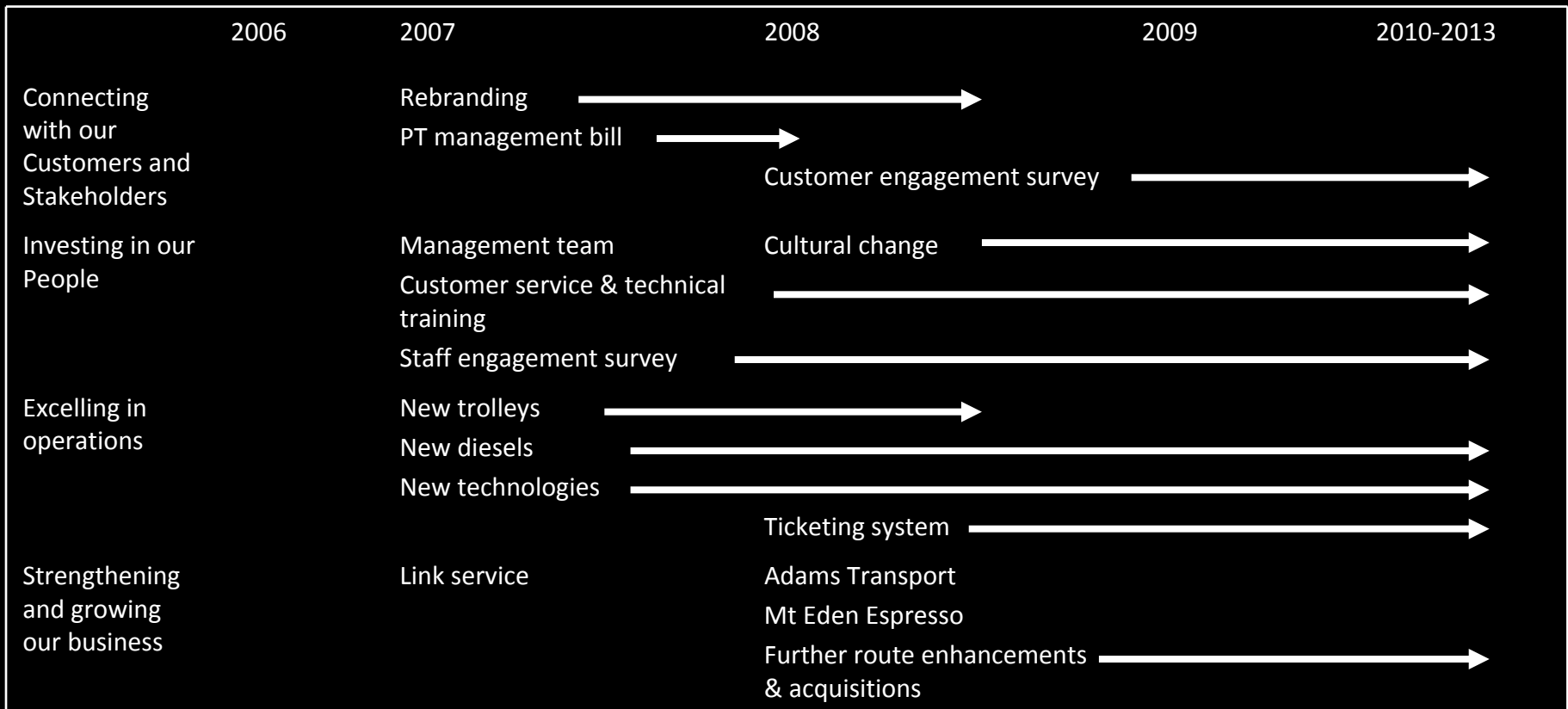


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# Achievements and plans

Vision

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







# 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



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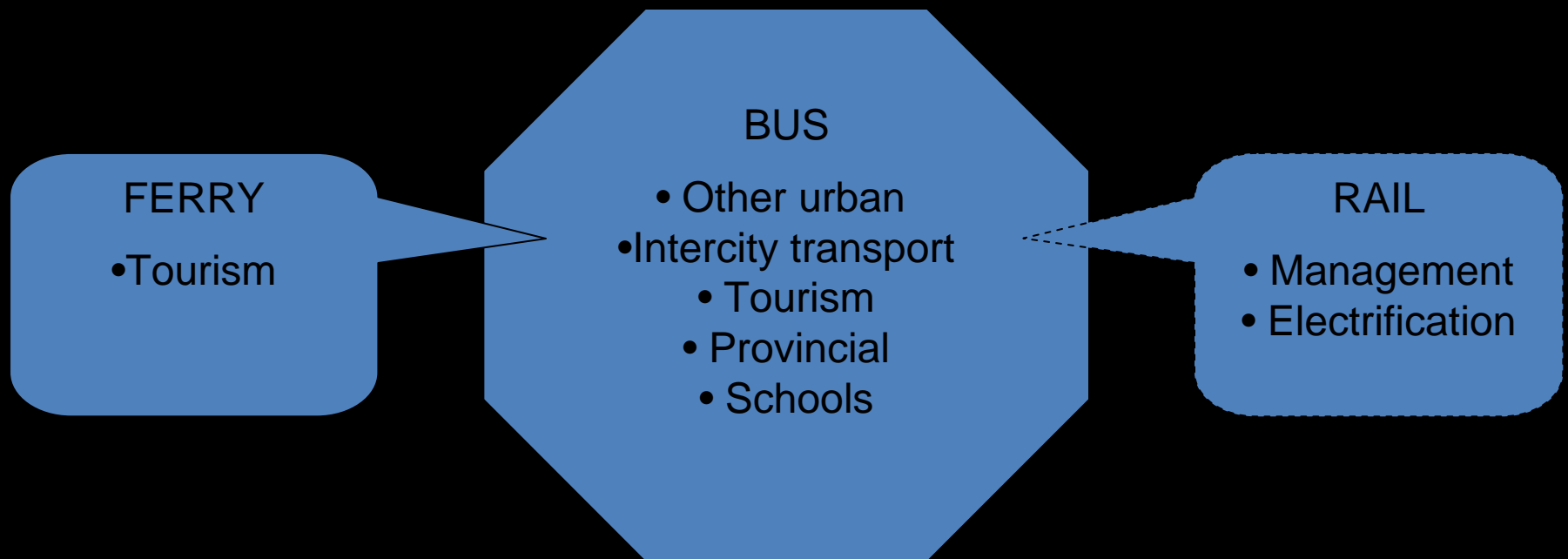
# Immediate key priorities

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



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# Opportunities – Passenger Transport



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