Appendix 1: Key legislation, rules, policies and guidance

Figure 1: Interfacing Legislation, Rules, Policies and Guidance

Type	Domain	Names	Scope
Rules	National	Government Procurement Rules (4th Edition, 2019)	Regional councils are 'encouraged' to follow these rules; NZTA is required to. Impacts on procurement, indirectly through the NZTA Procurement Manual.
Legislation	National	Employment Relations Amendment Act 2018	Rest and meal break provisions impact on industry working conditions and margins.
Legislation	National	Road User Charges Act 2012	Sets road user charges applicable to urban buses.
Legislation	National	Land Transport Act 1998	Impacts on network planning, procurement and management, primarily through the enactment of Land Transport Rules
Legislation	National	Employment Relations Act 2000	Contains limited provisions for transfer of employees due to losing a contract. No obligation for successful tenderer to take on drivers or to transfer terms and conditions.
Legislation	National	Minimum Wage Act 1983	Establishes a national minimum wage. Not generally relevant for most operator staff.
Guidance	National	NZTA Procurement Manual (Amendment 5)	Impacts directly on procurement, includes both direct PTOM elements and PTOM-independent guidance, as aligned with Government Procurement rules.
Rule	National	Land Transport Rule: Operator Licencing 2017	Sets rules for operator licencing; impacts on competition through access to market (currently a relatively low regulatory threshold)
Rule	National	Land Transport Rule: Passenger Service Vehicles 1999	Impacts on operators and passengers through vehicle standards. With particular respect to mechanical and safety aspects.
Rule	National	Land Transport Rule: Vehicle Dimensions and Mass 2016	Impacts on operators and passengers through vehicle standards. With particular respect to size and weight aspects – also affects traction power and capacity.
Rule	National	Land Transport Rule: Vehicle Exhaust Emissions 2007	Impacts on operators and passengers through vehicle standards. With particular respect to emission standards – minimum Euro V for new diesel buses.
Rule	National	Land Transport Rule: Work Time and Logbooks 2007	Impacts on operators and staff through working conditions and reporting requirements.
Rule	National	Land Transport Rule: Work Time in Large Passenger Service Vehicles 2019	Impacts on operators and staff through working conditions. One-year duration.
Rule	National	Requirements for Urban Buses in New Zealand	Impacts on operators and passengers through vehicle standards. Covers passenger experience matter more than the Land Transport Rules.

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Type	Domain	Names	Scope
Rule	Regional	Regional Council and AT procurement manuals, rules and policies	Impacts on procurement and management.
Rule	Regional	Regional Public Transport Plans	Impacts on network planning and procurement, these do include both key PTOM elements and local requirements not inherent to PTOM.

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Appendix 2: Information collected

1.1 Stakeholder responses

The below tables outline the data that was requested from stakeholders in the RFI. The types of data requested are organised by their relevant workstream.

Figure 1: Workstream 1: Regional Public Transport Planning

Impact domain	Data	Form	Type	Primary source	Data received and required to continue evaluation
Council utilisation of powers	Council perception and level of understanding of new powers under PTOM	Qualitative	Survey / interviews	Councils	Councils provided qualitative information during interviews.
	Actions undertaken by Council directly as a result of new powers under PTOM	Qualitative	Survey / interviews	Councils	Councils provided qualitative information during interviews.
Integrated ticketing and level of fares	Council fare setting policies	Quantitative	Data request	Councils	We have fare setting policy information for Hawke's Bay and GWRC.
	Farebox data	Quantitative	Data request	Councils	NZTA provided farebox data for the regions included in the report.
Customer experience of integrated services	Satisfaction surveys	Quantitative	Data request	Councils	NZTA provided regional customer satisfaction data. Auckland Transport provided historical customer satisfaction data. GWRC and Taranaki provided a snapshot of public transport customer satisfaction.
System performance	Patronage	Quantitative	Data request	Councils	NZTA, Auckland Transport, GWRC and Taranaki provided regional patronage data
	Network reach and other accessibility metrics	Quantitative	Data request	Councils	We received a data from NZTA, Auckland Transport.
	Implementation reviews	Qualitative	Data request	Councils	We received an implementation review from GWRC. Qualitative information provided during interviews with stakeholders.

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Figure 2: Workstream 2: Public Transport Service Procurement

Impact domain	Data	Form	Type	Primary source	Preliminary feasibility finding
Level of competition	Procurement process data (i.e. size/nature of contracts, # of bidders)	Quantitative	Data request	Councils	Auckland Transport provided procurement process data.
	Market appetite and sector/Council views on competitive landscape	Qualitative	Survey / interviews	Councils	Councils provided qualitative information during interviews.
	Bid cost data	Quantitative	Data request	Operators	Not provided.
	Post-procurement reviews	Qualitative	Data request	Councils	Councils provided qualitative information during interviews.
	Tendering documents	Qualitative	Data request	Councils	ECAN, Hawke's Bay and GRWC provided tendering documents.
	Operator and Council views on procurement objectives and evaluation criteria	Qualitative	Survey / interviews	Operators, Councils	Councils and Operators provided qualitative information during interviews.
Contract prices	Contract financial data (e.g. operating cost data, farebox revenue, revenue per km)	Quantitative	Data request	Operators	NZTA provided financial data for regions included in the report.
	Operator perspective of impact of PTOM procurement on pricing	Qualitative	Survey / interviews	Operators	Operators provided qualitative information during interviews.
Financial viability of service providers	Operator margins and other financial metrics (i.e. cost of provision data)	Quantitative	Data request	Operators	Not provided.
	Financial sustainability of contracting operators	Quantitative	Data request	Operators	Not provided.
Wages and working conditions	Driver wages (before and after PTOM)	Quantitative	Data request	Operators	Auckland Transport provided wage rate data.
	Impact of procurement policies on tendering behaviour	Qualitative	Survey /interviews	Operators	Operators provided qualitative information during interviews.
	Working terms and conditions	Qualitative /quantitative	Data request	Unions	Operators, Unions and Councils provided qualitative information during interviews. Auckland Transport provided working conditions information.
	Impact of network planning on broader industry working conditions	Qualitative	Data request	Operators, Unions, Councils	Operators, Unions and Councils provided qualitative information during interviews.
Structure of Public Transport industry	Number, market share and geographic spread of operators	Quantitative	Data request	NZTA	Auckland Transport provided market data.
Asset ownership	Impact of asset ownership on tendering, and vice versa	Qualitative	Survey/ interviews	Operators, Councils	Operators and Councils provided qualitative information during interviews.

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Figure 3: Workstream 3: Contract management

Impact domain	Data	Form	Type	Source	Preliminary feasibility finding
Service performance	KPI, FIM and other performance metric reports	Quantitative	Data request	Councils, Operators	NZTA provided network performance data.
Aggregate level of penalties and incentives	Financial performance regime contractual details	Quantitative	Data request	Councils	Operators and Councils provided qualitative information during interviews.
	Qualitative data regarding contractual incentives, risk allocation and impact on performance	Quantitative	Data request	Councils, Operators	Operators and Councils provided qualitative information during interviews.
	Unit agreements / Contracts	Survey /interviews	Survey /interviews	Councils	GWRC provided contract documentation.
Customer satisfaction	Existing customer satisfaction surveys and reports	Qualitative & Quantitative	Data request	Councils	NZTA, Auckland Transport provided existing customer satisfaction data. GWRC and Taranaki provided snapshots of existing customer satisfaction data.
Relationship between operator and Council	Qualitative feedback on contract management processes and Council / Operator relationships pre- and post-PTOM	Survey /interviews	Survey	Councils, Operators	Operators and Councils provided qualitative information during interviews.
	Perception of relationship dynamic between Council and operators	Survey /interviews	Survey /interviews	Councils, Operators	Operators and Councils provided qualitative information during interviews.

Figure 4: Workstream 4: Exemptions and exclusion

Impact domain	Data	Form	Type	Source	Preliminary feasibility finding
Ability to integrate services, ticketing and provide consistency	Use of integrated ticketing on, and service integration of, exempt services	Qualitative	Surveys / interviews	Council	Councils provided qualitative information during interviews.
Service and service performance	Passenger feedback and service performance data (e.g. reliability and punctuality)	Quantitative	Data request	Operators, Councils	Operators and Councils provided qualitative information during interviews.
Cost to government and taxpayers	Cost to ratepayers / taxpayers of supporting exempt services, where applicable	Quantitative	Data request	Councils	Councils provided qualitative information during interviews.
Fares charged by commercial operators and user affordability	Fare structures on exempt services	Quantitative	Data request	Operators	Councils provided qualitative information during interviews.
Ability to operate using alternative business models	Narrative responses and case studies from Councils and operators	Qualitative	Survey / interviews	Councils, Operators	Operators and Councils provided qualitative information during interviews.

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Review of the Public Transport Operating Model (PTOM)

KPMG and Mott MacDonald have been engaged by the Ministry of Transport (MoT) to conduct an independent evaluation into the impact of PTOM. Our scope is to report to the MoT on:

- **How well has PTOM achieved its intended outcomes?**
- **How has the introduction of PTOM affected service provision, service users, and service providers and employees?**
- **How could the PTOM framework and /or its implementation be improved?**

We are looking at the impact of PTOM in four areas:

1. **Regional public transport planning**
2. **Public transport service procurement**
3. **Management of PTOM contracts**
4. **Exemptions for commercial services and other exclusions**

At this stage we are conducting a Feasibility Study:
- **What data is available?**
- **Is it complete / consistent / robust?**
- **The appetite of stakeholders to contribute**

The Feasibility Study will be completed by the end of January.

We are engaging with Councils, Operators, Trade Unions and other stakeholders. We will:

- Collect quantitative and qualitative data during December and January, including interviews with a representative range of parties.
- Data collected will be analysed to inform the Feasibility Study and wider report. Throughout this process we will consult with participants.
- An indicative outline of the information we are seeking is set out below:

Transport network planning and accessibility	• Fare levels and structures • Network planning and integration, integrated ticketing • Patronage and revenues
Operator incentives, financial sustainability	• Market attractiveness & contract incentives • Asset ownership, fleet data etc • Market share
Procurement	• Tender competitiveness, negotiated contracts, partnerships • Staffing, employment terms and conditions • Pricing, cost per km • Procurement reviews
Contract management	• Customer feedback • Contract KPIs and performance • Operator incentives
Exempt services	• Performance • Integration with PTOM network • Fare structures and value for money

Transport Planning | **Procurement** | **Contract Management** | **Exempt Services**

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PTOM Evaluation

Regional Councils / Procuring Agency questionnaire

February 2020

Regional Council Questionnaire

Summary			
PTOM in your region			
Please provide summary details of the implementation of PTOM in your region. Refer also to the separate Request For Information spreadsheet.			
Question	**Response**	**Question**	**Response**
Date of PTOM implementation:		Details of operator market share pre- and post-PTOM (refer to the separate Request For Information spreadsheet):	Please use separate sheets if required
Number of contracts procured:		Number of tenders received per tendered contract:	
Of which: Negotiated		Comparable pre-PTOM number of tenders received per tendered contract, if available:	
: Tendered			
Evaluation criteria			
Please provide details of the evaluation criteria used, including price / quality weightings. Also provide details of any pass / fail criteria, e.g. transition experience, health and safety, financial sustainability etc, and how these were assessed. Refer also to the separate Request For Information spreadsheet.			
Please use separate sheets and/or attach supporting information as applicable.			

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Regional Council Questionnaire

Regional public transport planning				
Question 1				

How have the powers granted to Councils under PTOM enabled the delivery of better public transport in your region? Specifically, what has been the impact on:

i. Improving network reach and access for customers (e.g. geographic coverage, peak vs off-peak, and for specific customer groups)?
ii. Improving integration of the network, of ticketing, and of customer interfaces?
iii. Improving value for money and accessibility for service users (e.g. through Council powers to set fares)?
iv. To what extent do you consider the above factors to be determined by (a) local decision-making and/ or factors other than PTOM (e.g. the Government Rules of Sourcing, existing contract management practice, NZTA guidance) or (b.) the PTOM framework?

For questions (i.) to (iii.), respond with a whole-number score between 1 and 9, interpreting 1 as 'no impact' and 9 as 'a very significant impact'.
For question (iv.), respond with a whole-number score between 1 and 9, interpreting 1 as 'any impact is due to local decision-making and/ or factors other than PTOM (e.g. the Government Rules of Sourcing, NZTA guidance or existing local practice etc)' and 9 as 'entirely driven by the PTOM framework'.

Please provide additional narrative comments below to support your answer where appropriate.

i.	ii.	iii.	iv.	v.
Question 1 - Narrative response (please use separate sheets if required)				

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Regional Council Questionnaire

Procurement
Question 2
Since your implementation of PTOM, have there been significant changes in: i. The level of competition for contracts (i.e. the number and competitiveness of bids received)? ii. Contract pricing (e.g. price per service Km) and value for money on both tendered and negotiated contracts? iii. Wages and working conditions in the operator industry iv. The financial viability of operators (long term sustainability and ability to make a reasonable margin commensurate with the required investment and risk)? v. To what extent do you consider the above factors to be determined by (a) local decision-making and/ or factors other than PTOM (e.g. the Government Rules of Sourcing, existing contract management practice, NZTA guidance) or (b.) the PTOM framework? For questions (i.) to (iv.), respond with a whole-number score between 1 and 9, interpreting 1 as ‘no impact’ and 9 as ‘a very significant impact’. For question (v.), respond with a whole-number score between 1 and 9, interpreting 1 as ‘any impact is due to local decision-making and/ or factors other than PTOM (e.g. the Government Rules of Sourcing, NZTA guidance or existing local practice etc)’ and 9 as ‘entirely driven by the PTOM framework’. Please provide additional narrative comments below to support your answer where appropriate, including details of your implementation of PTOM (such as scale / # units, timing, level of market interest / tenders received, operator market share pre- and post-implementation, details of evaluation criteria and how costs were benchmarked and financial sustainability assessed). Refer also to Question 3, and the separate Request For Information spreadsheet.

i.	ii.	iii.	iv.	v.
Question 2 - Narrative response (please use separate sheets if required)				

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Regional Council Questionnaire

Procurement
Question 3
Have there been any lessons from the procurement (both tendering and contract negotiation) process? For example, have any of the following been relevant?: i. Operators under-pricing (either due to competitive pressure or as a result of misinterpreting contractual requirements)? ii. The content and detail of tender documentation? iii. The evaluation criteria and process (including the price / quality weighting and incentivising the right bidder behaviours, and pass / fail criteria such as financial strength assessments)? iv. The procurement process resulting in pressure on subcontractors or employees? v. The provisions for staff and asset transfer between operators during transition? vi. Differences in the outcomes between tendered and negotiated contracts? To what extent do you consider the above factors to be determined by (a) local decision-making and/ or factors other than PTOM (e.g. the Government Rules of Sourcing, existing local practice, NZTA guidance) or (b.) the PTOM framework? Respond as appropriate, and please attach evidence to support your comments where possible, e.g. examples of Request For Tender (RFT) documents (or equivalent), evaluation criteria, financial strength assessment processes, cost benchmarking, relevant contract terms, and details of procurement outcomes such as market appetite and transitioning experiences.
Response

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Regional Council Questionnaire

Procurement		
Question 4		
Have the following affected the procurement of contracts, including market interest for tendered and negotiated contracts, and if so, how?: i. Ownership of / access to depot facilities? ii. Technical tender specifications, including variations to the Requirements for Urban Buses (RUB)? iii. Incumbent operators' cost structures, including wages and employment terms? In all cases, respond with a whole-number score between 1 and 9, interpreting 1 as 'not at all' and 9 as 'to a very great extent'. Please provide additional narrative comments below to support your answer where appropriate.		
i	**ii**	**iii.**
Question 4 - Narrative response		

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Regional Council Questionnaire

Partnerships and contract management
Question 5a
Please provide feedback on the contract management processes in your region: i. For your operational contracts, are your workloads associated with contract compliance and the KPI regime are proportionate to the contract scope? ii. How many contract variations have you experienced, and what is the relative value of these variations (i.e. to contract size)? Please indicate the nature and timing of variations, e.g. immediately post-procurement, during transition, following operational work-up etc. iii. Do the variation mechanisms provide scope for operators to use their expertise and experience to shape network specification? iv. To what extent do you consider the above factors to be determined by (a) local decision-making and/ or factors other than PTOM (e.g. the Government Rules of Sourcing, existing contract management practice, NZTA guidance) or (b.) the PTOM framework? For questions (i.) to (iii.), respond in the boxes below. For question (iv.), respond with a whole-number score between 1 and 9, interpreting 1 as ‘local decision-making and/ or factors other than PTOM’ and 9 as ‘entirely driven by the PTOM framework’, and where possible provide additional narrative comments below to support your answer where appropriate.
Response: part (i.)

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Regional Council Questionnaire

Partnerships and contract management (continued)
Question 5a (continued)
Response: part (ii.)
Response: part (iii.)

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Regional Council Questionnaire

Partnerships and contract management (continued)
Question 5a (continued)
Response: part (iv.)
Score: **Narrative response:**

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Regional Council Questionnaire

Partnerships and contract management
Question 5b
Please provide feedback on the contract management processes in your region: i. How does the KPI regime support desirable network outcomes? ii. To what extent have PTOM contracts, including the contract management processes above, improved service performance? iii. To what extent do you consider the above factors to be determined by (a) local decision-making and/ or factors other than PTOM (e.g. the Government Rules of Sourcing, existing contract management practice, NZTA guidance) or (b.) the PTOM framework? For questions (i.) to (ii.), respond in the boxes below. For question (iii.), respond with a whole-number score between 1 and 9, interpreting 1 as 'local decision-making and/ or factors other than PTOM' and 9 as 'entirely driven by the PTOM framework', and where possible provide additional narrative comments below to support your answer where appropriate.
Response: part (i.)

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Regional Council Questionnaire

Partnerships and contract management (continued)
Question 5b (continued)
Response: part (ii.)
Response: part (iii.)
Score: **Narrative response:**

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Regional Council Questionnaire

Partnerships and contract management (continued)
Question 6
Do you have any other comments regarding the nature of the relationship with operators? Is it a constructive partnership, and what could be changed to make it better? Please consider: i. The compliance and KPI regime ii. The variation and indexation mechanisms iii. How service performance has changed since the implementation of PTOM in your region iv. Whether the above is a result of PTOM, or other factors Respond as appropriate, and please attach evidence to support your comments where possible (e.g. penalty/incentive payment trends, indexation and contract variation processes, number of FTEs required for contract management processes).
Response

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Regional Council Questionnaire

Exempt services				
Question 7				
This question is only applicable to bus and ferry services that are explicitly exempt from PTOM. Please ignore this question if your region does not include any exempt services. For your PTOM-exempt services, to what extent do the commercial settings enable: i. The integration of exempt services into the wider network, including of ticketing? ii. Consistent performance? iii. Value for money for government and ratepayers? iv. Value for money for customers? v. Service innovation? In each case, respond with a whole-number score between 1 and 9, interpreting 1 as 'not at all' and 9 as 'to a very great extent'. If there are specific factors that affect your answers to (i.) to (v.), please provide further details in Question 8 below.				
i	**ii**	**iii**	**iv**	**v**
Please identify the exempt services operated in your region, and the relevant operators				

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Regional Council Questionnaire

Exempt services (continued)
Question 8
Do you have any other comments regarding the use of exemptions for specific services operating as part of a regional PTOM network? Respond as appropriate, and please attach evidence to support your comments where appropriate.
Response

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Regional Council Questionnaire

Influence of PTOM versus other contributing factors
Question 9
Overall, where does the structure of PTOM drive outcomes, and where are these driven by the Government Rules of Sourcing, differences in implementation, NZTA guidance and /or other local factors? Would you make any suggestions for change to the PTOM framework? Respond as appropriate, and please attach evidence to support your comments where appropriate.
Response

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Regional Council Questionnaire

Summary
Question 10
Please provide any additional feedback that you feel is relevant that have not been covered by the questions above. Would you make any suggestions for change to the PTOM framework? Respond as appropriate, and please attach evidence to support your comments where possible.
Response
[Please attach response to each question as a separate document if this space is insufficient]

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PTOM Evaluation

Operators data request and questionnaire

February 2020

PTOM - Operator data request

Data collected as part of the evaluation will be used to support our analysis of the four workstreams specified in the Ministry of Transports' scope:

- Workstream 1 - The impact of PTOM on regional transport planning, including the ability to implement network planning and integration, fare setting and integrated ticketing.
- Workstream 2 - Procurement. The effectiveness of procurement and contract negotiation processes, the level of market interest generated, and impacts on value for money. The workstream also considers procurement outcomes such as the financial sustainability of PTOM contracts and attractiveness of the market for operators, and any impacts on industry working conditions.
- Workstream 3 – Contract Management. The impact of contract management under PTOM on service performance, the risk allocation and incentive mechanisms of PTOM contracts, and the nature of the relationships between councils and operators (including, for example, in operating effective networks and agreeing contract variations).
- Workstream 4 - Exempt Services. This is focused on identifying the impacts of the exemptions for commercial services and other exclusions, including the impact of these exemptions on the consistency and effectiveness of the wider network, integration of networks and ticketing, and accessibility to users.

Protection of commercially sensitive data

We are aware that the data being requested is of a commercially sensitive nature.

In order to provide a level of assurance to operators than their data will be protected, KPMG, Mott MacDonald, MoT, and BCA have proposed steps that include:

- KPMG and Mott MacDonald reporting the data at an aggregated level so that no one operator is easily identified;
- Raw data is to be collected and held by KPMG only, and will not be provided to the Ministry of Transport;
- A validation process with stakeholders prior to the release of the report; and
- The protections afforded to commercially sensitive data in the Official Information Act.

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PTOM - operator data request

Data request list		
Data title	**Workstream**	**Purpose of data**
Operator views on procurement costs and processes	2	For PTOM to achieve its objectives, the procurement process must be effective in attracting market interest, achieving the right outcomes, and supporting the long term financial sustainability of the industry. We are seeking evidence to identify whether the procurement process is effective, and any inconsistencies in implementation. We are looking for evidence to support any suggestions for improvements. Examples include: – Tender costs – FTEs associated with the procurement process – The quality of Regional Councils' tender documentation – The attractiveness of PTOM contracts, including Operators' ability to earn a fair margin – How these factors have changed since the implementation of PTOM (if at all)
Sample employment contract terms	2	To provide robust evidence regarding any impact, or otherwise, of implementing PTOM on working conditions in the industry. Key working condition metrics would include: – Hourly wages, days holiday and sick leave – Proportion of split shifts and range of shift durations – Ability to transition staff following a change in the incumbent operator
Operating costs	2	It is in the interest of all parties that the industry remains both competitive and attractive to Operators. We are seeking evidence that helps us assess the impact of PTOM procurement on the financial sustainability of contracts. This also includes the attractiveness of the market for Operators to participate and invest in. Understanding whether operators can earn a reasonable profit margin for PTOM contracts (i.e. one that reflects capital investment, performance and risk) is a key part of this. Examples of evidence would include combined cost factors expressed as single unit costs (e.g. per operating-km, per operating hour).
Impact of asset costs (vehicles, depot and other assets) on competitiveness, tendering and contract viability under PTOM (e.g. asset transfer provisions, ability to move assets between contracts)	2	The evaluation is seeking evidence around the impact of asset ownership, vehicle specifications, and potential technical change the competitive landscape and attractiveness of contracts to operators. Examples would include: – Vehicle purchase costs (OTR) – Costs to achieve compliance with vehicle requirements when transferring between regions (e.g. AKL to WLG) – Feedback on depot ownership models and availability of depot sites

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PTOM - operator data request

Data request list		
Data title	**Workstream**	**Purpose of data**
Staffing levels and costs	2	Evidence that helps establish or disprove any direct impact on industry working conditions resulting from PTOM is an important part of the evaluation, for example changes in: – Hourly wages, days holiday and sick leave. – Proportion of split shifts and range of shift durations Staffing metrics could include: – Number of drivers, administration, engineering, supervisory and other staff per fleet vehicle – Data regarding number of industrial disputes/strikes.
Contract management and KPI performance (including safety and environmental reporting), reports on operator performance	3	Evidence to support Operators' views on the compliance and variations mechanisms, the Financial Incentive Mechanism ("FIM"), the administrative burden of contract management, and the nature of the relationship between Councils and Operators. Information showing impacts on service performance.
Unit agreement and contract terms (including pricing, performance regime and FIM information)	3	The effectiveness of contract management arrangements is an important part of the evaluation. We are seeking evidence as to how the arrangements are working, the effectiveness of the partnership between regional councils and operators, and how these affect outcomes on public transport networks. Examples include: – the nature and functioning of the variations mechanism – the nature and functioning of the financial incentives mechanism – the nature and functioning of the Council – Operator relationship.
Information on exempt services (where applicable), including performance and integration with the wider PTOM network.	4	Evidence that helps establish the effectiveness of the process for applying exemptions to PTOM, and the ability of Operators to run exempt services alongside, and integrate with, PTOM networks.

For all of the workstreams, we are interested in evidence that helps identify and differentiate between changes or outcomes that are due to PTOM, and changes or outcomes that coincided with the introduction of PTOM but have been caused by other factors (e.g. differences in local implementation, wider industry developments, government procurement practices etc).

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Operator Questionnaire

001 (a) – Contract procurement
Question(s)
Please provide feedback on contract procurement for each region in which you operate or have tendered for PTOM contracts: i. To what extent do you consider that the contract procurement process is supportive of desirable network outcomes? ii. To what extent do you consider that the contract procurement encourages competition? iii. To what extent do you consider that the procurement process provides scope for operators to shape network specification? iv. To what extent do you consider that the resource required to tender is appropriate to the scope of the offered contracts? v. To what extent do you consider the above factors to be determined by (a) local decision-making and/ or factors other than PTOM (e.g. the Government Rules of Sourcing, existing contract management practice, NZTA guidance) or (b.) the PTOM framework? In all cases, respond with a whole-number score between 1 and 9, interpreting 1 as 'not at all' and 9 as 'to a very great extent'. For question (v.), respond with a whole-number score between 1 and 9, interpreting 1 as 'any impact is due to local decision-making and/ or factors other than PTOM (e.g. the Government Rules of Sourcing, NZTA guidance or existing local practice etc)' and 9 as 'entirely driven by the PTOM framework'.

Region	i	ii	iii	iv	v

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Operator Questionnaire

001 (b) – Contract procurement
Question(s)
Please provide any additional feedback on contract procurement within regions in which you operate or have tendered for PTOM contracts. In particular, information about tendering costs and/or resource requirements would be particularly useful. Respond as appropriate, and please attach evidence to support your comments where applicable.
Response
[Please attach response to each question as a separate document if this space is insufficient]

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Operator Questionnaire

002 (a) – PTOM operating costs
Question(s)
Please use a separate line for each region in which you operate PTOM contracts, providing the total operating costs for each region in the most recent year for which data is available. Costs are to be categorised as follows: A – fuel, engineering/maintenance materials (including tyres) and other per km-driven costs. B – drivers and operation supervisors (including wages, benefits, training and uniforms) and other costs driven by hours operated. C – vehicle leasing and depreciation, engineering staff, vehicle equipment, rego, vehicle and other costs driven by the peak vehicle requirements. D – management, contract compliance and customer service staff, as well as office and depot costs and other fixed/overhead costs. E – total operating costs

Region	Year	A	B	C	D	E

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Operator Questionnaire

002 (b) – Pre-PTOM operating costs						
Question(s)						
Please use a separate line for each region in which you operated prior to PTOM, providing the total operating costs for each region in the most recent year for which data is available. Costs are to be categorised as follows: A – fuel, engineering/maintenance materials (including tyres) and other per km-driven costs. B – drivers and operation supervisors (including wages, benefits, training and uniforms) and other costs driven by hours operated. C – vehicle leasing and depreciation, engineering staff, vehicle equipment, rego, vehicle insurance and other costs driven by peak vehicle requirement. D – management, contract compliance and customer service staff, as well as office and depot costs and other fixed/overhead costs. E – total operating costs.						
Region	**Year**	**A**	**B**	**C**	**D**	**E**

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Operator Questionnaire

003 (a) – PTOM operational inputs						
Question(s)						
Please use a separate line for each region in which you operate PTOM contracts, providing the total operational inputs for each region in the most recent year for which data is available (for each region, must be same year as for 002 (a)).						
Region	**Year**	**Operating km (in-service)**	**Operating km (not in-service)**	**Driver hours (in-service)**	**Driver Hours (not in-service)**	**Peak Vehicle Requirement**

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Operator Questionnaire

003 (b) – Pre-PTOM operational inputs						
Question(s)						
Please use a separate line for each region in which you operated prior to PTOM, providing the total operational inputs for each region in the most recent year for which data is available (for each region, must be same year as for 002 (b)).						
Region	**Year**	**Operating km (in-service)**	**Operating km (not in-service)**	**Driver hours (in-service)**	**Driver Hours (not in-service)**	**Peak Vehicle Requirement**

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Operator Questionnaire

004 (a) – Vehicle purchase costs							
Question(s)							
Please provide information on the last three vehicle orders, including purchase, fitting-out and other on-the-road costs							
Supplier	**No. of Vehicles**	**Seats per vehicle**	**Traction Power (e.g. diesel, diesel-hybrid)**	**Region(s) deployed to**	**Year**	**On-the-road cost**	**Proposed depreciation period (in years)**

004 (b) – Vehicle transfers						
Question(s)						
Please provide information on the last three vehicles transferred between regions within NZ, including all costs associated with adapting the vehicle to meet contract requirements. If fewer than three vehicles have been transferred, please provide estimated costs (if available).						
Vehicle Description	**Seats**	**Origin Region**	**Destination Region**	**Year**	**Actual / Estimate**	**Adaptation Cost**

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Operator Questionnaire

004 (c) – Depot ownership			
Question(s)			
Please provide feedback on models for depot ownership and your experience (if any) of depot acquisition.			
ID	**Question**	**Sub-specification**	**Response**
i	Are depots strategic assets in the regions in which you operate?	Respond with a whole-number score between 1 and 9, interpreting 1 as ‘completely untrue’ and 9 as ‘completely true’	
ii	Has access to a depot provided a competitive advantage/disadvantage in a previous tender you competed for?	Respond with a whole-number score between 1 and 9, interpreting 1 as ‘no significant advantage/disadvantage due to depot access in any previous tender’, 9 as ‘very significant advantage/disadvantage due to depot access in a previous tender’.	
iii	Have you sought to acquire a site for a depot in the last five years	Respond ‘yes’ or ‘no’.	
iv	If you responded ‘yes’ to (iii), how difficult was the acquisition?	Respond with a whole-number score between 1 and 9, interpreting 1 as ‘very easy’ and 9 as ‘very difficult’	
v	Do you have any comments about depot ownership models?	Respond as appropriate.	Please respond using a separate sheet
vi	Do you have any comments about depot acquisition?	Respond as appropriate.	Please respond using a separate sheet
vii	Do you have any comments regarding how electric vehicles might affect fleet and depot ownership in the future?	Respond as appropriate.	Please respond using a separate sheet

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Operator Questionnaire

005 (a) – PTOM fleet and staffing requirements						
Question(s)						
Please use a separate line for each region in which you operate PTOM contracts, providing the total vehicles and staff for each region in the most recent year for which data is available. All staff as FTEs.						
Region	**Year**	**Fleet**	**Peak Vehicle Requirement**	**Drivers**	**Supervisory**	**Engineering**

[1] FTE's that are associated within the administration of PTOM related KPIs

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Operator Questionnaire

005 (b) – Pre-PTOM fleet and staffing requirements									
Question(s)									
Please use a separate line for each region in which you operated prior to PTOM, providing the total vehicles and staff for each region in the most recent year for which data is available. All staff as FTEs.									
Region	**Year**	**Fleet**	**Peak Vehicle Requirement**	**Drivers**	**Supervisory**	**Engineering**	**KPI Management**[1]	**General Management**	**Other**

[1] FTEs that are associated within the administration of PTOM related KPIs

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Operator Questionnaire

005 (c) – PTOM Driver working conditions							
Question(s)							
Please use a separate line for each region in which you operate PTOM contracts, providing indicative figures for driver working conditions for each region in the most recent year for which data is available.							
Region	**Year**	**Hourly Wage Range[2]**	**Average Hourly Wage**	**Annual leave range (days)**	**Average Annual Leave (days)**	**Weekly Duties (no. of duty cards)**	**Weekly Split Duties (no. of duty cards)**

[2] Including the effect of bonuses and additional allowances, where applicable.

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Operator Questionnaire

005 (d) – Pre-PTOM driver working conditions							
Question(s)							
Please use a separate line for each region in which you operated prior to PTOM, providing indicative figures for driver working conditions for each region in the most recent year for which data is available.							
Region	**Year**	**Hourly Wage Range[2]**	**Average Hourly Wage**	**Annual leave range (days)**	**Average Annual Leave (days)**	**Weekly Duties (no. of duty cards)**	**Weekly Split Duties (no. of duty cards)**

[2] Including the effect of bonuses and additional allowances, where applicable.

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Operator Questionnaire

005 (e) – Driver working conditions (continued)
Question(s)
Please attach sample employment terms and conditions.

005 (f) – Driver working conditions (continued)	
Question(s)	
To what extent do you consider any impact on industry working conditions to be due to PTOM, or a result of other sperate factors, e.g. Government procurement practices, implementation by individual Regional Councils, or wider industry trends? Respond with a whole-number score between 1 and 9, interpreting 1 as ‘any impact is due to local decision-making and/ or factors other than PTOM (e.g. the Government Rules of Sourcing, NZTA guidance, wider industry factors etc)’ and 9 as ‘entirely driven by the PTOM framework’. Please provide additional narrative comments below to support your answer where appropriate, such as whether there have been any impacts on industry working conditions, if so what they are, and whether these are a result of PTOM or other factors.	
Response:	
Question 005 (f) - Narrative response (please use separate sheets if required)	

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Operator Questionnaire

006 (a) – Contract management – compliance and KPIs				
Question(s)				
Please provide feedback on the compliance and KPI regime for each region in which you operate PTOM contracts: i. To what extent do you consider that the workloads associated with the contract compliance and KPI regime are proportionate to the contract scope? ii. To what extent do you consider that the KPI regime is supportive of desirable network outcomes? iii. To what extent do you consider that the contract compliance and KPI regime is balanced between bonuses and penalties? iv. To what extent do you consider that the contract compliance and KPI regime is targeted at performance factors within your control? In all cases, respond with a whole-number score between 1 and 9, interpreting 1 as 'not at all' and 9 as 'to a very great extent'				
Region	**i**	**ii**	**iii**	**iv**

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Operator Questionnaire

006 (b) – Contract management – compliance and KPIs (continued)
Question(s)
Please provide any additional feedback on the compliance and KPI regime within regions in which you operate PTOM contracts. Respond as appropriate, and please attach evidence to support your comments where applicable.
Response
[Please attach response to each question as a separate document if this space is insufficient]

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Operator Questionnaire

006 (c) – Contract management – variations and indexation					
Specification					
Please provide feedback on the variation and indexation mechanisms for each region in which you operate PTOM contracts: i. To what extent do you consider that the variation mechanisms provide fair adjustments to contract payments? ii. To what extent do you consider that the indexation mechanisms provide fair adjustment to contract payments? iii. To what extent do you consider that the variation mechanisms provide scope for operators to shape network specification? iv. To what extent do you consider the relationship with the regional council demonstrates a partnership approach? v. To what extent do you consider the above factors to be determined by (a) local decision-making and/ or factors other than PTOM (e.g. the Government Rules of Sourcing, existing contract management practice, NZTA guidance) or (b.) the PTOM framework? For questions (i.) to (iv.), respond with a whole-number score between 1 and 9, interpreting 1 as 'not at all' and 9 as 'to a very great extent'. For question (v.), respond with a whole-number score between 1 and 9, interpreting 1 as 'any impact is due to local decision-making and/ or factors other than PTOM (e.g. the Government Rules of Sourcing, NZTA guidance or existing local practice etc)' and 9 as 'entirely driven by the PTOM framework'.					
Region	**i**	**ii**	**iii**	**iv**	**v.**

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Operator Questionnaire

006 (d) – Contract management – variations and Indexation (continued)
Specification
Please provide any additional feedback on the variation and indexation mechanisms within regions in which you operate PTOM contracts. Respond as appropriate, and please attach evidence to support your comments.
Response
[Please attach response to each question as a separate document if this space is insufficient]

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Operator Questionnaire

007 (a) – Summary
Specification
Please provide any additional feedback that you feel is relevant to the four workstreams set out on page 1 that have not been covered by the questions above. Would you make any suggestions for change to the PTOM framework? Respond as appropriate, and please attach evidence to support your comments where possible.
Response
[Please attach response to each question as a separate document if this space is insufficient]

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Operator Questionnaire

Exempt services
Question 008 (a)
This question is only applicable to PTOM-exempt services. Please ignore this question if you do not operate any exempt services. Where you operate services that are run on a commercial basis and exempt from the PTOM framework: i. To what extent do you consider that the process for determining which routes are expected to run on a commercial basis is fair and appropriate? ii. To what extent do you consider that your commercially run services face competition from publicly subsidised services? iii. To what extent do you have concerns about Council requirements or influence in the absence of funding being provided? iv. To what extent do you consider that your commercially-run routes are able to integrate effectively with the wider PTOM network and deliver mutual benefits (e.g. service efficiency, driving patronage)? v. To what extent has PTOM affected the level of service and service performance on exempt routes? vi. To what extent do you have concerns over incurring costs (or delays in reimbursements) to meet Council requirements, e.g. to provide integrated ticketing or timetables (hardware, software, administrative)? vii. To what extent do you consider that the system allows you to innovate, for example with flexible timetables or on-demand services? In each cases, respond with a whole-number score between 1 and 9, interpreting 1 as ‘not at all’ and 9 as ‘to a very great extent’. If there are specific factors that affect your answers to (i.) to (vii.), please provide further details in Question 008 (b) below.

Region	i	ii	iii	iv	v	vi	vii

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Operator Questionnaire

Exempt services (continued)
Question 008 (b)
This question is only applicable to PTOM-exempt services. Please ignore this question if you do not operate any exempt services. Please provide any additional feedback on the operation of exempt services alongside regional PTOM networks. Respond as appropriate, and please attach evidence to support your comments where possible. If you have examples of performance reporting data for exempt services, please provide.
Response

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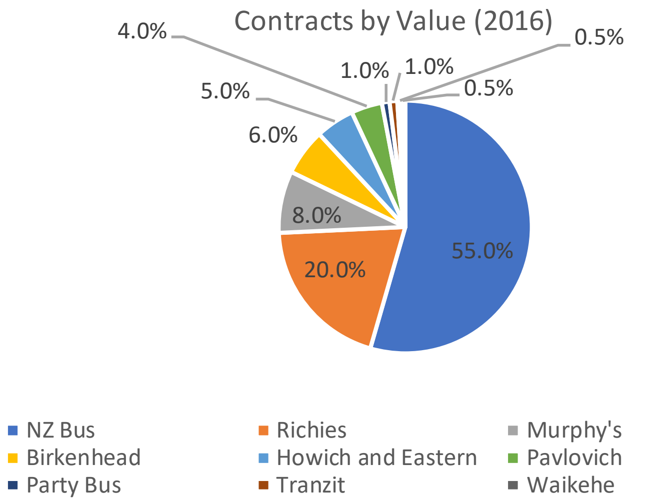
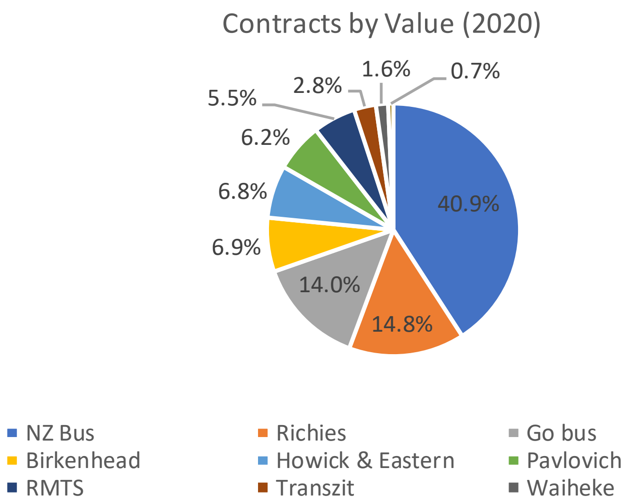
Appendix 6: Auckland Transport supplementary analysis

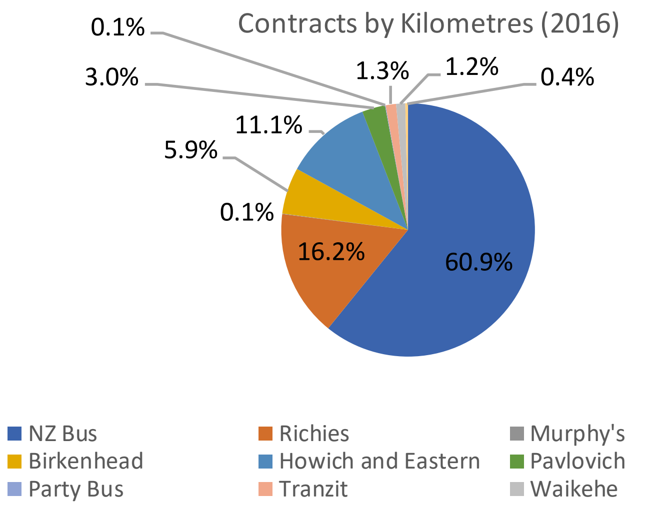
Market share analysis

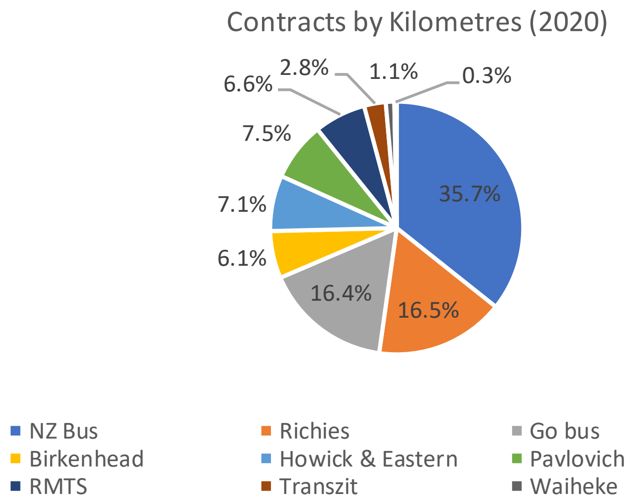
Auckland Transport provided additional information on pre- and post-PTOM customer feedback results, and market share analysis. Comparable data was not provided by other Approved Organisations. However, it is relevant to the evaluation. A summary is set out below.

Figures 1-4: operator market share by kilometres and value in 2016 and 2020.









What impact has PTOM had on the structure of the public transport industry?

By value

In 2016 the largest operator on a Contract-by-value basis was NZ Bus, with 55% of the market share. In 2020 this market share figure had declined to 41%.

In 2016 the three largest operators accounted for 83% of the market share on a contract-by-value basis, with the remaining 17% shared across seven operators. In 2020 these figures were 70% and 30% respectively.

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By kilometer

In 2016 the largest operator on a contract-by-kilometre basis was NZ Bus, with 61% of the market share. In 2020 this market share figure declined to 36%.

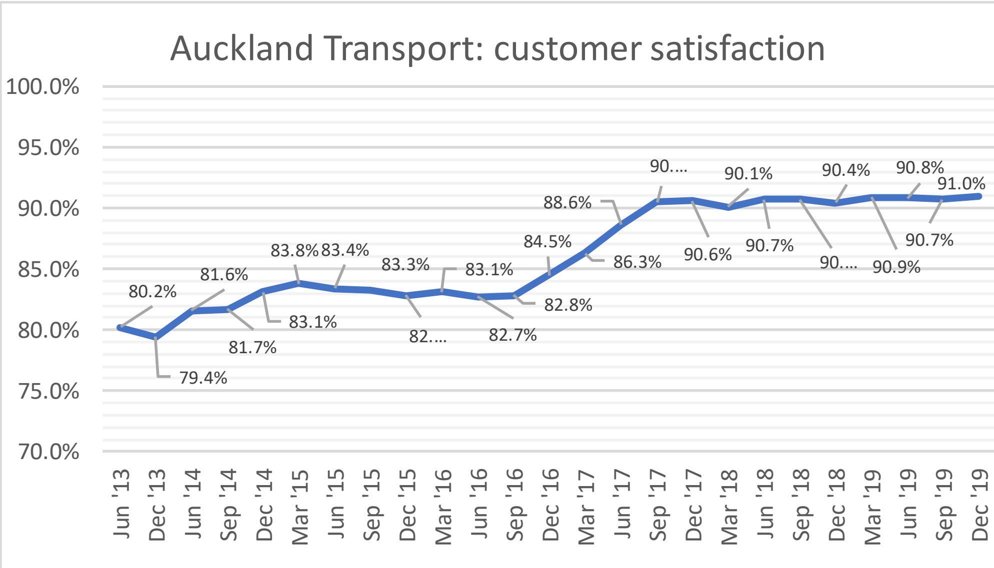
In 2016 the three largest operators accounted for 88% of the market share on a contract-by-kilometre basis, with the remaining 12% shared across seven operators. In 2020 these figures were 69% and 31% respectively.

This indicates that the overall competitiveness (on both a kilometre and value basis) has increased since PTOM contracts have been implemented in the Auckland region.

Customer satisfaction analysis

As noted in section 9.4 of the Interim Report, Auckland Transport conducts its own passenger surveys. Figure 5 illustrates the results since 2013.

Figure 5: Customer satisfaction pre- and post-PTOM implementation.



What impact has PTOM had on customer satisfaction with public transport services?

Customer satisfaction in the Auckland region has increased by 11 percentage points between 2013 and 2019, with a particular improvement during 2017. This upwards trend has coincided with a wider, more integrated network, more PTOM contracts being procured, HOP ticketing across the public transport system, and the introduction of simpler fares.

The correlation with the implementation of PTOM contracts is clear, although this does not in itself prove a causal link.

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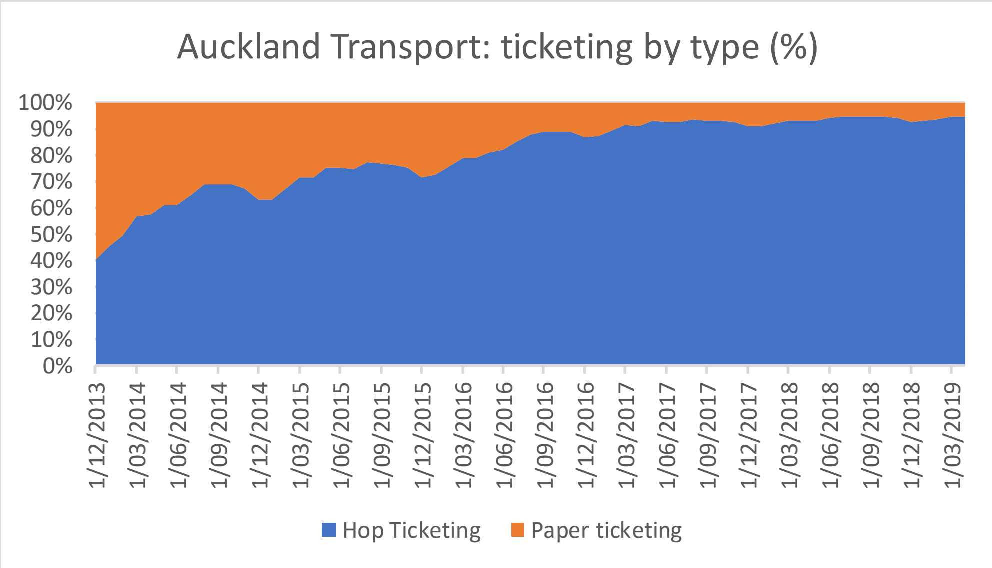
Figure 6: Integrated ticketing use pre- and post-PTOM implementation.



What impact has PTOM had on councils' ability to provide integrated ticketing? HOP as a percentage of ticketing type has increased by 55 percentage points, from 40% penetration in 2013, to 95% penetration in 2019.

This increase in ticketing integration coincides with the increase in customer satisfaction (see Figure 5) between 2013 and 2019.

This indicates that the use of integrated ticketing on the revised network has unambiguously changed as PTOM contracts have been implemented in the Auckland region. The rapid adoption also suggests that user needs are being better met. However, we note that the use of systems such as AT Hop does usually involve fare discounting. This is consistent with the reduction in average real fare levels seen in section 8.1.

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Appendix 7: Customer satisfaction surveys

A summary of the NZTA's customer satisfaction surveys is presented below. In each case, the result represents the overall level of satisfaction, over the last 3 months, with the public transport system. Figures have been converted into percentages for each score on a 1 – 10 scale. The number of respondents, n, is indicated in the right hand column.

Figure 1: Auckland

%	0	1	2	3	4	5	6	7	8	9	10	n
2012/13	0.7	1	2.2	4	6.8	13.2	15.9	21	18.1	10.9	6.2	2,348
2013/14	0.8	0.9	1.8	4.4	7.1	12.9	14.1	19.8	19	11.5	7.7	2,506
2014/15	0.6	1.1	1.6	4.2	6.3	11.6	14.3	21.2	17.7	11.5	9.9	3,607
2015/16	0.5	1.4	2.5	4.9	6.5	13	13.9	19.7	17.4	11.5	8.7	4,509
2016/17	0.6	1.1	2.2	3.6	5.3	11.8	12.1	18.3	18.6	12.8	13.6	5,137
2017/18	1.1	1.6	2	3.8	5.2	11.8	11.8	18.5	18.4	13	12.8	5,805
2018/19	0.6	1.2	2	3.5	4.7	9.8	11.8	20.4	20	13.7	12.3	7,422

Source: NZTA

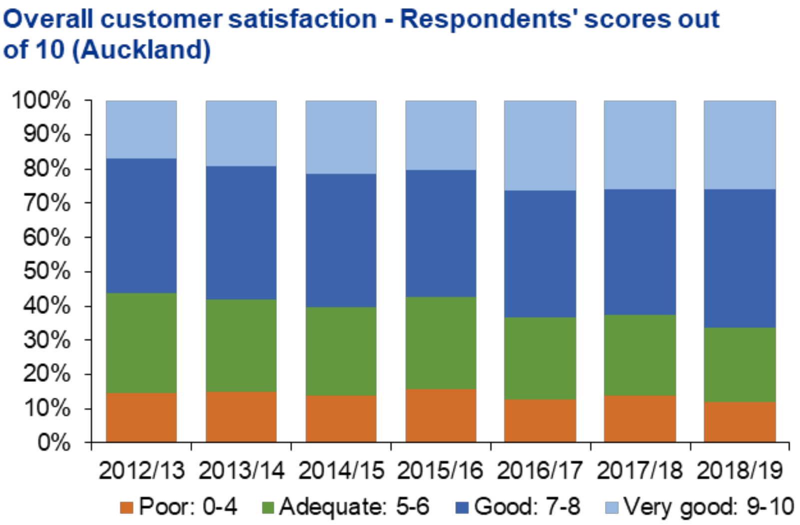

Figure 2: Bay of Plenty (Tauranga)

%	0	1	2	3	4	5	6	7	8	9	10	n
2012/13		0	0	0	4	6	8	16	22	13	24	430
2013/14	0	0	0	0	0	3	4	11	27	23	31	430
2014/15	1	0	0	0	2	3	4	15	25	23	24	430
2016/17	1	2	0	2	4	8	9	17	25	16	16	400
2017/18	1	2	0	2	4	8	9	17	25	16	16	400

Source: NZTA

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Overall customer satisfaction - Respondents' scores out of 10 (BoP / Tauranga)

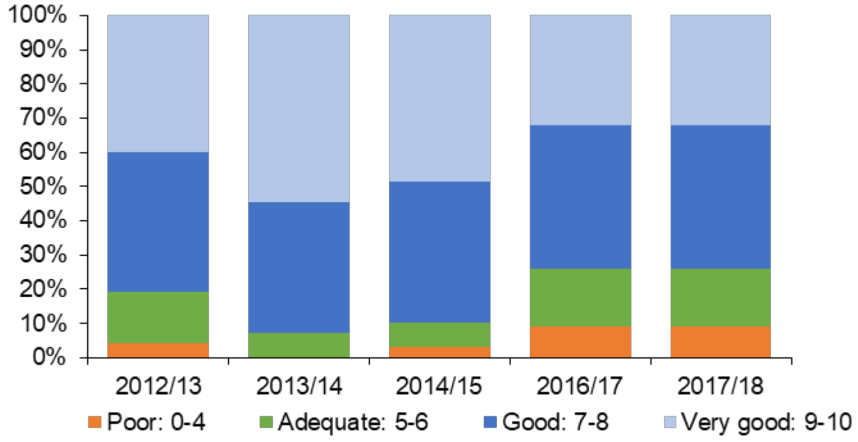

Figure 3: Canterbury

%	0	1	2	3	4	5	6	7	8	9	10	n
2012/13		0	0	1	2	4	7	20	30	20	15	2,070
2013/14			0.4	0.4	0.8	1.6	2.8	9	23.5	25.5	36	2,255
2014/15	0	0	0	1	1	4	5	17	29	21	21	2,076
2015/16	0	0	0	1	1	4	6	16	29	22	19	2,076
2016/17	0	0	0	1	1	4	6	17	27	25	18	2,033
2017/18	0	0	0	0.7	1.4	4	5.6	16.5	26.8	25.8	17.8	2,033
2018/19	0	0	0	1	1	5	6	18	27	22	20	2,169

Source: NZTA

Overall customer satisfaction - Respondents' scores out of 10 (Canterbury)

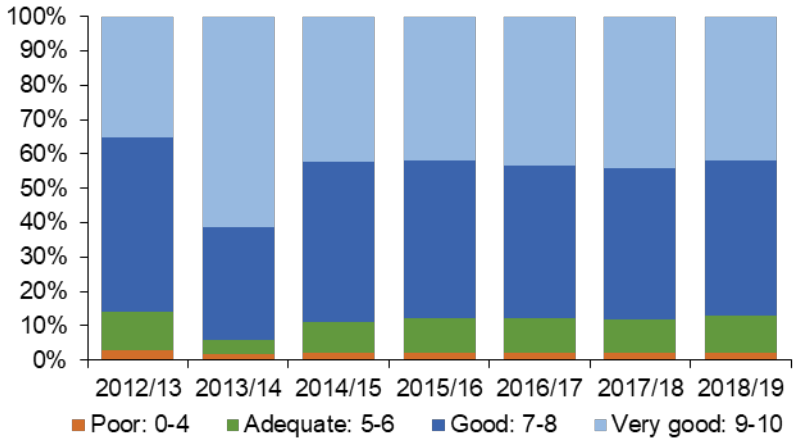

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Figure 4: Hawkes Bay

%	0	1	2	3	4	5	6	7	8	9	10	n
2013/14	1	0	1	1	1	3	7	11	16	25	34	546
2016/17	1	0	0.5	0.5	2.5	6.5	1.5	9	13.8	17.9	44.8	201
2018/19	0.2	0.5	0.6	1.4	2.3	6.6	5.3	12.2	20.6	21.6	28.7	635

Source: NZTA

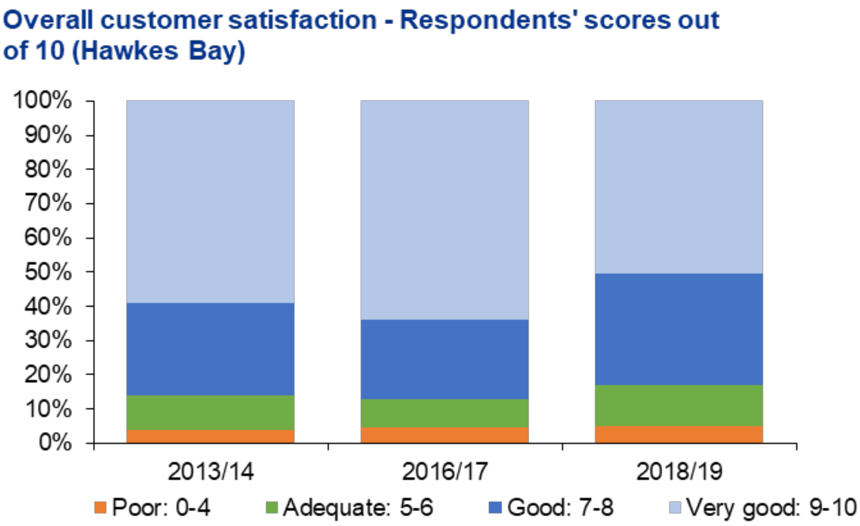

Figure 5: Otago

%	0	1	2	3	4	5	6	7	8	9	10	n
2014/15	0	0	1	1	4	5	16	19	24	10	12	133
2015/16	1	1	1	4	6	9	12	21	22	11	12	219
2018/19	1		1		3	6	8	14	22	23	22	233

Source: NZTA

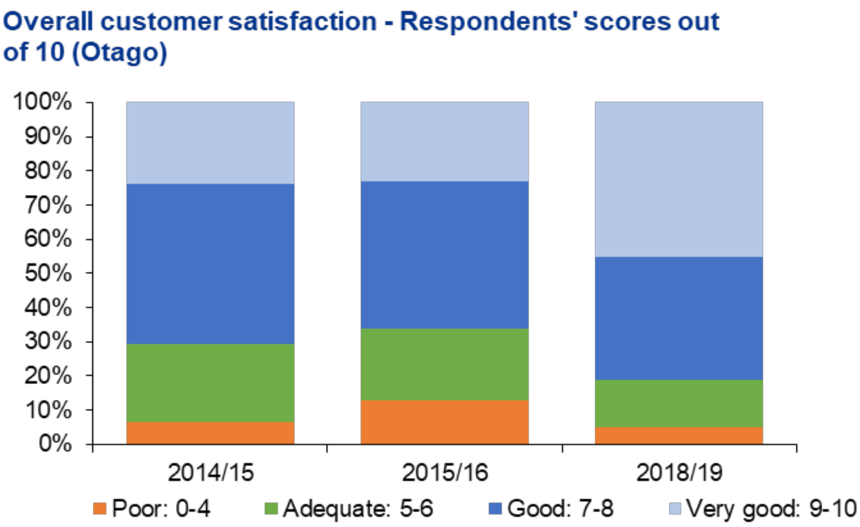

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Figure 6: Taranaki

%	0	1	2	3	4	5	6	7	8	9	10	n
2013/14	0	0	0	0	0	5	4	12	15	22	42	98
2014/15	0	0	0	1	0	6	4	13	19	18	36	73
2015/16	2	2	0	0	0	3	3	14	15	15	46	59
2017/18	0	0	0	1.5	0	6	4.5	15	7.5	13.5	52	67

Source: NZTA

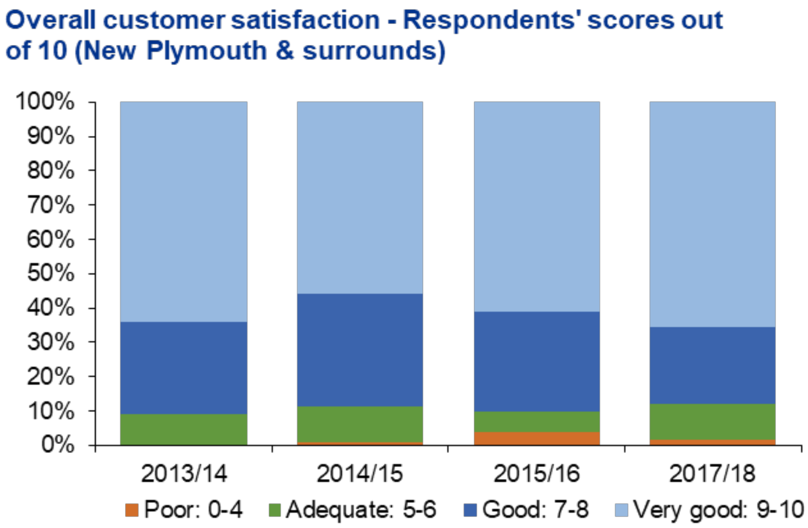

Figure 7: Waikato

%	0	1	2	3	4	5	6	7	8	9	10	n
2014/15	0	1	1	2	3	8	9	14.5	21	16.5	24	1,000
2015/16	1	0	0	2	3	8	8	16	25	16	21	1,000
2016/17	0	0	0	2	3	11	10	16	23	17	18	1,000
2018/19	0	0	1	1	3	6	7	13	22	15	16	998

Source: NZTA

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Overall customer satisfaction - Respondents' scores out of 10 (Waikato)

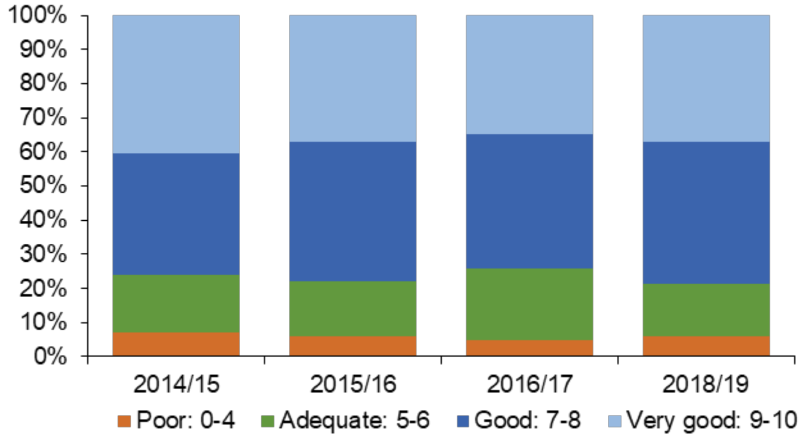
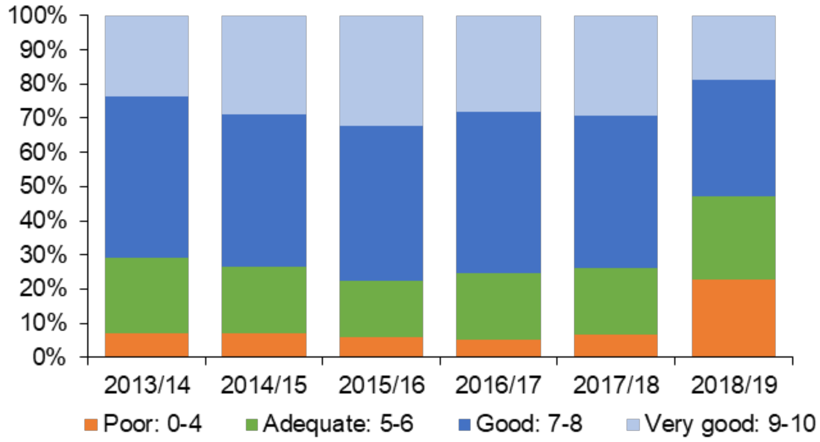


Figure 8: Wellington

%	0	1	2	3	4	5	6	7	8	9	10	n
2013/14	0.4	0.2	0.7	2.4	3.1	8.2	13.8	24.2	22.7	15	8.5	811
2014/15	0.3	0.2	1.1	1.7	3.7	8.1	10.8	18.9	25.2	15.2	13.1	1,162
2015/16	0.3	0.2	1	1	3.3	6.3	10.1	20.8	23.8	18.7	13.3	1,162
2016/17	0.3	0.1	0.5	1.7	2.7	8.7	10.4	23.2	23.5	16.6	11.4	989
2017/18	0.3	0.2	0.7	2.2	3.3	8.3	11.2	19.6	24.8	18.4	10.8	1,427
2018/19	2.7	3.3	3.9	5.5	7.2	11.3	12.8	18.5	15.4	10.8	8	1,385

Source: NZTA

Overall customer satisfaction - Respondents' scores out of 10 (Wellington)



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