



THE ROLE OF PUBLIC TRANSPORT – AND IT'S FINANCING

RAGNAR NORBÄCK, CEO NOBINA GROUP




THE ROLE OF PUBLIC TRANSPORT

- Enables all people to travel without owning a car, at stable price and timetable
- Make residential areas accessible
- Facilitating new enterprises and working areas
- Reduces negative impact on environment
- Reduces congestion
- Reduces need of parking places
- Reduces personal injuries
- Reduces need of infrastructure

POSITIVE EFFECTS FOR SOCIETY

- Larger working regions
- Attracts inhabitants
- Increased living areas
- Generate GNP growth
- Improves environment
- Generates geographical and social balance

BENEFITS FOR THE TRAVELER

- 
- Reliability in its own mobility
 - Easy access, efficient and price worthy
 - Adapted to my needs
 - Freedom

HOW DO WE SOLVE THE EQUATION?

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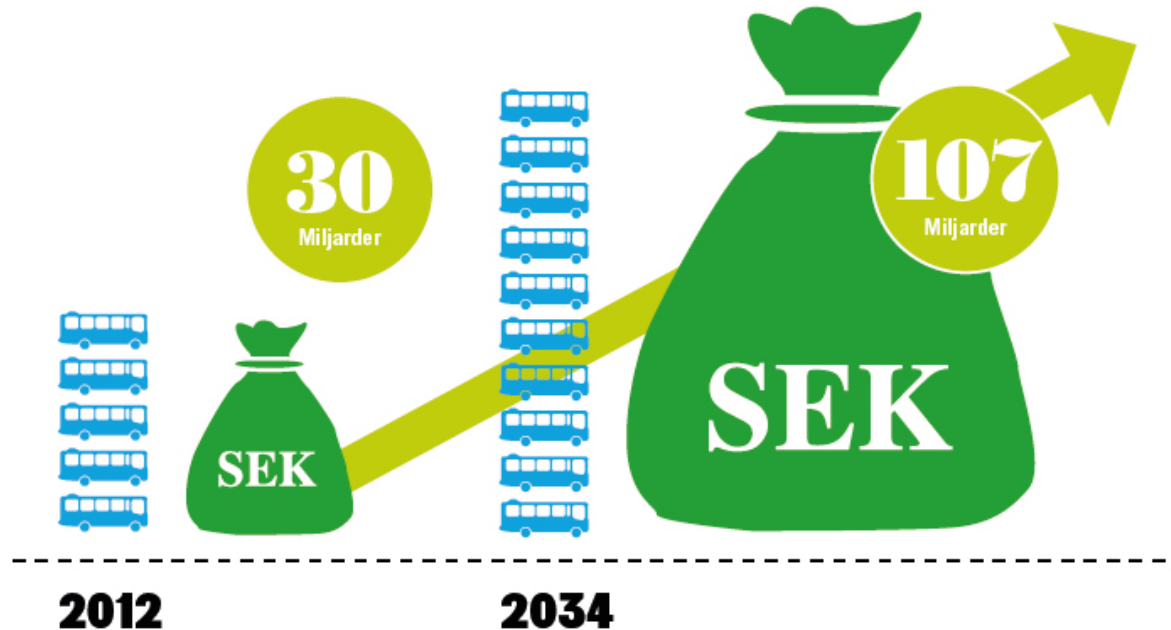
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NORDIC SOLUTION TO THE EQUATION

- A Public Transport Authority, PTA, has a legal exclusivity for all public transport within its region
- PTA has the responsibility for organizing a well functioning public transport
- The PTA design and decide specific contracts for the execution of selected parts of the public transport
- The PTA award these contracts to an operator, in public tenders
- PTA organize terminals that connects commercial and contract transport

It's all about
contract terms!

KNOWN FACTS: COSTS ARE INCREASING



It's all about contract terms!

One reason: Contract recommendations are not followed

Outlook report
from
Bussbranschens
Riksförbund, BR.

KNOWN FACTS: DIFFERENT DRIVERS

What improves passenger *satisfaction*?

- Comfort
- Punctuality
- Price
- Driver behavior
- Relevant information

What improves *number* of passengers?

- Relevant transport system
- Knowledge
- Timetable
- Easy access
- Status

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KNOWN FACTS: PEAK TIME EFFECT

- All buses are full at peak time
- All new public transport passengers will travel in peak time
- Attracting new passengers into public transport without spreading the peak will make cost explode
- Contracts must deal with changes in travel patterns



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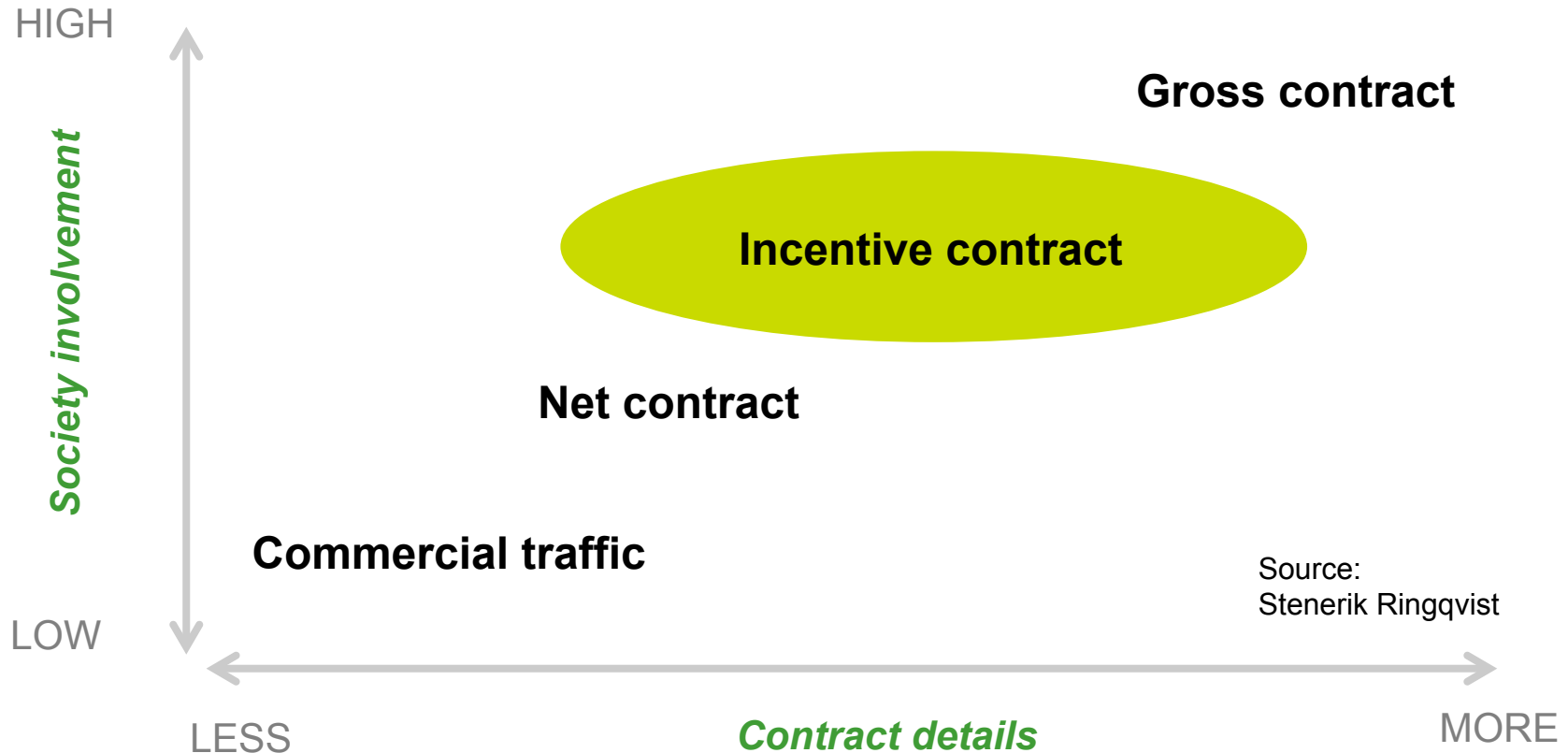
HOW CAN WE DOUBLE THE VOLUME OF PUBLIC TRANSPORT WITH NO PRICE INCREASE?

- Increase the part of bus driver time when transporting passengers – from today 65% to 72%
- Improve cabin factor from today ~18% to 25%
- Improve nr of hours per day when buses are in use from today ~7 hour/day to 10 hour/day
- Prolong the life cycle of a public transport bus: reconditioning and environmental friendly engine upgrade, at 5% cost of buying a new



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HOW DIFFERENT CONTRACT TYPES COMBINES SOCIETY INVOLVEMENT WITH CONTRACT DETAILS



AN EFFICIENT USE OF TAX MONEY REQUIRES ATTENTION TO CONTRACT AND TENDER TERMS!

- Has all PTA Board members understood the contract terms?
- Has all PTA Board members understood the tender conditions?
- Have the PTA management described all deviations from contract and tender recommendations for PTA Board?
- Has there been an independent study of what extra costs *and* extra benefits these contract and tender terms will cause for the coming 8 years?
- The need for national supervision is at this moment under investigation



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RIGHT CONTRACT LEAD TO RIGHT DIRECTION

- Contract design should be based on research and best experience
- Contract evaluation is key to contract design
- Well designed contracts will
 - Reduce cost
 - Increase nr of travelers
 - Improve positive effects for society
- Contracts which combines city planning, regional needs and operator experience works better than others
- Contracts which combines payments for production with payments for nr of travelers works better than others

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CONCLUSIONS

- Public transport **combines** the effect for *society* with benefits for the *traveler*
- Appreciated public transport is beneficial *even for those who are not using it*
- Cost of public transport will *increase more* than nr of passengers in existing contracts
- *Known facts* and experience are not easy to find and not always used
- **Contract terms and tender conditions** requires far more attention in the future





We need:

- International research that establish facts.
- Contract follow up and effect analyses
- Contract terms and tender requirements decided at highest level.

Nobina.