

First Report

July 2023



Bus Industry
Taskforce

Bus Industry Taskforce

The Hon Jo Haylen
Minister for Transport

Re: Bus Industry Taskforce – First Report

10 July 2023

Dear Minister

In accordance with the Terms of Reference establishing the Bus Industry Taskforce, as Chair on behalf of all the members, I am pleased to submit to you the First Report of the Taskforce.

This Report sets out the findings of the Taskforce's initial investigations into the reliability, quality and effectiveness of bus services across NSW.

We have found that:

1. the promise of growth funding for bus services following the privatisation of the State Transit Authority has not been delivered,
2. the focus on other transport infrastructure and capital investment has come at the cost of quality bus services,
3. driver shortages should have been better predicted and managed,
4. the lack of basic driver facilities at layover areas is unacceptable,
5. the focus on savings during the latest retendering has led to the loss of local operators who understood their customers, and
6. continuous improvement to existing services should have been maintained.

Our recommendations call for a refocus on the essential task of delivering bus services to the community. Long term growth funding is required to improve bus services to underserved communities around the State. There is a need for greater and more meaningful collaboration between Transport for NSW, the bus industry and the community to improve service delivery. Transport for NSW should be re-organised to create a genuine point of strategic leadership accountability for bus services.

Other recommendations in this Report go to improving contracting for rural and regional bus services, supporting driver recruitment and retention, a driver facilities fund, a refocus on the task of providing replacement and emergency busing, and a range of other measures to enhance service delivery including funding of the B-pole program and maintaining and improving bus related technologies.

On behalf of the Taskforce, I would like to acknowledge the contributions and assistance provided by stakeholders and look forward to working with them on our future reports and recommendations.

Sincerely,



John Lee
Chair
Bus Industry Taskforce

Acknowledgement of Country

The Bus Industry Taskforce acknowledges the traditional custodians of the land on which we work and live.

We pay our respects to Elders past and present and celebrate the diversity of Aboriginal people and their ongoing cultures and connections to the lands and waters of NSW.

Many of the transport routes we use today – from rail lines, to roads, to water crossings – follow the traditional Songlines, trade routes and ceremonial paths in Country that our nation’s First Peoples followed for tens of thousands of years.

The Taskforce honours Aboriginal peoples’ cultural and spiritual connections to the lands, waters and seas and their rich contribution to society.

Table of Contents

List of Abbreviations.....	8
1. Executive Summary.....	10
1.1 Background.....	10
1.1.1 Taskforce role expanded.....	10
1.2 Key findings.....	10
1.3 Recommendations.....	14
1.3.1 Initial recommendation for six immediate actions.....	14
1.3.2 Recommendations.....	15
2. Introduction.....	19
2.1 Terms of Reference.....	19
2.2 Approach.....	19
3. Framework for bus service provision: legislation, contracts, service planning	21
3.1 Legislative context for bus services.....	21
3.1.1 Setting transport objectives.....	21
3.1.2 Passenger transport regulatory framework.....	21
3.2 How bus services are organised through contracting.....	22
3.3 Brief history of bus service provision in NSW.....	23
3.3.1 Pre-Unsworth Review.....	23
3.3.2 Unsworth Review.....	24
3.3.3 Post-Unsworth.....	25
3.3.4 A simpler contracting regime – Passenger Transport Act 2014.....	26
3.4 Current state of contracting – Sydney and Outer Metropolitan.....	27
3.5 Working together more effectively.....	28
3.6 How people use buses (and other transport).....	29
3.7 The current service planning context.....	30
3.8 Region 9 as a case study.....	31

Bus Industry Taskforce

3.9	Equitable service delivery.....	32
3.10	Growth funding gap.....	34
3.11	Restoring a growth funding program.....	34
3.12	Contractual provisions relating to the workforce.....	35
3.12.1	Contractual obligations	35
3.12.2	Multiple instruments across the industry.....	35
3.13	Rural and Regional Bus Service Contracts.....	36
4.	Governance and accountability.....	39
4.1	Need for optimum organisational design within Transport.....	39
4.1.1	No single point of accountability for buses.....	39
4.1.2	'Matrix' teams – no clear reporting lines or decision making.....	40
4.1.3	Evolving Transport.....	41
4.1.4	Possible future.....	42
4.1.5	Re-focus on meeting transport needs of the community.....	43
5.	Recent challenges.....	45
5.1	Taskforce's May recommendations.....	45
5.2	Driver vacancies.....	45
5.3	Impacts on service delivery.....	46
5.4	Impacts on passenger satisfaction results.....	48
5.5	The six immediate actions – outcomes to date.....	49
5.5.1	Bus industry roundtable.....	49
5.5.2	Driver authority improvements.....	49
5.5.3	Public awareness and promotion campaigns.....	50
5.5.4	Service adjustments – informed by passenger insights.....	51
5.6	Factors contributing to driver shortages.....	51
5.6.1	Labour market conditions and shortages.....	51
5.6.2	Immigration unlikely to be a significant source of new employees.....	53
5.6.3	Why bus drivers leave employment.....	54
5.6.4	Impact of privatisation on workforce.....	55

Bus Industry
Taskforce

6.	Engagement with industry and community	57
6.1	Continue the dialogue.....	57
6.2	Recruitment and retention of drivers	57
6.2.1	Facilities.....	57
6.2.2	Pay and conditions.....	58
6.2.3	Training and support for new drivers	59
6.2.4	Regulatory framework.....	59
6.2.5	Industry standing	60
6.3	Service planning proposals.....	60
6.3.1	Emergency Bussing.....	60
6.3.2	Simplification of the bus network.....	61
6.3.3	Wayfinding at bus stops.....	62
6.3.4	Technology and onboard systems.....	63
6.3.5	Technology and data roadmap.....	65
6.4	Report on early community engagement.....	65
6.4.1	Summary of submissions received to date.....	66
7.	Rail replacement, emergency busing and special events.....	67
7.1	The replacement bus experience.....	67
7.2	Planned rail maintenance.....	67
7.3	Special events.....	68
7.4	Focused attention on replacement bussing	68
7.5	Sydenham to Bankstown	69
8.	Areas of future focus.....	71
8.1	Safety.....	71
8.2	Asset management.....	71
8.3	Approach to future bus procurement.....	71
8.4	Industrial relations.....	72
8.5	Rural and regional.....	72
8.6	Local government role in improving customer facilities.....	72

Appendix: Terms of Reference and Expanded Terms of Reference..... 73

List of Abbreviations

BDA	Bus Driver Authority
BSAR	Bus Service Alteration Request
CST	Customer Strategy and Technology Division (Transport for NSW)
EA	Enterprise Agreement
FW Act	<i>Fair Work Act 2009 (Cth)</i>
GS	Greater Sydney Division (Transport for NSW)
GSBC	Greater Sydney Bus Contract
I&P	Infrastructure and Place Division (Transport for NSW)
IPART	Independent Pricing and Regulatory Tribunal
KPI	Key Performance Indicator
NSW	New South Wales
ODIN	Operator Data Interchange
OMBSC	Outer Metropolitan Bus Service Contract
OSMBSC	Outer Sydney Metropolitan Bus Service Contract
PBO	Private Bus Operator
PT Act 1990	<i>Passenger Transport Act 1990 (NSW)</i>
PT Act 2014	<i>Passenger Transport Act 2014 (NSW)</i>
PTIPS	Public Transport Information and Priority System
ROM	Regional and Outer Metropolitan Division (Transport for NSW)
SCATS	Sydney Coordinated Adaptive Traffic System

Bus Industry
Taskforce

SER	Safety Environment and Regulation Division (Transport for NSW)
SMBSC	Sydney Metropolitan Bus Service Contract
SME	Subject Matter Expert
STA	State Transit Authority
TA Act	<i>Transport Administration Act 1988 (NSW)</i>
TMC	Transport Management Centre
Transport	Transport for NSW

1. Executive Summary

1.1 Background

The Bus Industry Taskforce was established by the Minister for Transport, the Hon Jo Haylen MP, on 1 May 2023.

The purpose of the Taskforce is to make recommendations to improve the quality and reliability of bus services across the state of NSW, and to ensure the effectiveness and safety of bus networks in meeting community needs and expectations.

The Taskforce brings together representatives of the industry, its workforce, and the community. It is chaired by John Lee, and its members are Matt Threlkeld, Executive Director, BusNSW; David Babineau, Rail Tram and Bus Union; Mick Pieri, Transport Workers Union; Joanna Quilty, CEO of NSW Council of Social Services; Darriea Turley, Local Government NSW; and Darren Lane, an independent safety expert.

The establishment of the Taskforce included a commitment to engage with the community, including through Passenger Reference Groups. This work is being led by the Parliamentary Secretary for Transport, Dr Marjorie O'Neill MP.

The Taskforce is required to deliver a first report (this report) on the progress of the issues identified and immediate steps for consideration by 10 July 2023.

A report on the Taskforce's examination of the initial areas identified and recommendations for action is due on 10 October 2023, with the Final Report consolidating the findings and making recommendations due on 1 May 2024.

1.1.1 Taskforce role expanded

Following the fatal bus crash in the Hunter region on 11 June 2023, the Minister expanded the terms of reference of the Taskforce to examine the adequacy of certain safety and regulatory arrangements for bus operations in NSW.

Darren Lane, Managing Director of Lane Safety Systems, was appointed as a new permanent member of the Taskforce to provide independent safety advice on bus operations in NSW.

The Minister requested that early findings in this space be brought to her by 31 July 2023. These additional terms of reference are not the subject of the present report.

1.2 Key findings

Buses play a vital role in passenger transport across NSW. In terms of passenger movements (including dedicated school services), buses account for nearly half of all passenger trips.

Across NSW during financial year 2021-22, the historical patronage across train, bus, ferry, light rail and metro was over 361 million, with buses accounting for approximately 44 per cent of this figure at patronage levels of over 157 million.¹

Recovery on buses was stronger in 2022 post covid than heavy rail, with trips on trains down by approximately 48 per cent compared to 2019, while bus trips were down approximately 44 per cent compared to 2019.²

¹ <https://www.transport.nsw.gov.au/system/files/media/documents/2022/Transport-for-NSW-Annual-Report-2021-22-Volume-2.pdf>

² <https://www.transport.nsw.gov.au/data-and-research/data-and-insights/public-transport-trips-all-modes>

Bus Industry Taskforce

The bus figure is likely to be understated, as the data relies on Opal ticketing information, which is not available in rural and regional areas of NSW. In rural cities, buses can be the only public transport mode available to communities. Further, there is significant under-representation of the number of school students using the network, as students inconsistently tap on/off. Buses carry a significant proportion of the school student population using public transport. In regional NSW school students make up 90 per cent of the patronage on buses.

Buses are unique as a mass transit offering in their relative flexibility, as they can be easily redeployed (compared to fixed modes such as rail and light rail) as land use and people movement requirements change. For this reason, they are also the first port of call when there is planned or unplanned disruption to the broader transport network. This can be to replace trains when there is trackwork, to enhance offerings for major events and in emergency situations where other services are suspended and/or emergency services require assistance with evacuations.

In the financial year ending 30 June 2022, the total expenses excluding losses, rail capital and depreciation/amortisation of the Department of Transport's Service Group Statements was over \$11.5 billion, with operating and maintaining costs of bus services (ie contract payments) only accounting for approximately 15 per cent of this expenditure, at over \$1.7 billion. Other costs supporting the delivery of bus services such as wayfinding, onboard systems and service planning are captured separately, and often support other modes. Buses are a very cost-effective way to move people given they do not involve the substantial capital costs of heavy and light rail.

On most days, most of the time, in most places across the state of NSW, bus services are delivered safely, professionally and in a timely manner. Bus operators contracted by Transport for NSW (Transport) organise the rosters and daily operations, drivers board their vehicles, leave the depot, and follow the route and stops set by the service and network planners at Transport. This includes picking up and dropping off passengers at home, at work, at schools, at shopping centres and hospitals, and at transport interchanges for onward journeys.

Unfortunately, service quality, particularly in relation to on time running and service reliability, has deteriorated in recent times. In Greater Sydney operators in the regions privatised by the former Government have presided over the worst driver shortages and are failing to meet contract KPIs for service cancellations and on time running.

Prior to starting the final privatisation of the State Transit Authority, the then Transport Minister promised:³ "Bus customers will receive additional services and innovative on demand options under new contracts to lift the standard of transport across Sydney." He acknowledged that "Bus patronage has increased by more than 50 per cent over the past six years. This rate of growth outstrips that of all other forms of public transport and we need to address this increasing demand as a matter of urgency."

It was said that a competitive tender of all Sydney metropolitan bus contracts would enable the NSW Government to reinvest more into delivering better services to commuters.

The Taskforce has found that this commitment was not fulfilled. Rather, there have been some all too predictable failures to properly support the current and future bus needs of the community:

- The promise of growth funding has not been delivered, even as Sydney and some of the regional cities and other areas of the State continue to grow. More than \$375 million was made in operational savings on the privatisation of the last three STA regions

³ <https://busnsw.com.au/files/Andrew-Constance-med-rel-New-bus-contracts-to-drive-improved-services.pdf>

Bus Industry Taskforce

(sometimes referred to as franchising) – these funds were used to partially offset the costs of previously unfunded promises, not to fund new growth.

- The focus on a significant infrastructure program has come at the cost of quality service delivery. While there was a need to put in place a pipeline of significant infrastructure investment, basic requirements for buses, such as investment in up to date and reliable digital infrastructure, have been overlooked. For example, the system of identifying where buses are when in service has not been properly funded, resulting in over 10 per cent of buses not being able to be seen in real time by passengers - they are in effect 'ghost buses' on the road.
- Continuous improvement in existing services – especially services like buses which are the only services available to the majority of people in the state – should have been made at the same time that a pipeline of large-scale infrastructure investments was being rolled out.
- The loss of drivers in the newly privatised regions should not have been a surprise, given the impact on drivers of a new employer, and should have been better managed. Instead it has resulted in service cancellations and challenges to on-time running.
- The focus on achieving savings in tendering has led to the loss of experienced locally based businesses who understand their operating environment and their customers.
- Contract management has at times been prioritised over Transport and operators working together to deliver the mobility needs of the community. The relationships needs to be refreshed and a partnership approach needs to be taken.

In 2019, buses provided more than 1 million trips on most weekdays⁴ across the Opal network (Greater Sydney, the Central Coast, the Hunter, Blue Mountains and Illawarra) on most weekdays.⁵ In March 2023, the daily average trips delivered across these areas has reduced to approximately 770,000 on weekdays. While some of this reduction may be due to hybrid working arrangements for many workers across NSW, operators have been challenged in their ability of operators to deliver a full scope of bus services has been challenged over the last 12 months.

Passengers have told the Taskforce of their frustrations with buses being cancelled, others just not showing up, and many running late and missing connections. Driver shortages are a key factor – if drivers are not available, vehicles cannot be put on the road. Unions and drivers have told the Taskforce the variability of conditions across the workforce, as well as the impact of privatising the last of the STA regions, has undermined the reputation and attractiveness of bus driving as an occupation.

Our cities and our population are growing, however the funding across many aspects of bus operations has declined while significant investment has been allocated to large scale, Sydney-centric infrastructure projects.

Many areas are underserviced compared to others, some significantly so. In large parts of west and south-west Sydney, for example, buses are the only available form of public transport – and service coverage and frequency are poor.

These areas have the highest levels of socioeconomic disadvantage in Greater Sydney and even the state. Groups disproportionately impacted include people with disabilities, Aboriginal and Torres Strait Islanders, people from culturally and linguistically diverse (CALD) backgrounds,

⁴ <https://www.transport.nsw.gov.au/data-and-research/data-and-insights/public-transport-trips-all-modes>

⁵ <https://www.transport.nsw.gov.au/data-and-research/data-and-insights/public-transport-trips-all-modes>

Bus Industry Taskforce

people who are unemployed, single parent households and a growing number of people in the private rental market.

Levels of economic disadvantage are generally higher in rural and regional NSW, particularly for young people, the unemployed and those paying off a mortgage. Many of the regional areas with the deepest levels of poverty are poorly served by public transport.

Public transport is an essential service for people in low-income households or living below the poverty line. Access to reliable and affordable public transport, such as bus services, can improve quality of life and wellbeing by providing access to employment opportunities, healthcare, support services and other amenities, and social connections.

We also heard that some people have difficulty accessing a bus, for physical or geographic reasons with basic infrastructure such as bus stops missing or inadequate.

Bus drivers told us that some areas don't feature appropriate amenities to attract a diverse workforce. This is alarming to the Taskforce, as having access to toilet facilities and places to eat at meal breaks is a basic right.

Transport staff told the Taskforce that in recent years, limits have been placed on the procurement of new bus fleet, and there has been no funding for bus growth services. Likewise, the approach to enabling infrastructure such as bus priority measures (eg bus lanes, preferential treatment at traffic lights), wayfinding, bus stops and digital systems fit for the modern age is not coordinated, or prioritised for funding. Transport has focused on mega capital projects like metro and light rail at the cost of maintaining the quality and frequency of bus services. This needs to change if better passenger outcomes are to occur.

For example, the digital infrastructure that collects data about the operational performance of the bus network is ageing and needs investment. These systems are increasingly crucial as more and more passengers rely on smartphones and apps for real time information on their services. When buses appear offline due to network coverage issues and the legacy nature of the technology systems, passengers have a poor transport experience and are not well informed about their service choices in real time.

Passengers also don't feel they have enough say in where bus routes run. While bus service changes occur constantly to meet the changing operational landscape of the bus and road network, passengers do not always get a chance to input into shaping changes in services.

The current operating model for Transport for NSW is not optimal. Responsibility for bus related issues is scattered across the agency.

In short, we need to restore the standing of buses as a provider of public transport services. Establishing a new division within Transport focusing directly on bus (and other non-heavy rail) services would go a long way to achieving this, by creating a visible 'champion' for buses with whom operators, the community and the bus industry workforce can collaborate.

The Taskforce also acknowledges and commends the assistance it has received from areas and individuals across Transport who shared their subject matter expertise relevant to the bus task and their passion for meeting the transport needs of the state of NSW. The Taskforce does not doubt the desire of those within Transport to improve outcomes for the community. We trust that our recommendations in this and our future reports will support the achievement of these aims.

1.3 Recommendations

1.3.1 Initial recommendation for six immediate actions

As the Taskforce began its work, multiple service cancellations were being experienced across Greater Sydney. The Taskforce reviewed data showing cancellations at unusually high levels since early 2022 and disruptions to on-time running. Dynamic timetabling has been implemented in some regions to manage these disruptions and increase certainty for passengers about available services.

The key finding at this early stage was that **most service cancellations and other service failures are a direct result of driver shortages**. Some depots are significantly understaffed.

The Taskforce decided that immediate action to address the driver shortage was warranted and recommended six immediate actions to the Minister on 31 May 2023, as follows:

Bus Industry Roundtable

1. Convene an urgent bus industry roundtable in June 2023 to examine and bring forward practical suggestions and solutions for the current bus industry workforce shortages (drivers and maintenance staff), as well as other operational suggestions to improve bus service delivery in Greater Sydney and across NSW.

Driver Authority Improvements

2. Make it quicker, easier and cheaper for people to get their bus driver authority by:
 - eliminating a duplicated requirement for a bus driver authority applicant to prove to Transport that they have the right to work in Australia. Employers must already ensure that their employees are complying with visa conditions under immigration law.
 - Enabling Transport to issue notices relating to bus driver authorities electronically
 - Clarifying and reinforcing that medical assessments must be done before submitting a bus driver authority application, to minimise any rejection of applications.
 - Permitting drivers over the age of 25 to apply for a bus driver authority if they hold a current Australian driver licence and have held an open, restricted, provisional or probationary Australian or [nationally recognised overseas driver licence](#)⁶ for at least 3 years. Requirements for drivers under 25 would not change.
 - Waiving the \$70 application fee for 12 months and reviewing the application process to streamline how applicants provide relevant information.

Public awareness and promotional campaign

3. Implement a 6 to 8-week targeted media campaign to complement current efforts by bus operators to recruit more drivers. This should include radio, digital display, social media and Google search, as well as using Transport assets (buses, rail stations etc) to attract job applicants. Key demographics and geographies should be targeted. Estimated cost \$240K.

⁶ <https://austroads.com.au/drivers-and-vehicles/overseas-drivers/applying-for-a-license>

Bus Industry Taskforce

4. The Chair of the Taskforce to meet with the Acting Secretary of Transport to encourage the development of innovative approaches to attract and recruit workers to the transport industry at large, given the known skills shortages across transport.

Service adjustments

5. Transport should continue ongoing contractual and operational discussions with operators who require urgent timetable reconfiguration to keep services running.
6. The Parliamentary Secretary should convene the first Bus Passenger Forum in June 2023 (with the support of the Taskforce and Transport) to ensure that the impact of service cancellations to local communities is captured as part of the early recommendations to Government.

1.3.2 Recommendations

Recommendation 1: That Transport for NSW work more collaboratively with industry and community on improving service delivery, including that Transport for NSW:

1.1: adopt a more collaborative approach in the way it manages bus services, by actively consulting with bus operators, the workforce and unions. This should include regular (e.g. quarterly) performance meetings with all operators in relevant geographic areas. In establishing the new approach, Transport for NSW should consider other jurisdictions' approaches to transparency and information sharing for performance.

1.2: consider publishing a greater variety of performance information in the spirit of transparency and accountability

1.3: develop a framework to undertake meaningful and comprehensive consultation with communities and stakeholders before network and significant service changes are implemented, both when proposed by a bus operator and by Transport for NSW.

Recommendation 2: That a long-term growth funding program be established to improve bus services to underserved communities around the state:

2.1: initially, this program should focus on the most urgent priorities. The Taskforce will work with Transport for NSW between now and our October report to identify key corridors, and local services in significantly disadvantaged communities that should be the focus for service improvement over the medium term.

2.2: as part of this program, consider all aspects that support providing bus services, including fleet and service kilometres, bus priority, bus stops, wayfinding and other costs associated with updating digital systems etc.

Bus Industry Taskforce

Recommendation 3: That Transport for NSW undertake activities to improve rural and regional contracting, including that Transport for NSW:

3.1: engage with industry to develop a modern, fit for purpose contract model for Rural and Regional bus services

3.2: equip itself to be an aware purchaser in the upcoming Rural and Regional contract procurement, using a transparent process and better data to ensure value for money

3.3: advise the Taskforce on key contract and procurement issues relevant for the Rural and Regional contract renewal, for consideration in the October 2023 Report, and detail a full package and approach for consideration in the May 2024 Report.

Recommendation 4: That Transport for NSW undertake organisational change to become more focused on delivering services by mode, including that Transport for NSW:

4.1: create a division (or other organisational unit), headed by a Coordinator-General, that is accountable for bus, ferry and light rail, reporting directly to the Secretary.

4.2: consolidate the currently distributed resources of Transport for NSW in the new organisational unit, in order to better focus on the delivery of world-class, passenger-centric bus, ferry and light rail services, with clear accountability, dedicated budgets, appropriate supporting technology and skilled and knowledgeable ongoing staffing.

Recommendation 5: that activities be undertaken to support bus driver recruitment and retention, including that:

5.1: the Government further consider the prospects of developing a tripartite application to the Commonwealth for a bus driver labour agreement, including in collaboration with other states experiencing driver shortages.

5.2: Transport for NSW, operators, the workforce and unions audit the availability and quality of driver facilities at depots and at layovers and other stopping places, and then consider ways to support improvements.

5.3: Transport for NSW consider establishing a Bus Facilities Fund, funded from any contract abatement payments made by bus operators over next three financial years, to be applied to improving/maintaining facilities.

Bus Industry Taskforce

5.4: Transport for NSW develop and cost a proposal for endorsement by the Minister of the provision of a free Opal card for every employed bus driver and other operational employees on the Opal network.

5.5: That Transport for NSW work with the bus industry to collate and review current bus driver training arrangements and requirements and provide advice to the Taskforce for the final report.

Recommendation 6: That Transport for NSW undertake the following activities to enhance bus service delivery:

6.1: investigate ways to better use technology and training so that staff in the Transport Management Centre, marshals and station staff can better coordinate public transport service disruptions.

6.2: That Transport for NSW consult with industry to develop an implementation plan regarding onboard driver aids for emergency bussing, including examining technology already in use.

6.3: That Transport for NSW work with the Taskforce to develop a roadmap identifying prioritisation of suitable corridors for conversion to an all-day frequent network for our October report.

6.4: That Transport for NSW adequately fund the B-pole program and explore approaches for rolling out remaining infrastructure.

6.5: That Transport for NSW urgently finalise the current business case for a new technology system to improve passenger and operational information and the efficiency and reliability of bus services. It should also ensure that any tactical upgrades are completed to PTIPS to ensure service continuity while funding for a replacement is sought.

6.6: That Transport for NSW develop a technology and data roadmap to support the planning and implementation of continuous improvements to the bus technology ecosystem to keep pace with business change and passenger demands.

Recommendation 7: That Transport for NSW reconsider the way it manages replacement and emergency bussing, in particular:

Bus Industry Taskforce

7.1: within the next 6 months, establish a team that has the accountability, authority and capability to deliver contingent buses for major events and planned replacement services, unplanned incidents, in close coordination with contract management for scheduled services. Contract arrangements should be reviewed and changed if necessary.

7.2: in collaboration with industry representatives, undertake deep data analysis and modelling of alternative transport options for the Metro City and Southwest Bankstown line closure to provide the most efficient and effective passenger and bus servicing outcomes. This should include consideration of the best way to engage suppliers and attract bus drivers.

2. Introduction

2.1 Terms of Reference

The [Terms of Reference](#) direct the Taskforce to focus its initial attention on operator performance, including on time running, cancelled or incomplete trips, complaints management other relevant performance indicators, customer satisfaction results and service quality measures under the existing service contracts.

The Taskforce is to consider the following key focus areas:

- Service delivery and asset management models, including the contract and performance management system
- Service planning, including equity of services across the community, and related community engagement
- Infrastructure and technology that supports the effective delivery of bus services
- The transition to clean energy
- Arrangements relating to the employment of drivers, mechanics and other key personnel
- Other steps to improve performance including legislative, regulatory or contractual changes.

As noted at [1.1.1](#), on 13 June 2023, the Terms of Reference were [expanded](#) to include issues arising from the fatal bus accident on 11 June in the Hunter Valley. These Terms of Reference are not the subject of this interim report.

2.2 Approach

During the initial phase of the review, the Taskforce and the Chair have received extensive briefings from across Transport about how bus services are regulated and managed in NSW.

The Taskforce has been informed about:

- the legislative framework and contracting model and its development over time,
- the requirements of contracts including the key performance indicators, operator performance under the contracts and how Transport interacts with operators to manage performance outcomes,
- current workforce arrangements and industrial relations challenges,
- how network and service planning happens,
- how data about bus services is captured and used to inform everything from network planning to the day of operations,
- asset management principles and how they are captured in the contract arrangements, and
- the extent to which the voice of the passenger informs the choices made by both Transport and bus operators.

Bus Industry Taskforce

The Taskforce also requested and received an extensive range of documentation and data to develop a deeper understanding of the issues and challenges of delivering high quality bus services to the people of NSW.

The Taskforce is also engaging with bus operators, their workforce, unions, and passengers and groups representing them through meetings, round tables, and forums, as well as formal and informal submission opportunities. The work of the Taskforce will continue to be informed by the views expressed and information provided through these channels.

The purpose of this Report is to provide the Taskforce's views on issues set out in the Terms of Reference, provide recommendations where immediate actions can be considered, and to identify areas for further analysis which will be addressed in future Taskforce reports.

3. Framework for bus service provision: legislation, contracts, service planning

3.1 Legislative context for bus services

3.1.1 Setting transport objectives

The *Transport Administration Act 1988* (the TA Act) establishes Transport for NSW (referred to as Transport throughout this report) and other transport agencies such as Sydney Metro and the rail operating agencies.

The objects of the Act with respect to the administration of the transport services provided to the people of New South Wales are contained in [section 2A](#). [Section 2B](#) sets out the common objectives and service delivery priorities of the public transport agencies. [Schedule 1](#) of the Act sets out the general functions of Transport, including overall responsibility for transport planning and policy for the integrated transport network.

Transport and the Transport Secretary have the primary role of steering the transport system toward the achievement of the objects of the Act and the common objectives of the public transport agencies. In the context of this review, it is noted that Transport's [general functions](#) include the following:

- Administration of the allocation of public funding for the transport sector, including the determination of budgets and programs across the sector.
- Contracting for the delivery of transport services, including the setting of performance targets and service standards.
- Co-ordination of transport services, including timetabling and providing effective transport interchanges.
- Provision of information to assist people using transport services and infrastructure.

In its ongoing work, the Taskforce will be mindful of the objects and common objectives set out in the TA Act and consider the extent to which current arrangements are aligned with those objectives, as well as whether the provisions themselves need adjustment.

3.1.2 Passenger transport regulatory framework

Rules about how passenger transport services are procured, regulated, and managed are contained in the [Passenger Transport Act 1990](#) (PT Act 1990) and the [Passenger Transport Act 2014](#) (PT Act 2014) and related regulations.

Bus Industry Taskforce

The two PT Acts deal broadly with two main issues: safety regulation and economic regulation. The Taskforce will examine the safety provision of passenger transport law, as well as other relevant legislation more closely in our subsequent reports.

As to economic regulation, [Part 3](#) of the PT Act 2014

sets out the framework for the procurement of passenger services by the making of contracts between Transport and operators of public passenger services. It is broad, permissive and multi-modal, giving Transport the ability to determine how it will contract and for what. This leaves the detail of service delivery and operations to be dealt with in the contracts themselves. This contrasts with the repealed provisions of the PT Act 1990 which had separate contracting rules for trains, buses and ferries (and did not cover light rail at all), and which directly prescribed some aspects of contracts.

Transport can choose to enter into a contract for the delivery of passenger services for particular areas or routes, and/or one or more modes of transport, and/or services for specified passengers or classes of passengers. Contracts may be offered by tender or in any other manner Transport thinks fit (including by direct negotiation). Each contract must specify its term. No contract can provide a right of renewal, but a contract can give the incumbent first right to negotiate a further contract. Contracts must set out the performance standards to be met by the operator.

Under the law, a bus operator may only provide a regular route service pursuant to a contract with Transport. This does not apply where a passenger is transported more than 40 km, or to tourist services or community transport. This provision protects the bus operators currently contracted to provide services across NSW from competition from non-contracted providers of regular timetable services. It also protects Transport's investment in those contracts.

Passenger Transport law also provides the framework for setting bus fares and for ticketing. In doing so, Transport must not set a fare that exceeds any maximum determined by the Independent Pricing and Regulatory Tribunal (IPART). Transport is responsible for the Opal fare structure, the issue of Opal cards, and the provision of on-bus ticketing equipment required to deliver bus services.

3.2 How bus services are organised through contracting

As described at [3.1.2](#), regular and route bus services across NSW are provided by private bus operators through contracts with Transport made under Part 3 of the PT Act 2014.

There have been, and continue to be, a range of different arrangements for the provision of bus services over the years and in different parts of the State. Private provision has been the norm for all of NSW other than the inner and middle rings of Sydney and Newcastle. In the latter regions, the State Transit Authority (STA) delivered services until they were progressively franchised to private operators, beginning with Newcastle in 2017 and Sydney Region 6 in 2018, and finishing with Sydney Region 9 in 2022.

An observation: Some level of confusion is created by the co-existence of two similarly named Acts. The PT Act 2014 was introduced to completely replace the PT Act 1990. However, almost a decade after its enactment, only parts of the PT Act 2014 have commenced, and those parts of the PT Act 1990 that have not been repealed continue to operate. The Passenger Transport (General) Regulation 2017 supports both Acts, while the Passenger Transport Regulation 2014 deals with some aspects of the transition from the old Act to the new. The Taskforce is of the view that the Government could consider moving towards a single piece of passenger transport legislation, with relevant supporting regulations as required.

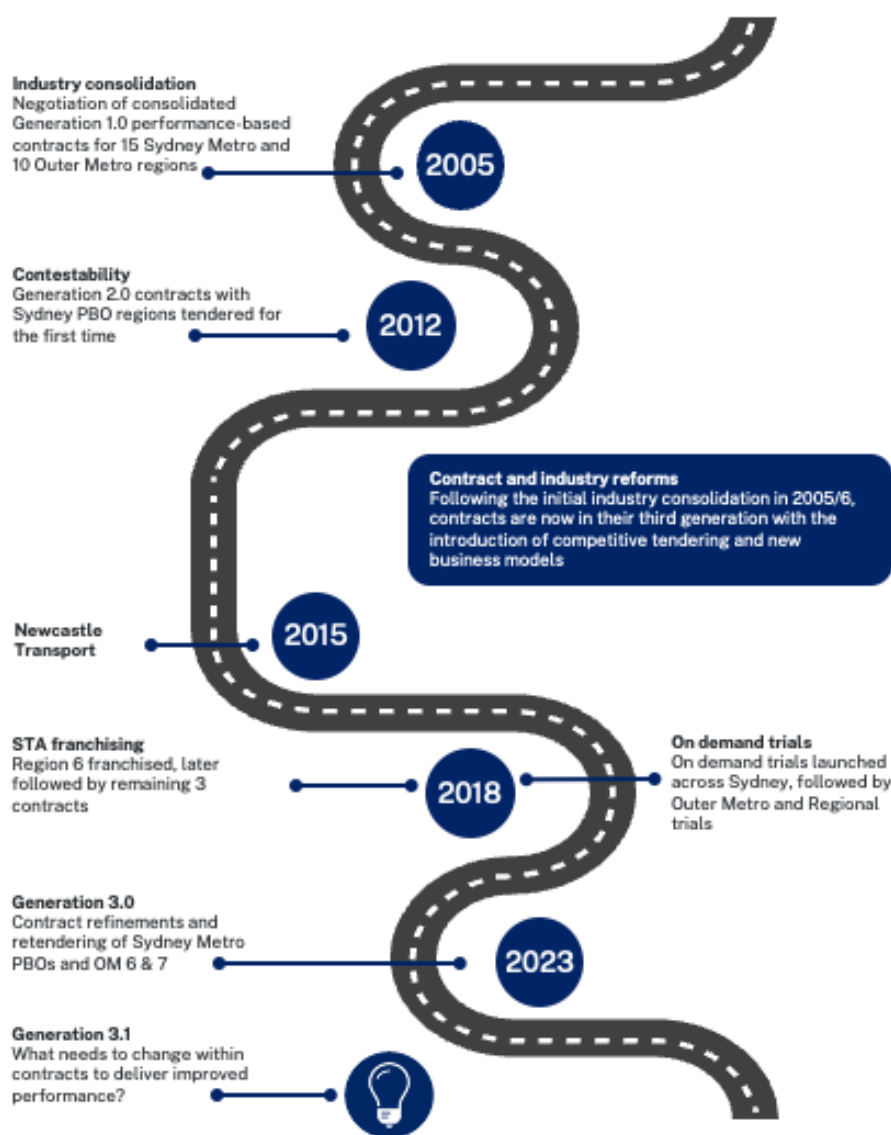
Bus Industry Taskforce

Current contractual arrangements in metropolitan regions are based on contestability, with prospective operators bidding in a tender process. Contestability has been introduced into three of the 12 Outer Metropolitan regions, being Region 5 (Newcastle) and Regions 6 and 7 (Central Coast). In rural and regional areas, contract models have generally been developed in consultation with industry and finalised with operators on agreed common pricing elements.

3.3 Brief history of bus service provision in NSW

Before describing the current contractual arrangements across NSW, it is instructive to understand how the current situation came about. A review of the history of bus service provision over the past three and a half decades reveals how successive governments have sought to enhance the delivery of bus services to NSW passengers.

Figure 1: Timeline showing evolution of service provision



3.3.1 Pre-Unsworth Review

In the 1990s, the regulatory framework established by the PT Act 1990 and the practice of the day gave private bus operators exclusive contracts that were effectively perpetual. Operators had full commercial control which meant they set their own fares, decided what products they

Bus Industry Taskforce

would offer, set their own timetables, and owned their own fleets and depots. Bus services were not integrated.

In 2003 there were 236 commercial contracts held by 167 operators in Sydney and key regional cities, with another 1829 contracts across rural and regional NSW.

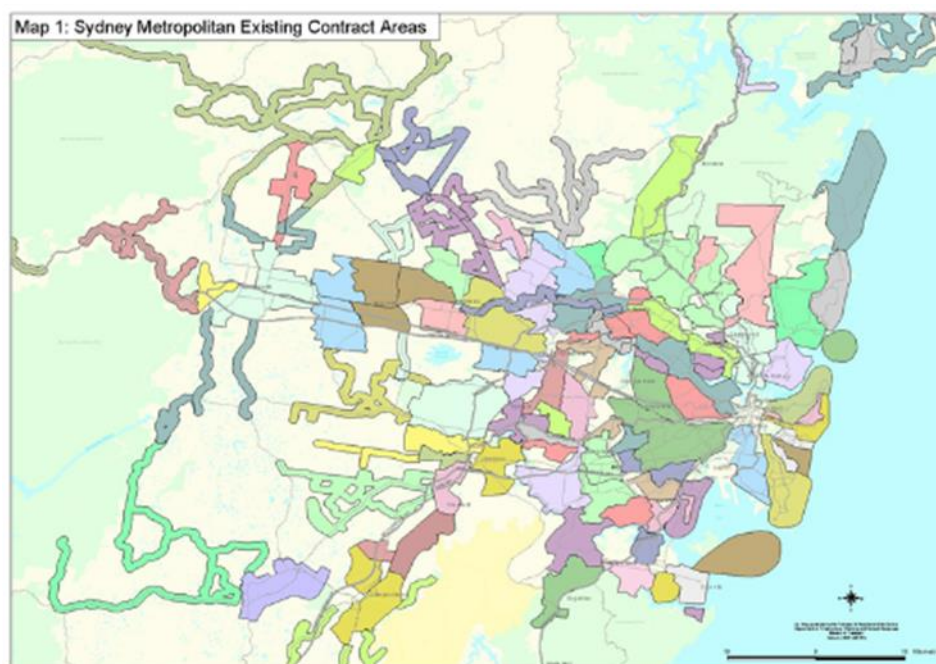
Meanwhile, the STA provided bus services in the inner and middle rings of Sydney under funding agreements with the government. The STA also oversaw State investment for services, assets, and technology.

In rural, regional and outer metropolitan areas, non-commercial arrangements were mainly focused on subsidising school bus services.

Outside of inner and middle Sydney, many operators were small, localised and family run businesses.

By the early 2000s, it was apparent that this approach was not delivering good services to the people of NSW.

Figure 2: Pre Unsworth review bus contract region map



3.3.2 Unsworth Review

In 2003, the State Government commissioned former Premier Barrie Unsworth to conduct a Review of Bus Services in NSW, which resulted in an interim report in November 2003 and a final report in February 2004.

The Unsworth Review found that NSW had two bus systems –one government operated and the other privately operated, with widely varying levels of service and customer satisfaction that fell short of community expectations. Private services were fragmented, with many serving limited geographic areas or even single routes. The private bus operators had limited capacity to invest to improve their own service delivery, let alone contribute to the Government’s environmental, equity or growth priorities. There was increasing demand from the public for ‘blue and white’ buses across the metropolitan area.

The then Parliamentary Secretary described the existing situation when introducing the *Passenger Transport (Bus Industry) Act 2004* in response to the Unsworth Review:

Bus Industry Taskforce

Services are planned as a series of individual operations and cannot operate freely outside exclusive contract areas. Bus service contracts have few measurable service requirements and are effectively granted in perpetuity. The funding model rewards operators for cost control rather than service provision. The minimum service level requirements force operators to plan indirect, slow and unattractive services. Not surprisingly, patronage levels on private bus services have fallen consistently since 1991. The Government and the industry share concerns over the financial viability of some operators under the current system.

Across rural and regional New South Wales, community funding is tied up in under-utilised fleets. In some cases, services are duplicated while in too many cases an appropriate service is unavailable. Rather than taking a unified regional approach to service delivery, the State currently manages over 1,800 separate contracts for bus services in country New South Wales.⁷

3.3.3 Post-Unsworth

The Unsworth Review recommended there should be 10 contract regions across Sydney. The Government first moved to consolidate the existing 87 serviced areas in Sydney into 15 regions with seven-year contracts for provision of bus services, including 11 regions serviced by private operators and four operated by the STA.

The new approach provided consistent fares, concessions and service standards for customers on both STA and privately operated services. Sydney moved towards having one bus system, overseen by government, delivered by a mix of private and state providers.

This first round of contracts was negotiated with existing operators, including STA, and services commenced in 2005. In line with the consolidation of regions, many private operators formed joint ventures or engaged in takeovers to bring the numbers down.

Integrated network planning was done for the first time under these new contracts. This involved significant community consultation on a proposed new network, including on route design, service frequency and span of hours. Communities were made aware of how their feedback was used prior to service introduction, and if necessary, tweaks were made following service commencement. This was a significant reform to bus service planning and took until 2010 to roll out completely.

Those contracts represented a transitional stage in the Unsworth reforms. While the contracts provided for a performance management regime to hold operators accountable, this was still being developed four years after the contracts came into effect. In 2010 the [NSW Audit Office](#) found the performance management regime remained ‘unproven as a basis for ensuring value for money from the contracts’.⁸

Following the completion of the initial contracts, revised contracts for eight privately operated regions were put to competitive tendering and negotiated for two others where incumbents met certain conditions. These were known as the Sydney Metropolitan Bus Service Contracts (SMBSCs) and came into force in 2013. Most were for five years with a three-year right of extension, subject to meeting pre-agreed performance standards, plus an additional one-year period at Transport’s discretion. Opal ticketing was rolled out during this contract term.

⁷ <https://www.parliament.nsw.gov.au/bill/files/854/A5404.pdf>

⁸ <https://www.audit.nsw.gov.au/our-work/reports/improving-the-performance-of-metropolitan-bus-services>

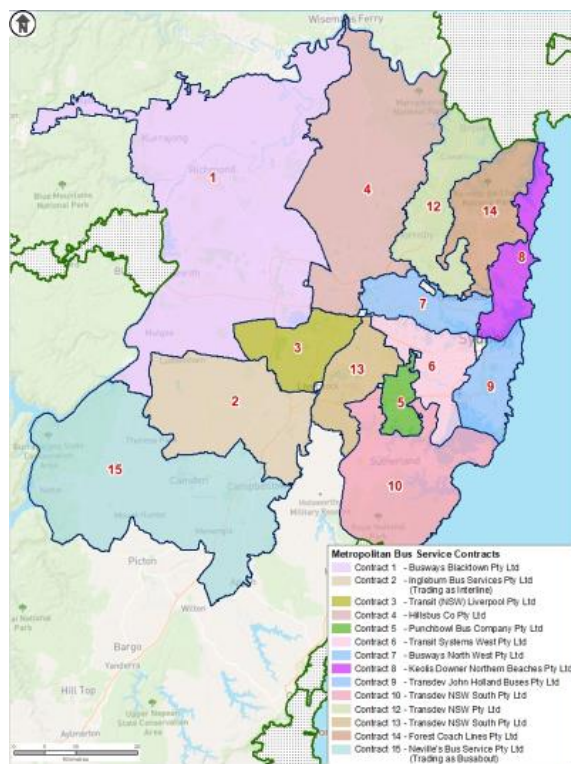
Bus Industry Taskforce

Contracts for the four STA serviced regions were negotiated with the STA. These were for a five-year period with an additional two-year discretionary period. Services under these contracts started on different dates through 2013 and 2014.

In 2015, the [NSW Audit Office](#)⁹ found that provision of bus services under the SMBSCs and the STA contracts had been largely effective and efficient. Operators were mostly meeting their KPIs, customer satisfaction was improving, patronage increasing and the unit costs of providing services was lower than under the previous contracts. Punctuality remained a problem, with STA performing worse than private operators on that and other KPIs. It concluded:

Notwithstanding, the current situation represents a substantial improvement over what we found in our 2010 audit on the previous contracts.

Figure 3: Post Unsworth review bus contract region map



3.3.4 A simpler contracting regime – Passenger Transport Act 2014

The PT Act 2014 introduced new service contracting provisions, described at [3.1.2](#). These provisions created a single contracting regime for all modes of transport.

This enabled the contract for Newcastle's multi-modal transport network (formerly STA), covering buses, ferries and light rail in the city. The contract for buses and ferries was signed in July 2017, with services commencing in early 2018, and light rail was added in 2019.

The privatisation of bus regions formerly operated by the STA began in 2017. This process used a franchising model, whereby operations were contracted out to private industry which brings its own experience to the task, while maintaining Government ownership of buses and depots. This started in Newcastle, followed by Greater Sydney Region 6 in early 2018, when Transport made a contract with Transit Systems. This contract is referred to as R6BSP, being a standalone contractual framework, including a unique KPI regime specific to that region.

⁹ https://www.audit.nsw.gov.au/sites/default/files/pdf-downloads/2015_Sep_Report_Sydney_metropolitan_bus_contracts.pdf

Bus Industry Taskforce

Across the other contract regions in Greater Sydney, new contracts were competitively tendered throughout 2020-2023 as the SMBSCs negotiated in 2013 were nearing expiry. This included the privatisation of the remaining STA regions (7, 8 and 9), from 2020 onwards. Except for Region 6, all Greater Sydney bus regions are now on the new GSBCs, with a few contract regions undergoing final transition activities throughout 2023.

This most recent round of contracting has further consolidated the Greater Sydney regions. After almost 20 years, the Unsworth Review's proposed 10 regions will finally be realised.

Across the Outer Metropolitan areas of NSW, covering key regions such as the Hunter, Central Coast, Illawarra and Blue Mountains, the Outer Sydney Metropolitan Bus Service Contracts (OSMBSC) largely mirrored the SMBSC framework. These contracts were renewed between 2014 and 2015, and recently negotiated with most incumbent operators in 2021 to form the new generation OMBSC, intended to align generally with the contractual provisions and uplifts sought in the GSBC, albeit with minor modifications to tailor to the Outer Metropolitan operational environment.

Most services in outer metropolitan Sydney transitioned to the new contract arrangements in July 2021. At the time of this Taskforce report, Transport is in the process of completing a competitive tender process for Outer Metro regions 6 and 7 covering the Central Coast, which are similarly intended to transition to the new OMBSC contractual framework.

3.4 Current state of contracting – Sydney and Outer Metropolitan

As at the time of this Taskforce report in July 2023, Transport is transitioning the remaining bus contracts in Greater Sydney to the new generation GSBC.

The design of the GSBC sought to implement key learnings and improvement opportunities observed by Transport over previous generation contracts, discussed at [3.3](#), and through ongoing contract management activities.

The new contracts include an increased emphasis on the importance of timely and accurate data for passengers. Passengers are increasingly reliant on timetable apps on smartphones for real-time or near real-time data to better plan their journeys on the public transport network.

The contractual framework provides for an uplift in KPIs around acceptable thresholds for cancelled or incomplete trips, with the requirement stepping up from a 1 per cent cancellation target for cancelled and incomplete trips respectively under the SMBSC to 0.5 per cent capturing the aggregate of cancelled and incomplete trips under the GSBC.

The GSBC also demands increased performance in relation to bus operators' management and supply of operational data and ensuring updating of bus trips during day of operation closer to real-time than previously available. Allowing passengers visibility of whether their bus will turn up greatly assists with informing decisions made at any stage of a passengers' journey.

Across some areas in Greater Sydney, including the Northern Beaches and Greater West, the GSBCs include provisions for On Demand services to supplement the existing route bus network. These On Demand services have been retained formally in the new contracts following highly successful trials in the respective areas of Sydney.

Under the contracts, Transport either owns or has a right to access most buses across Greater Sydney and Outer Metropolitan areas. In Greater Sydney, the NSW Government also retains control of some bus depots in key areas across the Inner West, Northern Beaches, South East and Lower North Shore.

3.5 Working together more effectively

The current approach to contracting and the relationship between Transport and the bus operators undermines opportunities for improved service planning and delivery.

The Taskforce heard from some operators that while they had good and productive relationships with many individuals within Transport, the spread of responsibilities across Transport made it difficult to find the right area to talk to about issues, and more importantly, to get decisions and outcomes in a timely manner. The general sense was that Transport was more focused on assessing performance against the KPIs than it was on working in partnership with operators to identify issues, assess their causes, and craft solutions that would quickly and efficiently improve service delivery.

Some operators noted that other jurisdictions had more productive partnership approaches and suggested they would welcome consideration of a similar approach in NSW. They pointed to regular joint meetings with all operators and the transport authority where performance issues were discussed and ideas generated.

Bus operators have a unique perspective, being much closer to the passengers and the environment in which services are delivered than Transport. They have a direct relationship with their workforce and understand the pressures on them. Most operators have their own high-level expertise in service planning. Transport needs to recognise and act on the opportunities for improving outcomes that would flow from a more collaborative partnering approach.

This proposition goes beyond partnerships with individual operators and extends to the concept of Transport working collectively and collaboratively with all operators to focus on joint accountability for delivering this crucial public transport task.

The Taskforce held an industry Roundtable on 21 June 2023 to work on practical solutions to several challenges facing the industry. Participants told us that it was the first time that bus operator leadership, key operational staff, bus drivers, Transport employees and other delivery partners such as councils and transport specialists were together in a room. The results of the Roundtable are discussed in [Section 6](#). We intend to hold another roundtable in September. Transport should leverage this initiative and establish its own collaborative fora with the industry and other partners.

These ‘all operator’ meetings should take place on a regular basis, for example every quarter. This could be done through logical geographical groupings – for example all Greater Sydney contracts, all Outer Metropolitan contracts and key contracts across regional cities in NSW. Consideration may need to be given to contract amendment or other means to support active involvement by all operators.

The Taskforce notes that the [Parliamentary Inquiry into Privatisation of Bus Services](#) also criticised the transparency of performance measurement in bus contracting. It recommended that KPI performance information be published.

The Taskforce notes that there is limited information published across Australia, and that relatively speaking, Transport makes more information available through its Open Data hub than most Australasian jurisdictions. Transport for London has much greater levels of granular performance information publicly available. For example, it publishes [league tables](#) of operators by route type (high/low frequency, night) of excess wait times, on time performance, among other measures.¹⁰

¹⁰ <https://tfl.gov.uk/corporate/publications-and-reports/bus-operator-league-tables>

Bus Industry Taskforce

The only performance information currently published by Transport is Sydney metropolitan and outer metropolitan On Time Running results and the Customer Satisfaction Index. The Taskforce recommends that consideration be given to publishing a greater variety of performance information in the spirit of transparency and accountability.

Recommendation 1: That Transport for NSW work more collaboratively with industry and community on improving service delivery, including that Transport for NSW:

1.1: adopt a more collaborative approach in the way it manages bus services, by actively consulting with bus operators, the workforce and unions. This should include regular (e.g. quarterly) performance meetings with all operators in relevant geographic areas. In establishing the new approach, Transport for NSW should consider other jurisdictions' approaches to transparency and information sharing for performance.

1.2: consider publishing a greater variety of performance information in the spirit of transparency and accountability.

3.6 How people use buses (and other transport)

In Greater Sydney, the primary concentration of bus demand lies within the Eastern Harbour City bus regions (contract regions 6, 7, 8 and 9), where buses directly serve major business districts in Sydney and the lower North Shore, connecting the densely populated areas of the Inner West and Eastern Suburbs. In March 2023, these contract regions provided about 13,238,000 trips.

Figure 4: Key patronage figures for the Greater Sydney bus network



Over 600 different public bus routes

Over 35,000 bus services operated each weekday

Approximately 700,000 Opal bus journeys taken every weekday

Over 19 million trips were taken in Greater Sydney in March 2023

Buses in the southwest regions of Greater Sydney (Regions 2 and 15) have the lowest patronage across Greater Sydney, delivering about 528,000 trips in March 2023. This equates to approximately 2.7 per cent of Greater Sydney's patronage. These services play a different role from those in other regions, mainly connecting people to mass transit hubs for an interchange with rail, local schools, and centres.

Bus Industry Taskforce

We note that patronage is not a perfect proxy for demand and the role that bus services play in these communities is also shaped by the frequency and coverage of the services that are in place. This is discussed further at [3.9](#).

In Outer Metropolitan regions, prior to the pandemic, bus patronage in the Central Coast, Blue Mountains and Illawarra had been growing. Regions 3 and 4 in the Hunter region also experienced growth (2017-2019). During 2019, within Sydney Metropolitan and Outer Metropolitan areas, buses provided over 1 million trips on most weekdays.

In March 2023, the daily average trips delivered on weekdays have reduced to approximately 770,000 across Greater Sydney and Outer Metropolitan NSW. Across these areas, a shift in travel patterns for both trains and buses has been observed, with Tuesday through Thursday generally experiencing the highest volumes with a slight reduction on Mondays and Fridays. Many customers on these modes now travel on the transport network only once a week.

Between 2017 and 2019, some regional cities and centres also experienced significant growth in regular bus passenger trips. These included Orange (22 per cent increase), Wagga Wagga (15 per cent), Queanbeyan (8 per cent) and Nowra - Shoalhaven (8 per cent). Likewise, school student bus trips grew between 2017 and 2019 in various regional cities across the state.

In NSW during financial year 2021-22, the [historical patronage](#)¹¹ across train, bus, ferry, light rail and metro was over 361 million, with buses accounting for approximately 44 per cent of this figure, with patronage levels of over 157 million.

Buses are an integral component to the overall transport network. Interchanging involving bus and train represents the highest percentage of multi-modal use at 65.6 per cent of all trips taken across the various transport modes between January to March 2023. In May 2023, the Bondi Junction Interchange featured the highest volume of bus and train related interchange at over 13,000 trips, followed by Parramatta Interchange with 12,900 trips and Wynyard Interchange with over 12,000 trips.

3.7 The current service planning context

Service planning is integral to the State's long-term vision for land use planning, population trajectories, and large-scale infrastructure.

Key data sources informing Transport's service planning activities, include, but are not necessarily limited to the following:

- Land use data, such as information about changes to residential or employment lands, education and health precincts, development of new suburbs
- Opal data
- Customer insights from various sources, including feedback received via existing Transport channels such as transportnsw.info
- Information collected from multiple stakeholders including government agencies such as Planning, Education, Health and Landcom.

In the context of an ever-evolving, complex transport network, opportunities and challenges for both long-term and short to medium-term service planning require due consideration to ensure service outputs balance present and future needs. Over recent years, there has been a disconnect between strategic and short-term planning. This has been compounded by an

¹¹ <https://www.transport.nsw.gov.au/system/files/media/documents/2022/Transport-for-NSW-Annual-Report-2021-22-Volume-2.pdf>

Bus Industry Taskforce

unclear investment pathway to tackle future growth regions, enhance existing services, and generally provide a sustainable basis to support the growing population of NSW.

Transport is responsible for the design of the overall bus network, as provided for by the TA Act, and as codified in the contracts between Transport and bus operators. This work is done using service planning guidelines and policies.

Transport assesses any changes that occur in response to patterns of demand or broader changes to the public transport network more generally to determine optimum layout of bus stops, bus routes and the interdependencies of the bus network. Changes required to services due to emerging issues or changes in the operational landscape may be identified by the operator during the day to day running of bus services, and feedback provided by Transport to consider modification of timetables where required.

Importantly, this is a joint exercise, and Transport's approval is required prior to service changes being made to the public timetable. Service reduction or rationalisation cannot be implemented by any operator without Transport's approval.

Where required, Transport will lead service reviews of regions or specific identified pinch points to assess the currency of service planning provisions of a particular area, including liaising with key local stakeholders such as schools and community groups where required. In Newcastle, the operator is responsible for planning routes and timetables within the Integrated Service Contract, across multiple transport modes.

3.8 Region 9 as a case study

One of the most recent and major bus contract region reviews was the South East Bus changes in 2021 to align with the introduction of the City and South East Light Rail.

For the first time since the initial integrated network reviews fifteen years prior, in May 2021 Transport began public consultation on proposed changes to the South East Sydney bus network.

A survey was developed to capture feedback from the community on the proposed changes to bus services in South East Sydney which was supported by a media release and social media campaign. 11,000 users clicked onto the survey via the My Sydney website, and 8801 individuals and 13 individual stakeholders gave feedback. An information flyer was also delivered to more than 110,000 homes.

There were also briefings with councils, health precincts, schools and community groups.

In December 2021 the route changes were made, incorporating some of the feedback received. A summary report on the consultation was released.

The Parliamentary Inquiry into Privatisation of Bus Services received hundreds of [submissions](#)¹² from members of the community in Region 9 and heard from several witnesses about the inadequacy of the consultation process. It [recommended](#) that 'meaningful and comprehensive consultation must be mandatory before network and services changes are implemented'.¹³

The Taskforce agrees that there are abundant opportunities to further improve Transport's service planning approach by uplifting and broadening the levels of engagement and consultation that occurs pre and post changes to bus services.

¹² <https://www.parliament.nsw.gov.au/committees/inquiries/Pages/inquiry-details.aspx?pk=2858#tab-submissions>

¹³ <https://www.parliament.nsw.gov.au/lcdocs/inquiries/2858/Report%20No.%2018%20-%20PC%206%20-%20Privatisation%20of%20bus%20services.pdf>

Bus Industry Taskforce

Indeed the Bus Passenger Forums being established by the Parliamentary Secretary for Transport and the submissions the Taskforce is receiving will be instructive in assisting Transport in re-establishing this engagement. The Taskforce will address this in our final report.

1.3: that Transport for NSW develops a framework to undertake meaningful and comprehensive consultation with communities and stakeholders before network and significant service changes are implemented, both when proposed by a bus operator and by Transport for NSW.

3.9 Equitable service delivery

Access to an adequate public transport system is key to reducing social exclusion, inequities, and disadvantage. Bus services are flexible and inexpensive, compared with other mass transit modes. Across NSW, the enduring inadequacy of funding and low prioritisation of investment into bus services has given rise to a disconnect in the level and quality of services available to service growing communities, those with changing needs and those experiencing economic disadvantage.

Poor bus provision limits access to and from the metropolitan centres of Penrith, Campbelltown, Bradfield, Liverpool and Parramatta, and enforces a higher reliance on car in these areas.

Briefings from Transport indicate that in most parts of the state, there is inadequate availability of public transport due to low investment in services that address the distinct challenges of sprawling, low-density urban settlements. Like all other essential services, these needed to be embedded in the concept for the development from the outset, to ensure the viability and amenity of the development. The issue is particularly compounded in regional NSW where there is sparse regional development and long travel distances between key community hubs. Many community members in these areas are highly reliant on public transport including older people, people with disabilities, and socioeconomically disadvantaged people.

The School Student Transport Scheme, which provides eligible students with free travel to and from school, places a disproportionate demand on bus services. Yet as the population of school aged children grows, and parents reasonably expect that their child can access services, Transport and bus operators are faced with the prospect of not being able to meet these changes in demand.

Some areas of Sydney that are experiencing the greatest population increase and have the poorest transport access are also the most socioeconomically disadvantaged. In areas of Sydney's Greater West, few services operate more than 45 times per day, and may have less than 12-hour coverage over the course of a day.

By contrast, in Sydney's most established, well-to-do and built-up areas, some bus routes have upwards of 200 services per day and may include services with all-day and overnight coverage. Over two thirds of Greater Sydney's bus patronage occurs in the area defined as the Eastern Harbour City. This area is loosely defined from Hornsby in the north, through the Sydney CBD, Inner West and Sydney Airport precinct to Sutherland in the south.¹⁴

This is highlighted in the recently released NCOSS research, 2023 Mapping Economic Disadvantage in NSW.¹⁵ This found that poverty has increased slightly in Greater Sydney, but is

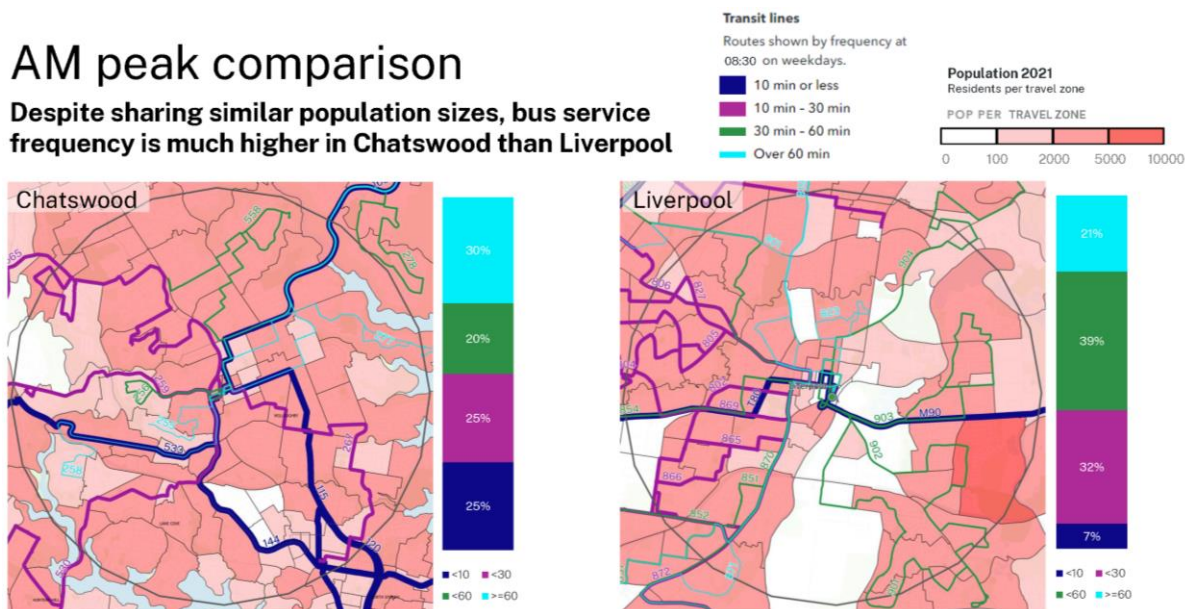
¹⁴ <https://www.mysydney.nsw.gov.au/easternharbourcity#:~:text=Stretching%20from%20Hornsby%20in%20the,and%20gateway%20to%20the%20world>

¹⁵ <https://www.ncoss.org.au/policy-advocacy/policy-research-publications/mapping-economic-disadvantage-in-nsw/>

highly concentrated in Sydney’s western and south-western suburbs with far lower rates in the Eastern Harbour City, especially the inner city and coastal suburbs where poverty rates have reduced since 2016.

The ‘poverty gap’ between the area with the highest rate of poverty in Sydney (SA2 area Ashcroft-Busby-Miller) and the area with lowest poverty rate (SA2 area Greenwich-Riverview) is 29.2 percent. Within Greater Sydney, those areas with the greatest need for reliable, affordable public transport have the poorest levels of service. The suburb of Ashcroft, for example, has access to just one bus service. Liverpool Station is around a 4KM, or 50-minute walk from Ashcroft Public School, which is located near the centre of the suburb. Figure 5 illustrates how much lower bus frequency is in Liverpool as compared to Chatswood.

Figure 5: Comparison of bus service frequency between Chatswood and Liverpool



An example of the inequality of service between East and West Sydney: despite similar population sizes and densities, Chatswood receives **five** frequent services during the AM peak while Liverpool only receives **two**. A frequent service is one that runs every 10 minutes or better.

Without additional investment and services providing all communities access to opportunities, and which respond to the needs of different cohorts experiencing disadvantage and most likely to be reliant on public transport, there is a risk of perpetuating disadvantage and entering a vicious cycle of low bus patronage, service reduction, high car usage, high congestion, and slow buses. There is a risk of increasing social isolation, or reduced ability to access services, supports, and educational and employment opportunities for people on very low incomes. Those who live below the poverty line can't afford to run a car.

In Outer Metropolitan Sydney, population growth is outpacing bus service growth. Bus networks have remained stagnant, not keeping up with community demand and expectations. Except for Newcastle, there has been no meaningful review of bus networks in Outer Metropolitan areas. Circuitous routes, many route variations, inconsistent timetables and long journey times compound low service growth, reducing the attractiveness of public transport in these regions.

In rural and regional NSW, poverty levels have dropped, while remaining slightly higher than the rate for Greater Sydney. However, while Greater Sydney has pockets where poverty is substantially deeper, it is more widespread across the bush. Poverty rates in rural and regional NSW, for example, are higher for young people (15-24 years), men, people who are unemployed, and mortgage holders compared with those living in Greater Sydney.

Bus Industry Taskforce

Current service supply, transport need and socio-economic need results show 70 per cent of regional centres have a very high or high need for improved local public transport services. Only 34 per cent of regional towns and centres have a daily connection to their nearest regional centre. This underscores the need for adequate and affordable public transport that provides access to essential services, education and employment both for rural and regional areas where overall poverty rates are high and also to meet the needs of those groups who experience the greatest levels of poverty.

3.10 Growth funding gap

The Department of Planning projects that the State's population will grow from 8.1 million to 9.9 million people by 2041. Yet there is currently no funding allocation to increase bus services to support this growth.

The Growth Services Program (GSP) was a 10-year program initiated in 2010 to purchase additional buses and services from contract operators to meet growing passenger demand, but this could barely keep pace with the rate of population growth in the State over the decade. Each year between 2010 and 2020 the [population of NSW increased](#) by 75-100 thousand people.¹⁶ Current [Department of Planning projections](#) expect an average of an additional 85,000 people each year until 2041.¹⁷

The former Government committed in 2019 to introducing more than 14,000 extra weekly bus services over four years across Sydney, the Illawarra, Lower Hunter and Central Coast. **However, the funding for these services was not provided on a recurrent basis.** Transport advised it covered two years only. However, once the services were introduced, there was a continued requirement to maintain service delivery at the same levels, thereby creating a shortfall in Transport's operational budget.

The Taskforce has been advised that the savings generated from the privatisation of STA were redirected to partially cover these unfunded commitments; but no escalation was applied, meaning that there is still a shortfall into the future.

3.11 Restoring a growth funding program

The above overview of bus service contracting and service planning reveals the extent to which expectations of improved services from privatisation of the STA have not been met. Inequitable service distribution and failure to fund for growth are among the consequences.

The Taskforce considers that the most sustainable way of achieving a reliable bus network is for the funding to be provided over several years. Most recurrent roads programs receive long term funding. There is no reason why the same should not apply to bus services. This will enable Transport to respond better to growing communities and changing land use patterns.

Recommendation 2: That a long-term growth funding program be established to improve bus services to underserved communities around the state:

2.1: initially, this program should focus on the most urgent priorities. The Taskforce will work with Transport for NSW between now and our October report to identify key

¹⁶ <https://www.soe.epa.nsw.gov.au/all-themes/drivers/population>

¹⁷ <https://www.planning.nsw.gov.au/research-and-demography/population-projections>

corridors, and local services in significantly disadvantaged communities that should be the focus for service improvement over the medium term.

2.2: as part of this program, consider all aspects that support providing bus services, including fleet and service kilometres, bus priority, bus stops, wayfinding and other costs associated with updating digital systems etc.

3.12 Contractual provisions relating to the workforce

3.12.1 Contractual obligations

The Greater Sydney Bus Contracts (GSBC) and Outer Metro Bus Service Contracts (OMBSC) provide that bus operators are responsible for ensuring that all employment and industrial relations obligations concerning their employees are complied with and that they assume sole responsibility for and manage all aspects of industrial relations. The operator must perform its obligations under the contract in a way that minimises industrial disputes and ensures that a good industrial climate is maintained.

The SMBSC, OMBSC and GSBC include obligations to notify Transport of any issues that have or may affect performance and service delivery or matters with the potential and/or capacity to affect the overall performance of the contract. The more recent GSBC contracts include further reporting obligations regarding notification and keeping Transport informed about enterprise agreement (EA) negotiations.

Under the GSBC and the OMBSC, operators submit annual industrial relations plans including information on disputes, which should be managed and resolved locally and informally wherever possible.

The GSBC and OMBSC contain an escalation figure for employee costs set to the Wage Price Index for transport workers. Unions and employers can negotiate changes to wages and conditions that exceed that value.

Operators and employees and/or their unions make enterprise agreements (EAs) under the *Fair Work Act 2009* (Cth) (FW Act) dealing with pay and conditions of employment.

The Transport Workers Union (TWU) and the Rail Tram and Bus Union (RTBU) represent bus drivers across the industry with the RTBU predominantly covering the former STA regions (Regions 6, 7, 8, 9 in Sydney plus Newcastle). Non-driving staff, such as fleet maintenance and support staff are represented by other unions, including the Australian Manufacturing Workers Union, the Electrical Trades Union, the Australian Services Union, and Professionals Australia.

3.12.2 Multiple instruments across the industry

The inevitable result of open tender contracting is that new bus operators may take over existing regions. This is true of both the regions that have been privately operated for decades, and the recently privatised former STA regions. When the employer changes, under the FW Act, existing EAs usually stay in place and continue to apply to the workforce until they are replaced by a new EA. In the former STA regions, the industrial instrument that continued to cover the existing workforce was the copied State award (that is a copy of the state-based award that previously applied).

Under a Transitional Agreement made by Transport, the operators in the former STA regions are subject to employment guarantees for transferring employees for a period of up to two years.

Bus Industry Taskforce

These agreements also require any changes to conditions during the period to be consulted on and agreed by the workforce and their unions.

In regions 8, 9 and Newcastle, the operators made new EAs with their workforces soon after transition which effectively 'parrot' the conditions of the copied State award. Former STA drivers as well as any new drivers are employed under the same EA in those regions.

The different EAs and the copied State Award that still applies in a couple of regions previously operated by STA, all contain clauses dealing with the conditions of employment of bus drivers in different ways.

In Region 6, which was privatised in 2018 the new operator decided to employ new employees (ie those that did not transition from STA) under a separate EA. This move has caused industrial relations challenges and discontent amongst the workforce and has contributed to industrial disputation and strike actions over the last year, some of which impacted service delivery and customer satisfaction. It may also be a factor in the current driver shortage, in that it affects both the retention of existing employees and the attractiveness of the industry to prospective recruits.

Transport advised the Taskforce that it had attempted to rectify this through the new GSBC contracts. However, in Region 7, a similar disparity with two sets of working conditions exist, and the operator and staff representatives have not been able to agree on terms for a new EA to date. The Taskforce is disappointed to note that the two contract regions in Sydney with the greatest percentage of workforce shortage (see table 1 at [5.2](#)) are Regions 6 and 7.

As most bus services lie in the inner and middle rings of Sydney, drivers in the formerly STA regions account for approximately 70 per cent of bus drivers across Greater Sydney. As a result of the franchising to private operators, 'bus driver' is no longer perceived as a secure Government job. The 'two tiered' workforce arrangements in some regions further impact the way existing/experienced bus drivers, particularly former STA staff, view their job as a stable or sustainable career. Former STA drivers also stand to lose their access to a free employee Opal card, which they were only able to retain for a set period post transition to private operators.

Unions have expressed a desire for 'same work same pay' or minimum industry standards to apply, which may assist with attracting and retaining drivers in the industry. It will be necessary to give consideration to the operating environment (e.g. metropolitan vs rural) and commuting times of potential drivers to travel to where the jobs are located.

The *Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022* (Cth) will introduce Single Interest Employer Authorisations (SIEA) where multiple employers can be compelled to bargain for a multi-enterprise agreement. While this is a potential pathway, it is new law and will need to be tested and considered more carefully. The Taskforce will continue to examine these issues in our further reports.

3.13 Rural and Regional Bus Service Contracts

Experience within Transport over the last 20 years has shown the benefits to passengers, industry, and Government of updating contracting approaches as discussed above, introducing a customer focus, and making the most of technology. Buses in Greater Sydney and Outer Metropolitan areas have gone from isolated networks with patchy viability, and general irrelevance for many customers, to becoming a core part of the transport network, growing patronage on local and trunk routes, delivering a range of new service types to communities, and increasing customer satisfaction.

In the rural and regional context, there have been a range of initiatives over time, such as improved 16 Cities networks, new on-demand services, and seatbelts on school buses. Transport

Bus Industry Taskforce

has taken more responsibility for service planning and administering school bus passes and is rolling out GPS tracking across the fleet. However, compared with the comprehensive reform package seen in Greater Sydney or Outer Metro, they are more a series of tactical improvements.

The degree of change over 20 years does not reflect the even more crucial role played by buses in rural and regional communities, moving approximately 47 million passengers, particularly getting students (who make up about 90 per cent of the market) to and from school. Without the extent of multi-modal availability in cities such as Sydney and Newcastle, buses are often the only transport option giving people access to jobs and shopping or medical and social activities in regional towns.

Through the recent devastation of floods, fires, and Covid-19, bus operators have shown their strong community links in the ways they have maintained services and responded to specific needs of the people they serve. However, the investment and contracting arrangements in these regions are in need of review, considering the importance of buses for these communities.

There are more than 600 contracts operated by more than 450 bus operators throughout Rural and Regional NSW. In consideration of the ongoing procurement and management of these discrete service contracts, Transport needs to become a more aware purchaser, with a better understanding of what it is buying, and the quality that is being delivered. This is needed if it is to be confident of getting value for money and if it wants the capability to seek and optimise funding for uplifts in bus services that rural communities need.

Transport and industry agree that the overall relationship is improving and is moving towards a more productive partnership. This provides a basis to develop modern and responsive commercial arrangements, similar to the frameworks established in Greater Sydney and Outer Metropolitan NSW but bespoke to the needs of the Rural and Regional operational context.

Current contracts, especially for Rural and Regional areas rely too much on operator goodwill to make improvements, can be cumbersome for Transport and operators and don't reflect community expectations of transparency of performance and active disclosure of information. With the Unsworth Report call almost 20 years ago for better data to monitor performance and guide service planning still a work in progress, there is plenty of scope to improve.

To sustain improvements, change cannot be limited to updating contracts. Lasting benefits will need a more comprehensive approach with Transport not only improving its data sources but also its own analysis and management capabilities. Enhanced people skills, updated systems and better use of technology will help support a conscious shift to more active contract management, working with industry partners to drive improvements. These items will be addressed further across various sections of this report.

Recommendation 3: That Transport for NSW undertake activities to improve rural and regional contracting, including that Transport for NSW:

3.1: engage with industry to develop a modern, fit for purpose contract model for Rural and Regional bus services

3.2: equip itself to be an aware purchaser in the upcoming Rural and Regional contract procurement, using a transparent process and better data to ensure value for money

Bus Industry
Taskforce

3.3: advise the Taskforce on key contract and procurement issues relevant for the Rural and Regional contract renewal, for consideration in the October 2023 Report, and detail a full package and approach for consideration in the May 2024 Report.

4. Governance and accountability

4.1 Need for optimum organisational design within Transport

Transport has a broad remit to oversee the transport system of NSW, as set out in the *Transport Administration Act 1988* (see [3.1](#)). The Taskforce has a significant concern, however, that as presently organised, Transport is insufficiently focused on the need to ensure adequate, reliable, comprehensible, and equitable bus services to the community.

While staff we met were committed, and wanted the best for communities, the lack of a single point of accountability for buses, and inadequate resourcing or budgeting to support this essential function, makes this challenging.

The Taskforce proposes to examine this issue more closely over coming months and expects to make further recommendations in later reports. In this report, we summarise what we have seen and learned from our interactions with Transport to date.

4.1.1 No single point of accountability for buses

On its website, Transport describes its [mandate](#) as follows:¹⁸

Transport for NSW is the lead agency of the NSW Transport cluster. Our role is to lead the development of a safe, efficient, integrated transport system that keeps people and goods moving, connects communities and shapes the future of our cities, centres and regions.

We are responsible for strategy, planning, policy, regulation, funding allocation and other non-service delivery functions for all modes of transport in NSW including road, rail, ferry, light rail, point to point, regional air, cycling and walking.

We focus on improving the customer experience and contract public and private operators to deliver customer-focused transport services on our behalf.

We also lead the procurement of transport infrastructure and oversee delivery through project delivery offices and industry delivery partners.

It is noteworthy that this statement contains no specific reference to buses or bus services, even as a mode of transport.

Transport's commitment to the people of NSW with regards to the quantity and quality of bus services is not defined. The lack of clearly stated outcomes means there is no framework for setting the requirements for infrastructure, operations and fleet.

Other metropolitan public transport modes, including rail, metro, light rail and ferry systems, have tighter integration of planning, fleet, infrastructure and service provision. The NSW bus system is structurally different. Multiple service providers contribute to the delivery of an integrated network that:

- operates on roads controlled by the state and local councils,
- competes with other road users for access and priority,
- uses bus stops, interchanges and bus stations of varying standards and configurations, and

¹⁸ <https://www.transport.nsw.gov.au/about-us/who-we-are/our-organisation>

Bus Industry Taskforce

- uses a diverse mixture of vehicles.

The bus system is a decentralised operation. Without adequate control it can become fragmented and inefficient, delivering inconsistent outcomes across the state.

A simple but telling example provided by Transport staff to the Taskforce is how the Northern Beaches B-Line service is managed.

The bus service contract for Region 8 covering the Northern Beaches is managed in one branch. The contract for maintaining the bus stops is managed in another branch (the Taskforce understands that the ongoing maintenance was not factored in as a requirement at the start of the project). Finally, the cameras and technology that support real time information are managed by yet another branch (which has no dedicated funding to support the technology). The latter two teams are more focused on roads maintenance and operations than on bus services.

Operators and Transport staff expressed frustration at the difficulty in getting appropriate attention paid to issues with the stop infrastructure. Passengers at our Northern Beaches Passenger Forum also expressed frustration about real time information at stops not working.

A more complex example is how contingent bus services are managed for planned and unplanned events. Buses are used to replace other modes during planned events such as trackwork, and for service disruptions to other modes caused by major incidents. Buses are also used to evacuate vulnerable communities in an emergency. The management of these services sits across several different areas of Transport, creating risk and inefficiency. More detail on these arrangements, and the issues requiring attention, are in [Section 7](#).

In short, it is unclear where this 'adequate control' over the bus system is or should be situated. No team or Division has a singular focus on bus services and bus outcomes for passengers across the State.

4.1.2 'Matrix' teams – no clear reporting lines or decision making

The Taskforce and its Chair received extensive briefings about various aspects of the bus operation and functions within Transport supporting delivery components of bus services. These briefings were primarily data driven and highly informative, and the Taskforce thanks the subject matter experts who contributed to its understanding of the current situation.

However, locating where these SMEs were situated, and how they interacted with other parts of Transport on bus related issues, was perplexing.

The briefings came from every division of Transport: Greater Sydney (GS), Regional and Outer Metropolitan (ROM), Customer Strategy and Technology (CST), Safety Environment and Regulation (SER), People and Culture, Infrastructure and Place. The briefings came from multiple branches and teams within these Divisions. A 'mud-map' of who in Transport works on buses and bus related issues revealed multiple dozens of teams and branches in a silo structure, sometimes carrying out duplicate work across a different geographical remit. In other instances, business units were unaware of the activities or outputs produced by other areas within Transport.

It appeared to the Taskforce that responsibilities for service planning, infrastructure planning, contract management, technology systems, asset management, safety assurance and network branding are dispersed throughout the organisation with no clear nexus.

While modes such as trains are relatively insular as an operating agency by way of its organisational structure, and particularly following the recommendations arising from the [Initial](#)

[Report of the Sydney Trains Review](#)¹⁹ (22 May 2023), the same structure does not exist for buses. This is exacerbated following the recent privatisations of the remaining STA regions, with in-house bus industry knowhow largely removed from Transport.

Transport also currently has limited resources to manage bus growth challenges. Service planning is lightly resourced given the magnitude of the task, resulting in a focus on short-term (0-2 year) operational needs, and relies primarily on contracted bus operators to identify network changes and growth needs, with negligible medium-term planning occurring. Infrastructure planning occurs across a mixture of ongoing programs and specific projects, and the adoption of supporting technologies to benefit operators or customers appears to be ad hoc.

This dispersion of responsibility across the agency is a likely contributor to issues we have identified concerning the skills and capabilities within Transport. For example, to support its interactions with operators on performance management and the introduction of dynamic timetabling, Transport has had to buy in contingent scheduling skills. The Taskforce believes that this should be a skill set available to Transport for a range of contexts in service planning and contract management. Transport should be able to independently interrogate the scheduling and performance data presented by operators to validate the accuracy and relevancy of run time adjustments proposed.

Another example is the service contracting process itself. Contracts have lengthy terms and are generally tendered all at the same time in a particular geographic area. For example, the latest round of Greater Sydney contracts were competitively tendered throughout 2020-2023 as the old SMBSCs were nearing expiry. Because of this, Transport does not maintain ongoing expertise in specialised services contract procurement but buys it in as and when needed. However, given that all bus, ferry and light rail services are managed under contracts with the private sector, there is an ongoing need for service procurement expertise.

These gaps undermine Transport's capacity to be an informed purchaser of services moving forwards. Transport requires internal resources with skills and knowhow of the bus industrial environment, along with understanding of the bus network across the bus operating regions of NSW. This includes appreciation of the intricacies of the operational environment in each of this geographic clusters, as well as a comprehensive understanding of the relevant employment conditions that may impact bus services.

Other key skills required for good practice in bus service delivery include asset and safety assurance. The Taskforce will be focusing more on these matters in later reports, but notes that these skills should be embedded closely with service management teams.

4.1.3 Evolving Transport

The current structure is the outcome of the Evolving Transport restructuring program that took place over 2019-21. A significant driver was the then Government's decision to dissolve Roads and Maritime Services (RMS) as a separate organisation and make it part of Transport. This was intended to support the full integration of every area of transport under a single and unified Transport banner. It was intended to provide a greater focus on all forms of regional transport, not just roads, as well as focused attention on the urban transport task.

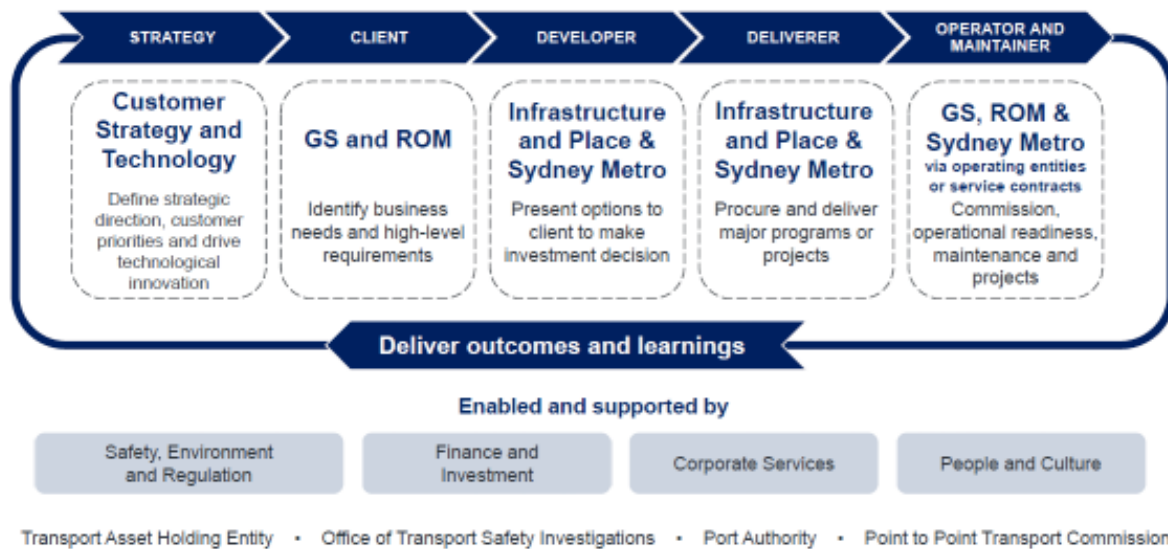
Part of the challenge was how to create an optimum organisational structure for achieving the Future Transport vision, in particular the focus on achieving integration not only of transport modes and services, but also transport and land planning activities.

¹⁹ <https://www.transport.nsw.gov.au/industry/independent-reviews/rail-infrastructure-and-systems-review-interim-report>

Bus Industry Taskforce

The result was the institution of the client deliverer operating model and value chain, as illustrated below.

Figure 6: Client deliverer model and value chain following Evolving Transport



Transport's bus operations and planning activities thus occur in a 'matrix' model, resulting in many teams across Transport who work on various aspects of buses.

While each of GS and ROM have direct responsibility for bus contract procurement and management and planning and delivering services in their respective geographic areas, they rely on strategic direction provided by CST, and on expert services provided by other areas (for example, Legal). While some teams have a singular focus on buses (for example, the bus contract managers in GS, and the Bus Driver Authority team in SER), for many 'bus' is just one aspect of their work (for example, PTIPS (discussed further in [6.3.4](#)) is just one of many systems managed by the Intelligent Transport Systems team in CST).

The 650+ service contracts managed by Transport across bus, ferry and light rail are worth more than \$2 billion each year. The Taskforce learned in interviews with Transport staff that the management of these contracts is dominated by fragmented, manual and inefficient processes that have components managed across several parts of the agency.

Staff identified that systemising many of the contract compliance activities, such as having automated, secure information exchange, workflow management and a 'single source of truth' would create significant efficiencies, improve reporting and help staff to focus on more of the strategic aspects of their partnerships with operators. Importantly, it would also assist with risk management and auditability.

They indicated that suitable service delivery-focused contract management systems were in use by other NSW Government service delivery agencies and would be relatively easy (and cost effective) to implement. It is not clear to the Taskforce why these systems are not already in place, especially when contract management systems are used widely in infrastructure contract management at Transport.

4.1.4 Possible future

The GS and ROM divisions are each responsible for overall transport delivery in their defined geographic areas. At first blush, they appear to be the logical homes for overall accountability for bus services.

Bus Industry Taskforce

However, the responsibilities of these divisions are so broad that bus as a mode battles for attention. The Taskforce does not take issue with a multi-modal integrated approach to delivering the broad transport needs of NSW, but it is concerned when such an approach means that the basic everyday job of delivering reliable and accessible bus services is neglected and the need for investment to support existing services, let alone for future growth, is overlooked.

Under the present structure of Transport, Sydney Trains answers to the Deputy Secretary, GS, while NSW TrainLink is in the ROM Division. The Taskforce notes that the [Initial Report of the Sydney Trains Review](#)²⁰ (22 May 2023) recommended:

That the Chief Executive of Sydney Trains should report directly to the Secretary of Transport, providing stronger focus on rail operations within the TfNSW structure. The Secretary should also consider whether a similar approach is appropriate for the CE of NSW TrainLink.

A similar recommendation for buses is appealing. However, the problem for buses is somewhat different from that of trains. In the case of trains, the two organisational structures that deliver services and can be accountable for train-related issues already exist. Implementing the above recommendation is a matter of re-organising reporting lines, re-defining accountabilities, and re-allocating and centralising budgets to ensure a single point of focus and responsibility.

In the case of buses, no such organisational unit currently exists. The provisions of the TA Act that establish the STA are still in place, though the organisation has been dissolved. However, according to the TA Act, the STA is not a strategic agency, but a bus operator and a business.

4.1.5 Re-focus on meeting transport needs of the community

Transport has been overly focused on infrastructure delivery rather than service provision. Infrastructure is important, but Transport's first priority should be on delivering services that meet the transport needs of the community.

Heavy rail and metro are the beneficiaries of vast amounts of investment in infrastructure, as well as operations. Buses, ferries and light rail are relatively ignored. Much less is spent on all three of these modes, with buses a particularly egregious case given the contribution they make to passenger movements rivals that of heavy rail.

Transport's commitment to the people of NSW with regards to the quantity and quality of bus services is not defined. There should be clearly stated outcomes framing requirements for infrastructure, operations and fleet. The role of bus services in delivering Future Transport is not clear, which means there is no basis on which to scope or prioritise bus investment.

There is no single point of accountability for Sydney's three quarters of a million daily trips taken by bus passengers. The cluster needs a customer champion for bus users.

Transport's capital program has favoured investment in roads (for private and commercial use) and rail over other public transport infrastructure. To ensure the road network is developed to support world class bus services, the senior executive who acts as the bus customers' champion needs to be an empowered client of the road capital program. This would mean control of expenditure for public transport infrastructure and significant influence over decisions about expenditure on roads generally.

Although ferries and light rail do not fall within the Taskforce's Terms of Reference, the Taskforce believes that there are synergies between the modes, and their contracts and service

²⁰ <https://www.transport.nsw.gov.au/industry/independent-reviews/rail-infrastructure-and-systems-review-interim-report>

Bus Industry Taskforce

planning are currently co-located, their collective position would benefit from dealing with them together.

Recommendation 4: That Transport for NSW undertake organisational change to become more focused on delivering services by mode, including that Transport for NSW:

4.1: create a division (or other organisational unit), headed by a Coordinator-General, that is accountable for bus, ferry and light rail, reporting directly to the Secretary.

4.2: consolidate the currently distributed resources of Transport for NSW in the new organisational unit, in order to better focus on the delivery of world-class, passenger-centric bus, ferry and light rail services, with clear accountability, dedicated budgets, appropriate supporting technology and skilled and knowledgeable ongoing staffing.

5. Recent challenges

5.1 Taskforce's May recommendations

Soon after the Taskforce was established, the chair of the Taskforce sought and received extensive briefings from some bus operators and Transport for NSW which revealed acute and significant issues around:

- bus service cancellations in some parts of Sydney and the Hunter region
- the reliability of supply of bus services to cover planned and emergency rail, light rail and ferry service replacement, and
- additional services to cover major events.

The Taskforce heard how Transport and the operators have sought to minimise the impact on bus passengers through a more intensive focus on attempting to align service delivery with staffing availability in their contract management activities. However, it is evident that bus passengers remain frustrated with the reliability of services.

The **key finding** at this early stage was that most service cancellations and other service failures are a direct result of driver shortages. Some depots are significantly understaffed.

This finding was the genesis for putting recommendations to the Minister at the end of May for six immediate actions to assist in addressing the driver shortage. These are further described at [5.5](#), after an overview of the initial data supporting the case for action on driver shortages, at [5.2](#) and following.

This Section then takes a closer look at available data about the possible causes of workforce shortages, as well as possible new sources of labour.

5.2 Driver vacancies

Given the prominent concerns flagged by various industry stakeholders on a lack of adequate numbers of bus drivers, the Taskforce sought data on the severity of the driver shortages.

Table 1 sets out data from the key regions across Greater Sydney and Outer Metropolitan NSW which have been most affected by vacancies in driver positions.

Some depots are significantly understaffed, with issues particularly pronounced in the inner and middle rings of Sydney and Newcastle, where vacancies account for over 75 per cent of the total vacant driver positions.

Across the remaining contract regions in Greater Sydney and Outer Metropolitan areas, there are a further 108 driver vacancies, as reported to the Taskforce for April 2023.

In aggregate, there were over 500 driver vacancies throughout NSW as of April 2023.

Table 1: Bus Regions most affected by driver vacancies (April 2023)

Bus region	Drivers needed to deliver contracted services	Driver vacancies	Vacancies as % of staff needed
Region 6 (Inner West)	1163	114	10%
Region 7 (North Shore)	862	90	10%
Region 8 (Northern Beaches)	778	68	9%
Region 9 (CBD and Eastern Beaches)	1018	33	3%
Region 14 (Upper North Shore)	165	25	15%
Region 1 (Western Sydney)	585	23	4%
Outer Metro Region 10 (Illawarra)	355	16	5%
Outer Metro Region 5 (Newcastle)	316	14	4%
Outer Metro Region 2 (Hunter)	241	13	5%
Outer Metro Region 8 (Blue Mountains)	102	13	13%
Total	5585	409	7%

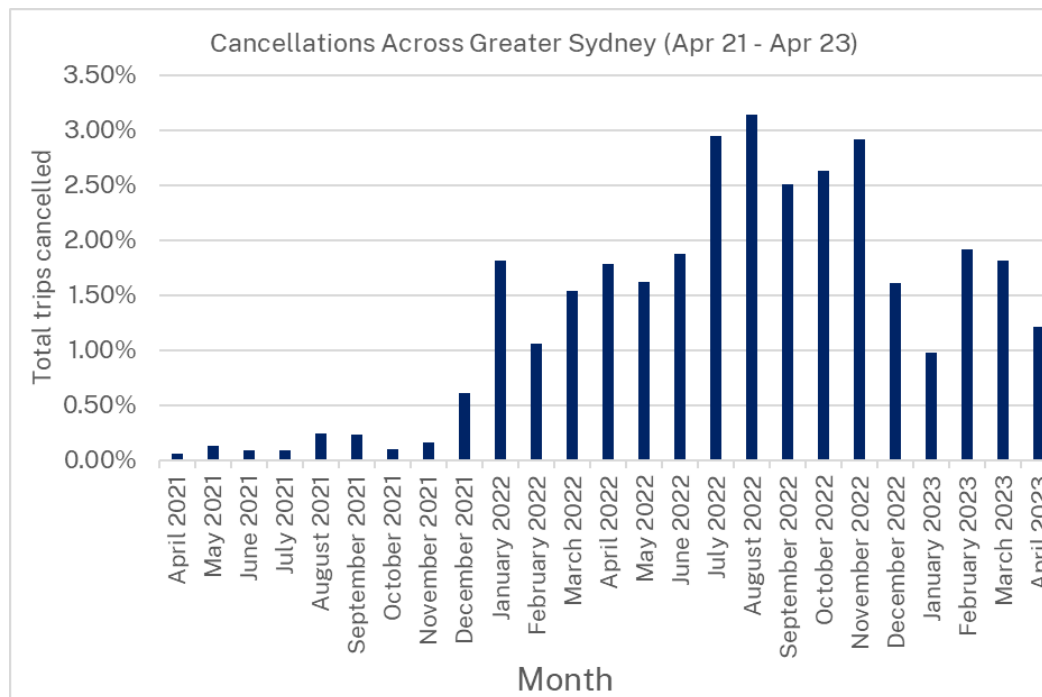
The skills shortage of drivers is impacted by a myriad of external factors and compounded by the recent global pandemic, with similar circumstances of bus driver vacancies recently faced in other jurisdictions across Australia and New Zealand. This is further discussed at [5.6](#).

5.3 Impacts on service delivery

The extent of vacancies in driver roles has a direct impact on service delivery, including cancellations and other service failures due to a lack of redundancy in staffing levels.

A level of workforce absenteeism is to be expected as a part of daily bus operations to account for regular leave, illness, or injury of the workforce. However, these instances of staff unavailability are typically short term, with a known end date and therefore resourcing can be managed by bus operators. Driver vacancies therefore only compound the regular occurrences of workforce absenteeism.

While also experienced in other parts of NSW including the Hunter and Newcastle, the level of service impact has been most prominent in Greater Sydney. Figure 6 highlights trends in cancellations experienced in Sydney's metropolitan areas across April 2021 and April 2023.

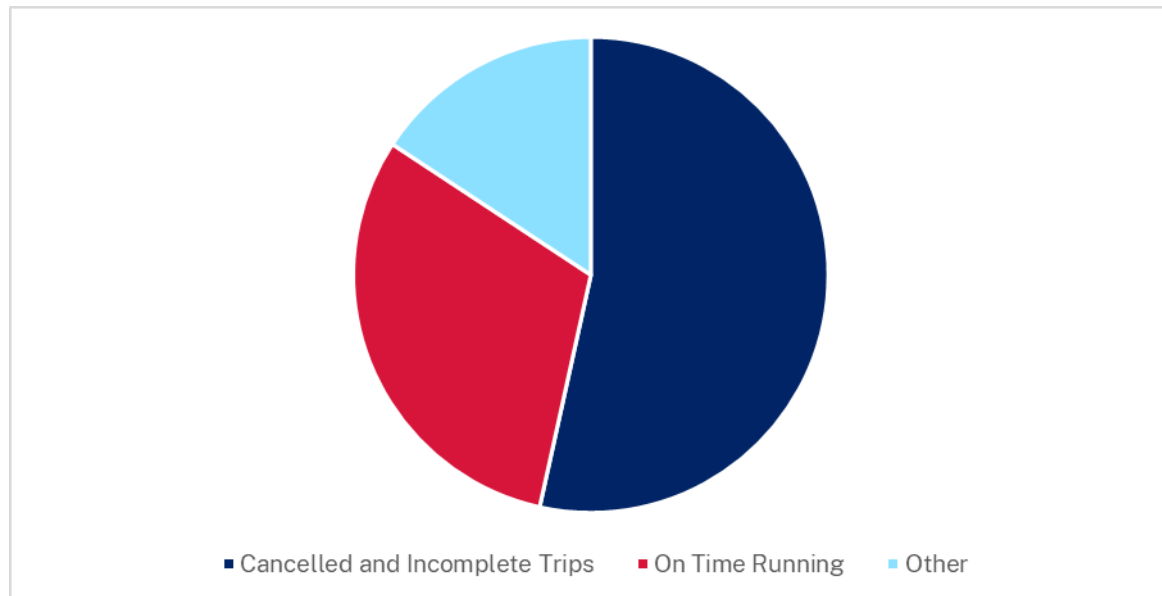
Figure 7: Cancellations Across Greater Sydney (April 2021 – April 2023)

The current operational environment, including the number of cancellations experienced is not normal nor sustainable, both for passengers and the bus industry. Prior to 2022 as outlined in Figure 7, the level of cancellations across all bus contract regions in Greater Sydney remained consistently below 0.5 per cent of all services delivered. Cancellation rates have remained well above the KPI target rate since the start of 2022. This has meant that Sydney bus passengers have experienced a reduced and unpredictable level of service, causing disruption and inconvenience to their lives.

Beyond service cancellations, in the period from February 2023 to May 2023 On Time Running performance has also been poor. In Greater Sydney, over three quarters of the bus regions have fallen below On Time Running KPI targets at some point in 2023, with exception of three operators clustered around the South and Southwest areas of Sydney.²¹ In Outer Metropolitan, half of the regions have On Time Running KPIs falling below target since February 2023.

The operational challenges stemming from driver shortages have translated into commercial penalties imposed on bus operators under their respective bus service contracts. Across the majority of Greater Sydney bus contract regions, cancelled and incomplete trips and on time running issues have triggered significant penalties as a result of KPI targets not being met. Figure 8 outlines the proportion of penalties to bus operators against these KPI targets.

²¹ <https://www.transport.nsw.gov.au/data-and-research/data-and-insights/buses-on-time-running>

Figure 8: Operational issues triggering penalties under bus contracts

In addition to commercial penalties, to alleviate the pressures of driver vacancies, the Taskforce observed Transport and bus operators collaborating increasingly frequently to implement strategies to ease demand on bus drivers. One such measure has been to implement flexible timetables, intended as a short-term measure to recalibrate timetables to the driver numbers realistically available for service delivery (also known as ‘dynamic timetabling’).

The aim of this approach is to create temporary timetables better aligned with known staffing availability and ability to fulfil driver shifts in the short to medium term, so that unexpected cancellations during the day of operators can be minimised. The overarching aim is to provide a more reliable bus service particularly in regions of significant driver shortages, so that timetabled trips show up when scheduled and expected by passengers.

Other strategies include minor trip adjustments and peak spreading, which take advantage of slight changes in travel patterns following the pandemic, with increased flexibility in commutes by some passengers, particularly office-based workers, through hybrid working practices.

5.4 Impacts on passenger satisfaction results

Transport conducts bi-annual surveys of passengers and publishes the results in the [Customer Satisfaction Index](#).²² More than 19,000 passengers provided feedback either online or face-to-face for the most recent research, conducted in November 2022, across all modes of transport.

The latest survey saw a decline in satisfaction among bus passengers compared with previous research results in May 2022. Overall satisfaction with bus services was 89 per cent, down from 92 per cent in May 2022. On the bus network there was lower satisfaction with service frequency (78 per cent) and information about delays (72 per cent). Bus passengers were most satisfied with safety and security (95 per cent feeling safe on the bus) and ticketing (94 per cent satisfied with ease of using Opal card).

²² <https://www.transport.nsw.gov.au/news-and-events/reports-and-publications/customer-satisfaction-index>

Bus Industry Taskforce

During the pandemic, customer satisfaction scores across most public transport modes reached record highs. As patronage increased in 2022, satisfaction results for some public transport modes returned to pre-COVID levels.

It is notable that more than 90 per cent of light rail, ferry and metro passengers remained satisfied with their trip overall, while the figure for rail was 85 per cent.

5.5 The six immediate actions – outcomes to date

Having reviewed the above data and made the finding the current high level of service cancellations and disruptions was a result of a shortage of drivers, the Taskforce recommended six immediate actions to the Government (set out in full at [1.2.1](#)). On 3 June 2023, the Government announced it had accepted those recommendations.

5.5.1 Bus industry roundtable

The Bus Industry Roundtable was convened on 21 June 2023 to examine and bring forward practical suggestions and solutions for the current bus industry workforce shortages (drivers and maintenance staff), as well as other operational suggestions to improve bus service delivery in Greater Sydney and across NSW.

Discussions at the roundtable and actions and recommendations emerging from it are described in [Section 6](#).

5.5.2 Driver authority improvements

Section 11 of the PT Act 1990 makes it an offence to drive a public passenger vehicle without an appropriate driver authority. The requirements for obtaining an authority are set out in section 29 of the PT Regulation 2017, as follows:

- (2) The applicant for a driver authority –
 - (a) must be at least 20 years of age, and
 - (b) must hold an Australian driver licence that is an unrestricted licence, and
 - (c) must have held an Australian driver licence, that is an unrestricted licence, for a total of at least 12 months in the 2 years immediately preceding the date of the application, and
 - (d) must have passed an examination or assessment, at a level determined by Transport, in medical fitness, and
 - (e) must satisfy Transport that he or she –
 - (i) may lawfully work in Australia, and
 - (ii) is of good repute and in all other respects a fit and proper person to be the driver of the vehicle concerned, and
 - (iii) has sufficient responsibility to drive the vehicle concerned in accordance with law and custom.
- (3) In the case of an application for authorisation to drive buses, the applicant must also have successfully completed a bus driver training course approved by Transport and conducted by a registered training organisation (or must have such competence as a driver of buses as Transport considers appropriate).

Bus Industry Taskforce

Advice from Transport and from bus operators suggests that some existing driver authority requirements are contributing to unnecessary delays in issuing BDAs. The Taskforce recommended these be adjusted to make it quicker, easier and cheaper for people to get their bus driver authority. The Taskforce understands that as at the time of this Report, action to implement the following is underway, including the drafting of regulatory amendments where required:

Eliminating a duplicated requirement for a bus driver authority applicant to prove to Transport that they have the right to work in Australia. Employers must already ensure that their employees are complying with visa conditions under immigration law. Last year 2,148 bus driver authority applicants had to provide extra documents, 468 on a repeat basis, to satisfy that they could lawfully work in Australia. One hundred and forty-two bus drivers had their driver authority suspended, preventing them from working. It also distracted regulatory staff from undertaking other work to improve service delivery to bus driver authority applicants.

Enabling Transport to issue notices relating to bus driver authorities electronically. Clause 238 of the PT Reg 2017 currently only allows for notices to be served personally, left at a known business/residential address or sent by post. To ensure notices can be served in a timely manner, it is proposed to amend cl.238 to allow notices to be served electronically where consent has been granted.

Clarifying and reinforcing that medical assessments must be done before submitting a bus driver authority application, to minimise any rejection of applications. The purpose of clarifying that a medical assessment must be fully complete as the first step in any BDA application process, not during the application process, is to prevent applicants who ultimately will not meet commercial fitness to drive standards from expending unnecessary time and financial outlay in completing other prerequisites. About 14 per cent of applicants are found to not meet commercial fitness to drive standards.

Permitting drivers over the age of 25 to apply for a bus driver authority if they hold a current Australian driver licence and have held an open, restricted, provisional or probationary Australian or nationally recognised overseas driver licence for at least 3 years. This change will remove the current requirement that an applicant for a bus driver authority has held a current unrestricted Australian driver licence for at least 12 months, but only for persons over the age of 25. This will make it easier for mature drivers, including those who have moved here from overseas countries that are recognised as having similar driving regulations to Australia, to apply for an authority. Requirements for drivers under 25 would not change. Under the graduated licensing system in NSW, all drivers must spend 3 years on their P-plates before they can get an unrestricted licence. In recognition of the greater safety risk presented by younger drivers, under 25 year-olds must also have held their learner's licence for a year and have logged at least 120 hours of supervised driving before they can sit the driving test. These drivers should still be required to have an additional year on an unrestricted licence.

Waiving the \$70 application fee for 12 months and reviewing the application process to streamline how applicants provide relevant information. Waiving the fee for 12 months would send a strong signal welcoming would-be bus drivers to the industry. The Taskforce expects Transport to closely examine its application processes to identify further improvements.

Participants in the Bus Industry Roundtable on 21 June 2023 endorsed the above proposals and sought that they be expedited (see [6.2.4](#)).

5.5.3 Public awareness and promotion campaigns

Many bus operators are already trying to address the driver shortage issue through their recruitment campaigns, including on bus and depot advertising, and supporting new recruits

Bus Industry Taskforce

through the required training and authorisation processes. Transport also assisted with an advertising campaign over December 2022 and January 2023. Some operators are starting to reap the fruits of these efforts. Transport data show 737 bus driver authorities were granted in Jan-Mar 2023 compared with 397 in the same period in 2022.

Further effort on this front would improve these numbers even more.

As a direct consequence of the Taskforce's recommendation to the NSW Government, a new recruitment campaign for bus drivers is scheduled to commence from early July across the state, targeting social media, radio, digital display and search functions. It will have a particular focus on those areas where the driver shortage is most acute or where people most likely to be interested in working as a bus driver are likely to live. Culturally and linguistically diverse communities will be a focus, as will the attraction of women drivers. The campaign will promote the career benefits of becoming a bus driver. The campaign will run until August.

Transport is collaborating closely with industry on this recruitment drive. Bus operators across the State have been encouraged to assist in rolling out and promoting the campaign and its messages alongside Transport's efforts.

The Taskforce continues to recommend that Transport should give serious consideration to the development of innovative approaches to attract and recruit workers to the transport industry at large, given the known skills shortages across transport.

5.5.4 Service adjustments – informed by passenger insights

The Taskforce has observed heightened collaboration between bus operators and Transport. It recommends that ongoing contractual and operational discussions with operators should continue for regions that require urgent timetable reconfiguration to keep services running.

A program of Bus Passenger Forums has been prepared, with the first event taking place on the Northern Beaches on 24 June 2023. Outputs from these events will ensure that the impact of service cancellations to local communities is captured as part of the recommendations to Government.

A report on the outcomes of the first Forum is at [6.4](#).

5.6 Factors contributing to driver shortages

The six immediate actions are a quick response to the fact of driver shortages. The Taskforce further examined the possible causes of driver shortages, such as the state of the labour market including the impact of COVID-19, the availability of immigration pathways as a possible a source of new recruits, and industry and workplace conditions. Additional insights into the factors contributing to driver shortages and proposals for how to address them came from the industry roundtable.

5.6.1 Labour market conditions and shortages

The [National Skills Commission's \(NSC\) 2022 report](#) noted 'The past year has shown a significant tightening in the Australian labour market, and the findings of the 2022 Skills Priority List reflect this, with a large proportion of diverse occupations in shortage. The ongoing effects of COVID-19, along with the changing economic landscape have influenced a range of challenges in many occupations.'²³

²³ <https://www.nationalskillscommission.gov.au/reports/2022-skills-priority-list-key-findings-report>

Bus Industry Taskforce

More recent labour force figures suggest early signs of change in these conditions. NSW Treasury reported to Transport the following key points emerging from the ABS labour force data for April 2023:

- Employment in New South Wales grew by 7,400 in April 2023.
- The participation rate in New South Wales remained unchanged at 65.9 per cent.
- The New South Wales unemployment rate increased to 3.4 per cent.
- The national unemployment rate increased to 3.7 per cent.

It observed as follows:

The NSW labour market remains tight despite strong migration-driven population growth. The growth in NSW employment was driven by full-time employment. The return of overseas migrants has helped meet labour demand and fill in job vacancies. This rise in the NSW unemployment rate since the beginning of the year suggests there may be some easing in the labour market.

Reporting on the same set of figures, in its June 2023 NSW Labour Market and Jobs Snapshot the Department of Planning and Environment observed: 'The labour market in NSW remains robust as at April 2023, though the near term leading indicators suggest that successive interest rate rises are starting to having an impact.' It also noted: 'The 3.4 per cent unemployment rate is still significantly lower than the unemployment rate often considered consistent with full employment (around 4¾ per cent).'

If the easing trend continues and strengthens, there may be some relief on the horizon for bus operators currently experiencing difficulties recruiting drivers. However, as the quotes above suggest, that relief may yet be some way off, and may take some time to trickle down to bus drivers. The success of the recruitment proposals emerging from the Taskforce and the June Roundtable sessions is likely to be constrained until there is further easing in the labour market.

In light of the tight labour market, the Taskforce considered the characteristics of the bus driver occupation and whether overseas workers could be a source of additional labour.

Characteristics of the bus driver occupation: An [overview](#)²⁴ of the 'bus driver' occupation category identifies 'Bus Drivers' as a sub-category of 'Bus and Coach Drivers' – 'Bus Drivers drive buses to transport passengers short distances on scheduled intra-city services over established routes'.

In November 2021, there were 33,000 bus drivers across Australia, with median age of 55. This is higher than the all jobs average of 40 years. A large share of workers are aged 45 to 54 years. The number of bus drivers under 25 is negligible. Women make up 13 per cent of the workforce. This is 35 per cent below the all jobs average of 48 per cent. 60 per cent were working full-time.

Formal qualifications are not required to be a bus driver, although some workers have a Certificate II or III in Driving Operations.

For the broader category of 'bus and coach drivers' the November 2021 projection was that over the next 5 years there would be an 8.3 per cent increase in the number of jobs.

There is national shortage of bus drivers: The NSC produces the annual Skills Priority List which provides a detailed view of occupations in shortage, nationally, and by state and territory, as well as the future demand for occupations in Australia.

²⁴ <https://labourmarketinsights.gov.au/occupation-profile/bus-drivers?occupationCode=731211>

Bus Industry Taskforce

After no shortage in 2021, the [NSC reported](#)²⁵ a shortage of bus drivers in 2022. It reported similar results for truck drivers.

However, neither bus drivers nor truck drivers appear on the list of top skills shortage occupations from [Jobs and Skills Australia](#).²⁶ Looming shortages in bus drivers might be ‘under the radar’ because there are only 33,000 bus drivers across Australia.

5.6.2 Immigration unlikely to be a significant source of new employees

Bus drivers are not a visa skill category: The NSC provides advice to the Australian Government on the skilled migration occupation lists to ensure they are responsive to workforce needs, reflect genuine skills needs and help businesses continue to grow if skilled Australian workers are not available. The Skilled Migration Occupation Lists are maintained by the Department of Home Affairs.

Currently, despite the NSC’s 2022 finding that there is a shortage of bus drivers (above), Bus and Truck Drivers are not an eligible occupation for any skilled migration visas.

The migration system is currently under review. It is possible that the current approach to skilled migration and how occupations are listed might change. Both Transport and industry should continue to monitor for any changes that would assist in the overseas recruitment of bus drivers.

Overseas students: The number of international students studying New South Wales courses totaled 212,117 for the January-February 2023 period. There was a change of 25 per cent compared to the same period last year, a sign of post-Covid change to the rules about entering Australia. The vast [majority of these students](#) are from China, Nepal and India.²⁷

International students are permitted to work up to 24 hours per week during study sessions, and up to 40 hours per week during breaks. If they were to seek work as bus drivers, they would likely need to be employed on a part-time or casual basis. In some regions, industrial arrangements limit the proportions of part time employees able to be employed. Access to preferred shifts may be an issue, given patterns of work for more established employees.

Another significant barrier is likely to be the capacity of international students to meet the requirements for obtaining a bus driver authority (see [5.5.2](#)).

While there is no concrete data on the age of students or how long they stay in Australia, many are under 25 and the length of stay depends on the nature of the course being studied. Only those studying undergraduate courses are likely to stay for more than three years. Even after the recommended changes to the BDA requirements are implemented, it may still be difficult for those under 25 to qualify on the driver licence requirements. For those over 25, the vast majority are from countries whose driver licences are NOT recognised by Austroads, so they would also need to meet the requirements regarding number of years on an Australian driver licence.

Labour market agreements: Members of the Taskforce Secretariat were briefed by the Department of Home Affairs about the [Aged Care Labour Agreement](#)²⁸ which was established earlier this year. It provides a model for what can be achieved where there are shortages in lower skilled occupations.

²⁵ <https://www.nationalskillscommission.gov.au/reports/2022-skills-priority-list-key-findings-report/overview>

²⁶ <https://www.jobsandskills.gov.au/news/labour-market-update>

²⁷ <https://www.education.gov.au/international-education-data-and-research/international-student-numbers-country-state-and-territory>

²⁸ <https://immi.homeaffairs.gov.au/what-we-do/skilled-migration-program/recent-changes/new-aged-care-industry-labour-agreement>

Bus Industry Taskforce

Individual aged care employers can apply to access the agreement to streamline the recruitment of qualified direct care workers from overseas. Employers can use this where appropriately qualified Australians are not available. Employers must enter an MOU with the relevant union(s) and demonstrate their recent and genuine attempts to recruit workers from the domestic workforce pool.

The Department of Home Affairs indicated that a successful application for a labour agreement would likely require tripartite agreement (industry, unions and government), and would need to provide a robust business case, including as to the service impact and economic impact of labour shortages. The Aged Care Labour Agreement took about six months to put in place, and that was after the three unions involved had already worked together to produce a draft MOU.

The example of the Aged Care Labour Agreement suggests considerable resources would be needed to develop both the case and the support for any similar agreement for bus drivers, before it would be endorsed by the Commonwealth Government. It may take some time to put in place. The Taskforce suggests the Government could further consider the prospects of developing the case for a labour agreement, perhaps in collaboration with other states experiencing bus driver shortages.

It is noted that in December 2022, the New Zealand immigration minister [announced](#) a transport sector agreement with a 2-year work to residence pathway for truck and bus drivers. This includes a median wage exemption for bus drivers who are generally lower paid than other transport drivers.²⁹

Recommendation 5: that activities be undertaken to support bus driver recruitment and retention, including that:

5.1: the Government further consider the prospects of developing a tripartite application to the Commonwealth for a bus driver labour agreement, including in collaboration with other states experiencing driver shortages.

5.6.3 Why bus drivers leave employment

As well as taking action to improve recruitment of drivers, it is necessary to consider what has caused the high level of vacancies in the first place. Further work is needed to understand the underlying causes of the retention issues and what measures might best address those.

Bus operators are under no obligation to request or report on the reasons for bus drivers leaving their employment, so it is not possible to provide data or discern trends. However, anecdotal evidence from operators shows that the following are among the reasons cited:

- Career change; wanting to work in a new sector or role.
- Working hours, work life balance (varying work hours, night weekends, broken shifts, availability of flexible work arrangements, family friendly rosters, ability to take annual leave).
- Lack of career progression.

²⁹ <https://www.immigration.govt.nz/about-us/media-centre/news-notifications/transport-sector-agreement-finalised-and-green-list-changes-confirmed>

Bus Industry Taskforce

- Failed medicals; in some cases a failed medical could be addressed by getting a clearance from a specialist, but this can be expensive or time consuming and some drivers 'can't be bothered'.
- Drivers do not want to work specific routes and can no longer deal with school children and the general public.
- During the peak periods of COVID-19, drivers left due to health concerns, particularly elderly drivers who had existing health conditions.
- Genuine retirement.
- Personal relocation.

Unions have provided anecdotal evidence that shows reasons for bus drivers leaving their employment include:

- Poor access to driver facilities and amenities (not available or appropriate, no time or access to use, not clean or serviced).
- Driver pressures (running times, turnaround times, passenger frustrations, conflicting responsibilities in particular regarding the driver role in respect of enforcement of Opal card use and appropriate passenger behaviour).
- Cumulative driver fatigue (driving schedules without rest breaks – up to 5.25 hours).

In relation to COVID-19, it has also been said that some drivers objected to the mandatory vaccination requirement set by some operators (which was not required under public health orders), and some of them might have left the industry as a result. This requirement may also have added to conflict within the workforce as people held conflicting opinions about mandatory vaccination.

The direct impact of COVID-19 is difficult to gauge. Once Australia's vaccination program had been rolled out and people began to interact, infections in the community increased significantly. NSW emerged from its last lockdown in October 2021. As at 31 October 2021 NSW had recorded 75, 258 cases. One year later, more than 3.5 million cases had been recorded in NSW, and during this period there were mandates in place as to how long people were required to stay away from work if they were infected with COVID-19. While this may explain the worst of the cancellations over 2022, it does not fully explain why bus operators are struggling to source drivers now.

The Roundtable assisted in drawing out some of the reasons referenced above and elicited further ideas about how to improve recruitment (see [6.2](#)).

5.6.4 Impact of privatisation on workforce

Some have suggested that privatisation of the four Sydney STA regions could have contributed to drivers leaving the industry. Privatisation caused significant consternation amongst the bus industry workforce. It was opposed by many. Nevertheless, the vast majority of employees accepted offers of employment with the new bus operators, as follows:

- Region Six: Four operational employees did not accept employment and sought redeployment, while more than 1180 accepted
- Region Eight: Four operational employees did not accept employment and sought redeployment; while more than 880 accepted
- Region Seven: 17 operational employees did not accept employment and sought redeployment; while more than 940 accepted

Bus Industry Taskforce

- Region Nine: Approximately 50 operational employees did not accept employment with about 30 seeking redeployment and the remainder resigning or retiring. More than 1100 employees accepted.

However, it is clear (see [5.2](#)) that drivers have left employment shortly after privatisation. This also occurred in Region 6 in 2018. While these kinds of transition risks were no doubt identified and strategies put in place as part of later processes, it is clear there is room for improvement.

Industrial relations arrangements emerging from the franchising process in some regions are unsatisfactory in some respect, with the same work being done under different conditions (see general discussion in [3.12.2](#)). This is likely to be a cause of some dissatisfaction for newly employed drivers who discover that some of their colleagues are benefiting from more generous conditions of employment under a copied State Award.

At a more general level, the variation in conditions across the industry may also be affecting retention.

Further, franchising of the former STA regions to private operators took away the 'government' status of the job, and it may not be perceived as long term and secure career in the way it might have been in the past.

Enterprise bargaining is currently underway in some regions which may address the two-tiered system in those regions. Further consideration of these issues, how their resolution could improve retention rates, and any role for Government in supporting positive outcomes will be a topic for our further reports.

6. Engagement with industry and community

One of the six immediate actions recommended by the Taskforce was to convene an urgent Bus Industry Roundtable to examine and bring forward practical suggestions and solutions for the current bus industry workforce shortages (drivers and maintenance staff), as well as other operational suggestions to improve bus service delivery in Greater Sydney and across NSW.

The Roundtable was held 21 June 2023 at a meeting space provided by Transport in Sydney. Attendees included representatives from bus operators, industry experts, the workforce, local councils and State Government agencies.

The Roundtable had two focus areas:

- addressing the bus driver shortage in NSW by thinking of practical ways to increase recruitment and retention of key personnel
- improving passenger experience by thinking of practical ways to enhance service planning and community engagement.

The output of the session was an agreed list of practical suggestions and options for the Taskforce to consider when developing recommendations to Government to improve the quality, reliability, and effectiveness of bus services across NSW

6.1 Continue the dialogue

The Taskforce notes the success of the Roundtable as an opportunity to bring together people from across the industry, both operators and operational employees and union delegates, with Transport and other state and local government representatives to engage in a meaningful sharing of experiences and ideas.

Participants welcomed the chance to be included in a conversation about the issues being faced by the industry and to contribute to the development of solutions. Some felt it had been a long time since their voices had been listened to.

At the end of the session, the Taskforce Chair expressed an intention to hold similar sessions in the lead up to future reports of the Taskforce. The Taskforce endorses this as an essential method for gathering information and ideas to inform its recommendations, along with the range of other consultative strategies it is deploying. A program of future roundtables will be developed.

Beyond informing itself, the Taskforce believes that a tripartite consultative approach would benefit Transport more broadly (see [3.5](#)).

6.2 Recruitment and retention of drivers

Five broad areas of concern requiring attention emerged from Roundtable discussions with respect to driver shortages.

6.2.1 Facilities

Roundtable observations and suggestions: Not all drivers enjoy access to clean and safe amenities. Drivers require sufficient time to recover and access facilities when on the road, including appropriate layover area to park their bus. Addressing this issue requires a focus both on depots and on-road facilities. Drivers talked of having no option but to take a bucket with them to go to the bathroom as there were no alternative facilities. An amenities audit should be undertaken to prioritise needs.

Bus Industry Taskforce

Taskforce response: It is unacceptable that a bus driver cannot access a clean and well-maintained toilet or meal facility, either because one does not exist, or access is limited, or because the schedule does not give the driver sufficient time to use it. Further exploration is required to identify the specific problems in each geographic area, to prioritise which require immediate improvements, and to identify a source of funding to make those improvements.

5.2: Transport for NSW, operators, the workforce and unions audit the availability and quality of driver facilities at depots and at layovers and other stopping places, and then consider ways to support improvements.

5.3: Transport for NSW consider establishing a Bus Facilities Fund, funded from any contract abatement payments made by bus operators over next three financial years, to be applied to improving/maintaining facilities.

6.2.2 Pay and conditions

Roundtable observations and suggestions: The industry would be more attractive with improved overall conditions. Parity of conditions within individual workplaces would help, as would better alignment with conditions in related industries. However, there may also be a need for incentives for drivers to travel to areas where it is harder to recruit, particularly regions 6, 7, 8 and 9, where the primary concentration of bus vacancies exists. Rostering arrangements also require further attention, particularly consideration of family-friendly rosters and flexibility improvements. Free employee Opal cards for all regions within the Opal network could be a significant attractor.

Taskforce response: Transport employees working for government entities enjoyed free travel and other benefits for many years. While the availability of this benefit is now much restricted, it is still available to, for example, Sydney Trains employees and for a limited period to bus drivers who transitioned from the former STA regions to private bus operators. Expanding the provision of Opal Cards to all bus operational employees would:

- be an attractive proposition for job seekers
- support attraction of drivers to regions where it is difficult to recruit because of distance from driver's residence
- support retention of the existing workforce
- support cohesiveness of bus driving as a career across the whole public transport network
- provide access to station facilities (including toilets).

5.4: Transport for NSW develop and cost a proposal for endorsement by the Minister of the provision of a free Opal card for every employed bus driver and other operational employees on the Opal network.

As to pay and conditions more generally, these are a matter to be dealt with through industrial arrangements. As noted elsewhere, bargaining is currently underway or impending in some regions, and the Taskforce will further consider issues of industrial relations in its future reports.

6.2.3 Training and support for new drivers

Roundtable observations and suggestions: Most bus operators provide in-house training but different operators have different training requirements. Greater consistency, including consideration of industry minimum standards, could provide more assurance that the training is sufficient to ensure safe service delivery. Similarly, there is a need for ongoing coaching and support for new and established drivers. Soliciting driver feedback with respect to service planning and scheduling, including running times and recovery times could help ensure that drivers are supported in delivering timetable services within realistic timeframes with adequate recovery time between trips.

Taskforce response: The Taskforce acknowledges that bus operator accreditation requirements in the PT Act 1990 mean that every bus operator must have its own safety management system in place to ensure the safe delivery of services, taking into account the operational environment in each contract region. This would include making their own arrangements for drivers are appropriately trained and supported to deliver safe bus services.

However, it would be appropriate to consider the adequacy of those arrangements and how they compare, including whether improvements could be made, or whether some standardisation or minimum requirements might help to improve confidence in the robustness of these systems. An audit of current arrangements should be undertaken with a view to considering further recommendations for the Taskforce's final report.

Driver training and management generally will receive ongoing attention from the Taskforce as it forms part of the extended terms of reference received on 1 June 2023.

5.5: That Transport for NSW work with the bus industry to collate and review current bus driver training arrangements and requirements and provide advice to the Taskforce for the final report.

6.2.4 Regulatory framework

Roundtable observations and suggestions: Changes to the Bus Driver Authority (BDA) requirements (including as to age and holding of unrestricted licence for at least 12 months) would ease restrictions on recruitment. It has also been suggested that the 12 month waiver of the application fee already supported by the Government should be extended to provide further relief.

Rules about permitted hours of work in relation to pensions limit the opportunity for retired drivers to help ease current shortages. Immigration avenues should be explored as a source of new drivers.

Taskforce response: The Taskforce notes the Minister's endorsement of its recommended changes to BDA arrangements and urges Transport to expedite their implementation in response to clear industry demand.

Pension requirements and skilled migration are matters regulated by the Commonwealth. The Taskforce's observations regarding immigration are set out at [5.6.2](#). The Taskforce is also aware that previous efforts to raise the need for changes to pension rules have not met with any success.

6.2.5 Industry standing

Roundtable observations and suggestions: The privatisation of all the former STA regions means that bus driving (and other bus operations employment) no longer enjoys the reputation of being a secure government job that delivers public needs as opposed to private interests. There is a need to restore the standing and image of the industry as a provider of public transport services, and to promote recruitment. Efforts to attract new recruits should set realistic expectations about conditions of work (e.g. they should not over-emphasise flexibility because it can be hard to deliver in practice because of the nature of the shift arrangements, and in some areas, restrictions on the proportion of part-time and casual employees). ‘Respect the driver’ campaigns could be revived. The industry should demonstrate its capacity and willingness to work together.

Taskforce response: One of the six immediate actions proposed by the Taskforce and accepted by the Minister was that Transport be encouraged to develop innovative approaches to attract and recruit workers to the transport industry at large, given the known skills shortages across transport. The notion of restoring the standing of the industry as a provider of public transport services to the whole community is consistent with that proposal. The Taskforce expects that the forthcoming bus industry recruitment campaign to be delivered by Transport and supported by bus operators will be both positive and realistic about industry conditions in its messaging.

More broadly the Taskforce expects that its proposals and recommendations for proper funding of and organisational focus on bus service delivery will improve the standing of the industry over time.

6.3 Service planning proposals

There were four broad areas of discussion under this heading.

6.3.1 Emergency Bussing

Roundtable observations and suggestions: For planned disruptions requiring scheduled replacement bus services, the ability to plan ahead ensures better quality of communications and key messages delivered to passengers and operators on the day of operations. Customer apps are leveraged to provide notice of trackwork or upcoming planned disruptions so that passengers can make alternative plans.

By contrast, unplanned disruptions such as incidents on the heavy/light rail or ferry network requiring emergency bussing do not currently deliver the same quality outcomes for passengers. Drivers providing emergency bussing services may be from other regions and unfamiliar with road networks and routes. While driver aids and technology could alleviate this (and the Taskforce understands one of the Sydney bus operators is using driver aids under their service contract already), the required onboard systems are not uniformly rolled out to all fleet used to fulfil emergency bussing services. Charter vehicles do not have the regular on-board bus systems available to enable real-time bus tracking, nor ability for customers to pay via Opal.

Participants made recommendations for missing gaps in technology and on-board infrastructure to be funded and delivered after consultation with industry to develop an implementation plan.

Technology and systems could improve the current poor communication with passengers about emergency bus services. This could be coordinated via the Transport Management Centre so that bus marshals and station staff on train platforms assisting with directing passengers to alternative replacement bus locations can deliver key, concise information.

Bus Industry Taskforce

Bus stop locations for replacement buses are often confusing, particularly for passengers who usually catch a train rather than a bus.

Taskforce response: This feedback will be particularly relevant to considering how replacement buses can support increased planned trackwork for Sydney Trains, as well as planned Sydenham and Bankstown rail closures while the new Metro system is constructed. Rail replacement issues are further discussed in [Section 7](#).

In the short term, internal communication processes within Transport business units during day of operations should be assessed to determine whether key messaging can be streamlined. The Taskforce acknowledges the difficulties caused by incomplete availability of systems to support the emergency bussing effort, and notes that this may be aligned with a broader issue of under-investment in onboard bus systems which is also addressed in [6.3.4](#).

Recommendation 6: That Transport for NSW undertake the following activities to enhance bus service delivery:

6.1: investigate ways to better use technology and training so that staff in the Transport Management Centre, marshals and station staff can better coordinate public transport service disruptions.

6.2: That Transport for NSW consult with industry to develop an implementation plan regarding onboard driver aids for emergency bussing, including examining technology already in use.

6.3.2 Simplification of the bus network

Roundtable observations and suggestions: The concept of an ‘all day frequent network’ should be developed and expanded. Recent successful services include the B-Line in the Northern Beaches, and route 333 servicing Circular Quay and Bondi Junction. Pre-existing bus priority and T-way infrastructure in the west, northwest and southwest of Sydney presents an opportunity. The principle of such networks is to simplify the service offering by eliminating reliance on a timetable, with passengers able to assume buses will arrive at stops at regular periodic intervals (eg every 10 minutes).

The current network should be assessed to identify routes suited to being converted to an ‘all day frequent network’. In the medium term, a whole of network review was recommended, including collaboration with the wider public, including schools and local community groups.

If this were rolled out, it should be accompanied by a simple network map of arterial bus corridors and routes that also points out connections with other modes. The B-Line service has demonstrated success in relation to promotion, customer engagement and brand recognition of the livery and bus-stop infrastructure. A similar distinctive branding and marketing strategy should be considered as part of the rollout of any future bus network.

The span of hours should be more consistent across a simplified network, and day and night services should be more available. Currently, bus services, particularly outside of the inner west and CBD areas do not have wide service coverage during the night.

Concerns were expressed about the broken shift structures, whereby a driver has a non-meal break during their workday between signing on/off, for which they are not paid. Implementation

Bus Industry Taskforce

of regular, interval-based services could assist with reducing broken shifts because it could replace some routes currently structured around on peak/off-peak timings.

Taskforce response: Service planning, including equity of services across the community, is explored in [Section 3](#), and recommendations are made to re-direct funding to these needs. The Taskforce supports the proposal for work to be done in the short to medium term to identify low hanging fruit outside of the inner west and eastern Sydney which could be converted to a simple, all day frequent service. This work should in turn inform and complement Transport's ongoing focus on developing a strategy for bus network corridors to support movement of people in the context of upcoming developments such as the new Western Sydney Airport.

The Parliamentary Secretary is conducting Bus Passenger Forums across the state to hear what the community wants from their bus services. Feedback from these Forums will greatly assist with development of a roadmap for services recommended to be prioritised as an 'all day frequent network'.

6.3: That Transport for NSW work with the Taskforce to develop a roadmap identifying prioritisation of suitable corridors for conversion to an all-day frequent network for our October report.

6.3.3 Wayfinding at bus stops

Roundtable observations and suggestions: The quality of passenger information at bus stops needs to improve. The roll out of the new standardised product for wayfinding and information at bus stops should be completed, and there should be consideration of new technology to provide real-time information about services.

The design and delivery of bus stop infrastructure should be standardised. The discussion covered ideas for how upgrades to bus stop infrastructure could be achieved. For example, through State grants to local government, or innovations by local councils to self-fund through mechanisms like parking levies or bundled advertising contracts.

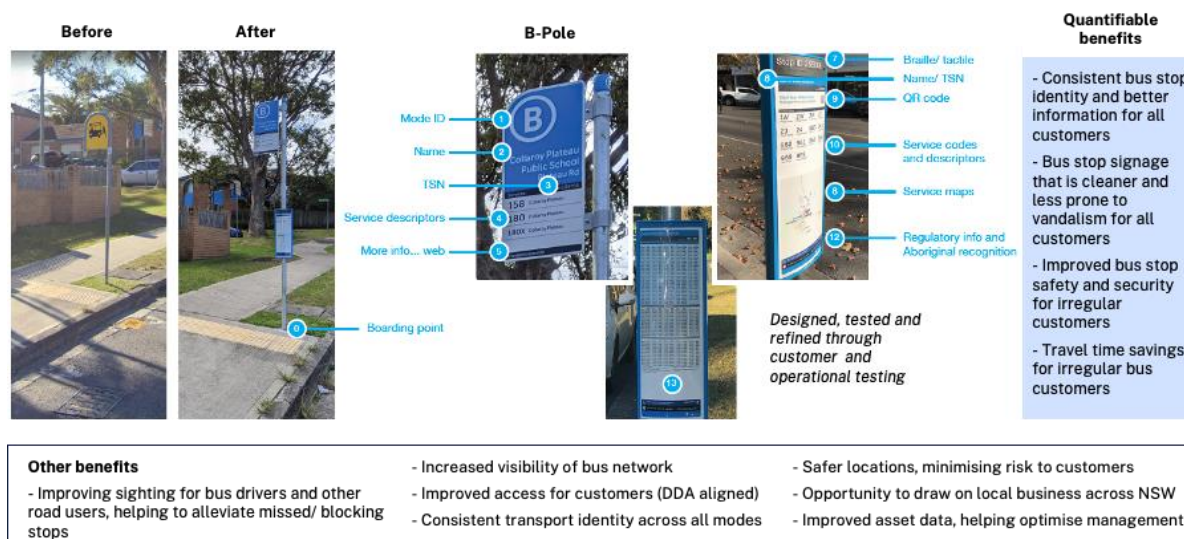
Bus stop operations could be improved through better governance and coordination between Transport, bus operators and local councils. This includes ideas such as increasing bus operator participation and advocacy on traffic committees and better enforcement of compliance with Transport's [Road User Space Allocation Policy](#).

Taskforce response: Another pain point in the delivery of quality bus services to customers is the lack of a unified bus stop experience across NSW. Again the contrast with other modes is stark.

Depending on where passengers opt to catch a bus in NSW, bus stop infrastructure and wayfinding signage is often outdated and not fit for the weather conditions e.g. lack of shelter.

Transport has developed a B-Pole wayfinding product which aims to provide consistency in wayfinding infrastructure for a better bus customer experience. While Transport has approval to install 45,600 B-Poles in Greater Sydney and Regional NSW, it has only been rolled out to a fraction of the network.

Figure 9: B-Pole product and benefits



The funding is only sufficient to install B-Poles at approximately 16,000 bus stops by end July 2024. Beyond this date there are no committed funds, so the remaining 29,600 B-Poles will not be delivered. Further, since the program started the estimated number of active bus stops in NSW has increased to 59,256.

Transport estimates it would need \$79.5m over five years to complete the original program. This estimate does not include funding for ongoing maintenance.

Completing the B-Pole program would deliver a consistent and improved experience for bus passengers. For example, the product has a braille information panel for people who are blind or have low vision, which will make public transport services more compliant with *Disability Standards for Accessible Public Transport 2002* and the *Disability Discrimination Act 1992*.

6.4: That Transport for NSW adequately fund the B-pole program and explore approaches for rolling out remaining infrastructure.

The Taskforce notes the key role of councils in the funding and maintenance of bus stops. We will consider this matter further in later reports (see [3.6](#)).

6.3.4 Technology and onboard systems

Roundtable observations and suggestions: Underinvestment in bus operational technology is negatively affecting service delivery and passenger experience.

Onboard technology has not kept up with the needs of modern service contracts which include KPIs (such as headway) which the current system is unable to track and measure. The onboard technology includes end of life systems such as 3G which has poor network coverage and is susceptible to black spots. This causes gaps in the real-time data feed which negatively affects performance management and passenger information.

The Opal smartcard ticketing system provides a different experience for people using Adult Opal fares and benefits, and people eligible for free or discounted travel. Concession Opal card fares are not integrated with contactless payments, so these passengers have fewer payment options. Further, some concession card users (such as school students) are less likely to tap on/off. Opal data used by Transport to plan services contains less rich information about

Bus Industry Taskforce

concession card users than other passengers. Enhancements to onboard technology (such as contactless payments for all fare types supported by passenger counters) would improve the experience for passengers and improve the quality of data available for planning and delivering services.

Taskforce response: Provision of quality, real-time information to passengers is more crucial than ever, with increasing use of smartphones and trip planning apps by the travelling public. Passenger expectations are higher with increasing demand for real-time or near real-time information on bus service availability, delays and capacity availability on buses.

While Transport has attempted to address the increasing demand for accurate operational data in the new generation contracts, the current onboard technology infrastructure is underperforming.

The [Public Transport Information and Priority System](#) (PTIPS) is the real-time bus tracking and information system used by Transport. Actual running data is captured to provide performance information to Transport to manage the bus contracts, such as on-time running, incomplete services or cancellations. It also provides the data for real time information for customers via mobile apps like Google Maps or TripView.

PTIPS has become a critical operational system for bus operators across metro and outer metro regions to manage their services. Previously bus operators relied on two-way radios and did not have a complete picture of their operations in real time. The operator is responsible for feeding data and information obtained from day-to-day service into the platform.

PTIPS has had minimal investment since it was last upgraded in 2015. As a result, the technology has become end-of-life, operating in a degraded capacity. For example, it is unable to manage headways and service disruptions, which undermines accurate passenger information.

This is exacerbated by the current driver shortage. Until recently, the process for cancelling services in the PTIPS system has been manual and time consuming. As a result, passengers sometimes see 'ghost buses' in trip planning apps. These are services which have been cancelled due to the lack of available drivers, but PTIPS reports as still running. Passengers experience this as a bus service their travel app says is available but never arrives.

Figure 10: Representation of bus 438X as a 'ghost bus'



The Taskforce understands that a business case is being developed for a system to replace hardware and software on the Opal-enabled bus fleet which integrates bus and back-office systems to provide real-time tracking, prediction, monitoring and reporting of bus operations. The system would also provide enhanced on-board information for passengers and drivers, passenger counts, vehicle monitoring and contract management data. Finally, it would also

Bus Industry Taskforce

support priority management at traffic signals like PTIPS currently provides. The Taskforce recommends that this business case should be urgently finalised.

6.5: That Transport for NSW urgently finalise the current business case for a new technology system to improve passenger and operational information and the efficiency and reliability of bus services. It should also ensure that any tactical upgrades are completed to PTIPS to ensure service continuity while funding for a replacement is sought.

6.3.5 Technology and data roadmap

To keep the current system fit for purpose until a new solution is found will require immediate tactical initiatives and ongoing funding to address critical issues.

In addition to developing a replacement to PTIPS, Transport should develop a technology and data roadmap which documents improvements needed for the whole bus service value chain, and the dedicated resources, governance and operating model needed to develop, deliver, operate and maintain service improvements. This includes consideration of Transport's future approach to onboard Passenger Information Displays, following recent trials of onboard service information on 160x services running in Chatswood and Dee Why.

This should also include Initiatives and resources to enable Transport to adopt the data governance and management practices required by the [Transport Data Strategy 2022-2025](#) so that service planning and operations can access and use insights from mobility data to improve service delivery for bus passengers.

6.6: That Transport for NSW develop a technology and data roadmap to support the planning and implementation of continuous improvements to the bus technology ecosystem to keep pace with business change and passenger demands.

6.4 Report on early community engagement

The Taskforce is engaging directly with affected stakeholders through community meetings and accepting submissions on passenger, driver and operator experience.

The Taskforce Terms of Reference state that a Passenger Reference Group will be established to ensure it hears directly from local communities. The Bus Passenger Forums have been established across NSW to hear from communities what they want to get from their bus services. The forums will provide a much-needed opportunity for the public to have their say, including members of the public and representatives from community groups, local businesses and non-government organisations.

Parliamentary Secretary for Transport, Dr Marjorie O'Neill, is hosting the forums. The first event took place in the Northern Beaches on 24 June 2023. Over 50 people attended the forum to have their say. Attendees provided feedback around frequency or route of their local bus services, bus stop infrastructure, how they get customer information about whether their bus is going to show up.

The next Bus Passenger Forum will be held in Newcastle in late July with more planned across the State. Dates and locations for these are currently being finalised.

Bus Industry Taskforce

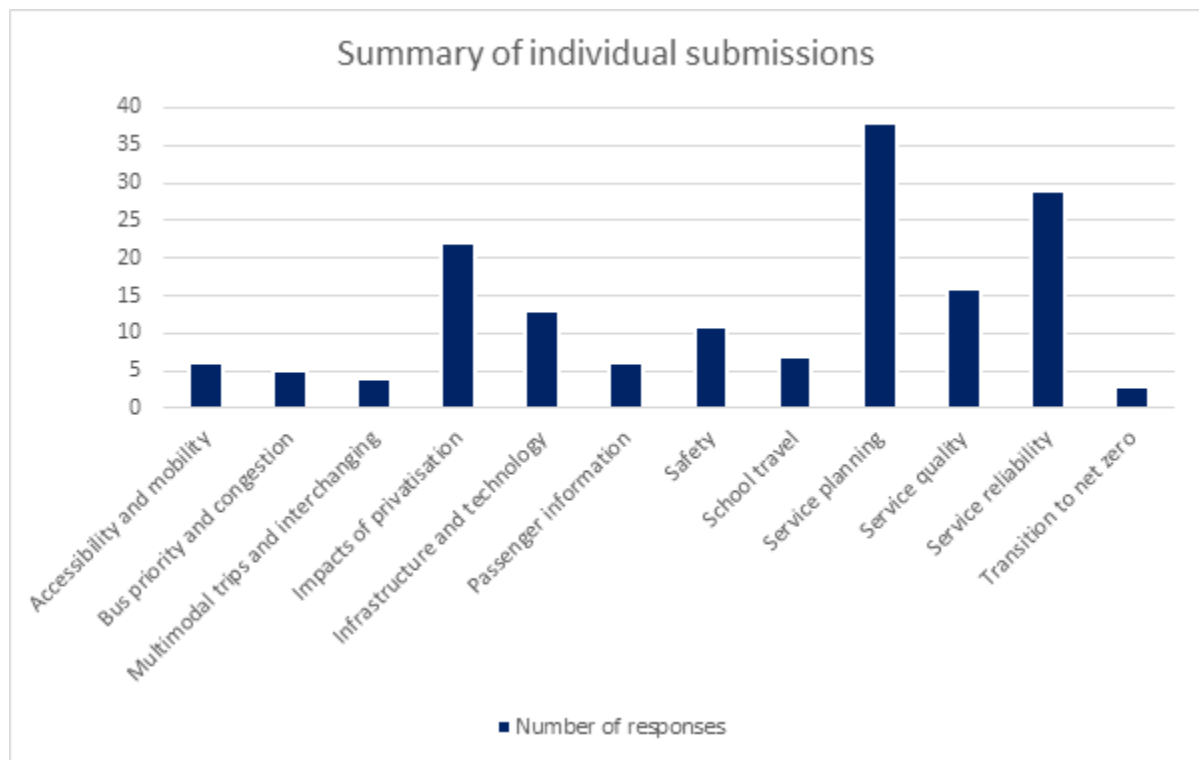
The Taskforce will use community feedback in its advice to the Minister on how to make bus services better across NSW. A summary report of all submissions received will be prepared so that people can see how their feedback was used.

6.4.1 Summary of submissions received to date

A [Have Your Say page and online submission form](#) has been created to enable anyone to make a submission to the Taskforce. As of 2 July 2023, the Taskforce has received 70 individual submissions online and by email.

A summary of the issues is provided in the chart below.

Figure 11: summary of issues raised in submissions to 2 July 2023



The number of responses refers to the number of times an issue was raised. Some submissions raised multiple issues. The issues with the three highest number of responses are:

- Service planning (this includes concerns about changes to routes, service frequency and comments about travel options)
- Service reliability (this includes concerns about cancelled services)
- Impacts of privatisation (this includes concerns about service delivery and conditions of employment).

Most of the public submissions relate to bus services in the Eastern Harbour City in Greater Sydney, and the Hunter region. This is explained in part due to the fact the first Bus Passenger Forums were advertised in the Northern Beaches and Newcastle. Further engagement with communities in Western Sydney and outer metropolitan and regional areas of NSW will be carried out as part of the series of Bus Passenger Forums to encourage feedback from a diverse range of community members.

7. Rail replacement, emergency busing and special events

7.1 The replacement bus experience

Many major public transport infrastructure improvement projects have been or are being delivered in Sydney in recent years, including Sydney Metro, the CBD and South East Light Rail, and the More Trains, More Services program.

Coupled with ageing heavy rail infrastructure that requires extensive maintenance, this means that passengers are using replacement buses more than ever before, with a 43 per cent increase in financial year 21/22 compared to the previous year. Across financial year 21-23, nearly 7000 buses have been deployed to respond to various operational incidents throughout the transport network. This need is anticipated to further increase in the short term, following the recommendations from the Sydney Trains Review Initial Report (see [7.2](#)).

Most passengers on the rail network only use trains and are not familiar with switching to other modes, especially in disruption or emergency situations (See also [6.3.1](#)). The passenger experience in these situations can vary significantly. At times, replacement buses are old, uncomfortable and don't always turn up when they should.

There are a range of barriers to delivering a reliable replacement bussing service. The current critical bus driver shortage is the most significant impact on the ability to deliver replacement bus operations that meet the frequency and comfort levels expected by passengers.

To add to the challenge, bus replacement activities are currently planned, delivered and managed by multiple teams across Transport, resulting in an inconsistent approach to replacement bus planning and delivery. Replacement bus services can be provided via rail replacement contracts managed by Sydney Trains, emergency bus contracts, airport bussing contracts, or via the regular bus service contracts known as the GSBSC and OMBSC which are overseen by various teams within Transport.

There is no consistency of fleet being used to deliver replacement services with onboard telematics and Opal infrastructure not uniformly available across all vehicles used to deliver replacement bussing.

The Passenger Transport (Opal and Other Fares) Order 2016 stipulates that fares are charged on replacement buses as per the services they replace. As well as fare collection, Opal equipment allows buses to be tracked for real time customer information, passenger counts and on-time performance reports.

However, due to bus fleet and driver shortages, Opal equipped buses are not always available for rail replacement services. It is estimated that 30 per cent of the buses being used for replacement bussing activities have Opal technology. It is estimated that only 1.5 per cent of Sydney Trains' rail replacement bus passengers are paying fares through Opal.

7.2 Planned rail maintenance

The [Sydney Trains Review Initial Report](#)³⁰ recommended that Sydney Trains prepare a detailed accelerated maintenance program ('maintenance blitz') to reduce the maintenance backlog to acceptable levels within 12 months.

³⁰ <https://www.transport.nsw.gov.au/industry/independent-reviews/rail-infrastructure-and-systems-review-interim-report>

Bus Industry Taskforce

Sydney Trains has mapped out a large-scale maintenance program taking place every weekend for approximately the next year, designed to carry out several years' worth of normal maintenance works in that time.

The maintenance program began on 3 June 2023. It will result in significant service disruptions. Work will be prioritised during existing trackwork windows on weekends, weeknights or during school holidays when fewer people are catching trains.

7.3 Special events

Transport regularly assists with getting passengers to special events such as the Sydney Royal Easter Show, sporting matches, festivals and concerts throughout the year.

There has been a sizeable return of large concert crowds at Sydney Olympic Park since the start of the pandemic. When large concerts are held at Sydney Olympic Park, more than 230 buses are typically required.

Under the new generation bus service contracts, bus operators are required to service Sydney Olympic Park Major Events within their operating regions. This ensures contracted fleet vehicles are used to deliver special event services, enabling real-time tracking of buses and use of Opal systems to capture patronage data.

However, with a limited pool of drivers currently available, there are challenges with ensuring that special event buses are delivered to required levels, while balancing driver shifts to ensure weekday route operations are not adversely impacted. Some operators have been unable to cover portions of the required shifts for special events due to this issue.

As a result, the Sydney Olympic Park Major Event buses have experienced overcapacity over the two weekends in February and March outlined above. Public communications urged passengers to plan for alternative transport options to Sydney Olympic Park due to bus unavailability. Where possible, private bus and coach companies were chartered to assist with operating services, which had presented accessibility issues for some passengers.

7.4 Focused attention on replacement bussing

As outlined above, in Sydney and across NSW, buses are often called upon to support disruptions to other services and special events. The demand for these services has grown in recent years, mainly due to the increase in rail incidents. The investment in these services is considerable. Sydney Trains has budgeted over \$50 million for rail replacement bussing next year. An additional nine weekend possessions will be added to accommodate the Rail Repair Plan. Other work will be undertaken within existing planned possessions.

To add further complexity, the operator of Sydney Light Rail, Transdev, organises its own planned possession bus replacement.

The Taskforce has found that the planning, contract management and co-ordination of these activities is currently dispersed across Transport. This has led to less-than-optimal demand planning; internal competition for similar/same resources; scattered and competing contract management and contract terms, and in some cases underwhelming industry engagement. Transport waited until very close to the contract expiry dates to re-engage with longstanding contract holders to renew Sydney Trains contracts for rail replacement bus services. This is not the way to treat stakeholders, especially during times of scarcity.

There is also evidence that suggests that the lack of co-ordination in this area has contributed to contract price escalation and a shift away from planned bus replacement to emergency bus

Bus Industry Taskforce

replacement. This inevitably results in more cost to the taxpayer and poorer passenger outcomes.

The Taskforce notes that the rail replacement contracts have been in place for more than a decade and have not been significantly reviewed. Further, advice to the Taskforce suggest that using the GSBC and OMBSC contracts to fulfil replacement services requirements has only patchy success at best.

The good news is that the numerous groups involved in these functions across Transport have a strong desire and willingness to re-organise to achieve greater co-ordination, purpose, and better outcomes for passengers.

Recommendation 7: That Transport for NSW reconsider the way it manages replacement and emergency busing, in particular:

7.1: within the next 6 months, establish a team that has the accountability, authority, and capability to deliver contingent buses for major events and planned replacement services, unplanned incidents, in close coordination with contract management for scheduled services. Contract arrangements should be reviewed and changed if necessary.

7.5 Sydenham to Bankstown

In April 2023, the NSW Government announced a Sydney Metro Review. The Independent Mrdak Review will be undertaken with a view to determining how to deliver a fully integrated, safe, accessible, and reliable public transport system, not just a Sydney Metro. In regard to the Sydney Metro City & South West project, the independent review will take account of the current status of delivery, and assess:

- the adequacy of the operational readiness arrangements (across Sydney Metro, Transport for NSW and Sydney/NSW Trains) for the commencement of services from Chatswood to Sydenham;
- the current and potential alternative plans for the completion of the project between Sydenham and Bankstown, including potential impacts on existing customers and implications for Sydney Trains arising from the temporary closures of the line; and
- the effectiveness of plans in place to maximise positive customer and service opportunities across the broader transport network upon commencement of Sydney Metro services from Chatswood to Sydenham and on to Bankstown.

At the time of writing this report the NSW Government is considering the Independent Review's interim findings. Subject to the Government's response to that report, the construction of the City South West Metro from Sydenham to Bankstown would require an alternative transport plan for existing rail commuters for the duration of the closure.

In discussions with Transport, the Taskforce chair has asked that all options, including the ability to continue rail shuttle services between Bankstown and Lidcombe during construction, be explored. Initial investigations suggest that the rail shuttle between Bankstown and Lidcombe is potentially achievable and that this will reduce demand for buses and drivers, while producing an equal if not better passenger outcome.

Bus Industry Taskforce

Further improvements relating to wayfinding, driver amenity, passenger boarding and customer information systems need to be explored.

7.2: in collaboration with industry representatives, undertake deep data analysis and modelling of alternative transport options for the Metro City and Southwest Bankstown line closure to provide the most efficient and effective passenger and bus servicing outcomes. This should include consideration of the best way to engage suppliers and attract bus drivers.

8. Areas of future focus

8.1 Safety

The expanded terms of reference given to the Taskforce following the tragic fatal bus crash in the Hunter Valley on the June long weekend are focused on issues relating to seatbelts and other safety features, and on the effectiveness of the allocation of responsibilities for and implementation of safety management systems.

Other agencies, including NSW Police and the Office of the Transport Safety Investigator are investigating the particulars of the crash itself. The Taskforce's remit is to consider structural adjustments that could be made to the general requirements and settings for safe bus operations.

The Taskforce has been requested to provide its initial views on seatbelts by the end of July 2023.

Safety concerns arising out of these additional terms of reference will be a focus of the Taskforce's future work and reporting.

8.2 Asset management

With the ongoing development and changes to bus fleet technologies, associated infrastructure and depots, there is a requirement to review Transport's current bus asset management policy and plans (including for Zero Emission Buses (ZEB)) to ensure they are fit for purpose and consistent across the various operating environments. Transport needs to ensure that its bus-related assets are managed appropriately to ensure safe and reliable operation for the duration of their life cycle.

Areas to be considered further by the Taskforce include:

- Bus fleet asset management plans
- Depot asset management plans
- Fleet replacement strategies, including impacts to fleet age profile
- Fleet maintenance procedures
- Zero emission fleet strategy (ZEB)
- Zero emission depot strategy (cost implications and need for standardisation)
- Auditing and monitoring of fleet performance and reliability
- Suitability of the current BOAS (Bus Operator Accreditation Scheme) for asset management auditing.

8.3 Approach to future bus procurement

Currently the process for procuring the majority of new fleet for Transport contracted bus services is via the Transport Bus Supply Panel.

The commonly referred to 'Bus Panel' is a Transport approved list of vehicles in various body/chassis configurations that have undergone a formal Transport tender process and specification review to enable contracted operators to select vehicles for their contracted area of operation.

Bus Industry Taskforce

Concerns have been raised by both operators and suppliers regarding the current Bus Panel and fleet replacement approval process placing undue pressure on the industry due to the inability to forecast manufacturing requirements. It has also been reported that there has been inconsistent messaging regarding local vs imported preference for approved fleet replacement. Traditionally in Australia most buses are made up of an imported European chassis fitted with a locally manufactured body. In addition, it should be noted that a major European bus chassis supplier for over 45 years (Mercedes Benz) earlier this year, made the business decision to withdraw from the Australian market.

With the proposed transition to ZEBs in NSW, there is a requirement to review current bus procurement strategies in both the areas of local production/assembly capability vs imported product and future fleet financing options.

8.4 Industrial relations

The Taskforce notes the concerns from the workforce and union representatives regarding current industrial arrangements and employment conditions in some regions, as well as across the industry. Enterprise bargaining currently underway in some regions may address some of these matters, including the two-tiered system. Further consideration of these issues, how their resolution could improve retention rates, and any role for Government in supporting positive outcomes will be a topic for the October report.

8.5 Rural and regional

The Taskforce acknowledges that this First Report has been very focused on Greater Sydney, largely because of the significant concerns raised about service cancellations and other disruptions in the metropolitan area.

The current and possible future state of rural and regional bus contracting has received attention at [3.13](#), including initial recommendations. We will expand our attention to further cover rural and regional issues in the coming months, including through passenger forums to be held in regional areas, and engaging directly with rural and regional bus operators and their workforces.

8.6 Local government role in improving customer facilities

Local government councils have responsibility for many aspects of roads and road related places. This includes the location and installation of bus stops on local roads. How Transport works with councils to help them fulfill their role in improving these customer facilities will be explored in a future report.

Appendix: Terms of Reference and Expanded Terms of Reference

Appendix: Data underlying figures 7, 8 and 11

Data for Figure 7: Cancellations Across Greater Sydney (April 2021 – April 2023)

Month	Percentage of trips cancelled across Greater Sydney Regions
April 2021	0.06%
May 2021	0.14%
June 2021	0.09%
July 2021	0.09%
August 2021	0.25%
September 2021	0.24%
October 2021	0.10%
November 2021	0.16%
December 2021	0.61%
January 2022	1.82%
February 2022	1.06%
March 2022	1.54%
April 2022	1.78%
May 2022	1.62%
June 2022	1.88%
July 2022	2.94%
August 2022	3.14%
September 2022	2.50%
October 2022	2.63%
November 2022	2.92%
December 2022	1.61%
January 2023	0.98%
February 2023	1.92%
March 2023	1.82%
April 2023	1.21%

Data for Figure 8: Operational issues triggering penalties under bus contracts

KPI Item	Percentage of total penalties issued across Greater Sydney contract regions
Cancelled and Incomplete Trips	53%
On Time Running	31%
Other	16%

Data for Figure 11: summary of issues raised in submissions to 2 July 2023

Bus Industry
Taskforce

