NSW Bus Industry
Taskforce

Second Report

October 2023

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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 Bus Industry Taskforce is committed to honouring Aboriginal peoples' cultural and spiritual connections to the lands, waters and seas and their rich contribution to society.

The Hon Jo Haylen
Minister for Transport

Re: Bus Industry Taskforce – Second Report

Dear Minister,

On behalf of all the members of the Bus Industry Taskforce, I am pleased to submit to you the October 2023 Report.

Our work has focused on the available information regarding passenger expectations, gleaned from consultations at Bus Passenger Forums, written submissions and from data provided by Transport for NSW.

Key insights were also obtained through the second bus industry roundtable and from the generous contributions of bus industry participants, community representatives and Transport staff at site visits, meetings and in submissions.

We find the following:

1. An urgent need to fund essential minimum local or school services in the short term to repair the neglect in funding of these key services across the State.

2. A critical need for a state-wide medium term bus plan, with relevant focus on the needs and growth of different regions, that sets out network service improvement priorities for the next 10 years, supported by adequate funding.

3. Funding for bus service and infrastructure improvements during this 10-year horizon are a fraction of the expected expenditure on heavy rail and Metro, while having the potential to make immediate impact with similar patronage increases as rail and clear benefit to the community.

4. The successful roll-out of zero emission buses (ZEBs) aligned with the Government's local content policy requires focused attention from Transport to provide certainty to local industry, ensure that infrastructure is in place to support the new vehicles, and spread the benefits more equitably.

5. Bus focused asset management is sorely lacking within Transport (and some operators) and requires serious attention to ensure optimum whole of asset life outcomes.

6. Bus operators require better support to achieve good safety outcomes under the Bus Operator Accreditation Scheme and we propose Transport for NSW become a better and more proactive regulator.

This Report covers current progress towards improved contracting for bus services in rural and regional NSW and the current state of play in relation to enterprise bargaining and other workforce issues.

It also proposes improvements to interactions with local government, with whom Transport shares responsibilities for various aspects of roads and bus related infrastructure.

Yours sincerely,

John Lee

Chair

Bus Industry Taskforce

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Definitions

Term	Definition
ASAR	Annual Self-Assessment Report
ATAC	Accessible Transport Advisory Committee
BEB	Battery Electric Bus
BPP	Bus Procurement Panel
BNW	Busways North West
CNG	Compressed Natural Gas
CPI	Consumer Price Index
DSAPT	Disability Standards for Accessible Public Transport
EA	Enterprise Agreement
FWC	Fair Work Commission
GSBC	Greater Sydney Bus Contract
HFCB	Hydrogen Fuel Cell Bus
IBR	Independent Bargaining Representatives
LEP	Local environment plan
LGA	Local government area
LGNSW	Local Government New South Wales
LTC	Local Traffic Committee
OEM	Original Equipment Manufacturer
RTBU	Rail, Tram and Bus Union
RRBSC	Rural and Regional Bus Service Contract
SER	Safety Environment and Regulation Division, Transport for NSW

Term	Definition
STA	State Transit Authority
SSTS	School Student Transport Scheme
Transport	Transport for NSW
TWU	Transport Workers Union
WPI	Wage Price Index
WPI/TPW	Wage Price Index, Transport postal and warehousing
WSRB	Western Sydney Rapid Bus
ZEB	Zero Emissions Bus

1. Executive summary

1.1 Background

This is the second major report of the Bus Industry Taskforce. It follows our 31 May recommendations for immediate action, our First Report of 10 July, and our initial safety report of 31 July.

Section 1.1 of our First Report describes the Taskforce and its purpose, and the expansion of its terms of reference after the fatal bus crash in the Hunter Valley on 11 June 2023. The full Terms of Reference are set out in the Appendix to our First Report.

This report includes further work on issues identified as needing consideration in our earlier Reports (Rural and Regional Contracting, Service Planning and Safety), while also addressing new matters (Fleet and Depots, including the challenges of moving to Zero Emissions, and Asset Management more broadly).

1.1.1 Change to membership of Taskforce

On 10 October 2023, Joanna Quilty advised the Chair that she would be resigning from her role as CEO of NCOSS. From 21 October 2023, Acting CEO of NCOSS, Ben McAlpine, replaced Ms Quilty as a member of the Bus Industry Taskforce.

1.2 Key findings

The NSW bus system as presently configured is at risk of failing to deliver on the needs of a growing and expanding population in a financially and energy challenged environment. The current system is struggling to keep pace with population changes. Feedback from passengers and the broader community suggests there is considerable room for improvement, with many areas and communities inadequately serviced at present.

At a more strategic level, there is an urgent need to refocus on the challenges of ongoing growth and equitable distribution of financially and environmentally sustainable bus services, built on a solid foundation of best practice asset management and safety assurance.

In this Report, the Taskforce has focused broadly on:

- The need for a modern and fit for purpose approach to Rural and Regional Bus Service Contracts (RRBSC) (Chapter 3)

- The need for service planning that takes account of passenger needs and feedback (Chapter 4) to improve equity and service outcomes for a growing and changing population by proposing a new Medium Term Bus Plan to repair the neglect of no new funding in recent years and then enhance the bus network in Sydney in particular, but also across the State (Chapter 5), including consideration of the role of local government in supporting a positive passenger experience (Chapter 6)

- The vexed question of planning for, managing and assuring the essential infrastructure in the absence of which no services can be delivered – fleet and depots – of which

ownership is dispersed between the government and industry, and which is made more challenging by the move toward Zero Emission Buses (Chapter 7)

- Improvements to the Bus Operator Accreditation Scheme (BOAS) to deliver more meaningful focus on ensuring safe practices in the delivery of bus services (Chapter 8)

- Enterprise bargaining and other workforce issues (Chapter 9).

The Taskforce envisages a State serviced by meaningful, accessible and equitably distributed bus services that get people to where they want to go as quickly and reliably as possible, and informing and supporting them when disruptions or changes happen. We propose two phases: to 'Repair the Neglect' in the short term, then implement major bus service improvements through the Medium Term Bus Plan for the State.

In Greater Sydney and Outer Metropolitan areas, this will be achieved through our 40:80:1000 vision – a long term future of 40 rapid bus corridors, with 80 frequent all day services supported by 1000 improvements to local feeder services. In other areas of the State, a fresh approach to bus contracting will support improved rural and regional services, along with increased funding for improved services, including the full roll-out of the 16 Cities program.

The improved network services plan will be underpinned by new arrangements to strengthen asset management to ensure optimum use of sustainable fleet and depots. The State will move towards a net zero emissions bus fleet in a practical and meaningful way that shares the benefits of these services in a more geographically equitable manner.

Providing services for a growing population requires increased spending – more services equals more buses, more drivers, more depots, as well as improved infrastructure and information. Over time, the Government will need to consider the allocation of capital and operational expenditure to the Transport budget and how far it is prepared to go to support the needs of its community. In the meantime, there is an opportunity for Transport to reprioritise its existing budget.

Buses represent high bang for the public dollar. The forty-year vision for a Sydney-wide network of rapid bus services is estimated to cost $10 billion. That is less than a quarter of the cost of one metro and would meet the transport needs of significantly more people across the entire metropolis. On the maths alone this is a no brainer.

For passengers to be confident in using bus services, they must be assured that the service is safe. The current Bus Operator Accreditation Scheme is falling short of providing this assurance and is in need of an urgent overhaul to focus both operators and regulators on the practical requirements of ensuring the delivery of safe services.

The Bus Industry Taskforce makes recommendations in relation to five areas of major focus.

1.2.1   Rural and Regional Bus Service Contract revitalisation

Transport is responding the Taskforce's recommendations in the First Report about the need to refresh the approach to contracting for bus services for regional communities. The current contracts have been extended to allow for greater industry engagement, as well as data gathering for benchmarking purposes, to inform the next generation of RRBSCs.

Modern fit for purpose contracts in the regions will reflect passenger priorities, promote partnership between Transport and operators, align to strategic priorities, allocate risk appropriately, provide clear roles and responsibilities for each party, make best use of technology and data, and drive continuous improvement through the life of the contracts.

1.2.2   Service planning – Medium Term Bus Plan

A rich mine of information is already available about what passengers and the public at large think about buses. Unfortunately, customer research shows that many believe the bus network is complex, confusing, unreliable, indirect, and infrequent. Travel experiences across the network can vary dramatically with respect to timeliness, convenience, information and comfort, leading to its relatively poor attractiveness as a transport option.

But buses, far more than trains, have the potential to answer the needs of passengers in a more direct and flexible fashion, requiring considerably less investment on a per person or per kilometre basis.

In Sydney there was no funding for bus services to meet population growth in 2021/22 or 2022/23 while the population in NSW is expected to increase on average by an additional 85,000 people each year.[1] Further, in 2023/24, the additional funding provided represents only a 0.6 per cent increase. There is an urgent need to fund essential minimum local or school services in the short term to repair the neglect in funding of these key services.

The Taskforce worked with Transport to identify pressing initiatives targeted to the priority areas (ie supporting population growth and the need to provide new connections to underserved areas) as part of the staged approach to the 40:80:1000 vision. Shortlisted initiatives included 10 rapid, 27 frequent, and a range of local service needs as priorities for investment over the short (0-4 years) and medium term (5-10 years).

Strategic cost estimates prepared by Transport for the medium term program of 10 high-quality rapid routes, 27 frequent routes, and improvements to local services to catch up to population growth, would require approximately $645 million of recurrent funding and approximately $3.03 billion of total capital costs (on an undiscounted basis) for bus priority infrastructure,[2] new ZEB fleet, and new ZEB depots.

The Taskforce recommends that funding be provided in the short-term to develop and deliver the initial improvements of the medium term plan which includes 3 rapid routes, 8 frequent routes, and upgrades to some 125 local services in Sydney, as outlined in Chapter 5. The costs for these upgrades will vary depending on which routes are prioritised to proceed next and how they are staged over time. However, over a three-year period, we recommend $194 million of recurrent operational funding (ie $65 million pa or 3.8 per cent per annum increase) and

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[1] https://www.planning.nsw.gov.au/research-and-demography/population-projections

[2] Strategic capital costs excludes, any costs for property acquisitions to enable road upgrades and bus priority, costs for property/construction of new roads, cost for commuter car parks, costs for detail program development. WSRB Routes are subject to separate Business Case processes which would provide more detailed assessment of designs and costs. These are strategic cost analysis only and do not consider existing funding or gaps.

approximately $909 million in capital funding for bus priority infrastructure,[3] new ZEB fleet, and new ZEB depots.

Table 1 Costing for the initial improvements of the Medium Term Bus Plan[4]

Type		Services (bus routes)	Strategic capital costs	Strategic annual operating costs
Local		125	$98m	$69m
Frequent		8	$117m	$54m
Rapid		3	$694m	$71m
	Total	133	$909m	$194m

It is proposed the Medium Term Bus Plan for NSW include a new regional service improvement program that provides annual funding to adjust, improve and grow public transport services across Regional and Outer Metropolitan areas. This program would build on the 16 Cities program and include a greater range of improvements across more locations and enable bus route, on-demand and coach service improvements to be delivered.

Immediate service improvements for Outer Metropolitan Sydney require approximately $20 million in recurrent operational funding. Completing the remaining five cities of the 16 Cities program involving upfront costs of approximately $14 million over 24 months and ongoing operational costs of $9.1 million per annum from 2026-27.

Improved school services and infrastructure will be achieved through focused and purposive collaboration with education authorities, local planning authorities and bus industry representatives.

Improved services need appropriate supporting infrastructure, and Transport needs to review existing frameworks such as the Road User Space Allocation Policy to ensure it is being appropriately applied to give priority to more efficient modes such as buses.

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[3] Strategic capital costs provided on an undiscounted basis excluding, any costs for property acquisitions to enable road upgrades and bus priority, costs for property/construction of new roads, cost for commuter car parks, costs for detail program development.
[4] Strategic capital costs excludes, any costs for property acquisitions to enable road upgrades and bus priority, costs for property/construction of new roads, cost for commuter car parks, costs for detail program development.

1.2.3 Improving management of bus fleet and depots

Asset management in relation to buses is underdeveloped at Transport.

The contracting out of service delivery to private operators produces a variety of arrangements for asset ownership and management. While the government still owns depots and fleet in the former State Transit Authority Regions (6, 7, 8, 9 and Newcastle), the situation in everywhere else is mixed. Most depots are owned by the operator or leased by the operator from the property owner (who may be a former operator).

The fleet is also mixed, with Transport owning some buses, which are leased to operators, Transport has access to other buses through contract arrangements and still others Transport has no control over at all, which are largely a legacy of the pre-Unsworth era.

In any case, Transport is not responsible for day-to-day maintenance and operation of the assets, so it does not know what condition they are in. Under the services contracts, each operator is accountable for the assets they use to fulfill the contract, whether they own them or not. Transport, not being 'on the ground', is not in a good position to hold the operator accountable. From the operator's point of view, their responsibility for an asset they do not own is not whole of life, but for the life of the contract.

In contrast to rail, where all assets are Government owned and operated, Transport does not have the full picture of bus related assets. It relies on others for information about their condition and maintenance, but there are no structured mechanisms for obtaining this data, nor any assurance mechanisms to validate it. The lack of data exacerbates the difficulty of making a case to government for additional resources that would properly sustain, let alone grow, the assets.

Transport must urgently develop a serious Asset and Services Plan for buses, rather than relying on summary ASPs, based on information provided by the operators, which are not subject to any oversight.

This is the context in which Transport is attempting to complete a transition to ZEBs in Greater Sydney by 2035, in Outer Metropolitan areas by 2040, and in Regional NSW by 2047. Under this policy, should the current approach be continued, the state will in the future own the whole fleet. A ZEB may be electric or hydrogen, but in the short to medium term they are likely to be battery electric and existing depots will have to be converted or new depots built to accommodate electric charging infrastructure and the other demands of a non-diesel fleet. The current Government is committed to a net zero future and has in addition adopted a local content policy for all rolling stock (including buses).

The Taskforce proposes a range of improvements.

Transport must become an informed purchaser of bus assets to become an informed manager of bus contracts, which will help to sustain the viability, efficiency and sustainability of both bus operators and the industry that supplies vehicles and related products to the bus industry.

Transport should, together with operators, develop a pipeline of bus orders that smooths out the peaks and troughs of demand for buses and streamlines the specifications of vehicles being procured.

Transport needs to reconsider its current approach to rolling out ZEBs. A more practical policy approach should consider how to best take advantage of ongoing innovations in battery and hydrogen technology and the scale of the challenge of installing charging infrastructure and refurbishing depots or building new depots to cater for the new fleet.

The ZEB roll out program needs adjustment to spread the expected benefits of ZEBs more equitably across the community, rather than taking the easy path of converting state owned depots first, which disproportionately benefits the inner rings of Sydney.

The Government should engage with other States and Territories (particularly on the eastern seaboard) to develop a consistent approach to bus fleet procurement and local content requirements to support local manufacturing and supply chains.

Transport needs to consider a new approach to depot ownership and investment that supports achievement of the best return on investment in recharging and other ZEB related infrastructure.

1.2.4   Bus operator safety

The 'set and forget' mentality that currently characterises bus asset management is also evident in the practical implementation of the Bus Operator Accreditation Scheme (BOAS).

As outlined in our first safety report, bus operator accreditation is intended to evaluate the suitability, character, fitness, and competency of individuals or responsible persons within an organisation who seek to operate public passenger transport services. Through the combination of accreditation and regulatory measures, the NSW government seeks to establish a framework that not only incorporates passenger safety but also drives quality, reliability, and safety in the provision of public passenger services.

In practice, obtaining and maintaining BOAS accreditation is a process without rigorous content or clear purpose. It is driven by form filling, both in the annual self-assessment process and the three yearly independent audits, with little or no checking or assurance conducted. The regulatory function seems to be either under-resourced or not sufficiently focused on the need to prioritise assurance.

While medium to large bus operators generally take their risk management seriously, keep themselves informed of best practice, and comply with international standards, the Taskforce was concerned to find that smaller operators are provided with little information or support to understand the nature of the risks inherent in their operations or how to address them in a meaningful way.

A revamp is required to make the BOAS requirements and processes more meaningful. The Safety Management System guidelines are in urgent need of review and replacement with a contemporary risk-based approach to continuous improvement of safety outcomes. A tiered approach to safety management that takes account of the different capacity and capability, as well as the risk profile, of different sized business is recommended. This would assist operators in understanding what they need to do and how to do it, while also guiding the regulator in how to prioritise its oversight activities.

1.2.5   Workforce issues

Enterprise bargaining and the management of industrial issues are properly the responsibility of the employer, that is the bus operators, and their workforce, and the workforce representatives. As the primary contractor, Transport could be more open to discussions with the parties where contractual clarification could assist in dealing with matters before they escalate.

As bus service contracts are the primary source of revenue for operators, we recognise the direct link between the contractual terms setting out the price escalator for labour related costs and wages. We recommend that the measure used as a price escalator be reviewed.

1.3   Recommendations

Recommendation 1: That Transport for NSW and industry continue to identify options for improving Rural and Regional contracting arrangements and advise the Taskforce of improvements that can be made for consideration in the Final Report. An appropriately resourced, skilled and knowledgeable project team should be established to continue this important work.

Recommendation 2: That Transport for NSW update the Customer Value Proposition for buses to better understand changes in travel behaviour and demand, and to support more effective decision making by the department. This should include publishing customer measures for bus operators to ensure accountability.

Recommendation 3: That Transport for NSW implement marketing and branding measures to address the poor public perception of buses.

Recommendation 4: That Transport for NSW work with the Accessible Transport Advisory Committee to:

4.1 Develop mitigation measures or changes to the wayfinding system to make it easier for people with low vision or intellectual disabilities to navigate the bus network. This should include consideration of using pictograms in conjunction with the letter-based mode identifier at bus stops and interchanges.

4.2 Define actions in Transport's Disability Inclusion Action Plan for supporting information and infrastructure for bus services, including in the buses themselves, at bus stops (including shelters), timetables, travel training and identify a funding pathway to implement them.

4.3 Develop training standards for bus drivers on interacting with people with disability or with reduced mobility as part of Recommendation 5 from the Taskforce's First Report.

Recommendation 5: That funding be provided in the short term for the following high priority service improvements to repair the neglect in funding over the past decade:

5.1 $194 million of recurrent operational funding and $909 million in capital funding (bus priority, fleet and depots) over three years for services in Sydney

5.2 $60 million of recurrent operational funding over three years for services in Regional and Outer Metropolitan areas

5.3 completing the remaining five cities of the 16 cities program ($14 million over two years for project costs and recurrent operational funding of $9.1 million from 2026/27).

Recommendation 6: That Transport for NSW develop a State-wide Medium Term Bus Plan and Program Business Case, outlining the medium term priorities and pipeline for investment for bus services and infrastructure. The preliminary shortlisted service upgrades over 10 years are estimated to cost $645 million per annum and approximately $3.03 billion of total capital costs (on an undiscounted basis) for bus priority, new ZEB fleet, and new ZEB depots.

Recommendation 7: That Transport for NSW develop guidelines for school bus travel to support the refinement of school bus networks over the medium term. This should be done in consultation with education authorities, planning authority representatives, and bus industry representatives, including operators and workforce representatives.

Recommendation 8: That Transport for NSW review its Road User Space Allocation policy to determine how effectively it has been implemented to date. The review should consider how to strengthen the implementation of the policy to better realise its stated outcomes.

Recommendation 9: That Transport for NSW review bus-related infrastructure programs to ensure funding is adequate to meet current needs and to allow for development activities (ie planning, design, business cases, etc) for investment decisions to deliver the Medium Term Bus Plan. This should also involve ensuring that programs are appropriately indexed in line with rising costs.

Recommendation 10: That Transport for NSW consider how to elevate the needs of bus passengers in all infrastructure programs, from strategy through planning and delivery. This

would include providing stronger direction for realising bus improvement outcomes and using best practice methodologies for bus infrastructure planning and development.

Recommendation 11: That Transport for NSW adopt a greater emphasis on Vision and Validate planning approach for new development proposals, which includes planning and funding for the provision of bus services and infrastructure. This should include higher public transport mode share considerations which support the fast tracking of the Government's intent to improve housing supply.

Recommendation 12: That the identified 40 rapid bus routes for Sydney be included on Infrastructure Schedules for the State Government's Housing and Productivity Contribution to receive capital funding for bus corridors.

Recommendation 13: That Transport for NSW amend the delegation to councils and supporting guidelines to:

13.1 delegate lower-level risk and responsibility to local government

13.2 clarify Transport's role and define escalation principles, and

13.3 require Local Traffic Committee membership to include a more diverse range of experience and skills regarding public transport planning, walking and cycling, road safety policy, and urban design.

Recommendation 14: That Transport for NSW provide more resources and training to Local Traffic Committee members to ensure a high level of skills and awareness, particularly in public transport planning, walking and cycling, road safety policy, and urban design.

Recommendation 15: That Transport for NSW works with councils and the Department of Planning and Environment to:

15.1 Identify funding options to upgrade local roads to support more bus services and related infrastructure

15.2 Amend guidance for Development Contributions and Voluntary Planning Agreements to strengthen the ability of local government to use these mechanisms for public transport infrastructure on local roads. If necessary, the regulatory framework should be amended to enable this.

Recommendation 16: That Transport for NSW establish an energy management function and develop a depot energy infrastructure pre-qualification scheme as part of the transition to Zero Emission Buses.

Recommendation 17: That Transport for NSW reconsider the distribution of the 1200 Tranche 1 and 500 BAU Zero Emission Buses to provide more equitable distribution of this technology to Western Sydney. Any proposed redistribution should not cause material delay or undermine the benefits of the Tranche 1 Business Case and include consultation with industry to ensure a more consistent delivery profile and a reduction of average fleet age to within contract limits.

Recommendation 18: That Transport for NSW develop a 10-year bus fleet replacement plan to be shared with industry. This could inform a national bus procurement pipeline to be jointly developed with other jurisdictions. The plan should be informed by a review of:

18.1 The optimum operational life of buses taking account of new technologies and infrastructure requirements

18.2 Bus specifications, with a view to national harmonisation, and to reducing the number of bus combination/types available on the bus panel

18.3 Definitions, criteria and measurement systems relating to local content policy in relation to buses, with a view to harmonising definitions across jurisdictions.

Recommendation 19: That Transport for NSW immediately commence the development of a Long-Term Depot Strategy for Sydney to inform itself of the required locations and access needed to optimise service delivery and costs in line with the Service Plan requirements articulated in Chapter 5. This should involve engagement with industry and explore commercial opportunities, including above depot development at strategic sites.

Recommendation 20: That Transport for NSW immediately establish a dedicated Bus Asset Management team, accountable for bus related assets (fleet, depot and other operational infrastructure) and their management over the entire asset life cycle.

Recommendation 21: That Transport for NSW implement avenues for commercial safeguards relevant to the various stages of the bus procurement and asset lifecycle. Further, warranty provisions for buses should be made available to relevant operators and updated regularly.

Recommendation 22: That Transport for NSW formulate a fleet asset assurance program involving routine audits and inspections of the contracted bus fleet and supporting infrastructure. This should include a review of operators' asset maintenance practices to ensure they are fit for purpose to an asset's projected life.

Recommendation 23: That Transport for NSW develop and adopt new risk-based Safety Management System Guidelines that are better aligned with workplace health and safety laws and other standards for managing risk, including by adopting a multi-level approach that takes into account the size and complexity of different bus operators, with the opportunity for more appropriate arrangements for smaller operators.

Recommendation 24: That Transport for NSW develop and adopt new approaches to self-reporting and auditing including the following:

24.1 replacement of the annual self-assessment report with a system that supports ongoing reporting of changes and incidents and the gathering of relevant data (for example through an on-line portal)

24.2 a program of compliance auditing that takes account of performance and risk tier of the operator and includes proactive auditing by the regulator.

Recommendation 25: That Transport for NSW develop and adopt a more proactive and risk focused approach in its regulatory and compliance activities to support the new Safety Management System guidelines and new approaches to self-reporting and auditing and other aspects of BOAS, based on the following:

25.1 That Transport undertake a program of risk assessment of currently accredited operators

25.2 That Transport use the outcomes of the risk assessment process to establish appropriate tiers of risk and allocate currently accredited operators to those tiers

25.3 That Transport develop standards, policies and procedures that accommodate this risk based approach

25.4 That Transport undertake proactive monitoring and compliance activities as appropriate for each risk tier

25.5 That Transport establish a program of continuous improvement, through ongoing review and other activities to ensure BOAS requirements, including the SMS Guidelines, remain relevant and adapt to change.

Recommendation 26: That Transport for NSW improve its information and educational assistance to industry, including by updating public facing materials in line with our recommendations, and by providing easier access to them on its website and through other means.

Recommendation 27: That prior to the next re-contracting process in Greater Sydney, Transport for NSW review the use of the Wage Price Index for Transport, Postal and Warehousing employment as the index and multiplier for contract payments for labour-related costs, including an examination of how other jurisdictions deal with this issue.

2. Update from early reports

2.1 Recommendations to date

The Taskforce has made the following recommendations to date:

- Six recommendations for 'immediate action': mainly directed at addressing the acute shortage of bus drivers and the need to bolster the relationship between bus operators and Transport (set out in full at page 14 of First Report);

- 23 recommendations falling into seven broad categories, including that Transport:

  o Work more collaboratively with industry and community on improving service delivery

  o Establish a long-term growth funding program to improve bus services to underserved communities around the state

  o Improve Rural and Regional contracting

  o Carry out organisational change to be more focused on delivering services by mode

  o Carry out activities to support bus driver recruitment and retention

  o Carry out specified activities to enhance bus service delivery

  o Reconsider the way it manages replacement and emergency bussing (set out in full at page 15 and following of First Report).

- Five recommendations focused on bus safety, including seatbelts on school buses, how to ensure seatbelts are used where fitted, and how to manage standing passengers (set out in full on page 8 of the First Safety Report).

The NSW Government has accepted all of our recommendations in principle and has requested advice from Transport on how best to implement them. In this Section we review the progress to date as advised by Transport.

2.2 Progress on recommendations to date

Transport's progress to date on implementing the actions and recommendations from the Taskforce Safety Report are summarised below.

Transport has implemented all of the six immediate actions:

- A Roundtable held on 21 June bringing together bus operators, unions, local government representatives and other industry stakeholders. This was followed by a further Roundtable on 5 September focused on industry representatives.

- Driver authority improvements started with the $70 fee waiver in place from 1 August 2023 and other changes that make it quicker and easier for people to get a bus driver authority commenced on 26 October 2023.

- A bus driver recruitment campaign ran from 9 July to 4 September using social media, radio, Google search, digital display and owned channels. The bus driver recruitment campaign increased Bus Driver Authority applications by 9 per cent and landing page views by 2084 per cent.

- Transport has worked with operators to manage timetabling to keep services running.

In terms of the driver shortage, the immediate and necessary reductions in red tape and the driver recruitment advertising campaign have not yielded the desired outcomes, with ongoing high levels of driver vacancies. Transport and operators need to look at additional mechanisms to attract and retain drivers so that the shortage is reduced at a faster rate. This needs urgent action.

The tables below are a summary of progress on the implementation of the recommendations from the First Report and the Safety Report.

Table 2 Implementation of recommendations from the First Taskforce Report

Recommendation	Status	Comments
1. That Transport for NSW work more collaboratively with industry and community on improving service delivery	Green	• Transport are commencing bus operator forums and publishing additional data in November 2023
2. That a long-term growth funding program be established to improve bus services to underserved communities around the state	Green	• Advice has been provided by Transport to inform this report
3. That Transport for NSW undertake activities to improve Rural and Regional contracting	Green	• Advice has been provided by Transport to inform this report, with further advice for the May 2024 report in development • New contracting arrangements will be in place by 2026
4. That Transport for NSW undertake organisational change to become more focused on delivering services by mode	Amber	• Howard Collins commenced as Coordinator General in August 2023 • A division is in place to support the work of the Coordinator General • Transport will finalise any further changes to the division as soon as possible
5. That activities be taken to support bus driver recruitment and retention	Amber	• Transport has commenced work to implement this recommendation, with the announcement of a free opal card for bus drivers and staff on 1 September 2023
6. That Transport for NSW undertake activities to enhance bus service delivery	Amber	• Transport has commenced work to implement this recommendation with funding for PTIPS (ghost buses) secured in the NSW Budget

Recommendation	Status	Comments
7. That Transport for NSW reconsider the way it manages replacement and emergency bussing	Amber	• Transport has commenced work to implement this recommendation with a request for tender issued in August 2023 to be determined by the end of 2023

Table 3 Implementation of recommendations from the Taskforce Safety Report

Recommendation	Status	Comments
1. That the NSW Government and Transport for NSW continue the implementation of the NSW Rural and Regional Seatbelts Program in Outer Metropolitan areas	Green	• As of October 2023, 27 buses remain outstanding or in progress to have seatbelts retrofitted • Transport will complete the retrofitting of seatbelts on the remaining 31 buses by 31 March 2024
2. That a road safety campaign be implemented to promote seatbelt usage on buses, including by school children on school buses	Green	• A multi-year road safety campaign commenced 12 October 2023
3. That Transport for NSW consider how bus operators can be best assisted to understand and comply with their obligation under clause 89 of the Passenger Transport (General) Regulation	Green	• The communications activities will be in place by February 2024
4. That Transport for NSW conduct a thorough examination of the risks associated with standees on buses and explores potential risk mitigation approaches	Green	• The evidence-based options paper will be complete by 30 June 2024
5. That Transport for NSW consider whether the 80km/h rule for dedicated school bus services with standing passengers could be rolled out across all services	Green	• The evidence-based options paper will be complete by 30 June 2024

The Taskforce is pleased to note Howard Collins OBE has been appointed Coordinator General and that there is a division in place to support his work, with further changes to come. While preliminary activities are underway across our earlier recommendations, we hope that more concrete outcomes are able to be achieved by the end of the year.

2.3 Consultation activities to inform this report

The Taskforce has conducted extensive consultation activities to inform both this report and our future reporting. We have met with or heard from a large variety of stakeholders and informants, including bus operators and their staff, suppliers of fleet and related assets, bus passengers and the broader community, and other NSW departments and transport agencies in other jurisdictions. We continue to be supported by generous and informative interactions with Transport staff. Future consultation will continue and industry partners such as bus suppliers, bus drivers and further operators will be invited to provide feedback.

2.3.1 Passengers and community

Chapter 4 provides details of Bus Passenger Forums conducted to date, and the main topics raised at those Forums and through on-line Have Your Say surveys open to the public. There will be a detailed report on the outcomes of these activities in our final report.

2.3.2 Second Bus Industry Taskforce Roundtable

Following the success of the first Bus Industry Roundtable (described in our First Report), the Taskforce held a second session on 5 September 2023, focusing on assets, including bus fleet and depots.

This Roundtable considered how government, operators and industry could work together to produce a sustainable pipeline of modern fit for purpose buses that takes account of government commitments to net zero emissions by 2050 and local content, using optimum procurement models with appropriate sharing and allocation of risk.

Approximately 80 participants from bus operators, manufacturers, local government and state government came together to discuss eight themes:

- Fleet procurement strategy and policy

- Bus procurement panel including bus order and new bus acceptance processes

- Bus funding and service contract provisions for fleet

- Local content for bus supply

- Bus fleet – asset management and maintenance

- Bus fleet – specification and standards

- Bus depot strategy (including charging infrastructure), and leasing/ownership arrangements

- Zero emissions policy and approach.

The insights provided by Roundtable participants have informed the findings of the Taskforce and are referred to and discussed as appropriate in this Report, mostly in Chapter 7.

2.3.3 Bus operator one-on-ones

To date, the Taskforce has held detailed discussions with 11 operators (including small, medium and large in-service route and charter services) across the state. We also approached operators to provide written submissions. We hope to meet with more operators in coming months.

The visits included touring the sites and discussing the following core topics, as well as concerns operators raised independently: BOAS, seat belts, vehicle and driver monitoring devices, standing on buses, fatigue monitoring, training, regulation and implementation, road safety campaigns, fitness to drive, and fleet maintenance.

Insights and feedback from these visits are the main source of the findings in Chapter 8 on safety management and have informed the recommendations contained there. The visits have also informed many aspects of Chapter 7 (in particular, fleet and asset management issues).

2.3.4 BOAS auditors

An invitation was extended to the independent auditors who are certified by Transport (but contracted directly by operators) to provide feedback on the BOAS Audit process.

Of the 22 auditors, 7 were available to talk with us. These represented mostly audits undertaken annually. Other auditors were unavailable (either in the middle of audits or on leave). The insights of the auditors are referred to throughout Chapter 8.

2.3.5 Transport and related agencies across jurisdictions

Members of the Taskforce sought insights from many NSW government departments and agencies, as well as from other jurisdictions, through formal and informal meetings and written submissions. Outside NSW these included:

- National Transport Commission

- National Heavy Vehicle Regulator

- Department of Infrastructure, Transport, Regional Development, Communications and the Arts, Commonwealth

- Department of Transport and Planning, Victoria

- Department of Transport and Main Roads, Queensland

- Department of Transport, Western Australia

- Land Transport Authority, Singapore (the Taskforce Chair met in person with representatives of the LTA).

The Taskforce has also been informed by interactions, including meetings, attendance at conferences and written submissions, from various other stakeholders and interested parties including:
- Bus NSW

- Bus Industry Confederation

- Accessible Transport Advisory Committee

- School representative bodies (including Catholic Schools NSW and Association of Independent Schools)

- A number of bus manufacturers and suppliers

- A number of consulting firms.

3. Rural and Regional Bus Service Contracts

3.1 Recap on arrangements in Rural and Regional NSW

The Taskforce's First Report highlighted the critical role of buses in serving communities across NSW and touched on some of the complexity faced by Transport and bus operators in delivering these services.

Reflecting the diversity of communities across the state, Transport currently has about 657 bus contracts with 464 separate operators throughout Rural and Regional NSW and spends over $500 million each year to keep route and school services running in these areas. These services include day and night networks in the '16 Cities' and route services in towns, as well as hundreds of school services. In total, these services carry around 47 million passengers over a year.

Despite their importance to local communities, bus services in Rural and Regional NSW have not been given the same degree of attention as services in Greater Sydney and Outer Metropolitan areas. Experience in delivering improvements to contracting and service delivery in these other regional areas, and a growing partnership between Transport and rural and regional bus operators, should provide a strong foundation to expand the benefits of bus reform right across the State.

3.1.1 Implementation of Taskforce recommendations

In relation to Rural and Regional services contracts, our First Report recommended that Transport:

- Engage with industry to develop a modern, fit for purpose contract model; and

- Equip itself to be an aware purchaser using a transparent process and better data to ensure value for money.

Transport has advised that the development program for the new generation of contracts has been re-set to align to the Taskforce's reporting dates. Figure 1 shows the development activities leading up to the final Taskforce report in mid-2024, with implementation activities occurring following NSW Government consideration of the Taskforce's final recommendations.

Figure 1 - Timeline of activities leading to the final report
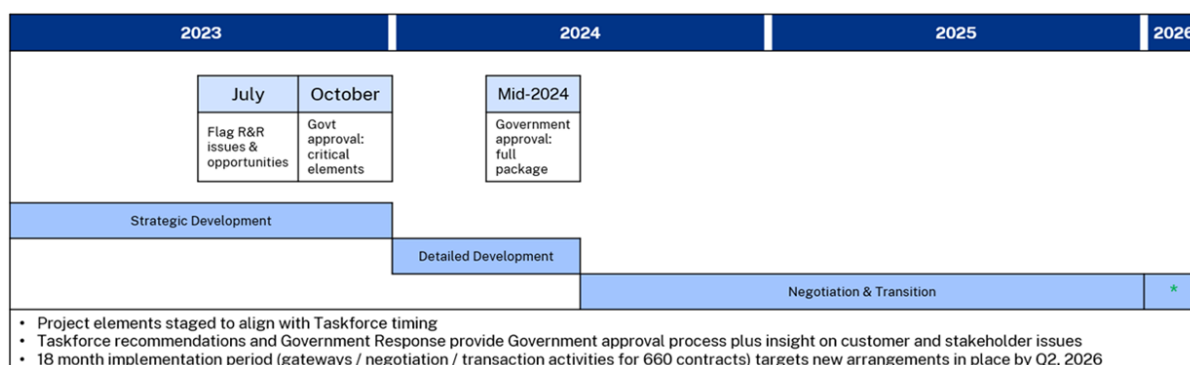
This approach will enable any endorsed recommendations to be built inf to the new contracts. Transport advises it has commenced the implementation of the recommendations of our First Report in several ways:

- Extension of existing contracts: Transport has issued contract variations for up to two years to ensure certainty for industry and continuity of service while the new contracting arrangements are developed and implemented.

- Industry engagement: Transport and BusNSW have commenced discussions on contracting options and are developing a forward program to mid-2024 to share ideas on issues with current contracts and opportunities for improvements. Many of the matters raised in this Chapter will be considered in more detail through these sessions to provide informed advice to the Taskforce.

- Data gathering for benchmarking: Transport has issued data requests to bus operators seeking information to feed into the benchmarking models that will be used to identify appropriate pricing ranges as well as the funding required to ensure viable operations.

The Taskforce will seek updates on the progress with these issues, and key issues to be considered as a result, in its final report.

3.2   Key issues

The Taskforce's First Report provided a framework for Transport and the bus industry to work together to identify key issues and the options available to provide the best solutions. Reflecting the whole-of-life approach promoted by the Taskforce, the key starting questions are:

- What does a modern, fit for purpose contract look like?

- What's needed to properly support these new contracts?

- What's the best way to procure these contracts?

The first question is central to government and industry engagement, given Transport's role in planning, funding and regulation and operators' daily experience in delivering contracted services. The second question is also an area where experiences from both government and industry can help ensure the contract works as planned and the right systems and processes are in place to build a productive partnership. In dealing with the third area, while industry is well-positioned to provide market insight, engagement will rightly be more limited as industry representatives will ultimately be on the 'other side of the table' when this project reaches its procurement phase.

3.2.1   What does a modern, fit for purpose contract look like?

The Taskforce recommended that Transport engage with industry to develop a modern, fit for purpose contract. The key elements of such a contract are:

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It reflects the priorities of passengers

As meeting the transport needs of passengers and communities is the fundamental purpose of these services, the contracts need to be based on an understanding of what's most important to them. Whether a passenger is traveling on a bus operated by a small, medium or large business, the service quality and delivery standards should be consistent. The focus should be on meeting safety, timeliness and comfort standards, which have consistently been highlighted as critical issues to passengers. The Key Performance Indicators should be able to credibly measure performance in these priority areas and have a dual focus of both tracking delivery and improving standards.

It promotes partnership between government and operators

The contract should provide the basis for an engaging commercial relationship where Transport works jointly with the operator to continually improve service delivery. It should leverage the relative strengths of each party – Transport as a major State agency balanced with the on-the-ground insight of the local operator. To do this effectively it needs to provide clear roles and responsibilities, regular opportunities to engage, clear reporting on performance and issues and the right mix of incentives and penalties.

It aligns to strategic priorities

The contracts should reflect and promote the Government's strategic priorities to ensure continuing relevance to the wider community. They should provide ways to ensure social, environmental and regional development initiatives can be delivered across the State. There are a range of ways to achieve this – for example, by targeted arrangements to optimise the investment being made in service improvements across the 16 Cities, or more broadly by ensuring that the Government's priorities in relation to safety, meaningful consultation in service planning and transparency of performance results are embedded into each new contract.

It allocates risk properly and provides clear roles and responsibilities for each party

Allocating risk to the party best placed to manage it is a core principle of contract design but is not always followed through in the cut and thrust of contract negotiations. Developing a new contract model provides an opportunity for Government and operators to look at each key risk area and determine which combination of commercial settings best promotes effective service delivery and a viable industry. Then each party can concentrate on what it does best and invest confidently to meet its responsibilities. Figure 2 is a schematic representation of how risk can be allocated for some of the aspects that should be considered by the respective parties.

Figure 2 - Risk allocation in RRBSCs

		State ← Allocation of risk → Operator
Revenue and Costs	Patronage	O P .... R
	Commercial revenue	O P R
	Fares	O R P
	Scheduled service kilometres	O R P
	Changes in dead running and layover time	P R O
	Escalation	R O P
	Fuel consumption	R O P
	Unit costs	P R O
	Labour productivity	R O P
Operational Risks	Operational interfaces	R O P
	Service planning	P O R
	Meeting performance requirements and service levels	R O P
	Revenue protection (fare enforcement)	P O R
	Safety and security	R O P

Legend
- **R** — Current RRBSC
- **O** — OMBSC
- **P** — Precedent regional bus contracts
- Typical range

Source: Transport for NSW

It makes the best use of technology and data to drive improvements

A contract without ready access to accurate and timely data is not a modern contract. Existing arrangements do not maximise opportunities to identify and address problem areas and proactively introduce improvements. Reliance on self-reporting and annual reporting means that Transport can be unaware of what passengers are experiencing each day. Better use of technology in providing customer information and service updates would make services more relevant and accessible to more passengers.

It reflects reality and promotes continuous improvement over its life

The contracting model will need to provide a common base for consistent standards but also be adaptable to the different markets served, ranging from dedicated school services through to major regional centre networks. Consideration must be given to what should be expected on 'day one' and what the end-of-term should look like, and what progressive change levers could be built into contracts to promote improvement over time.

A key to an effective contract is ensuring the various mechanisms work effectively together to drive the best outcomes and avoid unintended cultures or behaviours. Aspects such as the service planning approach, payment and performance models, reporting, fleet issues and end-of-term arrangements all need to be considered individually but also as a complementary mix. Transport and industry have agreed to work through these issues and provide advice to the Taskforce in the lead up to its Final Report.

3.2.2 What's needed to properly support these new contracts?

The nature of the arrangements required to support the new contracts will depend to an extent on the type of arrangements that are eventually agreed. Nevertheless, given the improvements evident in metropolitan areas with the introduction of updated contracts, it can be expected that Transport can leverage off existing investment and incorporate the next Rural and Regional contracts into the new technology, systems and contract management improvements recommended by the Taskforce.

The NSW Government's acceptance of the recommendation to bring bus management issues under the Coordinator General positions the new contracts to benefit from system-wide improvements. For example, while operational data will be improved with the full implementation of the Transport Connected Buses program, a coordinated approach to data management and analysis across all bus contracts will enable Transport to make the most of this investment in systems. Using existing contract models as a starting point could also enable proven systems to expand to Rural and Regional operations to smooth the transition to new contracts.

Similarly, with contractual changes designed to remove cumbersome processes, Transport staff can be more active contract managers. With structural barriers between teams removed, they will have better access to share skills and experiences with colleagues.

Service planning and community engagement has been a regular feature of feedback in the Taskforce's consultations. The new contracts will require an updated framework for service planning (see Chapter 5), new guidelines which reflect best practice and built-in opportunities for communities to have proper input into service design.

3.2.3 What's the best way to procure these contracts?

The procurement process will be subject to the NSW Government's procurement policies which set out best practice approaches. In addition to these standard requirements, several specific issues also need to be considered:

Contractual first right to negotiate
Most RRBSCs give the incumbent operator a first right to negotiate the next contract, subject to Transport determining it is in the public interest that the service continues. Transport has advised that its starting assumption is that it will design the procurement on the basis that negotiation with incumbents will be the primary means of finalising new contracts. Where existing contracts have been procured through a competitive process, it is understood that any replacement contracts will also be procured in a contestable way.

Independent Commission Against Corruption Direct Negotiation Guidelines
This will be the first time since these guidelines were published in 2018 that a major tranche of RRBSCs will be procured. To manage the risks associated with direct negotiations, Transport will have to build a process based on the core probity principles: fairness; impartiality; accountability; transparency; and value for money.

Industry wide and operator direct negotiations
Most RRBSCs have traditionally been procured through industry-wide negotiations led by BusNSW. This has involved Transport reaching agreement on unit prices which are then applied to specific contracts. While this approach could remain effective in relation to the large number of smaller operators who hold contracts, Transport's recent procurement experiences with Outer Metropolitan contracts has shown there could be benefit in undertaking one-on-one negotiations with a smaller number of larger operators.

Benchmarked costs

Any form of direct negotiation will require Transport to enter the procurement process with a clear view of what constitutes fair and sustainable pricing. Value for money means that negotiations are not a 'race to the bottom' but instead should ensure operators are properly remunerated for their costs and effort and are positioned to remain viable over the whole contract term. This makes it essential for Transport to use a validated benchmarking model, and the right data, to inform itself and provide confidence to Government that the agreed costs are justified.

Social procurement

Any major procurement activity carried out by State agencies is expected to demonstrate that whole-of-government policy priorities are being achieved. These include regional development, small business, aboriginal employment, diversity and inclusion and disability employment. While the regional nature of this procurement provides a natural alignment to many of these areas, social procurement principles have not been previously applied to these contracts. Transport should consider opportunities to embed these elements into the procurement process, and through the life of the contracts, to provide direct ways to improve outcomes in these vitally important areas.

Transport Connected Buses

This project introduces GPS-tracking to the RRBSC fleet, providing clearer information on operations and enabling real-tine customer information. This rich data will provide a solid basis for negotiations and for populating contracts, so opportunities for accelerating its rollout to maximise coverage should be considered by Transport. Further appropriate support for industry to adopt the new technology should be prioritised.

Procurement team

With the volume of contracts to be renegotiated, and the high value of the contracts over their life ($4 billion over a typical 7-8 year contract term), a skilled team with deep knowledge of the rural and regional bus context will be required to successfully implement these new contracts in partnership with the bus industry.

Transport for NSW should ensure that the significant opportunities to improve passenger outcomes, set rural and regional bus services up successfully for the transition to a zero emissions future in a financially prudent way are not lost through inadequate focus and resourcing this important project.

Recommendation 1: That Transport for NSW and industry continue to identify options for improving Rural and Regional contracting arrangements and advise the Taskforce of improvements that can be made for consideration in the Final Report. An appropriately resourced, skilled and knowledgeable project team should be established to continue this important work.

4.   Passenger and community feedback

This Chapter outlines the public perception of buses and what people think about services today based on complaints and enquiries, customer research and submissions to the Taskforce. The key pain points and opportunities identified by passengers and the community informs the development of the service planning recommendations in Chapter 5. Some of the points in this Chapter which address issues on local roads are expanded on in Chapter 6.

The State's bus network is critical to the public transport system. In September 2023 there were over 19 million bus trips on the Opal network (40 per cent of total trips).

Table 4 - Total number of trips by mode on the Opal network in September 2023

Mode	Number of trips
Trains	25,481,465
Buses	19,585,628
Light Rail	3,555,642
Metro	2,017,122
Ferry	1,284,541

Source: Public Transport Trips All Modes[5]

As NSW continues to grow, the bus network will continue to play an important role in connecting people to work, social and leisure opportunities. The bus network must be able to support the state's diverse population and its range of travel needs and purposes.

This Chapter looks at what we know about what passengers and the community think of buses through customer research, surveys, passenger complaints and feedback, and public submissions to the Taskforce.

4.1   What passengers and the community think about buses

Voice of the customer research commissioned by Transport in 2012 identified frequency, travel time, being on time, and convenience of the bus stop as the most important attributes to passengers.

Based on these feedback responses describing what would encourage an increase in bus patronage and customer satisfaction, Transport developed a customer value proposition comprised of four components.

- Time

- Systems and efficiency

- Reassurance

- Comfort.

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

Figure 3 - Comparison of service attributes stated to be most important for passengers versus service attributes stated to most likely encourage increased patronage

Most important attributes to customers

Most likely to encourage an increase in bus patronage
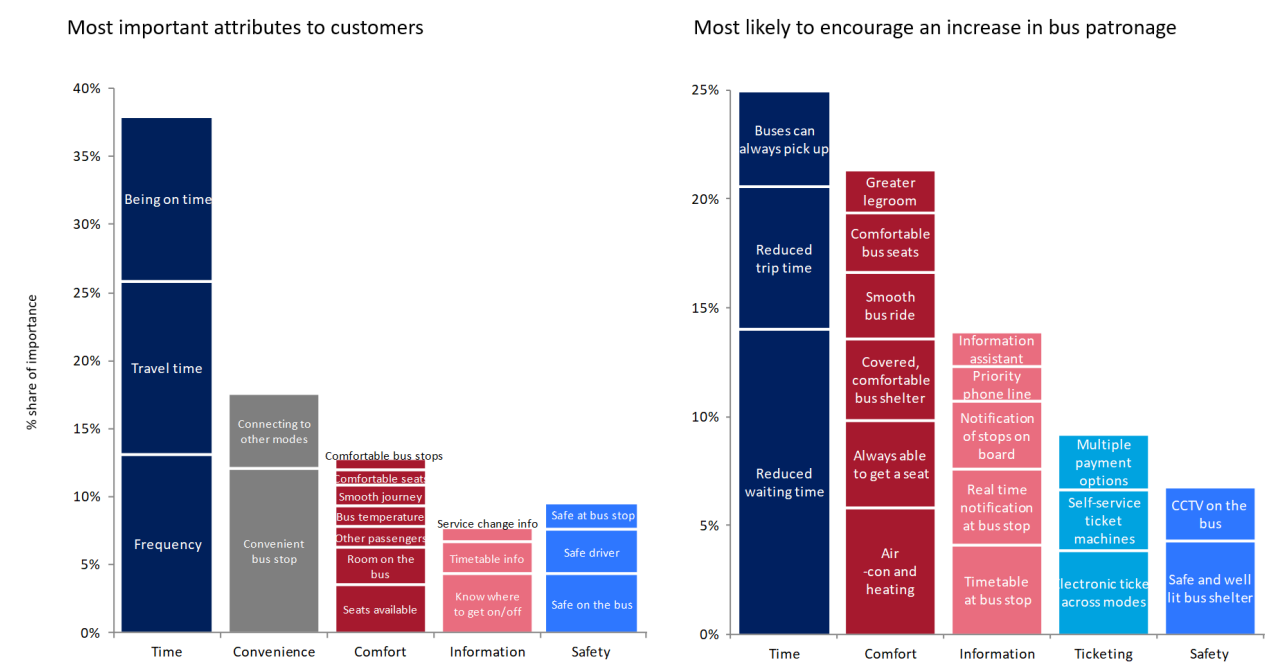
Source: Bus Services research, March 2012 (n=2,960; weighted by age, gender, contract Region and bus usage)

This value proposition is more than a decade old and doesn't reflect current passenger needs. As a result, key strategic documents used by Transport for planning services and mitigating risk have been developed either on a customer value proposition that was created in a time before the radical changes to travel patterns and behaviours because of COVID (let alone technology advances in ticketing, real-time data and zero emissions), or based on disaggregated research from multiple divisions in the organisation. Documents affected include but are not limited to Future Transport,[6] Transport's Strategic Asset and Services Plan,[7] the Bus Modal Asset and Services Plan, and the most recent Greater Sydney and Outer Metropolitan Bus Contracts.[8]

Transport has provided more recent pain points derived from contemporary research carried out by different divisions within the organisation.

[6] https://www.future.transport.nsw.gov.au
[7] https://www.transport.nsw.gov.au/system/files/media/documents/2021/TfNSW-Asset-Management-Framework-v4.0.pdf
[8] https://www.transport.nsw.gov.au/operations/buses-and-coaches/bus-contracts

Table 5 - Pain points for passengers in Greater Sydney and Regional and Outer Metropolitan

Greater Sydney	Regional and Outer Metropolitan
Poor passenger perception of buses	Lack of availability and frequency of services to meet transport needs
Poor community perception of buses	Lack of real time information concerning services
Lack of communication about bus services	A stigma around the use of public transport
Sense of confusion around bus routes and network design	Adequate facilities at stops
Barriers to transferring and interchanging customers	Accessibility of services negatively impacting the most vulnerable
Poor service reliability across the bus network	Feeling personally unsafe while using public transport, particularly late at night

Source: Transport for NSW

While Transport is well informed about these needs and expectations, what is needed now is a contemporary value proposition for bus passengers and a commitment to investment and action to put in place the solutions needed. Additional investment is crucial to address these issues over the medium term.

Addressing these needs will not only improve bus services for existing passengers (see Chapter 5) but can be expected to improve the general community perception and acceptance of buses as a vital component of the transport task, leading to increased patronage.

4.1.1   People won't use a service that doesn't deliver what they want

Passengers expect adequate service levels and a pleasant and effective experience at stops and on board. Customer research shows that customers believe the bus network is complex, confusing, unreliable, indirect, and infrequent. Travel experiences across the network can vary dramatically with respect to timeliness, convenience, information, and comfort, leading to its relatively poor attractiveness as a transport option.

People's travel behaviour backs this up. For example, the bus mode share in Greater Sydney has not increased in the last decade. Results from the Household Travel Survey[9] show mode share for buses has hovered between 4.4 per cent and 4.8 per cent between 2008 and 2020, while for trains, it has grown from 3.9 per cent to 5.7 per cent.

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[9] https://www.transport.nsw.gov.au/data-and-research/data-and-insights/surveys/household-travel-survey-hts

Figure 4 - Bus and rail mode share in Greater Sydney, all purposes

Greater Sydney bus and train mode share 2008 to 2022
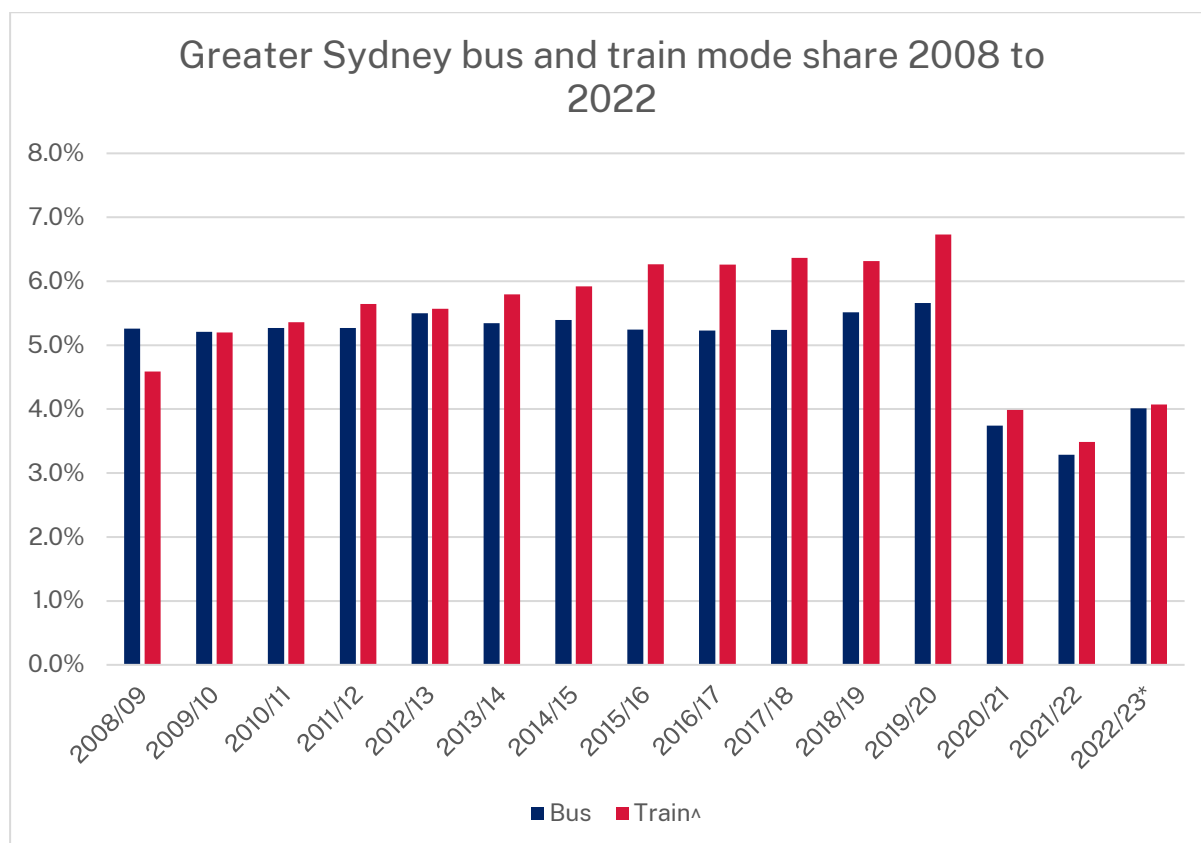
Source: Household Travel Survey

Where there has been investment, such as with the Northern Beaches B-Line, service ridership has increased by 22 per cent, resulting in a 5 per cent mode shift away from private vehicles.[10]

4.1.2 Poor passenger perception of buses

Poor public perception of buses is undermining a potential increase in bus patronage. Customer segmentation research conducted in 2022[11] found that in Greater Sydney buses are more negatively perceived relative to trains, light rail and metro.

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[10] Directions for On-street Transit White Paper, October 2023, Transport for NSW
[11] Project Dynamo, Snapcracker, 2022, building on prior research NSW Transport Segmentation, GfK, 2016

Figure 5 - Public perception of different public transport modes
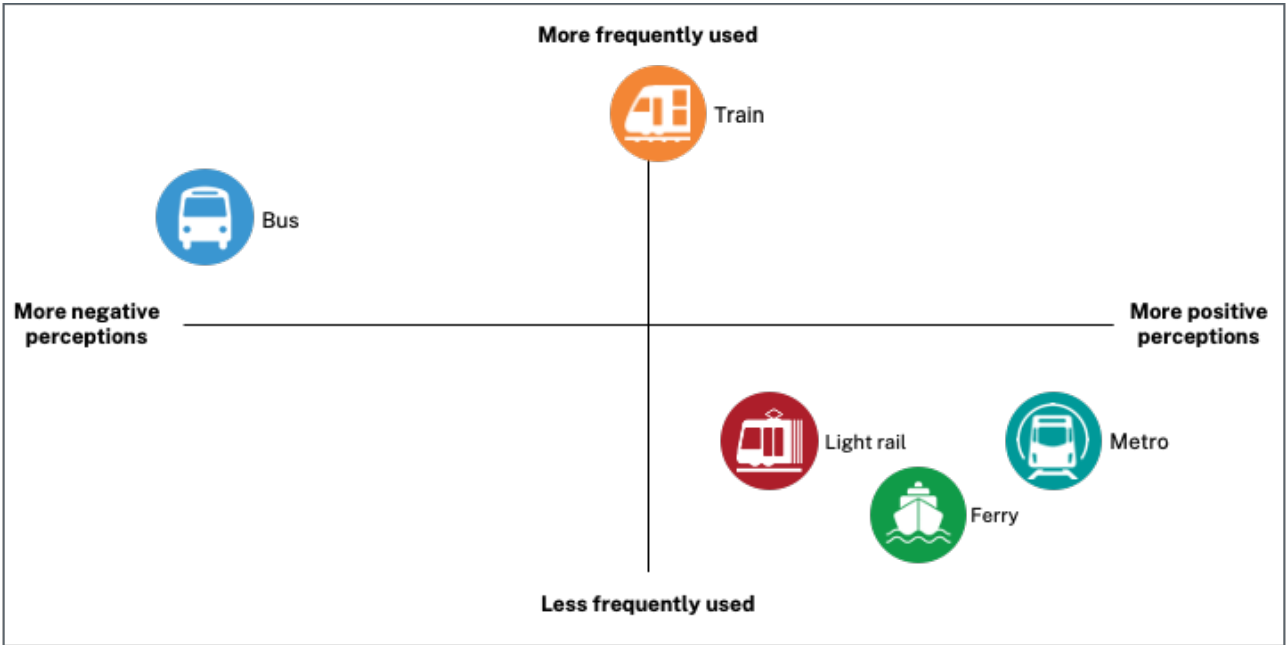
This diagram represents views from focus group participants and is not a representative sample of the population in NSW

Sentiment research conducted by Transport in 2023 also shows that bus also has the lowest sentiment score in Regional and Outer Metropolitan NSW.

Figure 6 - Sentiment score by modes from April to June 2023

- **Bus** has the **lowest sentiment score** across all major modes of public transport from April – Jun 2023.
- **West** sub-region has the **lowest** score (0.48), **South** sub-region has the highest score (0.63).
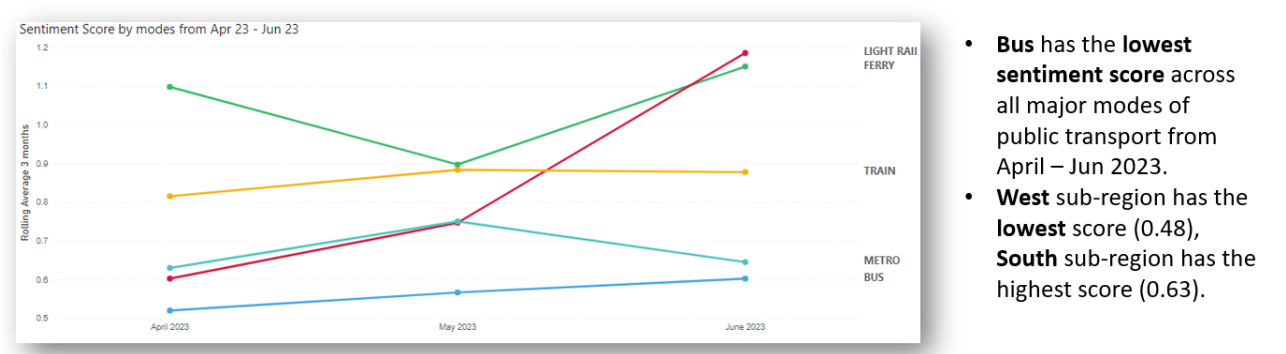
Source: Transport for NSW

Table 6 summarises the perceived weaknesses and strengths of the bus network.

Table 6 - Perceived strengths and weaknesses of the bus network

Perceived strengths	Perceived weaknesses
Having the ability to go where trains cannot ie broad coverage	Slow journeys due to traffic and overly circuitous routes
Some drivers are felt to do an excellent job of assisting passengers (but only in some cases)	System can be complex and confusing
Works as an overlay to the overall transport network and provides a secondary option	Early arrivals compared to timetabled services are highly frustrating
	Widespread belief that timing is essentially random when services are bunched together
	Strong sense that buses are very poorly coordinated with other forms of transport
	Drivers can be rude and unhelpful, or bad and unpredictable
	City bus stops can feel stressful, lacking in order and even dangerous due to overcrowding
	A lack of direct services between destinations
	The bus not running at desired times
	Often unreliable with poor on-time performance
	It lacks easy connections to other modes

Source: Project Dynamo, Snapcracker, 2022

4.1.3 Passenger satisfaction

Contrary to public perception of bus travel, overall customer satisfaction with bus services has been consistently high, and generally greater than customer satisfaction with train services.

Table 7 - Overall customer satisfaction, May 2023[12]

Mode	Nov 2012	May 2019	Nov 2019	Nov 2020	May 2021	May 2022	Nov 2022	May 2023
Overall train network	79%	89%	90%	94%	93%	92%	85%	90%
Overall bus Regions	79%	91%	91%	94%	93%	92%	89%	90%
Overall ferry routes	94%	98%	98%	99%	99%	98%*	98%*	98%
Overall light rail	91%	91%	90%	96%	93%	93%	91%	93%
Overall metro	N/A	95%	96%	99%	98%	98%	97%	99%

*From May 2022 onwards results for Ferry includes both Sydney Ferries and Newcastle (Stockton) Ferry networks.

However, there are some parallels between public perception and recent findings (Recent surveys, May 2023)[13] of Transport's regular customer surveys of satisfaction across all modes of public transport, roads and 'point to point' services. Figure 7 shows the top four best and worst performing satisfaction areas for buses.

Figure 7 - Top four best and worst performing satisfaction areas for buses in May 2023
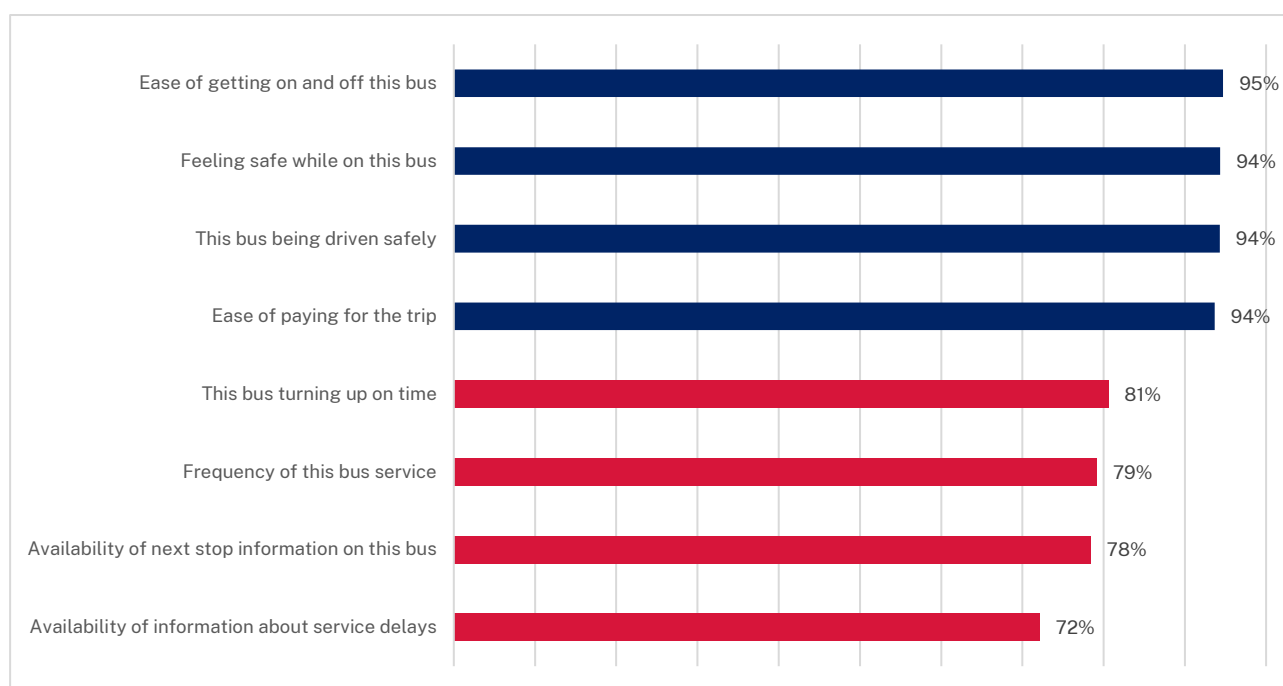
Source: Customer Satisfaction Index May 2023

It is important to address these experiences and perceptions to influence greater bus mode share.

[12] https://www.transport.nsw.gov.au/news-and-events/reports-and-publications/customer-satisfaction-index
[13] https://www.transport.nsw.gov.au/news-and-events/reports-and-publications/customer-satisfaction-index

4.1.4 Complaints and enquiries

Transport monitors and receives complaints and feedback from passengers via several channels. Complaints and enquiries are an important input for Transport when making decisions about new routes and service changes.

Between July 2022 and June 2023, there were 48,554 complaint and feedback cases.[14] In the same period, bus patronage was 207 million, representing a complaint rate of 23.47 per 100,000 trips, while passenger compliments totalled around 1,832.[15]

The most common complaints were related to the categories of timeliness (55 per cent), safety and security (15 per cent), and staff and customer service (14 per cent). Together, these categories made up almost 85 per cent of all complaints and are similar to the top drivers in the Customer Satisfaction Index.

Top issues reported by bus passengers were related to bus cancelled, staff conduct-negative, bus failed to stop, bus late, and unsafe driving.

Figure 8 - NSW bus complaints by Customer Satisfaction Driver

Comfort 3%
Information 2%
Environment 1%
Accessibility & Convenience 4%
Cleanliness 1%
Timetables 5%
Timeliness 55%
Staff & Customer Service 14%
Safety & Security 15%
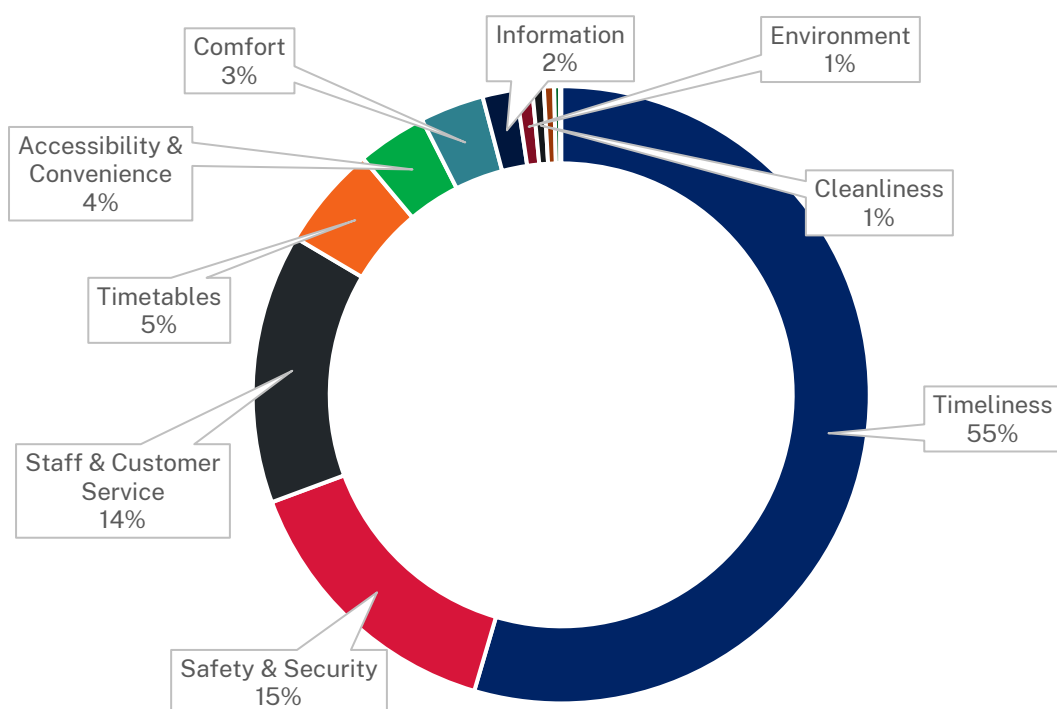
On the other hand, customer compliments were almost all related to positive staff conduct. This reflects the strengths found in the 2022 customer segmentation research.

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[14] While not all feedback and enquiries were negative, analysis of these types of feedback generally revealed negative sentiment. The breakdown includes 43,871 complaints and 4,683 pieces of feedback.
[15] Of the 1,832 recorded compliments, some feedback was negative. Considering some 'complaints' were positive, the general magnitude of complaints and compliments is considered accurate.

The most critical areas of dissatisfaction are related to service reliability, frequency, a lack of timely information, prioritising safety and security of passengers and enabling our frontline staff with more information to deliver great customer service.

4.2   Submissions to the Taskforce

In addition to working with bus operators, industry, and the workforce the Taskforce is also engaging directly with affected stakeholders, including through community meetings and accepting submissions on passenger, driver and operator experience.

Figure 9 - Summary of all public Taskforce interactions to date

4456 surveys completed	**132** online submissions	**589** registrations to attend a bus passenger forum
190 interactions by letter or email	**234** stakeholder meetings	Summary of interactions with bus operators, industry experts, the workforce, passengers and the community as of 30 October 23
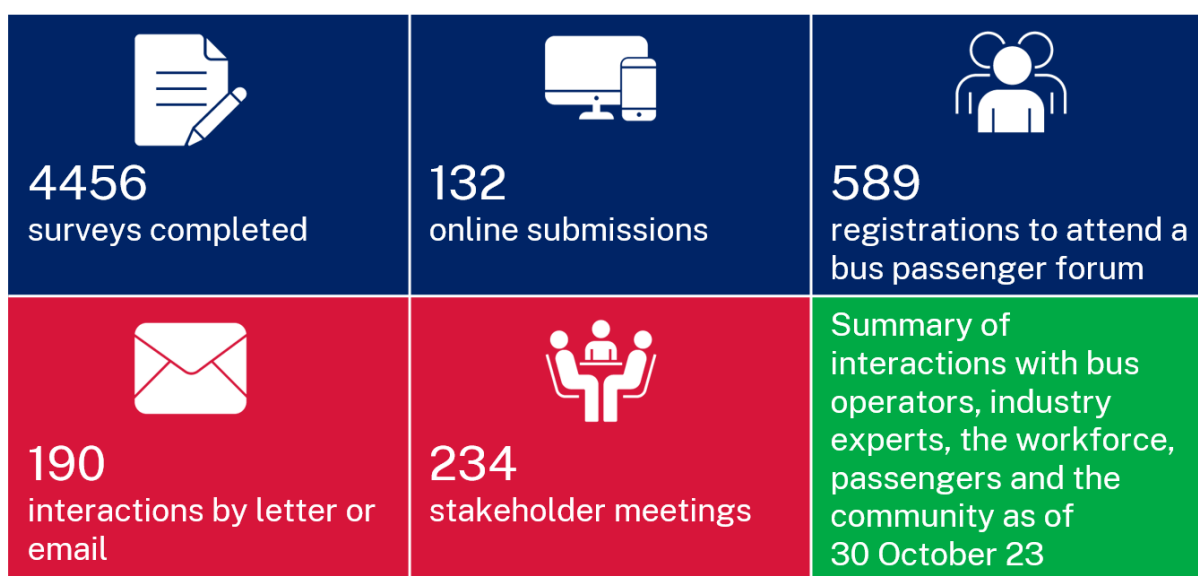
4.2.1   In person and online engagement

Bus Passenger Forums

The Taskforce has launched Bus Passenger Forums[16] across the state to provide the community a face-to-face opportunity to speak with Taskforce and Transport staff about what they want from their bus services. The forums are hosted by the Parliamentary Secretary for Transport, Dr Marjorie O'Neill.

Members of the public and representatives from community groups, local businesses and non-government organisations are invited to have their say. To date 516 people have registered to attend a forum, which will be taking place through to March 2024.

Feedback gathered during the bus passenger forums will help the Taskforce develop its recommendations to Government on how bus services can be improved across NSW. Feedback collected will be summarised in a consultation outcomes report, which we will include in our final report.

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[16] https://www.haveyoursay.nsw.gov.au/bus-industry-taskforce

Table 8 - Forums held since June 2023

Forums held since June 2023				
Dee Why – 24 June	Newcastle – 28 July	Kingsford – 26 August	Parramatta – 15 September	Liverpool – 22 September
Wollongong – 13 October	Epping – 16 October	Gosford – 20 October	Mittagong – 23 October	Nowra – 27 October

Have Your Say

The Taskforce also launched a <u>Bus Industry Taskforce Have Your Say</u>[17] page to gather online feedback and submissions. The Taskforce has a survey online and at Bus Passenger Forums. The survey asks four broad questions:

- What's working well about bus services in your area?

- What's not working well about bus services in your area?

- Are there any barriers that make it difficult for you to travel by bus?

- What are your top priorities for improvements to bus services in NSW?

The following chart below provides a summary of the topics raised in the 4091 surveys completed as at 10 October 2023. It represents the number of times topics were raised as a percentage of the total responses. Respondents were able to nominate multiple topic areas. The chart measures the importance of a topic but does not measure sentiment. Positive, negative and neutral responses have been collated together by topic.

Figure 10 - Analysis of survey responses by topic areas

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[17] <u>https://www.haveyoursay.nsw.gov.au/bus-industry-taskforce</u>

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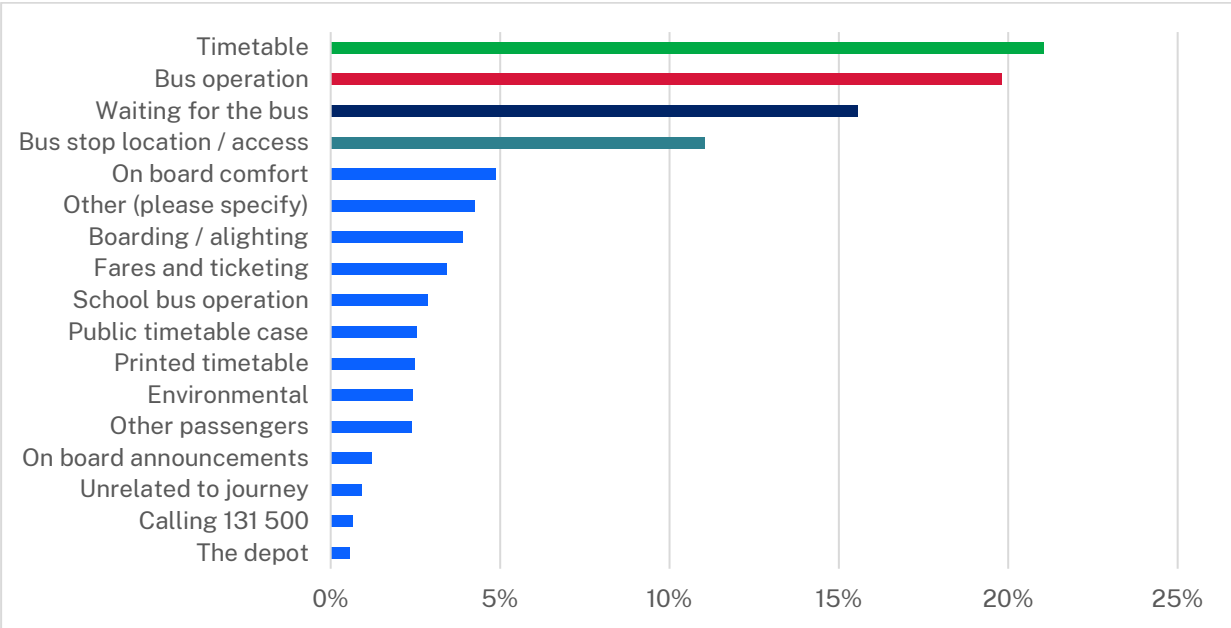
Figure 11 shows the detailed subcategories which are underneath each of the top four topics. Not all subcategories will be featured in the actual feedback. In the next Section verbatim quotes are provided to provide a representative sample of the feedback received.

Figure 11 - Subcategories of the top four topics discussed in feedback to the Taskforce

Timetable 21%

- Accessibility
- Apps wrong information
- Timetable display
- Hard to Understand
- Interchange/Connection Timing
- Journey Time
- New Timetable Better
- Number of Interchanges
- Scheduled Frequency
- School Holiday Services
- Service Disruptions (planned/unplanned)
- Stopping Pattern
- Timetable Request
- Timetable Suggestion
- Wrong Information

Bus operation 20%

- Bus Cancelled
- Bus Early
- Bus Late
- Bus Overshot
- Bus Reliability
- Bus Terminated
- Connection Intermodal
- Missed Stop
- Mobile Phone Bus Operator
- Rough Driving
- Running Wrong Route
- Service Good
- Slow Between Stops
- Staff Conduct
- Staff Conduct - negative
- Staff Conduct - positive
- Staff Smoking
- Transit TV Info (Closed Circuit Television Screens)
- Travel Rules
- Unhappy with Route
- Unsafe Driving

Waiting for the bus 16%

- Apps not working
- Apps wrong information
- Building Works
- Bus Bunching
- Bus Cancelled
- Bus Early
- Bus Late
- Bus Overshot
- Bus Unreliable
- Digital bus display trial
- Excess Wait
- Failed to Stop
- Felt Unsafe
- Graffiti
- Lighting
- Litter and Cleanliness
- Noise from Bus
- Overcrowded
- Passenger Injury
- Service Disruptions (planned/unplanned)
- Shelter Inadequate/Not Provided
- Unhappy about Strike
- Wrong Destination Head Sign

Bus stop location / access 11%

- Accessibility
- Building Works
- Not Enough Bus Stops
- Stop Location/Access Poor
- Stop Missing

Feedback can address multiple subcategories in a single submission, and sentiment can be both positive and negative. However, in general the Taskforce received more negative feedback than positive feedback.

4.2.2 Feedback and sentiment

There was consistent feedback from bus users about the need to engage with them about what changes are being made, why, and to communicate these before the implementation of new bus timetables or routes. Bus passengers also expressed appreciation for the opportunity to be heard, and to speak to bus planners, with some expressing a desire for ongoing community engagement.

The feedback also shows the impact of poor service reliability, reduced span of hours and lack of coverage for people who rely on public transport to access employment and essential services, particularly in Rural and Regional NSW. For example, people have said they're unable to use the bus to get to work and must rely on either a car or costly taxi fares.

Examples of timetable and reliability issues

"So many last-minute cancellations."

"The number of cancellations really impact our lives. I will often have to leave work to quickly pick up my two teenagers / transport them … this happens at least twice a week."

"Bus cancellations and timetable changes mean I cannot catch the bus to make it to work on time due to how infrequent they come."

"No indication that people know the buses are full and are going to put on more buses. The kids often end up walking home."

"Living in Nowra it is very difficult to get around by bus. The problem is that there are no bus timetables or bus routes displayed at bus stops."

"Timetables are not published at bus stops."

"Timetables never consistent – buses late or earlier than stated on timetable."

"There is a lack of coordination between buses and trains."

"I would love to catch public transport but the service is SO POOR in terms of frequency of buses."

Examples of bus operation \routes and planning.

"The frequency of buses is too low and the coverage is poor."

"The 48 bus runs every 2 hours after 9.28 am and stop at around 6.30pm. I finish work at 5pm, next bus to take me home is at 6.20pm, or it is at least 40-minute walk home."

"I live in Albion Park and there isn't even a direct bus from Albion Park to the railway station at Albion Park Rail."

"There are no school buses from Silverdale/Wallacia/Luddenham to St Anthony of Padua Catholic College Austral even though there are 15-20 families with kids that go to the school with driving the only option."

"No services after 6pm."

"Bus services at night are poor and no bus service between 10:01 and 7:14am from Padstow, and 11:50pm to 7:50am from Sutherland."

"No buses on Sundays or public holidays mean I have to use a taxi to and from work which is expensive."

"Would also like a Sunday service similar to the Saturday service, otherwise I'm housebound."

"I live outside the town centre, and public transport is not readily available. I have contemplated using the one bus service I have access to, to get to work, but the timetable just doesn't work."

Examples of waiting for the bus

"I use a phone app to find the timetable, but I would prefer to be able to use the one at the actual stop. It is often gone or if it is digital, not working."

"No bus from Manly between 5pm and 5.45pm today except for 2 random ones that appeared AT THE SAME TIME but because I was walking between bus stops and they weren't listed on the Opal app I missed them. Happens all the time."

"The older bus stops [have] very inadequate information...would like to see more digital information [on] overhead positions, the older printed timetables [are] mostly vandalised."

I'll watch the bus on Tripview and it'll say 9 minutes late, so I'll hang back (bus stop does not have shelter) and then two minutes later it'll be 2 minutes early and I've missed it."*

"What would be helpful, is a system such as they have in Paris. At each bus stand, there is a picture of each route and the name of each stop on that line. There is also a digital sign showing the route number and arrival time of each bus accessible at the stop. So you know exactly when your bus will arrive, and any sudden problems with the route."

"New glass bus shelter design is horrible. Provides no shelter from the heat, wind or rain. Are easily vandalized and seats are uncomfortable."

"There are no bus shelters (I need to sit) and no or little signage."

"No shelter, no signage on when buses will arrive or are cancelled, no seats."

Examples of bus stop location and access

"The new routes make it difficult to access Macquarie Street... my elderly neighbours now struggle to get to specialist appointments as it's too far to walk."

"I work at the community health building at 670 Hunter Street Newcastle. The bus stops 2 blocks short so the sick and vulnerable have to walk the last 2 blocks. Also because buses were stopped, many have to take several busses."

"My elderly mum, 87 years old has to walk a huge hill to the bus now which has been moved about 400 metres uphill. Her bus service has been decimated. It is dangerous for her."

"If the 978 bus is early, I cannot run up the steep hill to catch it in time, I have to wait 20, 40 or even 1 hour for the next one."

"There is a safety risk for the elderly, especially those with walkers, and mothers with prams when getting on and off the bus."

"Where the bus infrastructure is located is a safety issue. Moss Vale road could be widened to allow a turn in lane for buses, safety issue, especially with bikes."

Passenger experience is a key input for service planning. Chapter 5 provides the context to Transport's current bus policy and service plans, and outlines opportunities for change that will make bus transport inclusive for all passengers in NSW.

Section 4.3 looks in detail at feedback received from accessibility groups. Chapter 6 provides more detail about opportunities to improve bus infrastructure on local roads.

4.2.3 Next steps

The Taskforce is reviewing passenger feedback along with feedback from operators, contract managers and other stakeholders.

The Taskforce is currently finalising the remaining Bus Passenger Forums which will be held in November, December, February and March. Dates and locations will be made available on the website[18] once confirmed. Online consultation is open until 31 March 2024.

All feedback received as part of this state-wide community engagement process will be outlined in detail in the final Bus Taskforce report. The final report will also respond in more detail to feedback concerning the passenger experience.

4.2.4 Recommendations regarding passenger perception of buses

Recommendation 2: That Transport for NSW update the Customer Value Proposition for buses to better understand changes in travel behaviour and demand, and to support more effective decision making by the department. This should include publishing customer measures for bus operators to ensure accountability.

Recommendation 3: That Transport for NSW implement marketing and branding measures to address the poor public perception of buses.

4.3 Accessibility

4.3.1 Regulatory framework

The Disability Standards for Accessible Public Transport 2002[19] (DSAPT) are issued under the Commonwealth *Disability Discrimination Act 1992* (DDA). The purpose of the standards is to enable public transport operators and service providers to remove discrimination from public transport services. The standards are applicable to conveyances (except dedicated school buses), premises and infrastructure.

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[18] https://www.haveyoursay.nsw.gov.au/bus-industry-taskforce
[19] https://www.legislation.gov.au/Series/F2005B01059

The DSAPT were established twenty years ago. A target date was established for transport services and infrastructure to be fully accessible by 31 December 2022 (except for train and tram fleet which is due in 2032).

The Commonwealth is leading two key reviews related to the transport standards:

    I.   2022 statutory review (a 5 yearly review on the efficiency and effectiveness of DSAPT)

    II.   A process to modernise and update the legislative requirements within the DSAPT.

At the June 2023 Infrastructure and Transport Ministers Meeting (ITMM), the Commonwealth proposed 76 reform areas resulting from Stage 2 of the reform process and a recommended approach for their implementation. This package comprised a mix of regulatory reforms that apply to new and substantially upgraded assets, upon commencement of regulatory change, or to be addressed within 5 or 10 years; and changes to guidance that supports the DSAPT.

The reform addresses areas including mandatory training requirements for staff on disability awareness, provision of information in multiple formats, vehicle boarding points, seating, transport information and communications, signage, the provision of braille, lifts, lighting and ground surface indicators.

The Commonwealth plans to publish the decision regulation impact statement and outcome from the reforms in the coming months.

4.3.2 Implementation of DSAPT

The Commonwealth has not provided any funding contribution for jurisdictions to meet the DSAPT, however over the last 20 years significant investment and progress has been made to improve the accessibility of the public transport system in NSW.

Transport is committed to improving the accessibility of the public transport system and deliver enhanced outcomes for passengers with disability or mobility challenges. Transport is developing a strategy to manage the completion of compliance requirements across all modes. This has been a complex challenge for all jurisdictions due to the significant scale of state-wide public transport networks and the level of resourcing required to upgrade legacy infrastructure.

Vehicles

Transport is responsible for ensuring all buses, other than dedicated school service buses, are DSAPT compliant. All services under contract are currently wheelchair accessible, other than those that are not required to be (eg school services). However, because a small percentage of buses in the fleet remains non-wheelchair accessible, some bus operators have had to go to extra lengths to juggle the allocation of fleet to ensure that only accessible vehicles are used for route services.

It is important to remember that DSAPT compliance is broader than wheelchair accessibility. It includes elements such as the installation of hearing loops. According to feedback from respondents, including the Accessible Transport Advisory Committee (ATAC), compliance with other requirements is less consistent (see discussion of issues raised by ATAC at 4.3.3).

The above issues are in part caused by delayed fleet procurement due to the previous government's policies on ZEBs (Zero Emission Buses), as well as delays in delivery by manufacturers for ordered buses. Both aspects have impacted Transport's fleet planning activities, and ultimately, its compliance with DSAPT timeframes. Fleet planning and procurement are explored further in Chapter 7.

Bus stops

Responsibility for compliance with DSAPT for the majority of bus stops across NSW is shared between Transport and landowners, mostly local councils. Transport is responsible for the provision of the B-pole which contains service information, including Braille identification of the stop. Road owners are responsible for all other infrastructure including the hardstand and tactile ground surface indicators required at the stop. Where Transport has full responsibility over a limited number of bus stops for DSAPT compliance, additional funding is required to conduct a complete compliance audit in order to identify and prioritise any remaining upgrades required.

Transport is developing a Bus Stop Standard to support DSAPT compliance activities relating to bus stops. This standard once finalised will be made publicly available and local councils may choose to access it for reference.

4.3.3 Feedback from the Accessible Transport Advisory Committee

The Accessible Transport Advisory Committee (ATAC) provides independent advice to Transport with the aim of improving public and private transport access for people with a disability or with mobility issues. Membership of the committee includes representatives from more than 20 disability and mobility advocacy groups.

ATAC provided feedback to the Taskforce on a range of matters relating to bus services in NSW and areas for improvement.

Consultation regarding design changes

Consultation with accessibility groups regarding design changes, such as changes to accessibility features on buses or wayfinding at bus stops, should occur at the start of the process. The experience of committee members is that when they can speak with designers early in the process the designers 'get it' and are able to accommodate feedback before key decisions have been made or significant cost is incurred.

Transport should work with ATAC to amend or create guidelines for consultation with disability and accessibility groups regarding design changes that impact passengers to improve outcomes for all passengers.

Bus stops and wayfinding

The move away from pictograms to a letter-based system, including using letters to designate bus stands, creates challenges for people with an intellectual disability. A picture of a bus is the easiest way for people with intellectual disabilities to identify a bus stop because 'B' is associated with words other than 'bus'. In NSW there are examples pictograms being used in conjunction with the primary letter or number.

Figure 12 - Example of pictograms being used in conjunction with letters and numbers
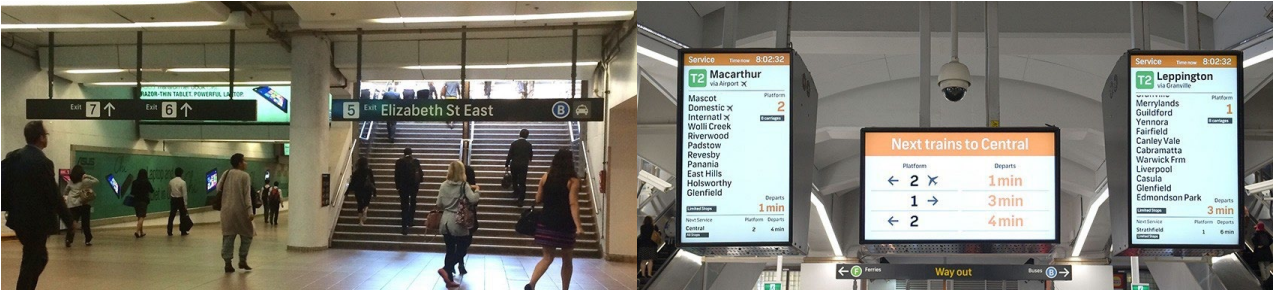
Left: a taxi pictogram next to a modal B and exit number 5 at Martin Place. Right: an airplane pictogram next to the train line number and name, relevant stations, and the platform number at Circular Quay. Source: Transport for NSW

Use of a letter also creates challenges when this is replicated for stand identifiers eg 'Stand A' because it takes a greater cognitive leap to recognise and navigate stands by alphabetical order instead of numerical order.

Figure 13 - Example wayfinding signage at Museum interchange
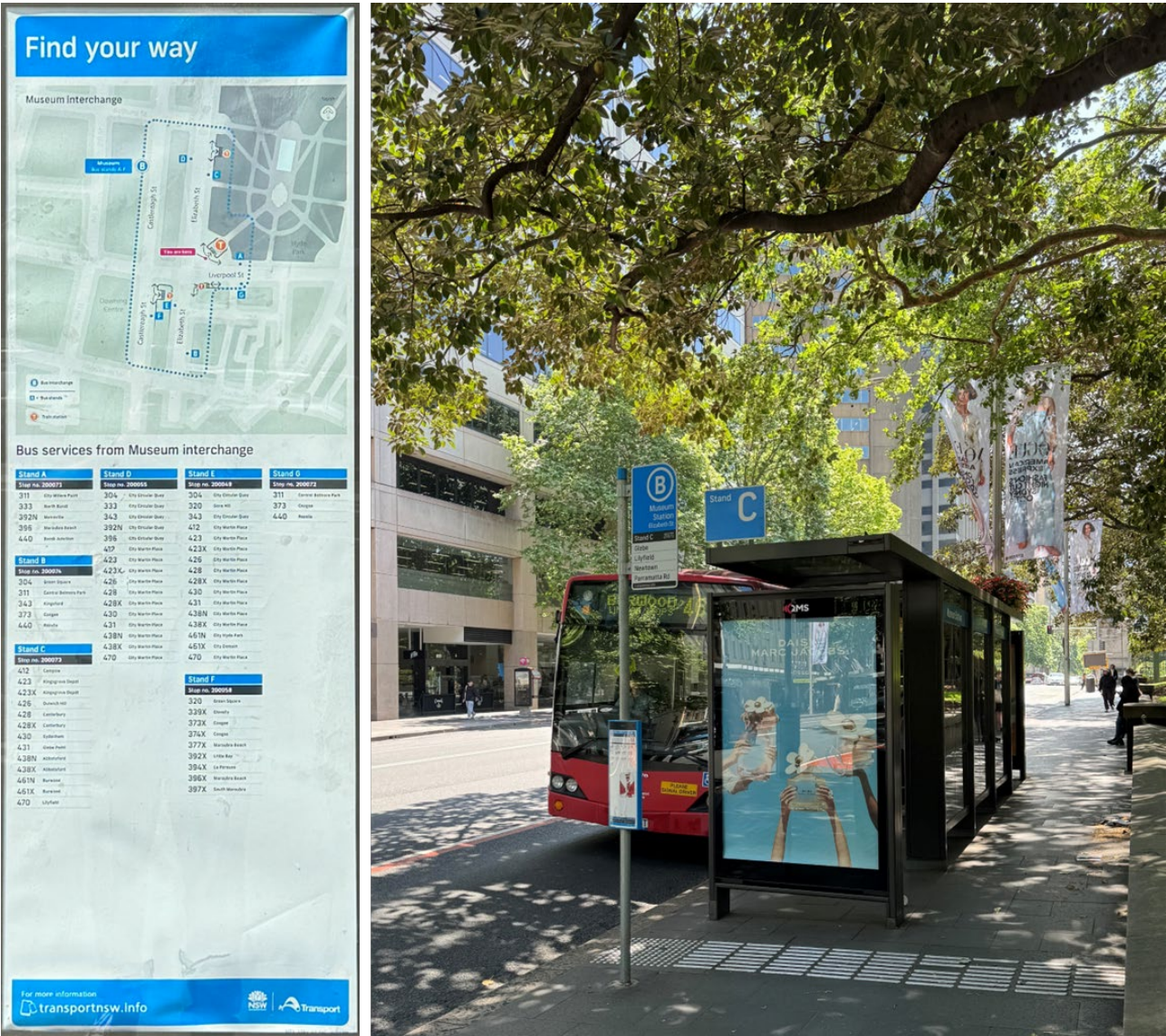
Source: Transport for NSW

Changing the way bus stands at interchanges are identified to use a non-letter-based system so that the stand signage is easily distinguishable from the modal signage would be of benefit to this community.

The Committee also advised that the colour selection of light blue and white wayfinding signs does not provide high enough contrast for people with low vision. A higher contrast choice such as yellow and black would significantly increase the ability of people to recognise the bus stop location. Transport should work with relevant groups to assist people who require support navigating the wayfinding system and interacting with the accessibility features at stops, on buses and online.

The committee also noted the need for Transport to work with local councils to ensure that bus stops are located in close enough proximity to essential services like hospitals, and that stop infrastructure is correctly installed and decommissioned when stops move eg tactile paving should be removed if the stop is no longer in operation, otherwise people who are blind or have low vision stand in the wrong place. Bus stops are addressed further in Chapter 5 and Chapter 6.

DDA compliance of the current fleet

Visual and audio elements are highly valued by accessibility groups. Use of onboard passenger information display (PID) screens and audio announcements greatly assist passengers with low hearing or low vision.

Lack of information screens and malfunctioning screens on buses create challenges for these groups. As does instances where next stop announcements have been switched off by the drivers, making it difficult to identify destinations and the correct locations to disembark.

In the case study below, Transport demonstrated that the inclusion of these devices on buses increases the passenger experience for everyone and increases patronage. Or as noted by members of ATAC "when you solve for disability you solve for everyone".

Case study: 160X Real Time Passenger Display and Telematics Trial
The 160x bus connects Chatswood and Dee Why via Frenches Forest and the Northern Beaches Hospital. The service is part of Transport's All Day Frequent Network (ADFN), a network of bus routes which operate seven days a week, with a service every 10 minutes between 6.00am and 10.30pm.

The 160x was identified by Transport as the worst performing ADFN service. As a result, this route was selected to trial some passenger information and telematics initiatives designed to improve passenger experience and patronage. The trial included:

- Passenger information display (PID) screens with next stop information

- Audio announcements for next stop

- Passenger counters to measure actual patronage with Opal data

- Wayfinding and signage improvements such as a simplified bus route map

Figure 14 - Example features of the real-time passenger information and telematics

This stop   Time: 10:16
Dee Why Shops   Now

Travelling to
Chatswood   36 min

3007
3005

Far left: passenger counters above each door.

Centre: public information display screens and stop announcements.

Right: real time information for drivers.
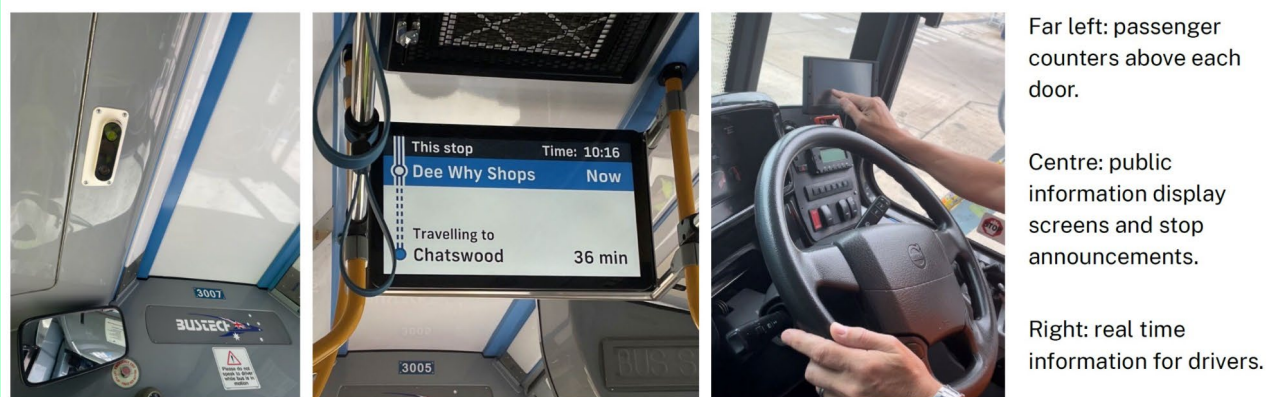
Figure 15 - Key results from the trial

Over 600 customers responded to the feedback survey

88% Customer support for PID screens

75% acceptance of announcements

Positive feedback on map design improvements

52% like the frequency of the 160x service

74,000 additional adult fares collected

15 place rise in ADFN popularity ranking

Patronage trending upwards

Our customers want improved timetable reliability

1 in 5 passengers are not tapping

7% first time riders

Up to 60% support new bus lanes on the 160x route

Source: Transport for NSW

Given the success of this trial Transport should consider retrofitting of digital and auditory passenger information displays to the existing bus fleet as part of the Taskforce's previous Recommendation 6 from the First Report to urgently upgrade PTIPS.

Driver behaviour training and complaints management

Drivers don't always recognise intellectual and cognitive disabilities, which sometimes results in poor customer service when passengers don't behave in an expected manner. Furthermore, drivers don't always understand that people with accessibility challenges may need assistance at all stages of their journey, not just when boarding the bus.

For people with an intellectual disability this can be especially challenging as they don't know how to ask for help, for example "the sign says don't disturb the driver so how do I tell them that I need help?"

The Committee also noted that drivers sometimes use the need to meet on-time running targets as a reason not to provide additional assistance, like deploying the accessibility ramp.

In the case study below, Sydney Trains and NSW TrainLink successfully adopted an international program aimed at improving the passenger experience for people with hidden disabilities. This program trained staff to use all accessibility features for all passengers who need them regardless of the time taken.

BusNSW on behalf of the bus industry supports the provision of training for drivers to transport passengers with disabilities.

Case study: Hidden Disabilities Sunflower

Some disabilities, like autism, dementia and anxiety, are hard for customer service staff to recognise. The Hidden Disabilities Sunflower[20] lets staff know that you or a person you care for has a hidden disability and may need help when using public transport.

Sydney Trains and NSW TrainLink adopted the program in December 2022 and April 2023 respectively. Under the program customer service staff are trained to recognise the Sunflower symbol and provide extra support to people wearing it, including:

- Ensuring enough time to get on and off train services

- Help navigating through busy train stations

- Support during disruptions and travel changes

- Help finding quiet spaces as needed.

Figure 16 - Example of a Hidden Disabilities Sunflower lanyard

[20] https://transportnsw.info/news/2023/extra-support-for-hidden-disabilities
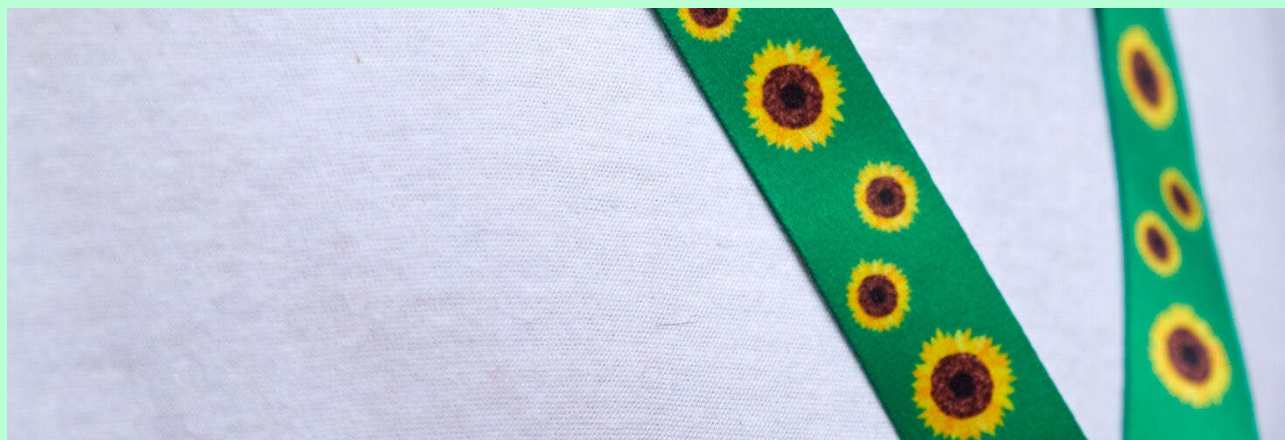
When adopting the program, Sydney Trains and NSW TrainLink decided to pay for a Sunflower lanyard for anyone who asked. Passengers can order a lanyard online free of charge (including delivery) or pick one up from select train stations.

More than 15,000 lanyards have been issued once the program launched. Such a large take-up in a relatively short period indicates strong community support for the program.

Before launching the program Sydney Trains and NSW TrainLink set a target of 80 per cent of staff to have completed online training. This was to ensure anyone wearing a Sunflower lanyard would receive the support they needed from day one of the program starting.

Due to the complexity of the operating environment at train stations, they decided to develop a bespoke training module. However, smaller businesses with a less complex operating environment may find that they can access suitable training materials via corporate membership to the global Sunflower network.[21]

Funding

Transport acknowledges the importance of improvements to transport accessibility. However, to date, Transport has been unable to identify a funding pathway for the B-Pole program, as recommended in our first report. It may be possible to reprioritise funding from other programs this year to prevent demobilisation until a longer-term funding pathway is identified.

For example, the Transport Access Program:

> *is a NSW Government initiative delivering safe, modern and accessible public transport infrastructure across the state, improving access to public transport for people with disability or limited mobility, and parents and carers with prams.*

> *More than $2.2 billion has been invested in the Transport Access Program to fund accessibility upgrades at stations, create better transport interchanges and build car parks, supporting an integrated transport network and seamless transfers.*

Despite the stated outcome of the program and the significant level of investment, the previous government has only ever used the program for stations, interchanges and ferry wharves. Once again bus passengers have missed out.

If Transport is unable to identify new funding, it should provide government with options to reprioritise other funding to fund the B-Pole program for this financial year while it develops a new policy proposal for a bus growth program that would include all aspects of bus infrastructure, including B-Poles and operational technology.

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[21] https://hdsunflower.com/au/

4.3.4 Recommendations to improve accessibility outcomes for passengers

Recommendation 4: That Transport for NSW work with the Accessible Transport Advisory Committee to:

4.1 Develop mitigation measures or changes to the wayfinding system to make it easier for people with low vision or intellectual disabilities to navigate the bus network. This should include consideration of using pictograms in conjunction with the letter-based mode identifier at bus stops and interchanges.

4.2 Define actions in Transport's Disability Inclusion Action Plan for supporting information and infrastructure for bus services, including in the buses themselves, at bus stops (including shelters), timetables, travel training and identify a funding pathway to implement them.

4.3 Develop training standards for bus drivers on interacting with people with disability or with reduced mobility as part of Recommendation 5 from the Taskforce's First Report.

5. Service planning

has shown that the community's expectations of bus services are not always being met.

Bus services must be planned well to make efficient and effective use of available resources and be delivered in a way that makes sense to the public, providing passengers with the journeys to support their social and economic lives, including by connecting to high capacity rail and metro services.

This Chapter focuses on the missing link in the State's current approach to bus service planning – the need for a Medium Term Bus Plan for the whole State, with specific focuses on the needs of Sydney, the other cities, and the Regions more generally.

The Future Transport Strategy provides a high-level long-term vision for all forms of transport, including buses, and there are a range of relatively short-term planning fixes for various identified issues. But there is no unified approach to addressing current service gaps or improving and expanding services to deal with growth and changing patterns of demand.

In Sydney there was no funding for bus services to meet population growth in 2021/22 or 2022/23 while the population growth in NSW is expected to increase on an average of an additional 85,000 people each year.[22] Further, in 2023/24, the additional funding provided represents only a 0.6 per cent increase.

A Medium Term Bus Plan would cover the next 10 years, and by identifying network and route priorities it would provide the basis for determining the relevant supporting infrastructure needs of the State, such as bus stops, fleet, depots and bus priority corridors.

For Sydney, the Taskforce advocates a 40:80:1000 long term vision to inspire the Medium Term Bus Plan: 40 rapid routes, 80 frequent routes and one thousand or more improvements to local route services over the next 40 years. We also identify immediate short-term priorities to repair the neglect of an enduring inadequacy of funding and low prioritisation of investment into bus services which has given rise to a disconnect in the level and quality of services for growing communities, those with changing needs and those experiencing economic disadvantage.

For the Regions, we propose an immediate commitment to finalise the roll out of the 16 Cities program, as well as a range of other considerations for a relevant Medium Term Bus Plan.

School services are a crucial component of the public transport task. The Taskforce proposes the establishment of consultative and collaborative engagement with the different school systems and bus operators to develop more meaningful and effective ways of managing changing demand in this area.

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[22] https://www.planning.nsw.gov.au/research-and-demography/population-projections

5.1 Background

5.1.1 Importance of bus services

Buses are an integral part of the State's evolving public transport network, providing access to employment, education, health and leisure each day. In NSW during financial year 2021-22 buses accounted for 44 per cent of public transport trips, or 157 million trips annually across the state, and provide choice for the over 6 million people who live within 800 metres of a bus stop across Sydney, the Hunter, Central Coast and Illawarra, representing 97.5 per cent of the population in those areas.

Investing in bus services and infrastructure offers small to medium, scalable interventions that allow the public transport network to extend and adapt to growth cost-effectively. Buses can be put into service quickly, at a lower cost, and to more areas than any other public transport.

A technology enabled, legible and integrated bus network can provide convenient journeys seamlessly. Guided by the principles of equity and inclusivity, improved bus networks and services will provide people with access, regardless of geography, socio-economic or personal circumstances, age or ability.

5.1.2 Importance of proper service planning

Transport service planning is integral to achieving benefits for passengers, the community, and the economy. It optimises existing services, responds to population growth and changes in travel patterns, and provides connections to the broader transport system, such as Metro rail projects. It promotes mobility, reduces social exclusion, addresses inequities, and decreases dependence on the private car.

Through proper service planning a well-managed, designed, and utilised bus system can:

- reduce **traffic congestion** – provide alternative more efficient options for people to travel

- be **reliable and fast** – achieve a high degree of reliability

- improve **liveability** – reduce emissions, noise, urban barriers, and loss of natural habitat

- decrease **cost of living** – reduce cost of living, improving access to employment and health

- play a critical role in **addressing poverty and disadvantage** by providing transport choice

- **respond and adapt** – quickly accommodate changing passenger behaviours or adapt to disruptive events

- support **growth** – quickly and affordably provide transport in new growth areas utilising existing roadways or converting general traffic lanes into dedicated bus lanes

- improve road **safety** – reduced road crashes

- offer **affordable** public transport services – lower capital costs and lower operating costs per passenger-km where demand is low.

In NSW, Transport is responsible for the design of the overall bus network and this work is done using service planning guidelines and policies as discussed in this Chapter.

5.1.3   Taskforce findings in First Report

In our First Report we identified several key challenges to effective bus service planning:

- An unclear investment pathway in buses, with no recurrent funding allocation for service growth, to tackle new growth Regions, enhance existing services, and provide a basis to support the growing population of NSW which is forecast by the Department of Planning to increase from 8.1 million to 9.9 million people by 2041.[23]

- A disconnect between strategic and short-term planning.

- No meaningful review of bus networks for many years in some parts of the State, so services are not keeping up with community demand and expectations or responding to land use and travel pattern changes.

- The need to improve service planning by uplifting and broadening the levels of engagement and consultation that occurs pre and post changes to bus services.

5.1.4   Approach to service planning review for this Report

The Taskforce received extensive briefings from across Transport about how bus services and infrastructure are planned in NSW. Through these, we were informed about:

- Transport's current bus service plans / programs

- Network and service improvements for Sydney

- Network and service improvements for Regional and Outer Metropolitan

- School bus services

- Infrastructure issues.

We also gathered input from Bus Passenger Forums held around the State and met with key stakeholders.

On 25 October 2023, Transport released *Directions for On-Street Transit,* a White Paper that articulates the role and potential of on-street transit for Greater Sydney (discussed at 5.2.2). This was launched at a Western Sydney Bus Symposium to engage business and community leaders on bus related issues. This forum also provided key input into the Taskforce review.

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[23] Population projections | Planning (nsw.gov.au)

5.2 Transport's current bus policy and service plans

5.2.1 Overview

The Taskforce has heard that in addition to the Future Transport Strategy, there have been a range of other bus service planning programs, but with marginal funding and limited commitments to actual improvements.

At the strategic level this includes the Directions for On-Street Transit White Paper (see 5.2.2) and various Integrated Transport Plans for areas in rural and Outer Metropolitan areas, most notably the 16 Regional Cities Services Improvement Program (see 5.2.5).

The other activities were more short-term planning, including short-term investment opportunities (next three years) for service improvements within Sydney, and the Western Sydney Rapid Bus Network Plan focusing on Sydney's second airport and the new aerotropolis.

Service reviews undertaken in recent years have largely been reactive, typically triggered by contract renewal cycles (eg franchising STA), or in reaction to specific development or infrastructure projects (eg Metro and light rail projects).

Transport advised it had developed Sydney bus network plans and corridor strategic business cases in earlier years, but these were not endorsed, made public, or funded. Lack of funding for bus improvements in recent years means there is no current medium term bus plan, with the last plan in 2013.

Outside Sydney, regionally based plans are being developed to guide service improvements over the next 10 years. These plans are designed to influence and prioritise funding decisions in the short term and provide informed alignment with other plans and projects in the Region. However there has been a lack of strategic vision including terminology, guidelines and principles to align the for short to medium term planning.

There is no overarching bus plan for NSW. The lack of medium term planning and investment priorities for buses results in a vacuum providing no basis for scoping and prioritising investment. The need to develop, fund and implement a Medium Term Bus Plan for the State is the key message of this Chapter.

The key plans and policies currently in place are discussed in the following Sections.

5.2.2 Directions for On-Street Transit White Paper

The White Paper Directions for On-Street Transit aims to unlock the transformative potential of our roads to enhance livability in the Six Cities Region[24] through elevated customer experience, and convenient and efficient travel options across the day. It highlights the need for investment in public transport (especially buses) to improve social equity and address the housing deficit in our growing cities. To achieve this, steps need to be taken to modernise our

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[24] https://greatercities.au/insights/six-cities-region-explained

roads and public transport services: improve the reliability, frequency and legibility of services, and shield buses from road congestion. The Taskforce fully supports this approach.

The White Paper identifies several key challenges.

Social equity

When compared to eastern Sydney, the other five Cities are less well served, lacking mature all-day networks and cross-regional links. Figure 17 shows the varying service frequency levels across Sydney. These differences in bus service coverage and frequency create barriers in accessing jobs, education and services, which is particularly detrimental to socially and economically disadvantaged communities.

Figure 17 - Preponderance of high frequency (red) services in Eastern Harbour City, relative to the Central River and Western Parkland Cities
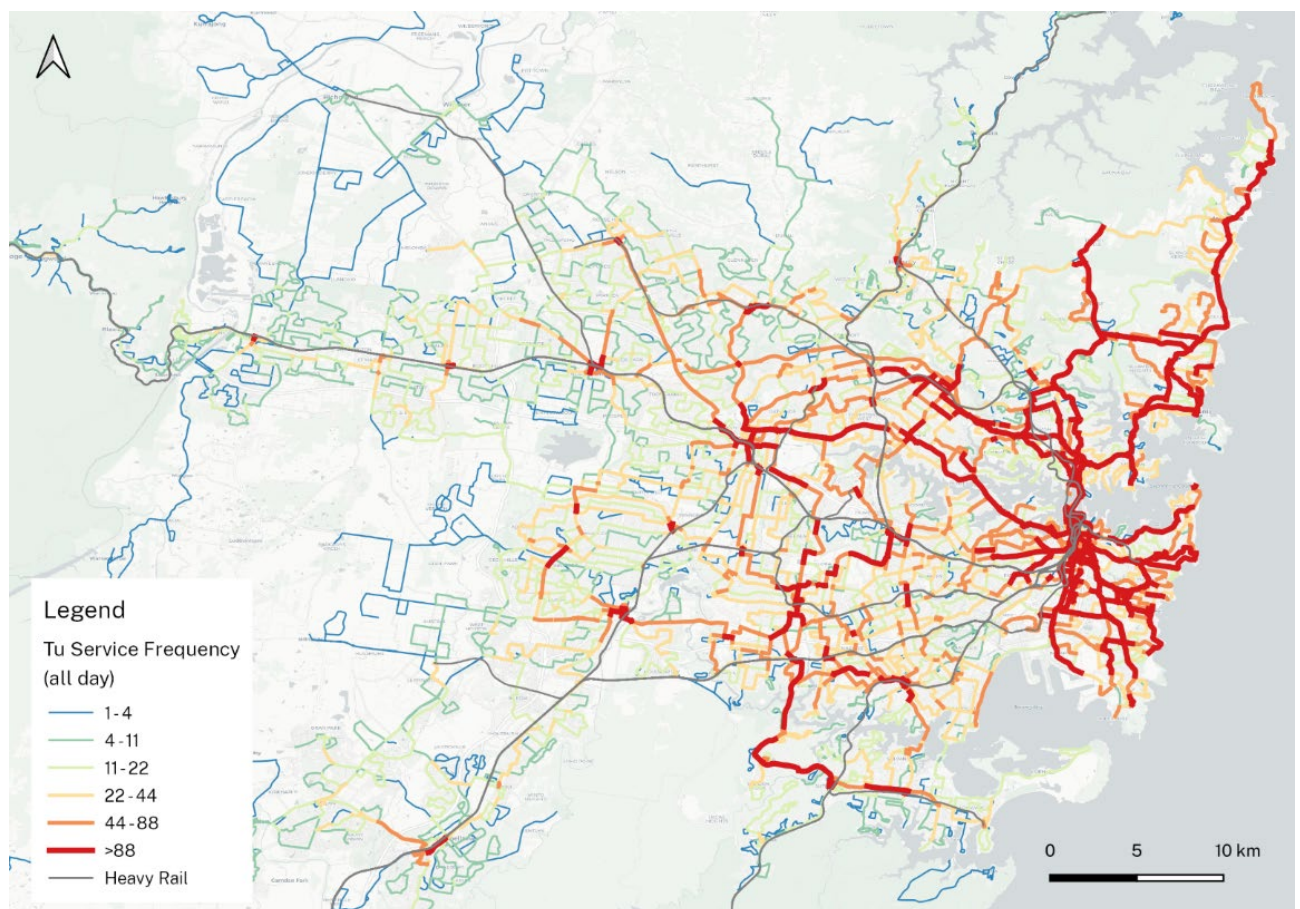
Source: GTFS (General Transit Feed Specification), September 2021, using Tuesday service data.

As the Region approaches 9 million people by 2056, almost half of its population is expected to be in the Central and Western Parkland cities. As shown in Figure 18, the most significant population and employment changes are forecast in areas outside eastern Sydney, where transport services are most lacking. In the next decade, the population is expected to grow by one million. Growth will concentrate in existing centres such as Ryde, Parramatta, Blacktown, Burwood, Gosford, Wollongong, and Maitland, and in the Southwest and Northwest growth areas of Sydney. In the long term, the Aerotropolis to Liverpool corridor will accelerate.

The comparison of existing bus service levels and the forecast growth in areas where the bus network is less mature highlights to the Taskforce the gap in terms of service and passenger experience and the focus areas of Transport's service improvements over the medium term.

Figure 18 - Population and employment density change in the Six Cities 2021 to 2041
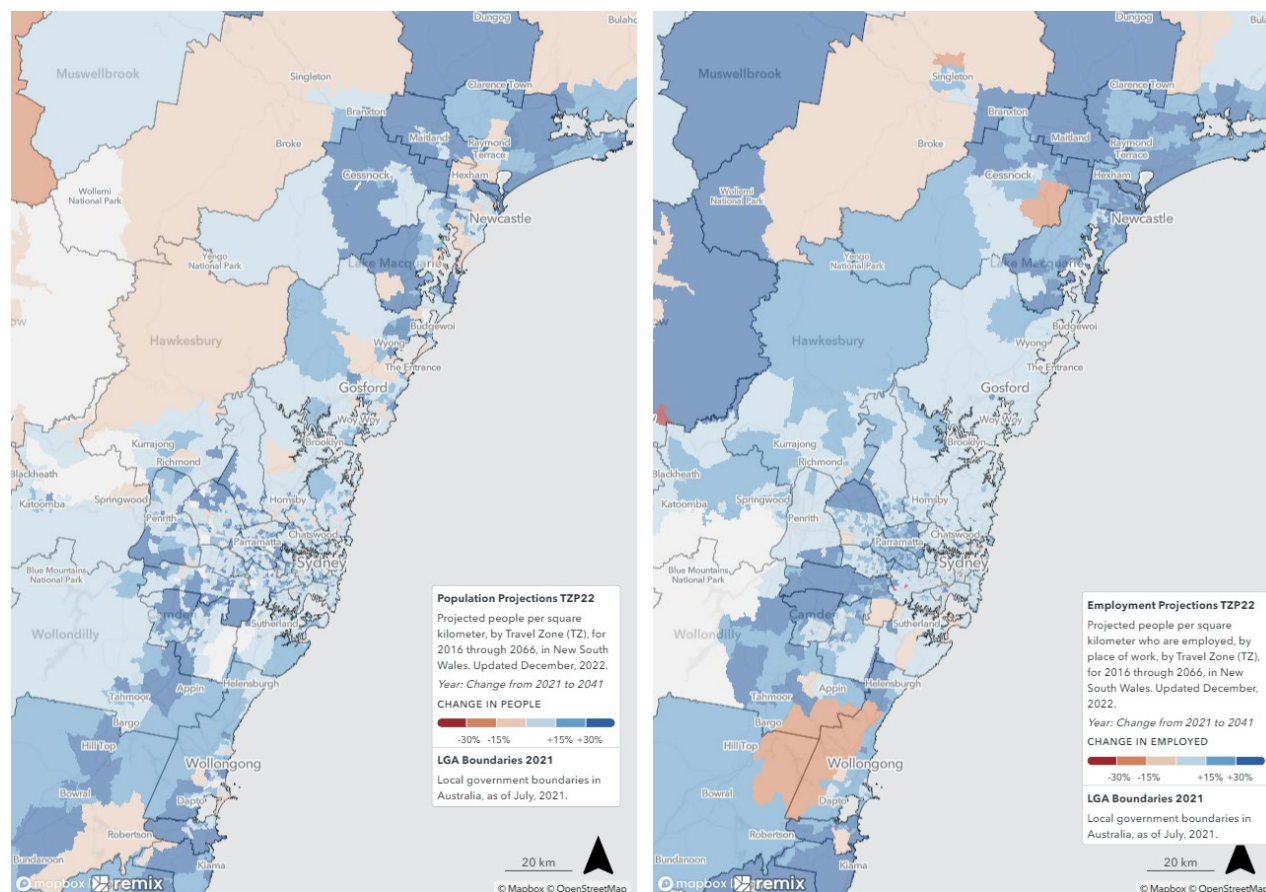
Source: Directions for On-Street Transit White Paper, October 2023, Transport for NSW

Restore reliability and increase patronage of on street transit

The passenger research undertaken by Transport has identified the key challenges faced by those seeking to use the bus network (see 4.1). The Taskforce notes that passengers believe the bus network is complex, confusing, unreliable, indirect, and infrequent.

The Taskforce was alarmed that passenger feedback indicated Sydney's bus network was still considered to be early in its development cycle. The lack of investment and attention to improving the bus system highlights the case for change to improve travel experiences across the network and remove the dramatic variability passengers experience with respect to timeliness, convenience, information and comfort.

Reconfiguring how people travel on our streets

On-street transit shares the use of a finite resource − the road network − with other users: private vehicles, road freight, service vehicles, taxis, bicycles. The White Paper highlights that with growth, this finite resource will need to be used more efficiently, including a shift from private vehicles to on-street transit to enable a greater number of people to travel through a corridor.

The Taskforce agrees with the need to prioritise greater road space for buses to encourage mode shift and to shield bus passengers from the deterioration in road performance brought about by increasing congestion. Infrastructure priorities are discussed in more detail at 5.8.

Plan for growth on streets designed to enable transit

There is great potential to accommodate growth and transform the urban form along upgraded on-street transit corridors. However, historically, land use uplift to medium density housing has been slow to materialize along T-Ways due to insufficient design and lack of engagement with private developers.

The Taskforce agrees with the White Paper proposition that much more can be done and the provision of buses as a relatively low cost and rapidly deployable solution integrated with land use uplift around major stops and along bus corridors is key to addressing the housing crisis being experienced. These issues are discussed in more detail at 5.8.9.

5.2.3 Five key moves that could transform on-street transit

The White Paper outlines five key moves that could transform on-street transit as summarised in the following image. The Taskforce supports these initiatives and provides more specific views in this Chapter on how to realise its long term **40:80:1000** vision for service improvements across Greater Sydney and the Six Cities Region, which is described in detail at 5.4.

Figure 19 – Directions for On Street Transit recommended moves

1 Evolve services and infrastructure over time

2 Grow network demand and capacity

3 Deliver new permanent, high-quality routes

4 Grow the city along permanent, high-quality routes

5 Create enabling funding and partnerships
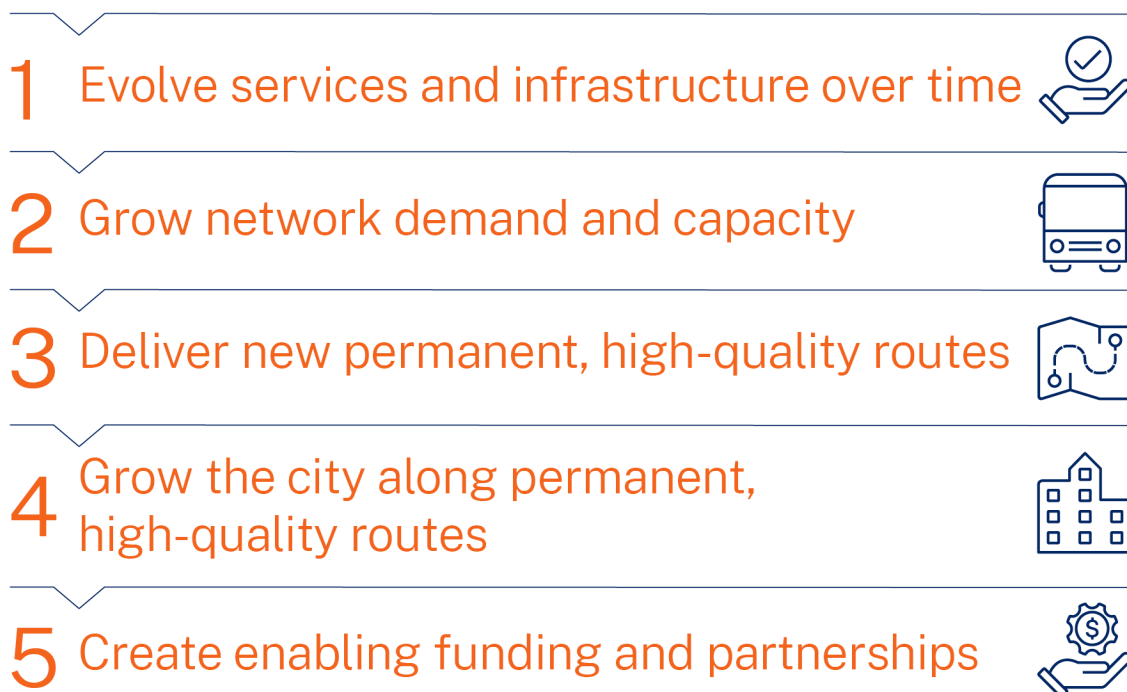
5.2.4 Western Sydney Symposium

The White Paper was launched at a Western Sydney Symposium event on 25 October 2023 by the Hon Jo Haylen MP, Minister for Transport for NSW. The event was co-hosted by Transport

and Business Western Sydney to seek feedback on how NSW can deliver a more reliable, frequent and easy-to-use bus network. Consultation on the white paper will take place until 25 November 2023.[25]

The event was well attended with an audience of 160 leaders in industry, business and community. The issues and recommendations in the White Paper were discussed and supported.

Evidence was provided on how a similar strategy was translated into action in New York. The New York Select Bus Service (SBS) Program defined three key problems:

- Increasing population

- Declining bus patronage

- Declining bus speeds

The plan included a program and solution design for each corridor which was rapidly implemented on the transport network. The New York experience proved you can deliver big change quickly without spending a lot when you have focus and courageous leadership.

The approach for the New York SBS program provides a roadmap for Sydney. The Directions for On-Street Transit White Paper should be translated to a Medium Term Bus Plan and rapidly rolled out on strategic corridors across Sydney.

A number of Members of Parliament from Western Sydney were in attendance. They highlighted the lack of school buses introduced in response to new schools, lack of bus services provided to expanding employment industrial areas, and poor bus links to the rail system.

David Borger the Executive Director for Business Western Sydney highlighted the need for advocates: "We've had community champions for metro lines, airports and light rail. We now need champions for the buses as we reboot the network and transition to zero emissions technology."

This new vision for transforming how to plan and develop cities across Greater Sydney, Lower Hunter and Greater Newcastle, Central Coast and Illawarra-Shoalhaven, provided much food for thought in our development of this report.

5.2.5 16 Regional Cities Service Improvement Program

Transport has been rolling out the 16 Regional Cities Services Improvement Program as part of a commitment to improving bus services throughout Regional NSW.

The Taskforce supports the initial investment across the 16 cities, with the provision of more than 3000 additional weekly bus trips introduced since 2019. These changes were the first in many decades for these cities and a positive step forward from a very low base (ie an increase of more than 30 per cent to the existing bus networks was achieved within these 16 cities).

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[25] https://www.haveyoursay.nsw.gov.au/on-street-transit

However much more is needed to provide basic service levels to many parts of the state. As show in in Figure 20, there are 5 cities as part of the 16 cities program yet to be completed and a similar program could be rolled out for smaller towns across the state.

Figure 20 – 16 Regional Cities Service Improvement Program – status

Source: 16 Regional Cities Services Improvement Program[26]

5.3   Network and service improvements for Sydney

The Taskforce worked with Transport to identify key attributes for network and service design, key corridors, and local services in significantly disadvantaged communities that should be the focus for short to medium term service improvements. The following issues were considered:

- Network design principles

- Classification of bus routes

- Realising the long-term needs for buses

- Service priorities in the short to medium term.

5.3.1   Network design principles

The lack of legibility and simplicity in the bus network can be a significant barrier for passengers. With around 575 regular bus routes in Sydney and over 22,000 bus stops, the

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[26] https://www.transport.nsw.gov.au/projects/programs/16-regional-cities-services-improvement-program

Taskforce confirms the need for planning service improvements to ensure bus services are well understood.

At a network level, there are multiple routes which overlap, especially on busy corridors. While each bus route plays its role, there is potential to review network design at a more strategic level to minimise potential confusion. This could improve the attractiveness of the bus network and encourage greater patronage.

Transport highlighted four key attributes for improving the bus network and route design:

- **Directness:** routes that provide the most direct connections reduce travel time for passengers and save both operating and capital costs.

- **High frequency:** Turn up and ride services operating at least every 5-10 mins throughout the day are highly attractive to passengers and easier to use as no timetable is required.

- **Integrated services:** high quality, seamless interchange with other bus services and modes including routes operating at higher frequencies, and well-designed interchanges.

- **High legibility:** legibility should follow an intuitive design supported by easy-to-understand information, wayfinding and mapping. Bus stops are key customer touchpoint and important stops and interchanges should be named and include real-time information. Legibility should also extend to fleet design.

5.3.2 Bus route classification

The first step to reduce barriers for customers and apply the network design principles is to classify bus routes by their different functions within the network. Transport has identified three main categories of Local, Frequent, and Rapid services and, within those, specific subcategories, such as on special and on-demand services, as illustrated in Figure 21.

Each service offering has different requirements, such as capacity needs and operational requirements. The Taskforce supports the categorisation and planning responses, including differentiated levels of service, infrastructure interventions, fleet and distinct branding. However, the Taskforce also noted that these categories are not well known to the public and there are inconsistencies across legacy terminology (eg T-ways and B-Line).

The following commentary starts at the base of the pyramid with local routes which is the largest part of the network and works its way up through frequent to rapid routes.

5.3.3 Local

Local bus routes are the largest category. Most suburbs, regional centres and towns are served by some form of local route service, providing a base level of service across the day. Local routes often provide first and last-mile services connecting residential areas with main transport corridors, railway stations or town centres. They also provide access to retail, medical, education and employment in many areas.

Depending on the location, many local bus routes operate regularly across the day, often from early morning until late evening seven days a week. Typically, local routes operate every 30-60 minutes, with higher frequencies during peak periods. In some locations local routes operate as often as every 15-20 minutes. They are sometimes the only route serving a particular locality or suburb. In other areas, especially in Western Sydney, Outer Metropolitan and regional areas, some local routes may only operate as frequently as every two hours or less, and some do not operate during evenings or on weekends.

The Taskforce investigated how many existing local bus routes within Sydney would need to be updated to meet desired service standards and identified some **235** local routes for uplifting frequency (ie a bus at least every 30 mins) & extending hours of operation.

In addition to the examples outlined at <u>4.2.2</u>, a case study was provided by Taskforce members from the NSW Council of Social Service on the dire problems resulting from poor local bus services.

Case Study critical role of local bus services in addressing poverty and disadvantage
A member of NCOSS' Regional Members Meetings, from Manning Valley Indigenous Community Support Services, recently spoke about what the lack of regular bus connections meant for First Nations people living in the Taree area. He described Elders frequently having to walk to and from their communities along the Pacific Highway to buy fresh food or access services.

He said it was a regular thing for staff from Aboriginal Controlled Community Organisations in Taree to get in their own cars in the afternoons to pick them up. This wasn't just to spare them the long walk (which could be up to two hours), but also because of the danger of walking along a major roadway which does not have pedestrian infrastructure.

Figure 21 – Transport's current bus route classification

Infrastructure intervention

Core

The Core network of all-day Rapid and Frequent services spanning strategic road corridors, providing direct services and linking major hubs

Network of all-day frequent services providing connections to high capacity modes, connecting destinations and supporting the Core network

Services only

Fundamental

Local services with regular connections to key corridors and hubs that make up the foundation of our network by providing network reach and coverage for most of the population

Services tailored to community needs

Rapid
Rapid, B-line
- Branding
- Dedicated corridor

Rapid-lite
B-Line lite, Super ADFN
- Light touch infrastructure
- Bus prioritisation
- Frequent service

Frequent
ADFNs
- Minimum 10 minute frequency 0700–1900
- Minimum 20 minute frequency 0500–0700, 1900–2400
- Multiple routes can combine to provide a 'frequent corridor'

Local
The foundation of the network
- All services across the network to meet the NSW bus network minimum service standards.
- Key local services across the network will operate:
  – Minimum 20 minute frequency
  – Minimum 16 hours per day
  – 7 days per week

Special and on demand
Services targeted at specific populations

5.3.4 Other local routes: special, night-time, on-demand and school services

Other bus services include express, on-demand, night and school services.

On-demand services provide tailored services and can be a good solution in low demand areas. The benefit of on demand services is that they replicate frequency by being available at a time that suits passengers. They work well when there is a hub that passengers wish to attend such as a train station or shopping centre.

Express services offer faster, limited-stop services during peak periods, providing additional capacity above the all-day network. Express services are a bespoke solution to specific circumstances:

- Direct services between suburbs and a major destination, primarily during commuter peak times

- Faster journey times for longer routes, or

- Strong demand between an origin and destination with little demand in between.

Night services operate midnight to 5 am, predominantly replacing the rail network which closes down overnight, providing key links to support the needs of the 24-hour city. Night services are particularly important for late night shift workers and people wanting to go out for entertainment, which the NSW Government is seeking to improve through its Vibrancy Reforms.[27]

Transport identified current problems with NightRide services and suggested improvement options for consideration:

- Integrate NightRide and other late-night services into one redesigned network. This is used with Newcastle Transport for better results including links to minimum service, wayfinding and customer information standards.

- Consider expanding late night/overnight services to Wollongong and Central Coast

- Revamp customer information and trip planning tools to support changes with a clear focused night network

- Improve safety, accessibility, and comfort at bus stops.

School bus services are provided specifically to convey school-aged students to schools and supplement the local network by providing additional routes and capacity. School services should not be provided where regular bus services are able to provide a similar role. School bus services are discussed in more detail at 5.6.

5.3.5 Frequent routes

Frequent routes (which Transport labels the All-day Frequent Network (ADFN)) are intended to be simple and legible, and to have few, if any, variations in stopping patterns. They operate at a high frequency, ie turn-up-and-ride services, across the day. Passengers can use these without referring to timetables, which addresses many of the needs identified by passengers in Chapter 4. Typically, Frequent routes operate:

- every 10 minutes or better between 0700 and 1900 (0900 on weekends)

- every 20 minutes or better before 0700 and after 1900 (0900 on weekends).

- from around 0500 to 2400 seven days a week

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[27] 24-Hour Economy Legislation (Vibrancy Reforms) Amendment Bill 2023 | NSW Government

The Taskforce supports the opportunity to influence mode choice for broader passenger markets (beyond work and school) by providing higher frequencies during off-peak and weekend periods and making buses more attractive travel choice. Currently, service frequencies on many routes drop markedly after the morning peak period, with even lower frequency on weekends and at night. This is despite the following evidence:

- Work commutes represented approximately 17 per cent of all trips in 2019/20, with this number falling to about 13 per cent in 2021/22[28] due to increased working from home.

- Social/recreation trips make up approximately 30 per cent of all trip purposes and these trips typically have greater discretion around travel time and destination and may not need to occur during the AM and PM peak periods.

Additionally, many bus services, for example in Western Sydney, do not cater well for shift workers and those working in the night-time economy. While weekday early morning bus services are generally reasonable, night and weekend early morning services are minimal or non-existent. Table 9 shows the number of daily departures on a weekday, Saturdays and Sundays and highlights the comparative lack of services on weekends.

Table 9 - Number of bus departures by day

Weekday	Saturday	Sunday
47,000	21,000	17,000

Source: Transport for NSW

Frequent routes have been progressively introduced in recent years where passenger demand is high and where routes serve key corridors and multiple destinations such as retail centres, education and medical precincts, and transport hubs. They cost less than Rapid routes, as they involve less supporting infrastructure (ie bus priority), branding and specialised stops and fleet. They can also be part of a staged approach for a future rapid route by investing in the service levels initially and making provision for additional supporting infrastructure in the future.

Figure 22 - Frequent and rapid routes typically highest performers in terms of patronage

Sydney's 17 Frequent routes combined with the Rapid B-Line | Represent 13 per cent of Sydney's in-service kilometres | And 24 per cent of total bus boardings
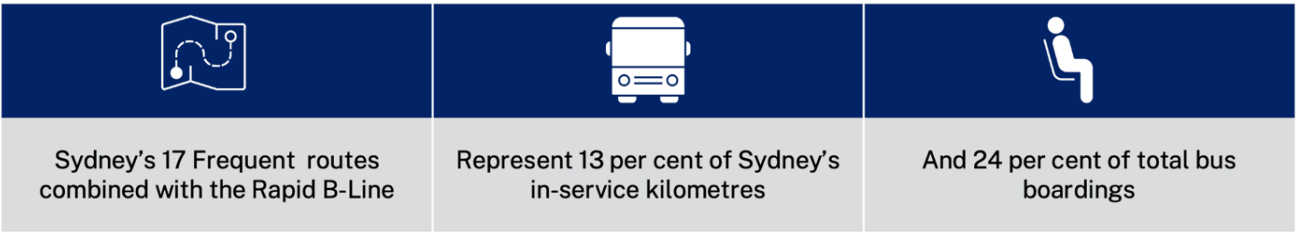
As at June 2022. Source: Transport for NSW

The success of the Frequent routes to date has been in part because they have been intentionally introduced in areas with strong potential demand, but also because they simplify

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28 Household Travel Survey, Transport for NSW

the bus system. Improving the legibility of the service and investing in higher levels of frequency, in both the peak and off-peak periods, attracts ridership.

There are currently no routes in Outer Metropolitan areas that can be considered Frequent routes. Even within Sydney the existing Frequent routes are all concentrated on the eastern side of the metropolitan area.

In addition to the proposed 40 Rapid routes, Transport has identified 80 potential frequent routes for Sydney, of which 17 exist, as illustrated in Figure 23.

Figure 23 - Vision for how future services could be operated

Legend
— Light Rail
— Sydney Trains & Metro
— Existing frequent bus routes
— Visionary frequent bus routes

This map represents a vision for how future bus services could be operated. The concept is not committed, and its assumptions are subject to further investigation and refinement as more detailed assessments take place.

A Frequent bus route provides connections to high capacity modes and local destinations, supporting the core bus network. It provides high-frequency turn-up-and-ride services, across the day, seven days a week.

© Mapbox, © OpenStreetMap

5.3.6 Rapid

Rapid buses are a top tier bus product aimed at increasing regional connectivity. They are similar to light rail, with direct routes, turn-up-and-go services, and quality stops that are distinctive, legible and well-integrated with the urban environment. They enable land-use and housing growth around transit stops which provide sustainable transport choice.

The rapid transit corridors proposed in Future Transport have been developed further by Transport in consultation with the Taskforce. The Taskforce proposes **40 rapid routes** to be delivered over the long term as illustrated in Figure 24. This includes the 39 rapid routes outlined in Transport's Future Transport Strategy and Directions for On-Street Transit White Paper and one addition.

Figure 24 – Proposed Rapid Bus Route Network for Sydney

Legend
— Light Rail
— Sydney Trains & Metro
— Rapid bus routes

This map represents a vision for how future bus services could be operated. The concept is not committed, and its assumptions are subject to further investigation and refinement as more detailed assessments take place.

A Rapid bus route spans strategic road corridors, provides direct services and links major hubs. It has the highest level of service frequency, bus priority and reliability, alongside dedicated branded fleet and stops.

© Mapbox, © OpenStreetMap

Three existing routes have rapid route characteristics and have had significant positive outcomes for Sydney. These are:

- Northern Beaches B-line (route B1, B1N) between Mona Vale and the city

- Rouse Hill to Parramatta T-way (routes 660-665) and Blacktown to Rouse Hill T-way (routes 730, 731, 735)

- Liverpool to Parramatta T-way (route T80)

The positive outcomes achieved by the B-Line highlight the significant benefits of investing in rapid bus routes. Although the corridor does not have fully segregated bus infrastructure, it has significant segments of bus lanes and bus priority, which have contributed to faster and more reliable travel times.

In contrast, the existing T-ways linking into Parramatta have mostly dedicated bus infrastructure where buses operate largely separate to general traffic, with grade separated intersections at selected locations (Rouse Hill – Parramatta) and/or traffic light priority (Liverpool – Parramatta and Blacktown - Rouse Hill). However, service levels vary depending on the section of T-way and where other desired elements of a rapid route are missing (ie branding, specialised fleet, etc). With relatively small investment the T-ways could be upgraded further to improve legibility and service levels to attract more bus passengers and reduce car travel.

Figure 25 – B-Line case study

The Northern Beaches B-Line (B1) is a 27-kilometre rapid bus line connecting the Eastern Harbour City CBD with the Northern Beaches suburb of Mona Vale. With no rail services in the area B-Line provides a trunk public transport option for the area.

Outcomes

High quality services and supporting infrastructure have produced significant benefits, including →

During the weekday morning peak in the inbound direction:

End-to-end bus travel times were **reduced by approximately** **14%**

Travel time variability **reduced by** **20%**

Between 2016 and 2019:

On the trunk bus route, **patronage has increased by** **20%**

And is linked to a **mode shift from cars** **5%**
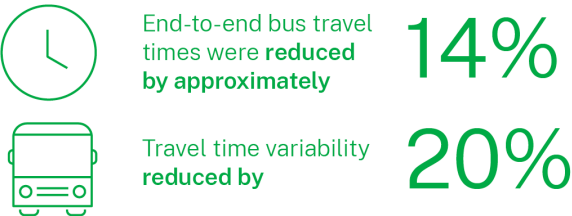
Service

High service levels, including bus services on route B1 operating frequently across the day seven days a week, with services operating at least every 10 minutes all day. During the AM/PM weekday peaks service levels increase operating every 2-7 minutes.
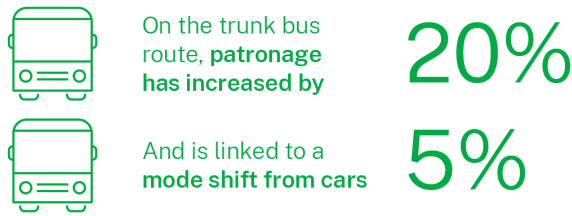
Infrastructure

B-line offers a dedicated high-capacity fleet (86 sitting, 15 standing), branding and quality stops. Consistent branding of vehicles and stops and high legibility in maps and communications boost the attractiveness of service to customers. When B-Line was launched in the Northern Beaches with its distinctive yellow livery and bus stops, extensive marketing and advertising campaigns were used in support of the new service.

The B-line project has highlighted that high quality bus services can be used as a catalyst to improve public space amenity of centres. Key elements include landscaping, shelter from elements and access facilities such as bicycle parking and some stops are also provided with commuter car parks. Bus stop spacing was a key change with the route including 10 stops with spacing between 1900 m and 5000 m.

Bus priority which includes kerbside bus lanes for **74% of the overall route**, bus signal priority at selected intersections, and headway management have demonstrated the ability to optimise transport performance for bus and general traffic.

5.4 Taskforce identified service priorities for Sydney

5.4.1 40:80:1000 Vision - What is needed for Sydney

Sydney deserves a world class bus system to reach its potential as a global and inclusive city. In consultation with Transport, the Taskforce has developed a 40:80:1000 vision. This is a long-term vision for delivering 40 rapid routes, 80 frequent routes, and 1000 local services improvements across Greater Sydney over the next 20 years.

It is a bold vision for a bus system that will positively impact the daily lives of millions of people in Sydney. Many elements involve relatively modest, cost-effective measures, and the overall vision can be developed and delivered over a staged approach with a focus initially on service level improvements with supporting infrastructure being provided over time.

The 40:80:1000 vision will support the unprecedented Government infrastructure investments in major world class rail and motorway projects. To fully realise the potential of these investments, they need to be supported by a fully integrated and complementary bus network. However, as the Taskforce has highlighted, this has not been the case, instead the high cost of these projects has resulted in limited available funding and neglect of the bus system.

The bus network must respond to and integrate with new infrastructure and services of these major projects, while simultaneously providing a public transport option to a much broader catchment for those people who are not within reach of rail corridors and rely on buses as their only public transport option.

5.4.2 Bridging the gaps in Sydney

A high-level gap analysis was undertaken to identify the service and operating cost requirements for the long-term 20 year 40:80:1000 vision of a world class bus system.

This analysis highlighted the significant gap in the proposed long term bus system with only 3 of the proposed 40 rapid routes currently implemented, 17 of the proposed 80 frequent routes, and many local service improvements required including new growth services and updates to 235 existing local services not meeting desired service levels.

It is evident to the Taskforce that 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 to service growing communities, those with changing needs and those experiencing economic disadvantage. Without adequate funding in recent years significant catch-up is required to introduce new bus services in growth areas and uplift service levels to align with people's needs and population growth. The outcomes are summarised in Table 10 and discussed in more detail below.

Table 10 – Bus service state of play summary^

Type	Local^	Frequent	Rapid
Existing	600	17	3
Funded FY23 Budget*	25	0	3*
Long term	1000	80	40

^Local also includes special and on-demand services as outlined in Section 5.3.4

* Funded FY23 Budget includes $10M operating cost funding for upgrades of approximately 25 existing local services and initial capital funding allocation for buses and rapid buses for Western Sydney Airport. A funding gap still exists to realise the desired permanent Western Sydney Rapid Bus solution as outlined further in this Section.

The Taskforce agrees with Transport on five key areas for investment priority summarised in Figure 26. There is also consensus on the urgency required to fix the neglect of recent years of under investment and use the relatively lower cost of investing in buses as a key part of increasing housing along transport corridors. These priorities form the short to medium focus over the next 10 years for the staged approach towards realising 40:80:1000.

Figure 26 - Five areas of investment priority

1		**Network Growth**: catching up to population growth by providing new services in greenfield and brownfield development areas and uplifting existing services in established areas
2		**Minimum Standards:** fixing the service provision in the existing network to ensure equitable access for all the community to public transport
3		**School services**: additional funding to meet student education travel needs (see Section 5.6)
4		**Turn up and ride:** updating targeted services to Frequent routes to simplify the bus system and provide an attractive public transport option
5		**Key corridors:** immediate funding for the development and staged delivery of priority rapid corridors

Priority investments for 1, 2, and 3 focus on the local and school bus network (school services are discussed at 5.7). Service upgrades in the local network and ensuring service provision meets minimum standards is a priority to ensure new growth areas have regular bus services on day one, and existing communities have improved bus services that provide a viable alternative and address social inclusion and access to basic services and jobs.

Priority investments 4 and 5 involve the expansion of the strategic bus corridor network which provides the backbone of bus network for areas not within a rail corridor catchment, connectivity with other modes and links to key destinations.

The Taskforce proposes these service planning and investment priorities be targeted to current and emerging urban growth precincts and areas where people are experiencing economic disadvantage. 2023 Mapping Economic Disadvantage in NSW[29] found that poverty is highly concentrated in Sydney's western and south-western suburbs. These are areas with poor bus provision. In Sydney's Greater West, few services operate more than 45 times per day and may have less than 12-hour coverage over the day.

Figure 27 illustrates the priority areas, including those nominated as Department of Planning growth precincts and areas where bus services have focused on commuter and school needs with poor or no services at other times.

Figure 27 – Priority Growth Areas in Sydney (Source Transport for NSW)

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[29] https://www.ncoss.org.au/policy-advocacy/policy-research-publications/mapping-economic-disadvantage-in-nsw/

OFFICIAL
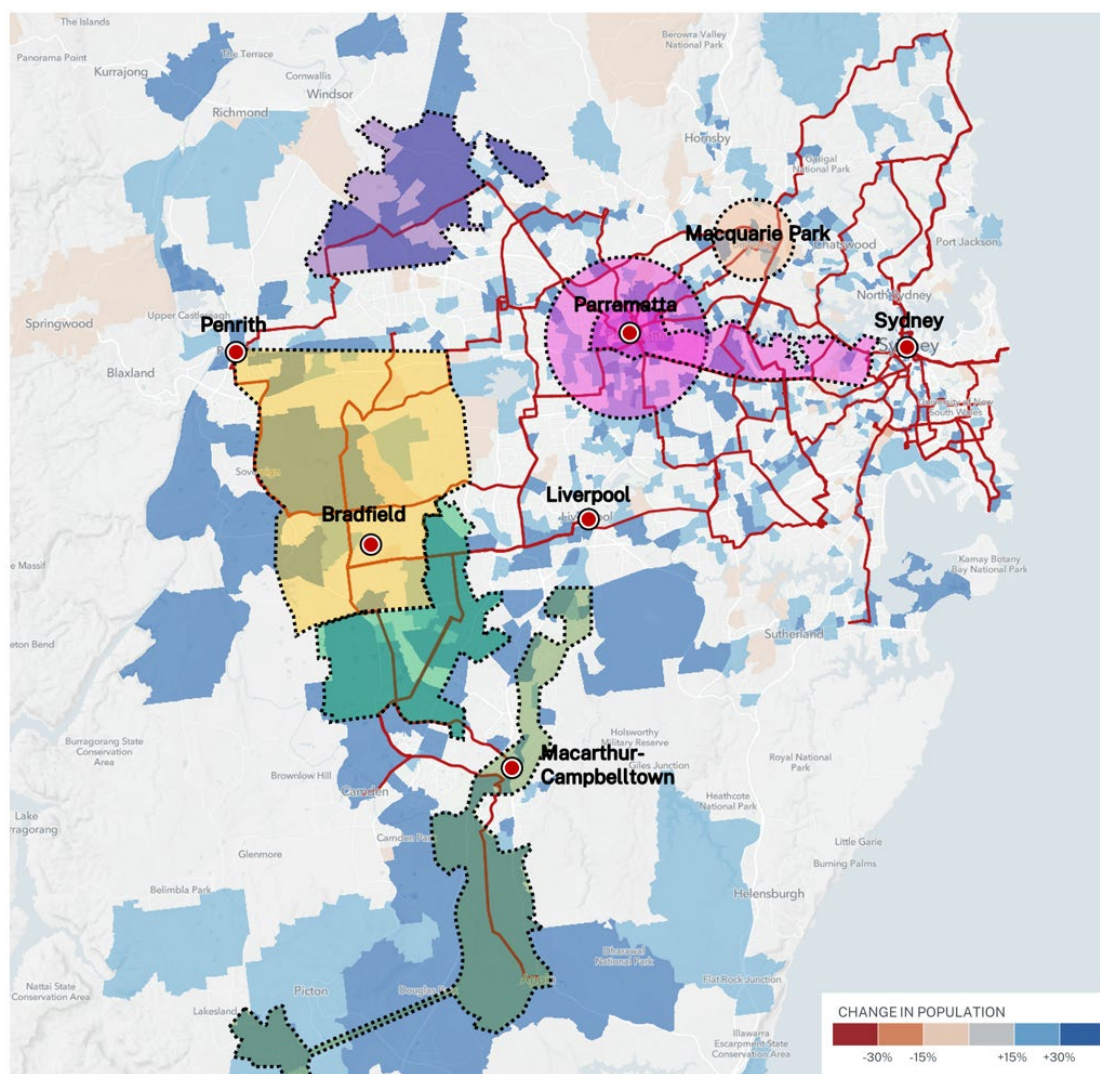
As part of the 2023/24 Budget the NSW Government allocated $10 million of bus growth funding for this financial year.

Transport selected priority service improvements which focus on service uplifts outside of weekday morning and afternoon peak periods. This enables initiatives to be introduced relatively quickly as they generally do not require additional fleet and minimise demand on the driver availability constraints identified by the Taskforce.

Figure 28 – Proposed bus service improvements 2023/24 (Source: Transport for NSW)
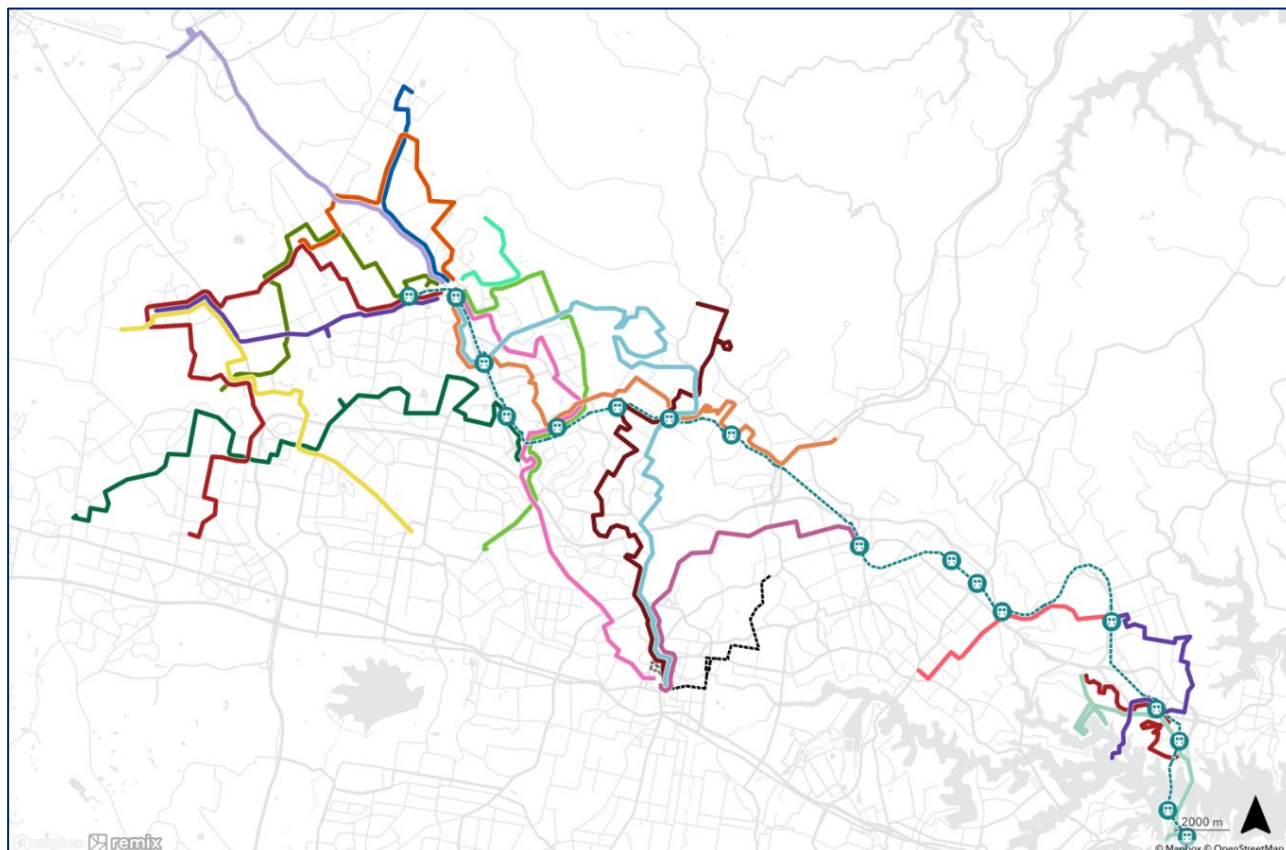
The initiatives will improve the approximately 25 local routes shown in Figure 28 and focus on the following elements:

- **Service amplification for Sydney Metro City** - Increasing weekday off-peak, evening and weekend service frequencies and operating hours on some local routes serving Sydney Metro stations in Sydney's northwest aligned with the next phase of the Sydney Metro City project which involves the opening of the Chatswood to Sydenham anticipated in 2024.

- **Network growth** – Increases to service availability in new and emerging growth areas across western Sydney, and would result in improvements to service frequency and operating hours in Marsden Park, Riverstone, Schofields, Box Hill and Gables.

- **Election commitments** – A number of new school services from Padstow to Menai, and a new route from Top Ryde to North Ryde.

While any funding is welcomed, this involves only a 0.6 per cent increase on existing funding for bus services.

In addition, the NSW State Budget included $302 million to progress the Western Sydney Rapid Bus (WSRB) project to connect the Western Sydney communities of Campbelltown, Liverpool and Penrith to the new Western Sydney Airport (WSA) and Aerotropolis precinct.

Figure 29 – Western Sydney Rapid Bus
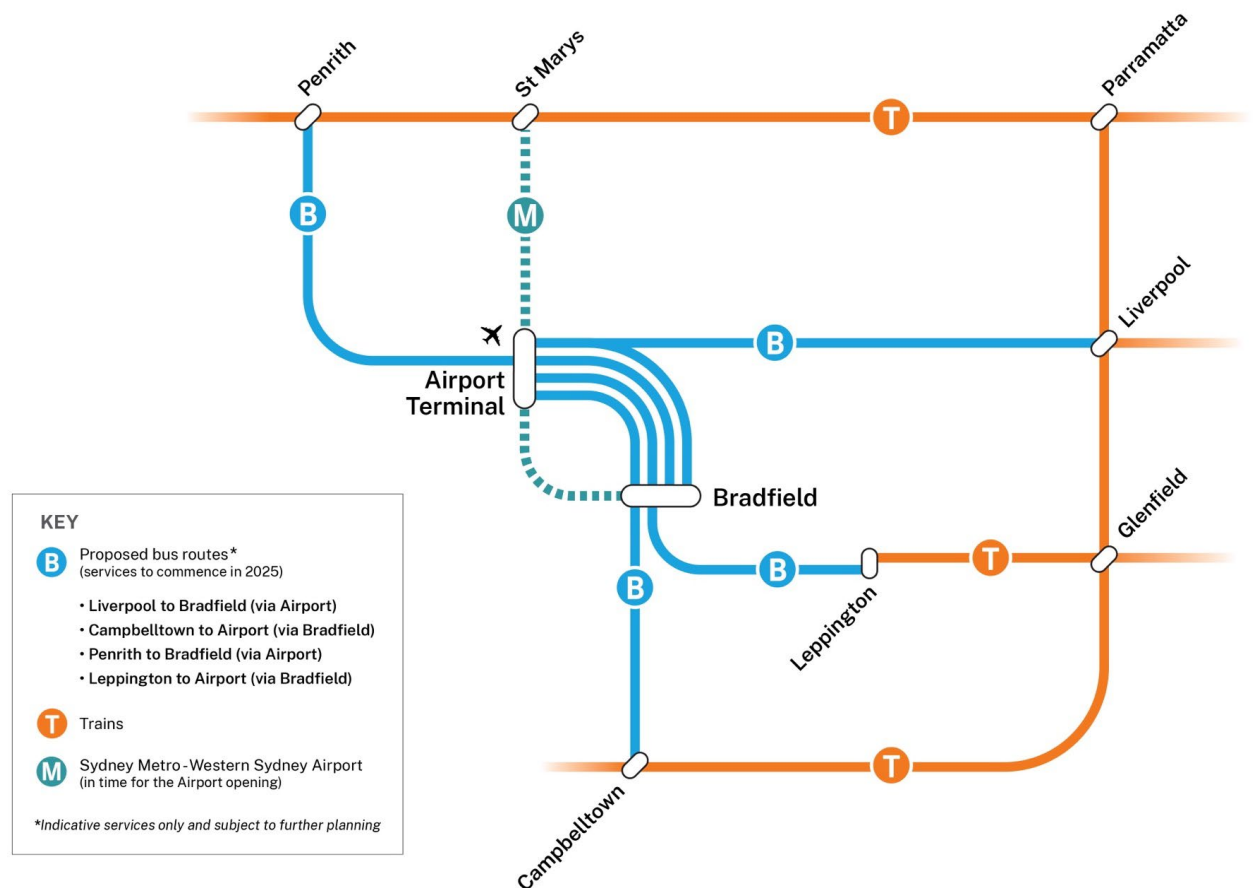
The Taskforce supports this and highlights the need to provide a fully integrated public transport network for Western Sydney, an area with limited existing public transport and where the private car is currently, and is likely to remain, the predominant transport mode until a viable alternative public transport solution is available.

The commencement of rapid bus services and other bus services in time for the Western Sydney International Airport opening in 2026 will be critical to establishing travel behaviours and promoting public transport uptake in Western Sydney. It is understood that the interim solution involves minimum service levels (ie every 30 minutes) in the first instance. The Taskforce is of the view that the significant investment in Airport and the Metro will be a lost opportunity if these services are not uplifted appropriately, and quickly to increase the public transport catchment.

The Taskforce was advised that the partial committed funding until 2027 has been provided for progressing fleet purchases, depot land acquisition and planning/design for rapid bus

services. It is insufficient for the broader infrastructure needs of bus priority, layover and charging facilities and on-going operational costs. Funding to increase service frequency to that required for a rapid route, ie turn-up-and-go service, has not yet been identified.

Short to medium term priorities

Beyond the funding outlined above, the Taskforce worked with Transport to identify other pressing initiatives targeted to the priority areas as part of the staged approach to the 40:80:1000 vision. Shortlisted initiatives included 10 rapid, 27 frequent, and a range of local service needs as priorities for investment over the short (0-4 years) and medium term (5-10 years).

Consistent with the five priorities identified earlier, key areas 1, 2 and 3 for network growth and fixing the service provision of local and school routes are the most pressing initiatives with the frequent and rapid networks to be developed and delivered over stages, as discussed below.

Network growth

Continual investment in the local network every year is a priority to ensure new growth areas have regular bus services on day one, and existing communities have improved bus services that provide a viable alternative and address social inclusion and access to basic services and jobs.

Network growth comprises the following two elements:

1. Supporting urban growth by providing new or enhanced services in growth precincts as new homes and employment areas are established. Offering new or enhanced travel options for growing communities is essential for providing access to jobs, schools and other important destinations.

2. Improving local services in existing established communities; improving service frequencies and operating hours (eg increasing off-peak frequencies to every 30 mins and/or extending service hours to later at night) to provide viable transport options in older, established areas but where services have not been adjusted to keep pace with changing travel and land use patterns; this would also assist in addressing social outcomes by providing regular services across the day and week.

The lack of investment in basic local services means the people who need it the most receive the least amount of service.

Transport has identified numerous service improvements on the bus network to realise network growth, predominantly focused across western Sydney. This includes some 80 bus routes which are illustrated in Figure 30 and summarised in Table 11 below. They are in addition to delivering the necessary bus system for WSRB and the current funded services outlined above in current funding.

Strategic cost estimates prepared by Transport indicate that these growth services would require approximately $100 million of recurrent annual operating costs from the date of service implementation and approximately $152 million of total capital costs (on an undiscounted basis) for new ZEB fleet and new ZEB depots.

Figure 30 – Network growth - local bus service improvements
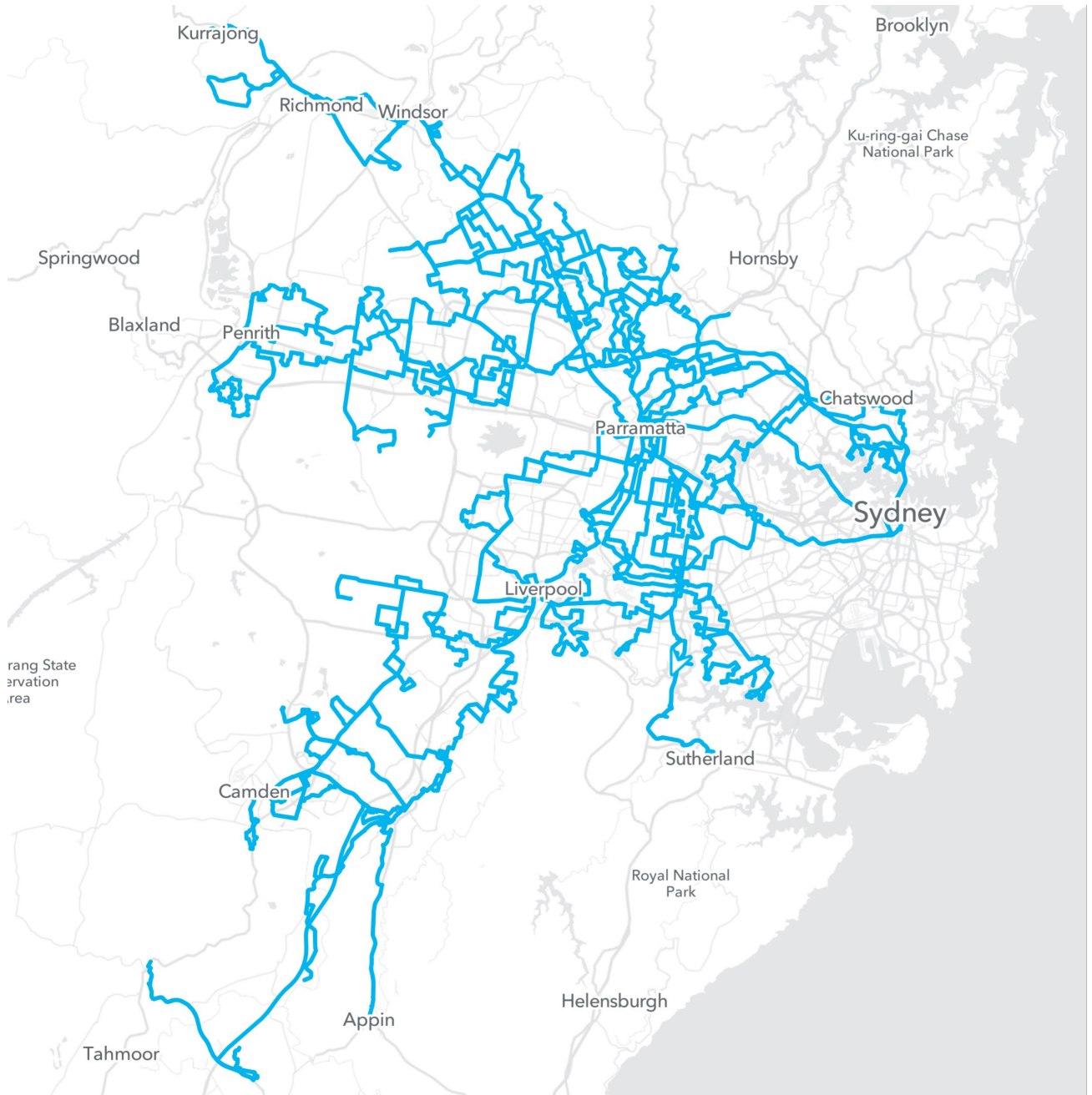
Source: Transport for NSW

Table 11 – Local service improvements for network growth

Area	Category	Description
Hawkesbury	Service improvements	Additional off-peak and evening services including weekends in Kurrajong, North Richmond, Windsor, Pitt Town and Bligh Park
Penrith	Service improvements	Additional off-peak and evening services including weekends in Glenmore Park, Jordan Springs, Werrington, Ropes Crossing, St Marys
	New routes	New or extended routes serving current and emerging growth precincts as required
Blacktown	Service improvements	Additional off-peak and evening services including weekends in Marsden Park, Colebee, Riverstone, Schofields, Mount Druitt, Eastern Creek and Rooty Hill
	New routes	New or extended routes serving current and emerging growth precincts as required
The Hills	Service improvements	Additional off-peak and evening services including weekends in Box Hill, Gables, Rouse Hill, North Kellyville, Castle Hill
Cumberland	Service improvements	Additional off-peak and evening services including weekends in Pemulwuy, Wentworthville, Greystanes, Merrylands, Granville, Auburn
Fairfield	Service improvements	Additional off-peak and evening services including weekends in Prairiewood, Lansvale and Villawood
	New routes	New routes linking Western Sydney International with Liverpool
Liverpool	Service improvements	Additional off-peak and evening services including weekends in Holsworthy, Wattle Grove, Moorebank and Chipping Norton
	New routes	New routes linking Western Sydney International with Liverpool
Campbelltown	Service improvements	Additional off-peak and evening services including weekends in Menangle Park and Gilead
	New routes	New routes linking Western Sydney International with Campbelltown New or extended routes serving current and emerging growth precincts as required
Camden	Service improvements	Additional off-peak and evening services including weekends in Camden, Narellan, Spring Farm, Oran Park, Gregory Hills, Catherine Field, Leppington
	New routes	New routes linking Western Sydney International with Campbelltown via Oran Park New or extended routes serving current and emerging growth precincts as required

Area	Category	Description
Wollondilly	Service improvements	Additional off-peak and evening services including weekends in Picton, Wilton and Menangle
	New routes	New or extended routes serving current and emerging growth precincts as required
Parramatta	Service improvements	Additional off-peak and evening services including weekends in North Rocks, Carlingford, Epping, Ermington, Melrose Park, Wentworth Point and Sydney Olympic Park
	New routes	New or extended routes serving current and emerging growth precincts as required
Canterbury-Bankstown	Service improvements	Additional off-peak and evening services including weekends in East Hills, Bass Hill, Georges Hall, Yagoona, Regents Park and Berala
	Key corridor improvements	Additional services to upgrade route/s to Frequent service between Liverpool, Bankstown and Burwood

Fixing service provision in the existing network

Transport has also identified 235 Sydney bus routes which do not meet minimum service standards.

As Figure 31 shows, these are predominantly located in Western Sydney. Areas in the North West of Sydney and in the corridor towards Bankstown and adjacent suburbs in the South West corridor, especially west of Campsie, have bus routes that typically are low frequency and/or few evening or weekend services compared to those routes closer to the city.

Targeted service enhancements would improve services to a minimum standard across the week, including frequency (eg every 30 minutes) and extending hours of operation (eg early morning and late evening).

Strategic cost estimates prepared by Transport indicate that upgrading all these bus routes to minimum standards would require approximately $128 million of recurrent annual operating costs from the date of service implementation and approximately $176 million of total capital costs (on an undiscounted basis) for new ZEB fleet and new ZEB depots.

Figure 31 – Local Services below minimum service standards
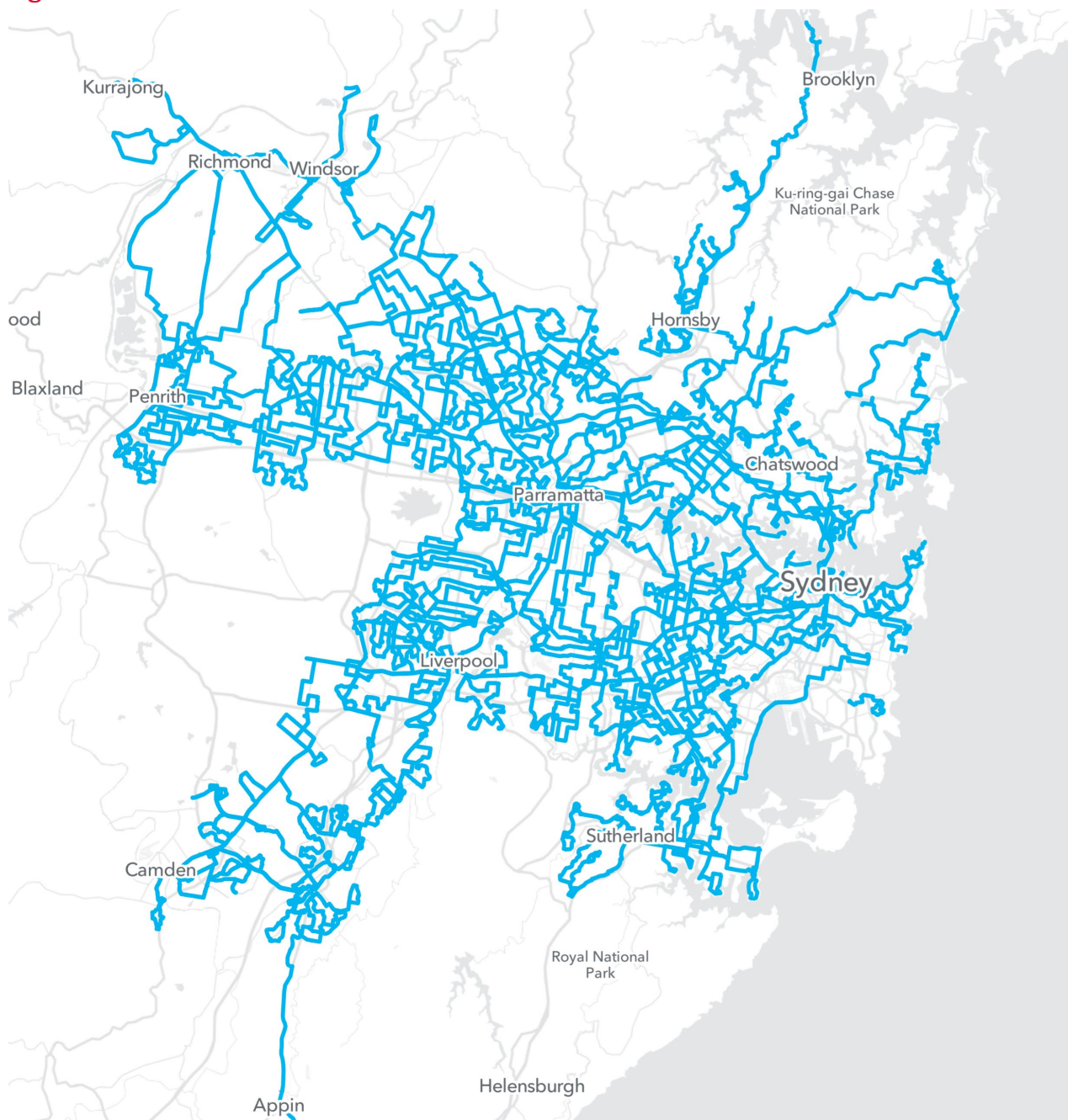
Source: Transport for NSW

Development and delivery of priority rapid and frequent routes

A number of strategic corridors have been identified for progressive implementation across greater Sydney and Outer Metropolitan areas. These are key movement corridors, where existing bus routes already operate along major arterial roads between key centres (eg, Victoria Road) or where current and future development will necessitate frequent and reliable surface transport connections (eg, Liverpool to WSA).

Considering the need to balance services across Sydney, potential to support population growth, the need to provide new connections to underserved areas, and the potential to

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transition to rapid soon, 10 rapid routes and 27 frequent routes, were confirmed with Transport. These are illustrated in Figure 32 and listed in Tables 12, 13, and 14.

Strategic cost estimates prepared by Transport indicate that delivery of these 10 high quality rapid routes and 27 frequent routes would require approximately $417 million of recurrent annual operating costs from the date of service implementation and approximately $2.7 billion of total capital costs (on an undiscounted basis) for bus priority infrastructure,[30] new ZEB fleet, and new ZEB depots.

Figure 32 – Priority Rapid and Frequent Routes for Sydney (Source: Transport for NSW)

Legend
— Light Rail
— Sydney Trains & Metro
— Priority rapid bus routes
— Priority frequent bus routes
— Existing frequent bus routes

This map represents a vision for how future bus services could be operated. The concept is not committed, and its assumptions are subject to further investigation and refinement as more detailed assessments take place.

A Frequent bus route provides connections to high capacity modes and local destinations, supporting the core bus network. It provides high-frequency turn-up-and-ride services, across the day, seven days a week.

A Rapid bus route spans strategic road corridors, provides direct services and links major hubs. It has the highest level of service frequency, bus priority and reliability, alongside dedicated branded fleet and stops.

© Mapbox, © OpenStreetMap

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[30] Strategic capital costs excludes, any costs for property acquisitions to enable road upgrades and bus priority, costs for property/construction of new roads, cost for commuter car parks, costs for detail program development. WSRB Routes are subject to separate Business Case processes which would provide more detailed assessment of designs and costs. These are strategic cost analysis only and do not consider existing funding or gaps.

Table 12 - Rapid Route Priorities

Number	Route
1	B30 Liverpool to Airport and Bradfield WSRB
2	B31 Campbelltown to Bradfield and Airport WSRB
3	B32 Penrith to Airport and Bradfield WSRB
4	Parramatta to Sydney via Victoria Road
5	Parramatta to Sydney via Parramatta Road
6	Liverpool to Burwood via Bankstown
7	Campbelltown to Liverpool
8	St Marys to Rouse Hill
9	Liverpool to Parramatta T-way upgrade
10	Rouse Hill to Parramatta T-way upgrade

Table 13 - Priority routes for progression to frequent standard in the medium term (0-4 years)

Number	Route
1	288 Macquarie University to City via North Ryde and Lane Cove
2	389 Pyrmont to Bondi Junction
3	410 Hurstville to Macquarie Park via Burwood and Ryde
4	420 Burwood to Mascot Station via Rockdale and Airport
5	433 Balmain to Railway Square via Harold Park and Glebe
6	438X Abbotsford to City via Five Dock
7	442 Balmain to City
8	450 Hurstville to Strathfield
9	461X Burwood to City
10	470 Lilyfield to City
11	525 Parramatta to Strathfield via Sydney Olympic Park
12	530 Burwood to Chatswood via Drummoyne
13	533 Sydney Olympic Park to Ryde via Rhodes
14	545 Parramatta to Macquarie Park via Dundas Valley and Eastwood
15	550 Parramatta to Macquarie Park via Carlingford
16	600 Parramatta to Pennant Hills via Castle Hill
17	610X Castle Hill to City via M2
18	611 Blacktown to Macquarie Park via M2
19	700 Blacktown to Parramatta via Prospect
20	800 Blacktown to Fairfield via Prairiewood
21	804 Bonnyrigg to Parramatta via Fairfield
22	M91 Hurstville to Parramatta via Bankstown
23	960 Sutherland to Bankstown
24	970-1 Miranda to Hurstville

Table 14 - New routes that could be introduced at the frequent standard in the medium term (5-10 years)

Number	Route
25	Leppington to Western Sydney International via Bradfield
26	Merrylands to Blacktown via Pemulwuy
27	Penrith to Orchard Hills via Glenmore Park

Connections for these routes currently do not exist. Source: Transport for NSW

A staged approach would provide upgraded service frequency along identified corridors as a minimum in early years, with progressive upgrading to rapid characteristics as and when demand increases, or in line with more detailed planning and investment approval as part of final business cases. Staging could include the following:

Service upgrades to operate as part of the all-day frequent network, where service frequencies would be every 10 minutes or better but with a shorter distance between stops. Corridor protection for future bus infrastructure needs.

- Corridor upgrades to operate as a rapid corridor, with dedicated fleet, branding and supporting infrastructure (eg bus priority) with wider stop spacing.

In many instances, upgrading of existing routes to frequent standard would simply result in additional frequency and span of hours across the day, while in some instances adjustments to multiple routes may be necessary to deliver optimal passenger and community outcomes.

5.5 Network and service improvements for Regional and Outer Metropolitan areas

5.5.1 Overview

Improving public transport in Regional and Outer Metropolitan remains a major priority. Key drivers include:

- Population and jobs in Regional and Outer Metropolitan NSW are increasing

- An ageing population that will become more heavily dependent on public transport

- Highly socioeconomically disadvantaged, lower average household incomes compared to Greater Sydney

- Coach travel provides a necessary service across Regional NSW

- Coach timetables have not been designed for day return travel

- Bus service provision is well behind what is provided in Greater Sydney

- Bus services are not meeting the community's needs and expectations

- A backlog in bus, ferry, and light rail growth service expenditure in Outer Metropolitan areas.

5.5.2 Bus route classification and tiers

Given their similar characteristics, a similar approach to route classification and network design as outlined in the previous Sections for the Sydney metropolitan area is followed for the areas identified as Lower Hunter and Greater Newcastle City, the Central Coast City, the Illawarra-Shoalhaven City (see 5.3.1).

Key bus corridors in Outer Metropolitan have been identified as the spine of the bus networks where many existing services converge today, specifically in the cities listed above. These corridors would support future primary routes that connect major patronage generators with

the most frequent services. They form the all-day frequent network, provide metropolitan and city connectivity, and are frequent and reliable.

The bus planning approach for Regional cities and towns is different because of the different characteristics of Regional areas. Populations are spread over large distances, and urban clusters vary greatly in size and influence. Regional cities and strategic centres provide services to people who may live several hundred kilometres away.

Other Outer Metropolitan areas outside the six cities may have a blended approach between a metropolitan and Regional approach.

Future Transport's Regional Connected Network outlines a tiered approach to meet the everyday needs of regional customers travelling within, between and to/from regional cities, strategic centres and other centres. Improvements will provide connected customer journeys across three tiers of service:

- Tier 1 – Connections between regional cities and centres, providing multiple day-return travel opportunities and enabling customers to travel across the Regions.

- Tier 2 – Towns and Villages are connected to their nearest regional city or strategic centre to access employment, education, health care and other essential services.

- Tier 3 – Networks within regional cities and strategic centres that provide attractive public transport services and connect people to a range of destinations and services.

Figure 33 – Illustration of regional bus route tiers
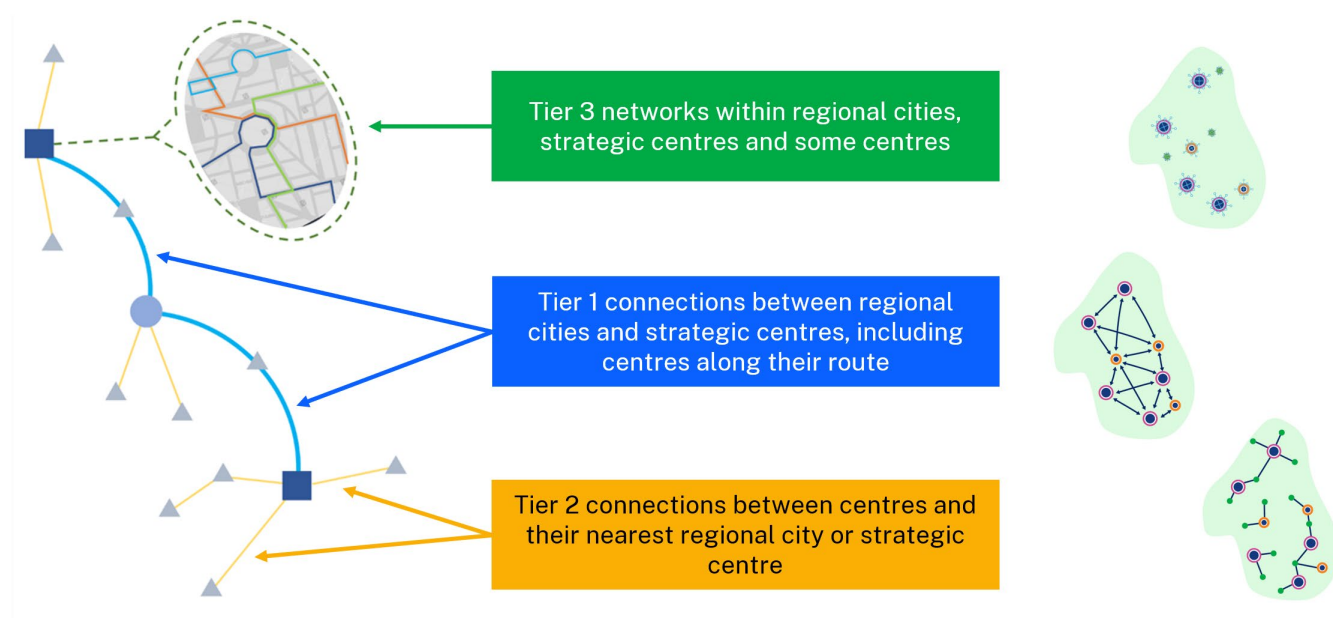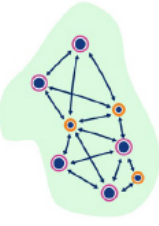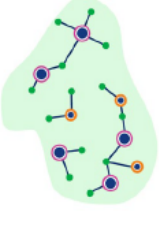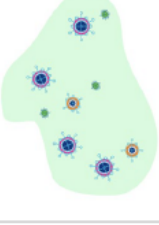
Source: Future Transport Strategy [31]

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[31] https://www.future.transport.nsw.gov.au/

Table 15 - Regional bus route characterisation

Tier	Description	Characteristics	Examples
Tier 1: Connections between regional cities and centres, enabling customers to travel across the Regions	Services typically provide for travel over long distances between regional cities and strategic centres. These services will have intermediate stops at smaller towns and settlements that are on the route.	• Longer distance services (>~50km) • Provides city-to-city and towns-to-major centres/cities links • Generally coach, rail, On-demand • Infrequent (typically once daily or less) • Same day return travel enabled only on some services and destinations	• Parkes to Orange (and Lithgow) • Bourke to Dubbo • Broken Hill to Mildura (Victoria)
Tier 2: Towns and villages are connected to their nearest regional city or strategic centre	Services connect rural and regional towns and communities to their nearest regional city or strategic centre. Most of these towns are of a reasonable size, but are not large enough to support a public transport service in their own right.	• Short to medium distance (typically up to ~50km) • Provides links from a community to nearest centre • Usually a route bus, can be On-demand • Timetabled services, often with multiple trips per day • Same day return travel is available	• Macksville to Coffs Harbour • Nimbin to Lismore
Tier 3: Networks within regional cities and strategic centres that provide public transport services	Services provide travel within the urban area of regional cities, strategic centres and other larger local centres. While there are outliers, a population of around 8,000 supports a Tier 3 network.	• Travel within urban centres • Provides services to destinations within cities, their commercial centres or adjacent cities • Normally route bus, or On-demand vehicles • Frequency and service level depends on size of the town.	• Queanbeyan network • Coffs Harbour network • Bathurst network • Grafton network • Goulburn network • Broken Hill network • Cowra network

Within the Tier 3 network there are three subcategories: Regional city networks, strategic centre networks and regional centre networks.

Regional city networks
Regional cities have sufficient size to support comprehensive bus networks with multiple routes serving most suburbs. Services mostly operate Monday to Friday and on Saturday mornings. Only the largest regional cities of Tweed Heads, Coffs Harbour, Port Macquarie, Nowra and Queanbeyan have any services at night or on Sunday. Some networks do not have

commuter services during school bell times, as fleets are deployed exclusively to school services. This tends to lower the use of public transport by the working age population.

In some cities, routes are circuitous, giving priority to coverage over travel time and service levels. The 16 Cities program has sought to address many of these issues; however, some routes still have few or no services during the school peak.

Bus stop infrastructure is of a fair standard in most regional cities and provides an on-street indication to the presence of a bus network. There remain gaps in some of the bus stop network, in newer residential areas. B-pole programs are rolling out in some cities.

Many large regional cities have outgrown and continue to outgrow their bus networks, with large residential subdivisions being completed and occupied without access to bus networks.

Strategic centre networks

Strategic centres such as Bathurst, Grafton and Goulburn support basic bus networks with multiple routes serving most suburbs. Historically services operated Monday to Friday with some cities having Saturday morning services and none having Sunday services.

Commuter services were rare, with entire fleets dedicated to the provision of school services. This has led to few working age adults using bus services. Bus routes tended to be complex, with one-way loops and numerous route variants favouring coverage over travel time and service level. The 16 Cities program sought to address many of these issues, in particular the absence of weekend and commuter services.

Bus stop infrastructure is at best fair, but generally poor in strategic centres. Many bus operators use 'Hail and Ride', which can render bus networks invisible, with no visual indicators to new or potential users of public transport. B-pole programs are rolling out in some cities.

Regional centre networks

Regional centres (up to approximately 18,000 population) typically have a basic network of 1-4 bus routes. Services generally operate Monday to Friday, a few centres having minimal services on Saturdays. Night and Sunday services are a rarity. Few regional centres have commuter services.

Smaller towns often only have services between 9 am and 3 pm using buses that are idle between school bell times. They provide essential services to those in need, but this tends to limit the public transport market to those who cannot drive or do not own a motor vehicle. Bus routes are usually very complex, designed for coverage rather than directness, with one way loops with numerous deviations and variants. These networks usually provide connection to commercial centres within and urban area.

Demand responsive services have been trialled with success in some regional centres, most notably Moree (Moree On Demand Bus Service), Woolgoolga (Woopi Connect), Goonellabah-Alstonville (B-Conx) and the Sapphire Coast (Flexibus).

5.5.3 Bridging the gaps

Regional and Outer Metropolitan NSW experience high levels of public transport disadvantage which is compounded by the prevalence of key population groups in the Regions such as older people, people with disabilities and young people who are often reliant on public transport.

Service provision in Outer Metropolitan areas is behind Greater Sydney including the majority of bus stops having worse than 30-minute frequency and shorter span of hours.

Figure 34 - comparison of service levels Metro Sydney v Outer Metropolitan areas

In Regional NSW, current service supply, transport need and socio-economic need results show 70 per cent of regional cities, regional centres and centres have a very high or high need for improved public transport services when assessed against their need index. Only 34 per cent of towns and centres have a daily connection to their nearest regional centre.

Even where services exist, finding information and catching the service can be challenging. Provision of, and ease of accessing, service information varies across operators. All route services appear on Transport's Trip Planner, but additional information such as route maps, overall network timetables and fare information is largely left to each operator, some of whom do not have an online presence.

Figure 35 - Map of service need within Rural and Regional centres
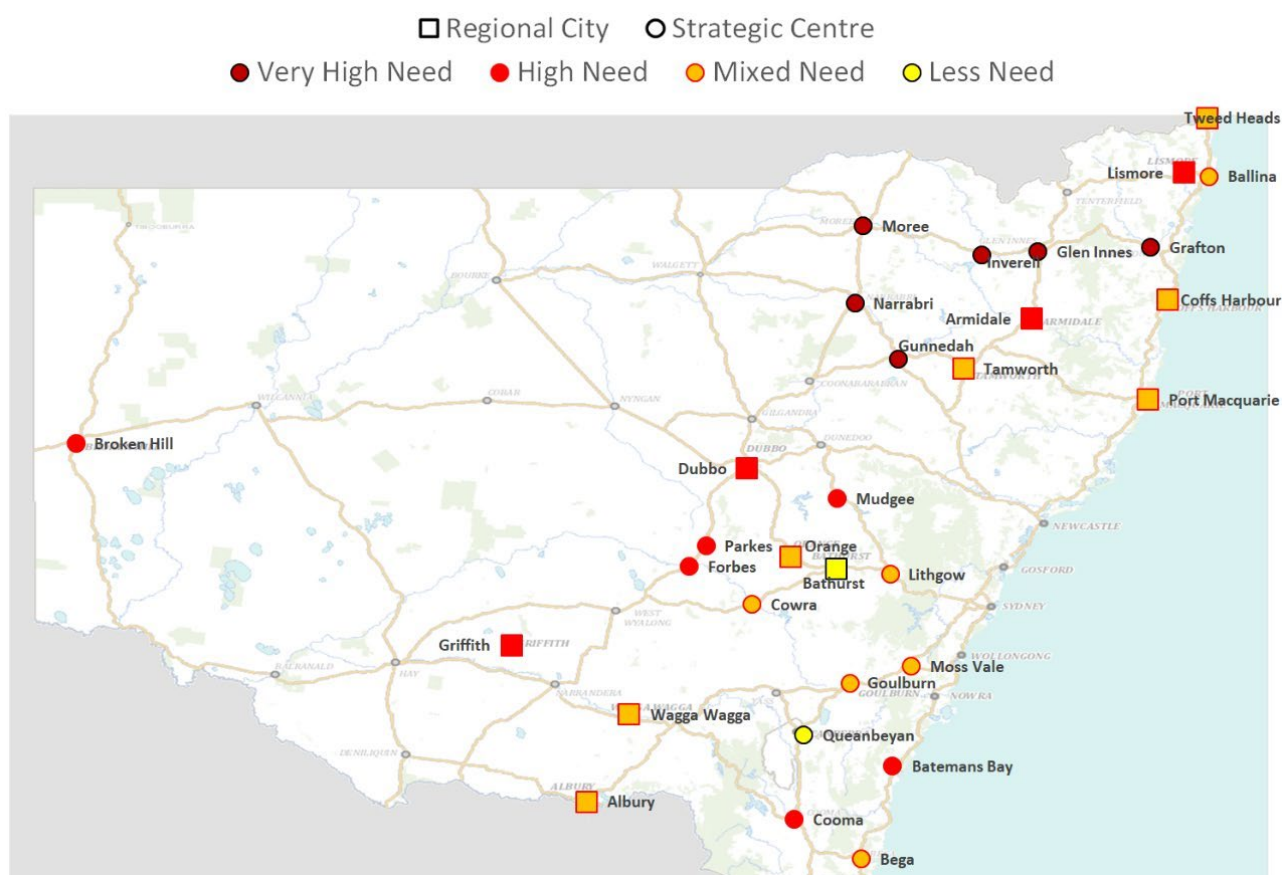
Source: Transport for NSW.

At time of assessment, 16 Cities had been delivered at Wagga Wagga, Tweed Heads and Bathurst. The 16 Cities Program will likely move all regional cities to mixed or better. Centres are not shown on the map.

Table 16 - Analysis of service need within Rural and Regional centres

Need	Description	Regional cities	Strategic centres	Centres
Very high	No service provision, very high socio-economic disadvantage	0	6	53
High	Limited services, high socio-economic disadvantage	4	6	24
Mixed	Need improved services, areas with high socio-economic disadvantage	7	6	7
Lower	Good level of service, could improve to meet all needs	1	1	6

Source: Transport for NSW

Some networks operate under 'hail-and-ride' principles. Whilst this adds convenience and flexibility for those who are aware of the service and are confident using it, it can provide a barrier to those who may by unaware of this type of operation and may simply see buses driving by that never seem to stop anywhere, nor have defined bus stops. A sustained education and advertising program would address this issue.

Journeys can often involve multiple operators and a combination of service types. For example, some service options involve travel on a route bus, perhaps followed by a leg on a NSW TrainLink booked-seat train or coach service. Piecing together a full-service view can be difficult and require cross-referencing a number of websites and trip planners.

Services themselves often do not operate where people want to go, at inconvenient times and may not provide access to near key centres.

5.5.4 Taskforce identified service priorities for Regional and Outer Metropolitan areas – short term

The Taskforce worked with Transport to identify near-term opportunities for service growth and enhancements throughout Regional and Outer Metropolitan areas. Outer Metropolitan improvements include the lower Hunter, Central Coast, Illawarra, Blue Mountains and Southern Highlands.

Service uplift on key corridors

- A number of initiatives have been identified that would increase service frequencies and operating hours on key corridors to move towards the development of frequent networks in Outer Metropolitan cities, Wollongong, Newcastle and Central Coast.

- Connections to Outer Metropolitan cities would be enhanced to other strategic centres and key points of interests such as hospitals, shopping centres and other modes such as rail.

- An example initiative is piloting the first frequent route in an Outer Metropolitan area, in the Central Coast. The current 17X is a peak only service operating limited stops on weekdays which provides the opportunity to operate 7 days a week, all day without the need to procure additional fleet. This corridor has been identified as a high demand corridor servicing a regional city and can be the catalyst for building an improved network around the corridor.

Figure 36 – Proposed Frequent Route
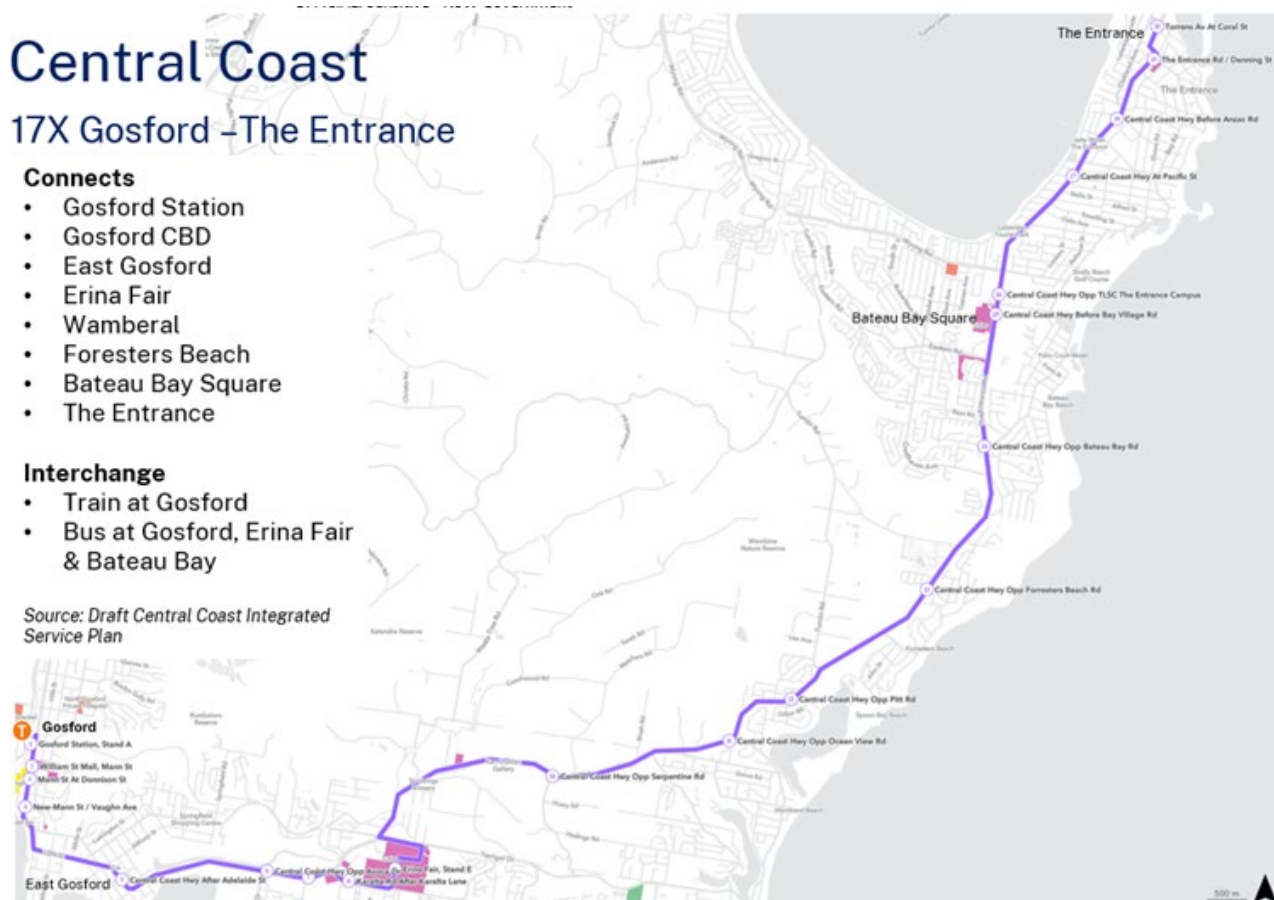
Source: draft Central Coast Integrated Service Plan

Service uplifts on strategic corridors and service adjustments

- Improve connectivity within and between Outer Metropolitan centres and enhance service provision on numerous routes to meet minimum standards

- Maintenance of current network, timely minor service adjustments for emerging needs and land use changes eg connections to new rail timetables, greenfield developments.

Outer Metropolitan

Outer Metropolitan initiatives that can be delivered in the immediate term without the need to procure additional vehicles are listed below and require $16M in recurrent operating costs.

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Table 17 - Quick wins for Outer Metropolitan

Location	Category	Description
Gosford and Central Coast	Service Adjustments	Bus timetable adjustments to maintain connections to future rail timetable changes.
	Key Corridor Improvements	Pilot frequent network between Gosford and The Entrance by uplifting all off-peak periods on existing express route.
	Key Corridor Improvements	Additional off-peak services including weekends between • Gosford and Woy Woy • Gosford and Terrigal.
Newcastle and Hunter Valley	Key Corridor Improvements	Additional off-peak services between Swansea and Newcastle including weekends.
	Key Corridor improvements	Additional off-peak services including weekends between Newcastle and key points of interests and strategic centres along key corridors including: • Charlestown • Maryland and Wallsend • Glendale and John Hunter Hospital.
	Service Improvements	Additional trips to improve span of hours and availability of services between • Cessnock and Maitland • North Rothbury and Maitland.
Wollongong and Illawarra	Service Improvements	Additional trips on multiple routes in the Illawarra Region to comply with service span minimums.
	Key Corridor Improvements	Additional off-peak services between Wollongong and Warrawong including weekends.
	Key Corridor improvements	Additional off-peak services including weekends between: • Shellharbour and Wollongong • Austinmer and Wollongong
Blue Mountains	Service Improvements	Additional services between Katoomba and Scenic world (Blue Mountains)
	Service adjustments	Bus timetable adjustments to maintain connections to future rail timetable changes
Port Stephens	Service Improvements	Additional trips to improve span of hours and availability of services between Nelsons Bay and Soldiers Point
Bowral and Southern Highlands	Service Improvements	Additional trips to improve span of hours and availability of services between Willow Vale and Moss Vale via Mittagong and Bowral

Rural and Regional

Improvements include:

- Tier 2 network improvements to connect 12 Centres across Regional NSW with their nearest Regional City or Strategic Centre consistently on Weekends and Public Holidays.

- 16 Cities Program: Delivery of the remaining 5 Cities

Identified regional initiatives that can be delivered immediately without requiring new fleet require $3.5 million in operating costs include:

Table 18 - Quick wins for Rural and Regional NSW

Location	Category	Description
Tweed Heads	Local Network Improvements (Tier 3)	Introduce adjusted/new services for the Tweed Hospital location in Kingscliff
Goulburn	Local Network Improvements (Tier 3)	Provide similar service within Goulburn across all Weekends and Public Holidays
Regional NSW	Town to Regional City Improvements (Tier 2)	Connect 12 Centres across Regional NSW with their nearest Regional City or Strategic Centre consistently on Weekends and Public Holidays
	Service Adjustments (All)	Adjust and maintain timetables across Regional NSW to respond to development, changes in other transport modes (eg Rail and Coach) and other infrastructure or development changes
Port Macquarie	Key Corridor Improvements (Tier 1)	Provide 7 day per week service between Kempsey and Port Macquarie, including on non School Holiday weekdays
Coffs Harbour	Key Corridor Improvements (Tier 1)	Deliver services between Coffs Harbour and Grafton on Weekends and Public Holidays, including connections with Woolgoolga and Northern Beaches
	Key Corridor Improvements (Tier 1)	Deliver services between Coffs Harbour and Macksville on Weekends and Public Holidays, including connections with Nambucca Heads and Urunga
	Key Corridor Improvements (Tier 1)	Deliver services between Coffs Harbour and Grafton on Weekends and Public Holidays, including connections with Woolgoolga and Northern Beaches
Nowra	Key Corridor Improvements (Tier 1)	Provide 7 day per week services between Ulladulla and Nowra/Bomaderry, including connections to rail services.

Delivering the remaining 5 cities in the 16 Cities Program

Under the current program scope, Armidale, Grafton, Port Macquarie, Tamworth, Parkes will conclude at the service planning stage and the Taskforce supports funding be provided to deliver the program.

Transport estimates that this will involve introducing over 150 additional weekly services per town on average, if on-demand is not considered with high level costs as follows:

- Upfront costs: Approximately $13.9 million over 24 months if funding is received to start program by 1 July 2024.

- Ongoing costs: Approximately $9.1 million per annum from financial year 2026/27 plus CPI (Consumer Price Index).

5.5.5 Medium term priorities

It is proposed the Medium Term Bus Plan for NSW include a new regional service improvement program (the Program) that provides annual funding to adjust, improve and grow public transport services across Regional and Outer Metropolitan NSW. Building on the success of 16 Cities, the Program would evolve to include a greater range of improvements across more locations and enable bus route, on-demand and coach service improvements to be delivered.

Planning and delivery of bus, on-demand and coach improvements would occur annually and be prioritised against the needs of customers, growing communities and Future Transport outcomes. The improvements would vary in scale, enabling tailored outcomes based on the identified and prioritised need for each location. This will result in services being delivered more broadly and uplift the customer experience with connected end-to-end journey options.

The scale of service improvement initiatives would likely fall into three categories:

- Service Adjustments – Maintain the current network through timely minor service and network adjustments to address emerging needs, operational issues and minor land use change and growth

- Service Improvements – New services and route improvements in response to service reviews that improve connectivity within and between centres, address growth and significant changes in land use and improve services in line with government priorities

- Growth Services – Major network restructures and service uplifts in large regional cities and centres that provide frequent services on key corridors, integration of surrounding networks and a step change in public transport provision.

The Program would deliver upon Future Transport's Regional Connected Network tiered approach to meet the everyday needs of regional customers travelling within, between and to/from regional cities, strategic centres and centres and improve cross-border connections.

5.6 Service funding

The service improvements proposed above will all require funding. Most importantly additional funding will be required for bus services as part of the Western Sydney Rapid Bus network.

Beyond that there are many other areas requiring urgent service improvements in Sydney's north-west and south-western suburbs.

For existing communities where bus service levels are relatively infrequent with inadequate coverage, first and last trip services must be improved, and growth investment is required to keep up with population growth. Each year between 2010 and 2020 the population of NSW increased by 75-100 thousand people.[32] Current Department of Planning projections expect an average of an additional 85,000 people each year until 2041.[33]

The required funding will involve recurrent increases in operating costs, and in most cases an increase in fleet numbers and depot capacity to provide the additional services. The local services improvements outlined above include many off-peak improvements which reduce the need for growth buses and depot expansions and can therefore be delivered relatively quickly similar to those outlined in the 2023/24 Budget initiatives.

The funding for growth services in the current Budget of $10 million is a positive step forward after numerous years with no growth. However, it only represents 0.6 per cent increase on the existing NSW bus operating budget which is inadequate to fix the neglect of under investment over many years.

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 to service growing communities, those with changing needs and those experiencing economic disadvantage.

The Taskforce recommends that recurrent bus operational service funding should be substantially increased to a level which facilitates the service improvements required in Western Sydney and address the challenges presented in this report, align with population growth, and provide a staged funding source for delivering the 40:80:1000 vision.

The Taskforce recommends that over a three-year period that funding be provided to develop and deliver 3 rapid routes, 8 frequent routes, and upgrades to some 125 local services in Sydney outlined in the earlier Sections of this report.

The costs for these upgrades will vary depending on which routes are prioritised to proceed next and how they are staged over time. However, over three years, $194 million of recurrent operational funding (ie $65 million per annum or 3.8 per cent per annum increase to the existing operating budget) should be provided for the introduction of new services together with approximately $909 million in capital funding for bus priority infrastructure,[34] new ZEB fleet, and new ZEB depots.

Funding will also be needed for the development of detailed planning for service improvements for Sydney and documentation in a Medium Term Bus Plan which will map out the prioritised pipeline of investments. The plan should be a consolidated plan for the State

[32] https://www.soe.epa.nsw.gov.au/all-themes/drivers/population
[33] https://www.planning.nsw.gov.au/research-and-demography/population-projections
[34] Strategic capital costs excludes, any costs for property acquisitions to enable road upgrades and bus priority, costs for property/construction of new roads, cost for commuter car parks, costs for detail program development.

which provides greater alignment of infrastructure and service improvements, which prioritises opportunities for disadvantaged communities and areas of growth.

A Medium Term Bus Plan Program Business Case should also be developed to ensure a compelling evidence base is provided which quantifies the problem, options analysis, and supports a recommended pipeline of improvements with a robust evaluation of benefits and costs. The Program Business Case would also map out the funding and delivery requirements for developing and implementing prioritised service and infrastructure investments.

In developing the Medium Term Bus Plan Transport should update the outdated Service Planning Guidelines and review the branding of bus services to raise and simplify the profile of bus services.

The proposed Regional Service Improvement Program is based on annual funding being provided to deliver prioritised service improvements that are planned and delivered with a similar approach to 16 Cities with some enhancements.

A number of strategic corridors have been identified for progressive implementation across the Outer Metropolitan area. These have been identified as key movement corridors, where existing bus routes already operate along major arterial roads between key centres or where existing and future development will necessitate frequent and reliable transport connections.

The program is expected to require an increase of approximately $200 million in recurrent operational expenditure over the next 10 years. The benefits of the program include:

Annual service improvements

- 1 to 3 Regional Centres with '16 Cities' style network review

- 1 to 3 Regions with day-return service improvements

- 2 to 3 significant Outer Metropolitan service improvements

- 1 Outer Metropolitan growth network review per year (from financial year 2024/25)

- 10 plus locations receive minor service improvements

Outcomes delivered

- Increased 30-minute public transport access for Outer Metropolitan Regions

- Increased public transport availability and equity across Regional NSW

- Same day-return services between regional cities, centres, towns and villages

- Better connections between modes, across borders and Regions

- Timely response to feedback, land use changes and service gaps

Similar to the Sydney Region, the service improvements for Regional and Outer Metropolitan services should be considered in greater detail and included in the Medium Term Bus Plan for the State outlining the medium term priorities and pipeline for investment for bus services and

infrastructure. Funding for development and planning will be required to ensure a cohesive and robust investment pipeline is identified.

Figure 37 – Outer Metropolitan Service Improvements (Source: Transport for NSW)

POTENTIAL KEY BUS ROUTES
OUTER METROPOLITAN NSW

Region	Routes
Hunter and Newcastle	10
Central Coast	4
Illawarra	3 (3 optional)
Blue Mountains	1
Southern Highlands	1
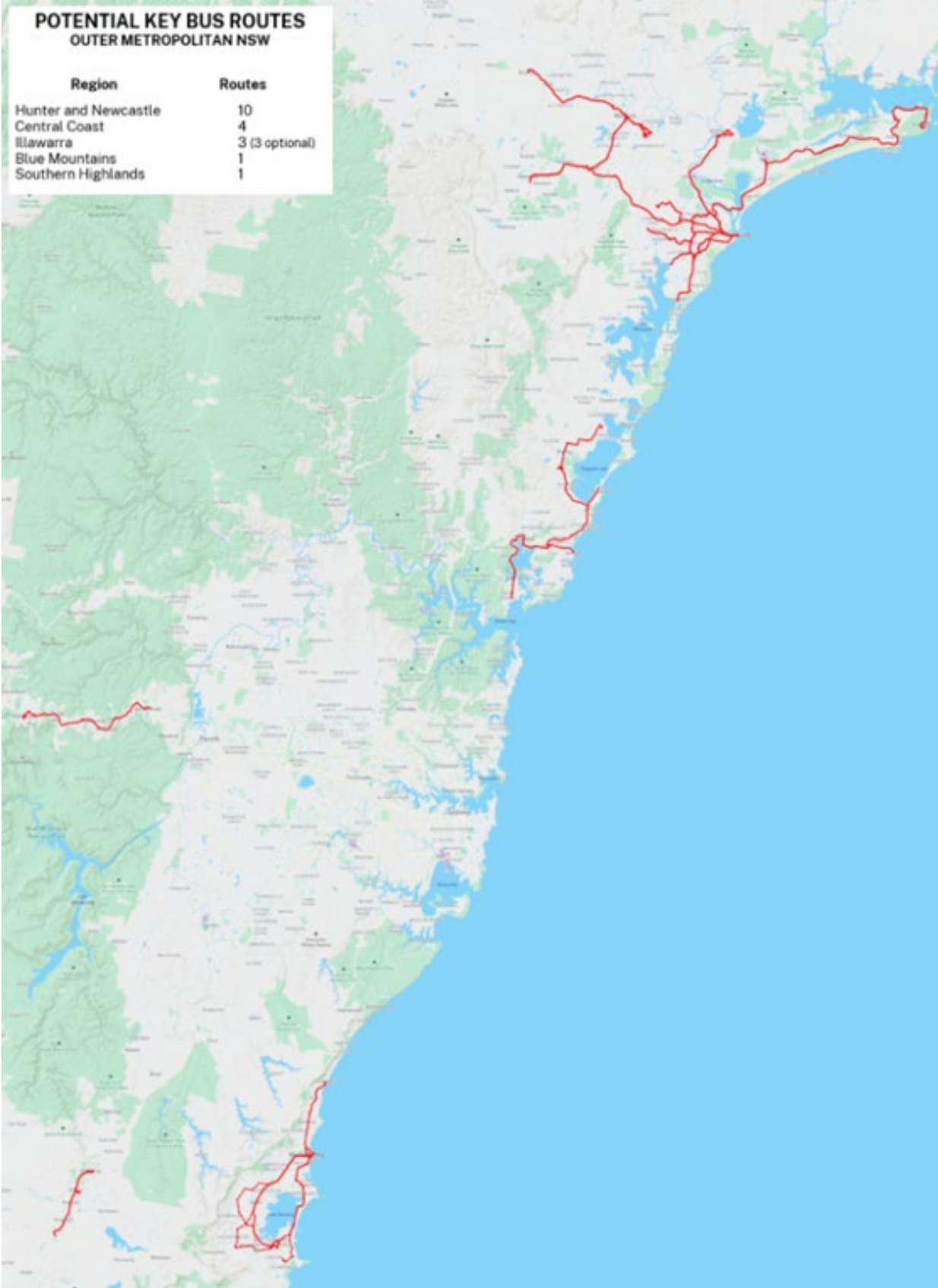
Table 19 - Indicative timing for implementation

Short term	Medium term
• The Entrance Gosford • Wollongong to Oak Flats via Warrawong • Charlestown to Newcastle via Jesmond and University • Terrigal to Umina via Gosford and Woy Woy • Shellharbour to Wollongong via Dapto • Cameron Park to Newcastle via New Lambton • Cessnock to East Maitland • Mimmi to Newcastle via Wallsend • Tuggerah to Bateau Bay	• Thirroul to Wollongong • Belmont to Newcastle via Broadmeadow • Cessnock to Newcastle • Mittagong to Moss Vale via Bowral • Warners Bay to Newcastle via Kotara and The Junction • Raymond Terrace to Newcastle • Branxton to East Maitland • Springwood to Katoomba • Lake Haven to Tuggerah

5.6.1   Recommendations for service funding

Recommendation 5: That funding be provided in the short term for the following high priority service improvements to repair the neglect in funding over the past decade:

5.1 $194 million of recurrent operational funding and $909 million in capital funding (bus priority, fleet and depots) over three years for services in Sydney

5.2 $60 million of recurrent operational funding over three years for services in Regional and Outer Metropolitan areas

5.3 completing the remaining five cities of the 16 cities program ($14 million over two years for project costs and recurrent operational funding of $9.1 million from 2026/27).

Recommendation 6: That Transport for NSW develop a State-wide Medium Term Bus Plan and Program Business Case, outlining the medium term priorities and pipeline for investment for bus services and infrastructure The preliminary shortlisted service upgrades over 10 years are estimated to cost $645 million per annum and approximately $3.03 billion of total capital costs (on an undiscounted basis) for bus priority, new ZEB fleet, and new ZEB depots.

5.7   School bus services

5.7.1   Overview of school services in NSW

Transport to and from school is essential to support all students to engage in their learning. Students are encouraged to use public transport for school travel as the benefits include reducing car travel and associated congestion on our roads and promoting safer environments

around school precincts. Using public transport almost always includes walking to and from destinations, and this active travel supports healthier students.

The School Student Transport Scheme (SSTS) gives eligible school students free or subsidised travel between home and school on NSW public transport, including trains, buses, ferries and light rail. This drives a significant and disproportionate demand on bus services across the State as school bus services are provided specifically to convey school-aged students to schools and supplement the local network by providing additional routes and capacity.

All NSW public primary schools and most secondary schools (excluding academically selective schools and sports high schools) have catchment zones or local enrolment areas. Independent or private schools do not have defined catchment area often resulting in wide student draw area. For example, SSTS data shows that students attending the several private schools in North Sydney and Kirribilli travel from areas including Jannali (23km away), The Ponds (32km away), Pitt Town (42km away) and Penrith (49km away).

Some Independent or private schools provide their own school bus services, usually for an additional fee to parents, but in many cases students rely on the public transport system.

According to the ABS, there are 3,120 schools and over 1.24 million students in NSW. The Association of Independent Schools of New South Wales (which represents 16 per cent of the schools and 18 per cent of the students in NSW), provided growth forecasts for students and schools, as illustrated in Figure 38 below.

Figure 38 - Growth in the number of NSW Independent Schools and students by region 2012 - 2022
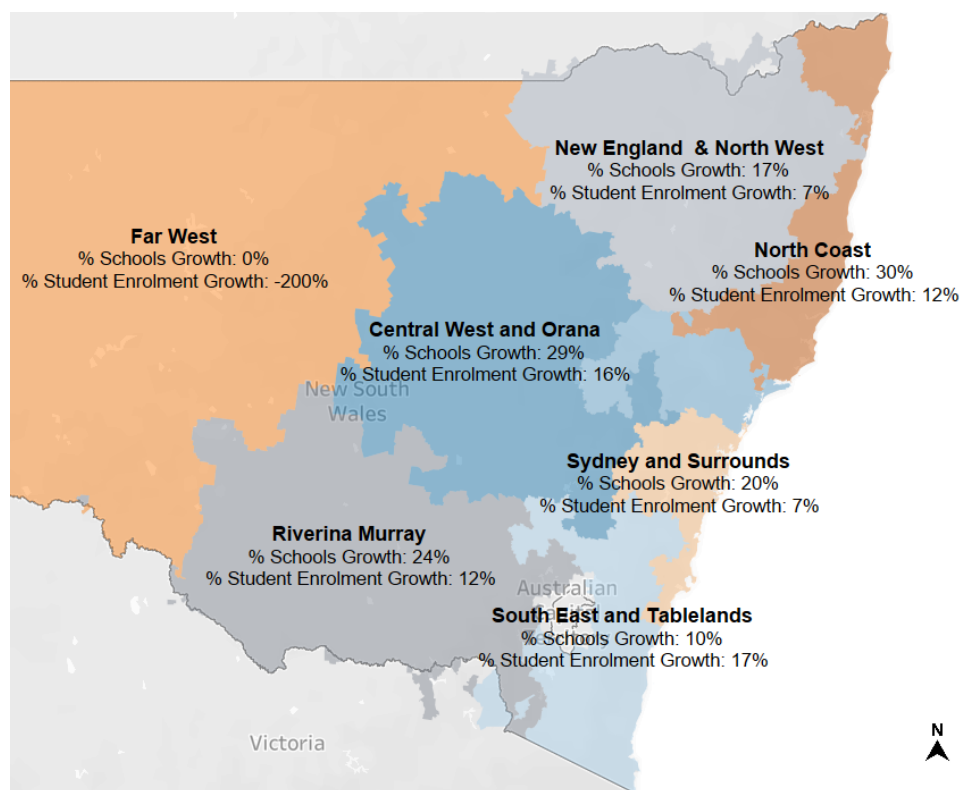
Source: Association of Independent Schools NSW

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Within Greater Sydney, where there are over 1400 schools (public and independent, primary and secondary), there are over 3,000 unique dedicated school routes provided which comprise 6 per cent of weekly services.

Dedicated school services make up a much larger per centage of overall services in Outer Metro and even higher in Rural and Regional NSW. In Outer Metropolitan over 2,000 dedicated school bus routes operate each school day comprising approximately 24 per cent of weekly services. In Regional NSW, over 3,500 dedicated school bus routes make up 57 per cent of weekly services.

Many students in Rural and Regional areas live long distances from their schools and rely on bus services to get to and from school each day. School students make up 90 per cent of the patronage on buses in the regions.

School bus service challenges

The Taskforce met with key stakeholders including Catholic Schools NSW, Association of Independent Schools NSW, the Department of Education and BusNSW. All agreed that the current system has significant problems which are more acute in regional areas.

A submission from Margery Evans, the Chief Executive of The Association of Independent Schools of New South Wales, highlighted the dire nature of a range of problems from excessively long bus trips (2 hours) and overcrowding on services. Most concerning was the missed education time for students due to outdated and ineffective school bus timetables as captured in the following case study examples.

Regional schools case study from Association of Independent Schools NSW
Unfortunately, bus transport options are contributing to education inequality for students in regional schools with timetabling requirements failing to 'match' the length of the school day, further entrenching educational disadvantage for regional students.

- At **Calrossy Anglican School in Tamworth**, a K-12 school with 964 students, the bus timetables mean that some 20 students arrive at school just before 9am, making them late for their first class (which is disruptive to teachers and their classmates). In the afternoon, **more than 650 students (all Junior school students and those in Years 7 to 9) must finish lessons at 2:55pm to catch their buses home**. The school day is meant to end at 3:25pm. The bus timetable dates back over 20 years, prior to the establishment of newer schools and significant growth in the area's population. A review was promised for 2023 but is yet to occur (a 2022 local bus review did not take school transport into account).

- A similar situation occurs at **Bishop Druitt College in Coffs Harbour**, a K-12 school of 1162 students. This timetabling restriction also limits students from accessing after school care and extra-curricular activities.

- By comparison, at **Scone Grammar School**, a K-12 school of 636 students, the bus transport arrives so late in the afternoon, the Principal is considering extending the school day and adding wellbeing-related activities after school to occupy students until their bus arrives.

Operators the Taskforce spoke to also expressed frustration about the processes for service alterations for school services. They were concerned about the level of detail and effort required for a relatively simple change, and the time it took for a response. They gave us examples where Transport's response to their service alteration request lacked transparency and clarity. It is clear that this process needs improvement, and the Taskforce views the next contracting process for rural and regional bus services as an opportunity for change.

School service guidelines

There is no single up to date document which can be referred to when making school service decisions. The current approach relies on several public-facing and internal Transport documents, some of which have not been updated in a decade. There is a need to create a set of bespoke school service guidelines that speak to the unique nature and complexities involved in planning student travel options. The Taskforce was provided a copy of guidelines used by the Western Australian Public Transport Authority for the organization of school bus services, and is of the view that Transport should consider adopting a similar approach.

Data availability and quality

There is currently a significant underrepresentation of school student usage on the bus network making it very difficult to plan the most efficient use of resources to meet travel needs.

Transport currently has access to several datasets to help inform students transportation needs including Opal ticketing information, SSTS data, enrolment data, development applications for new schools or school expansions and proposed school catchment changes. However, in Sydney and Outer Metropolitan areas students inconsistently tap on and off which means the development of service level changes requires operator led manual checks to confirm student loads.

This data also has limitations as it is labour intensive, subject to human error, and only represents a single point in time. Further, it relies on parents and caregivers 'self-servicing' to keep information up to date and often information is out of date and of little use for planning purposes.

The Taskforce understands that the Transport Connected Buses (TCB) program in Regional NSW will assist greatly with identifying school student travel patterns, and that the replacement of the Opal ticketing system in the coming years is likely to achieve a similar outcome.

The Taskforce notes that rural and regional bus operators are not on the Opal ticketing system. We believe that communities in those regional areas on the fringe of the Opal network for rail – for example in the Southern Highlands, Lithgow, Upper Hunter, and Shoalhaven (Kiama/Nowra) should ultimately have the benefits of the Opal ticketing and fares structure.

Further, for those communities outside the Opal footprint, the current construct of regional contracts has ticketing being the responsibility of the bus operator. The Taskforce understands that trials of a Transport-funded ticketing system are underway in Bathurst and Dubbo, and notes that the next contract (see Chapter 3) provides an opportunity for much needed improvements.

Processes roles and responsibilities

Multiple stakeholders are involved in the decisions that impact on school transport outcomes across Greater Sydney including:

- Transport (Service Planning, Contract and SSTS teams)

- Bus Operators and their workforce

- Department of Education

- Schools Infrastructure NSW

- Schools (Public and Independent)

- Councils/planning authorities.

Greater collaboration is needed on processes/decisions around changes to schools (location of new schools, change in catchment areas, bell time changes, staggered starts, change to enrolment numbers, etc) and greater clarity on roles and responsibilities at each stage.

Reviewing dedicated school services is time intensive due to the complex and sensitive nature of the services. Reviews rely heavily on operator involvement to conduct time consuming validation of Opal results. However dedicated resources are lacking to plan and make step change improvements to school bus planning and delivery.

A lack of resources is resulting in limited reviews and a long way from the desired goal of 25 per cent of school services reviewed each year to ensure that services are effectively used and efficiently provided. Transport estimates that the current team has reviewed around 100 school services across the year, using existing staffing resources and balancing other tasks and priorities. This equates to less than 3 per cent of school services reviewed in 2023.

An integrated approach to public transport service planning is required to consider the needs of school students as part of normal route services.

5.7.2 Need for a holistic school services approach

As population grows the number of students and travel demand will increase placing additional pressure on the current strained bus system. To provide effective school travel going forward there is a need to improve the existing system and plan for the future.

Evidence from schools and bus operators to the Taskforce, as well as advice from Transport, indicates that there has not been a comprehensive review of school bus networks across NSW for many years, if at all. We believe this is overdue and acknowledge that it is likely to involve some years of dedicated work and resourcing to undertake. However, the benefits to communities and possible efficiencies warrant this attention.

Improvements will require a multi-pronged approach including policy levers to minimise demand on the bus system (planning of new school locations, school bell times, etc), get more efficiency in the planning and delivery of the school bus travel (use of regular routes versus dedicated school services), and understand the supply side needs, including supporting infrastructure and future funding needs.

The Taskforce requests Transport to progress this review as a high priority. Transport should convene and chair a roundtable meeting of the three school sector representative bodies – NSW Department of Education, Catholic Schools NSW and the Association of Independent Schools of NSW - along with other industry bodies.

The purpose of the roundtable is to develop a process for school principals to use to liaise with their local bus operators to find potential solutions to their bus transport issues. Both parties would then bring their agreed solutions to Transport, so that, where appropriate, the department can amend its contract with the relevant provider.

5.7.3 Recommendations for school services

Recommendation 7: That Transport for NSW develop guidelines for school bus travel to support the refinement of school bus networks over the medium term. This should be done in consultation with education authorities, planning authority representatives, and bus industry representatives, including operators and workforce representatives.

5.8 Infrastructure priorities

5.8.1 Overview

Improvements to the bus network and services require a minimum level of supporting infrastructure including a road network, bus stops, fleet and sufficient depot space. Investment in additional supporting infrastructure, such as bus priority, can address many of the customer needs identified in Chapter 4 and attract higher levels of ridership. Even modest improvements in the bus operating environment can have significant positive results.

The Taskforce considered a range of supporting bus infrastructure, including modern and efficient bus fleet, bus priority, bus stops and wayfinding, interchanges, depots and layover facilities. Many of these items are discussed in more detail in other Sections of the report and are therefore only summarized below.

This Section focuses on bus priority. It also considers the opportunity for land use up-lift around major bus corridors, and the requirements for new greenfield development to provide bus capable infrastructure as the State's population continues to increase and expand into new areas not yet served by public transport.

5.8.2 Bus stops and wayfinding

Bus stops are typically spaced at even intervals of approximately 400m for local bus services and are located to maximise effective walking catchment, taking the permeability of the surrounding street and active transport networks into account, as well as providing direct, easy, and accessible access to key points of interest such as shopping centres. Stops are placed as close as possible to entry and exit points and bus access is prioritised over private vehicle access.

Stops on strategic corridors provide a rail station-like customer experience and are integrated into their surrounding place context. They support land use uplift in their vicinity, acting as a nucleus of transit-orientated local centres. They need to be designed to enable easy and seamless interchange between bus services and between buses and other modes.

The major challenges currently faced include a lack of basic consistent bus stops across the state and not fully realising transit-oriented development around strategic corridors which is a missed opportunity to relieve housing pressures around sustainable public transport. Bus stops and wayfinding are discussed further in Chapter 4 and Chapter 6.

5.8.3 Interchanges

The bus network plays an important role as a connector to other modes such as train and ferry. Modern transport planning principles focus on services that connect passengers to multiple destinations, rather than radial routes into a key centre, with the result that many bus passengers are required to interchange to reach their destination.

Interchange is regarded as one of the biggest pain points on a public transport journey as it disrupts the flow of the journey, makes it difficult for passengers to use their time productively, takes time, introduces the potential for error and adds stress, particularly with large crowds.

Interchanging is more common outside Sydney. Half (55 per cent) of public transport users in Regional and Outer Metropolitan areas need to change their transport modes or services for their regular trips, with 1 in 4 (27 per cent) always having to change modes or services to reach their destination.

Given these issues, interchanges between buses and other modes need to be seamless, legible, and easy to use for customers, and well-designed to enable efficient movement of buses. The planning of bus interchanges should take operational requirements of buses into account and provide direct access to the surrounding main road network without excessive turning movements or use of other streets.

The interchange experience could be improved by focusing on the physical elements of the interchange (such as walking distance, signage and seating), as well as by increasing the frequency and efficiency of connecting services.[35]

5.8.4 Fleet

A modern and efficient bus fleet needs to grow to align with increasing services. Further, a fit-for-purpose fleet will include a variety of bus types, including articulated and double-deck buses, aligned with demand and level of service, particularly on key strategic corridors. Fleet is discussed further in Chapter 7.

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[35] Project Dynamo, Snapcracker, 2022

5.8.5 Depots and layover facilities

Depot capacity requirements need to increase over time to accommodate an increasing fleet size driven by additional services provided for passenger demand growth and additional bus services implemented as part of the Medium Term Bus Plan for the State. The introduction of new technologies and the transition to Zero Emission Buses (ZEBs) also require additional depot space. Bus depots and the transition to ZEB is discussed in Chapter 7.

Depot locations need to minimize operating costs and environmental impacts and improve asset management from optimum depot structures.

Bus drivers also require access to high quality layover and meal facilities with toilets that are safe and well-maintained. Extended bus layover parking should be incorporated into the design of centres to ensure sufficient capacity for future bus services, enabled by the transition to zero emissions buses which reduces the impact of bus movements in terms of noise and avoids the need for refueling at a central depot.

While some depot planning has taken place for the transition to a ZEB system there is no strategy which incorporates the ZEB transition and depot capacity needs for service improvements. A strategy is required which identifies the existing and future needs for depots and layover facilities, and costs and benefits.

There is potential to consider the establishment of 'micro-depots' within or close to centres that allow buses to be stored out-of-service without the need to travel long distances back to a large central depot, increasing cost-efficiency by avoiding unnecessary dead-running. These would facilitate a bus network designed to enable through-running through major centres and across different contract areas to reduce congestion and demand for layover space.

5.8.6 Bus priority

A reliable bus network needs to be supported by a variety of bus priority treatments, including signal priority, bus lanes, and dedicated bus transitways where appropriate. These enable more reliable, frequent, and faster journeys for passengers by allowing buses to travel faster, have less conflict with other road users, and avoid congestion, as well as to minimise bunching between buses, especially on high frequency corridors. Priority also improves operational cost-efficiency and maximises the efficient use of scarce road space in terms of the movement of people and goods rather than the throughput of vehicles.

Bus priority is very important as reliability-related complaints are the largest complaint category for buses (see Chapter 4). These include bus cancellations, buses missing stops, and buses running early or late amongst other general reliability issues. Poor service reliability reduces trust and useability for passengers.

Figure 39 shows on-time running performance across the network for February 2023. On-time running is worst during peak hours and poorer at the mid-point of the trip than at the start.

While the performance threshold specified in bus contracts requires 95 per cent of services to be on-time and generally the bus network meets this criteria, on-time performance is worst during the periods when bus demand and patronage are also the highest. A lot of customers

are therefore experiencing the bus network while performance is at its worst. Investing in improving on-time performance during these periods would greatly improve the experience that large portions of bus users have.

Figure 39 - On-time running performance for Greater Sydney buses during February 2023
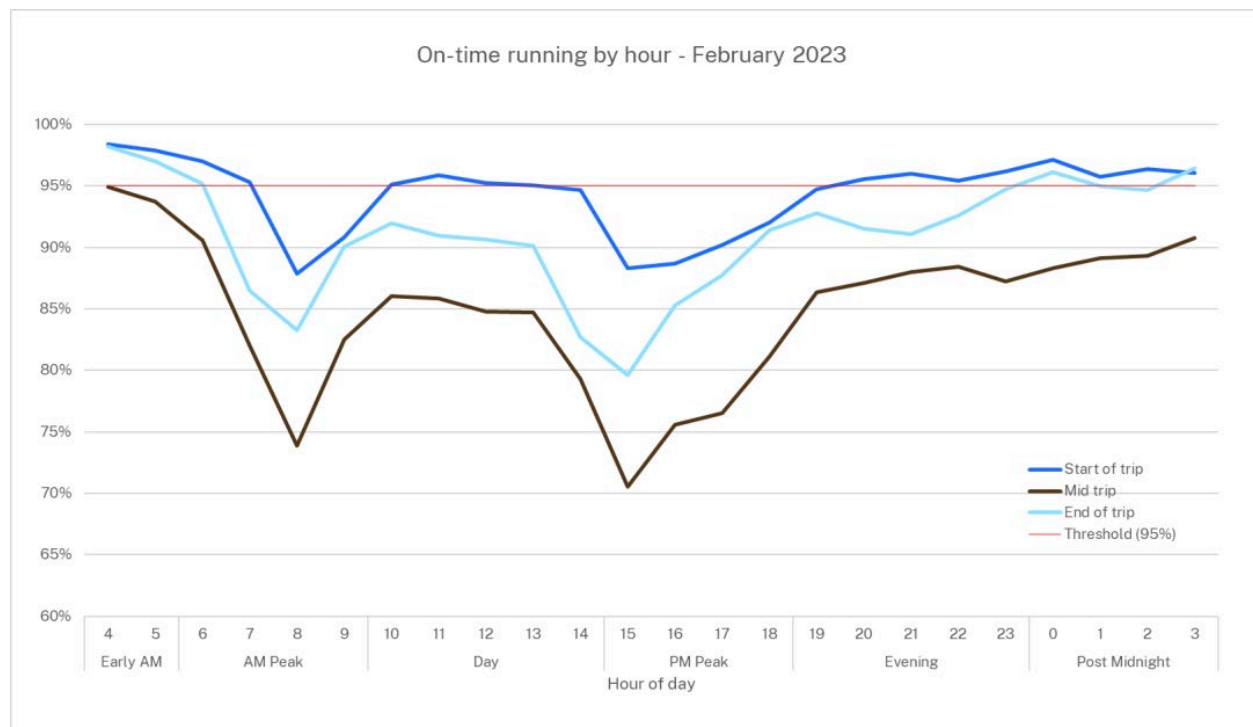
5.8.7 Taskforce review of bus priority infrastructure planning

Transport provided the Taskforce with information about efforts to date to optimise bus priority. Several bus priority infrastructure projects have been implemented in NSW, the majority of which have been limited to the state road network in Greater Sydney. The programs include:

- The Bus Priority Infrastructure Program (BPIP) which is responsible for small-scale pinch-point projects costing under $2 million within a budget of $20 million per year (larger brownfield projects and all greenfield projects are outside scope).

- Large discrete projects, such as the Liverpool-Parramatta T-Way, the North-West T-Way and Northern Beaches B-Line.

- Signal priority using the Public Transport Information and Priority System (PTIPS) which interfaces with the Sydney Co-ordinated Adaptive Traffic System (SCATS) to provide bus priority at traffic lights.

- As part of road projects (eg WestConnex) with ad-hoc opportunity bus infrastructure.

Other funding is provided on an ad hoc basis from a range of other sources, including the Accelerated Infrastructure Fund (Department of Planning and Environment grant funding), Clearways Program (Road space reallocation), and Network Efficiency Program (Greater

Sydney minor traffic efficiency improvements), which in most cases considers congestion relief for all traffic which in some cases benefits buses.

Other programs that have ended or are now fully allocated, include:

- Intelligent Traffic Light Program (trial corridors) – TCS optimisation

- Bus Head Start Program (bus infrastructure in Northwest and Southwest Sydney growth areas ahead of development)

- Gateway to the South Pinch Points - Southern Sydney corridors (including bus targeted routes)

- Pinch Points 3 Program / Federal Stimulus Pinch Points Program / Urban Roads Congestion Program

In Regional and Outer Metropolitan areas, bus priority is generally delivered as bus priority projects rather than as part of road improvement projects. There is no dedicated bus infrastructure program. The Taskforce is aware of a particular need for bus priority measures in Newcastle, particularly in the area servicing John Hunter Hospital.

The existing bus lane network in Sydney which has been developed over many years is shown in Figure 40. There was some good progress made over time although it has slowed in recent years and largely involves smaller localised solutions.

Table 20 – Bus priority projects delivered financial year 2019/20 to 2022/23

Financial year 2019/20	Financial year 2020/21	Financial year 2021/22	Financial year 2022/23
Open to traffic: • General Bridges Crescent, Daceyville bus layover • Parramatta CBD bus lanes • Liverpool bus priority access improvement • Macquarie Park Stage 1 • Ryde intersection Strategic design for projects in Ryde, Burwood, Macquarie Park, Rouse Hill, Hurstville, Peakhurst, Castle Hill, Liverpool, Paramatta, Hornsby Planning and development to improve reliability and OTR: • Miranda to Bondi Junction • Miranda to Hurstville via Sylvania • Miranda to Bankstown via Sutherland	Open to traffic: • Miranda to Hurstville • Miranda to Bankstown • Parramatta Road / Croydon Road • Port Hacking Road • Wilde Avenue / Victoria Road, Parramatta • Pacific Highway, Hornsby • Stoney Creek Road / Kingsgrove Road Investigations, concept design for Bondi, Rosebery, Mascot, Blacktown, Marsden Park, Kellyville, Northern Beaches, Randwick Continued progress on Gateway to the South program from previous financial year	Open to traffic: • Liverpool to Parramatta Transitway (system priority upgrades) • Region 9 bus changes (traffic signal amendment) • improvement at Sylvania • Miranda to Bondi Junction OTR Project development for Marsden Park, Castle Hill, Sydenham, Blacktown, Rouse Hill, Randwick, Macquarie Park, Maroubra, Victoria Road, Parramatta Road, Botany Road Gate 3 planning and concept design for Western Sydney Rapid Bus route	• Intersection improvements in Castle Hill, BPIP funded design • Partial bus lanes on Victoria Road • Macquarie Park bus intersection improvement design • Carrington Street pedestrian and bus connectivity improvement Concept design for Western Sydney Rapid Bus route Concept / detailed design at Marsden Park, Sydenham, Blacktown, Rouse Hill, Randwick, Bondi Junction, Maroubra, Seaforth, Victoria Road, Parramatta Road, Emu Plains, Kingswood, Werrington, Chatswood, Randwick

Figure 40 – Sample of Sydney's existing bus priority network[36]

BPIP is the one consistent bus priority program. Since 2018/19, it has delivered more than 30 smaller projects (see Table 20).

The last major bus priority project delivered in Sydney was the B-Line project. B-Line fleet and corridor infrastructure opened to services in 2017 and major infrastructure was completed in 2019.

Over the last 5 years bus lanes and bus priority infrastructure provided by major projects and other programs has been relatively limited, including:

- 2.5 km of bus only lanes

- 11.2 km of bus lane

- 0.5 km of bus lane removal.

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[36] Excludes some areas of bus priority in the South, Southwest and Northwest of Sydney

5.8.8 Infrastructure program challenges

The Taskforce heard from many Transport stakeholders about challenges they face in planning and delivering bus infrastructure improvements, broadly grouped as follows:

- Road space allocation policies not being realised

- Lack of funding

- Infrastructure planning – Organisational governance and consistency and best practice approaches.

Road space allocation

There is a widespread view that the planning and delivery of bus priority is hampered by a general bias towards minimising impacts on general traffic and easing road congestion and network efficiency, rather than prioritising bus and active transport needs over general traffic.

Transport's Road User Space Allocation (RUSA) Policy provides guidance on how to deliver safe and equitable allocation of road user space by considering road users in the order of consideration illustrated in Figure 41. It considers all road users and supports the strategic aim to reduce the mode share of private vehicle trips within built up areas and maximise the use of the road network by reallocating road space to more efficient modes of transport like buses.

Figure 41 - Order of determination for allocating road user space

1 Establish Primary Road Function

TO/FROM
THROUGH
WITHIN

Balance between place and the movement of people and goods based on strategies and plans

2 Order of Road User Space Considerations

consider first

consider last
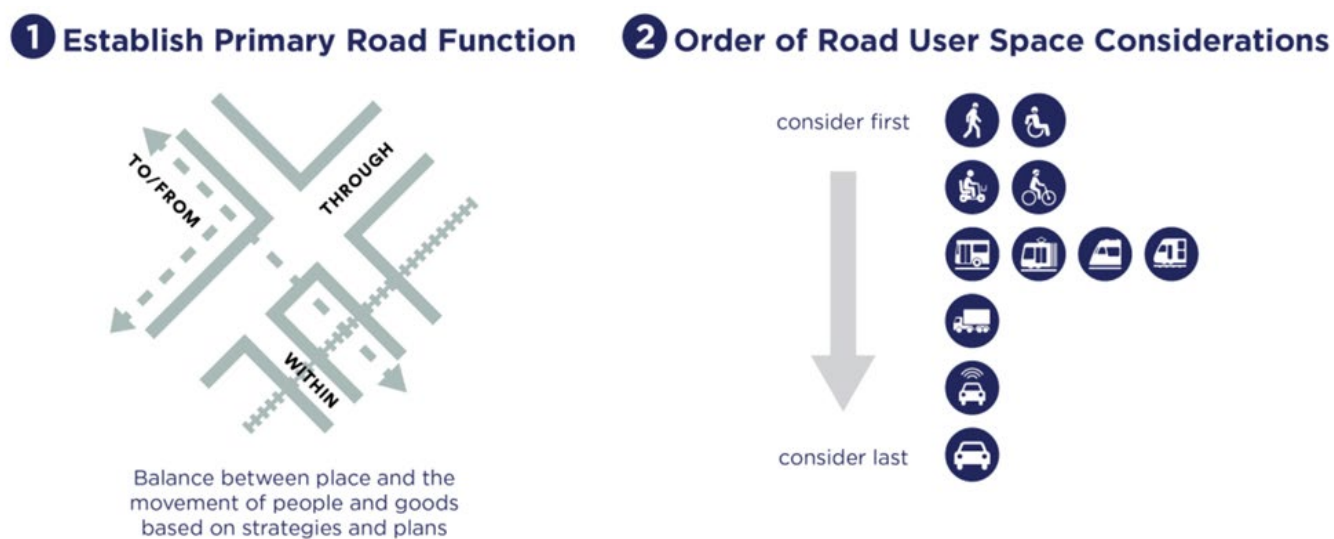
Source: Road User Space Allocation policy

However, the Taskforce is concerned outcomes in many cases are contrary to the Policy.

We heard that many bus priority improvements have been provided in a manner that minimises impact on general traffic. This could be through high-cost property acquisition to provide additional lanes for buses without reducing capacity for general traffic, or upgrades providing improvements for general traffic which buses may also benefit from (eg pinch point treatments, clearways program), or in some cases improvements in traffic signal co-ordination without infrastructure.

These upgrades often provide only partial or marginal benefits for buses. The target of moving people out of cars to reduce congestion and environmental impacts, is missed. The opportunity to use these options without impacting general traffic is becoming scarcer and more expensive.

The Government's vision for increasing public transport mode share requires infrastructure improvements that provide a competitive advantage for buses over cars. Advocacy for road space reallocation which favours efficient modes such as buses and funding for more significant improvements is needed while balancing the impacts to other road users.

The Taskforce urges a review of the RUSA policy to determine how effectively it has been implemented to date. The review should consider how to strengthen the implementation of the policy to realise better outcomes through options such as the following:

- Embed road user space allocation principles in the regulatory framework to influence road authority decision making (particularly local councils), as well as enabling Transport's outcomes for road-based public transport.

- Inform and support road authority decision making via Local Traffic Committee guidance, apply to other Transport processes that intersect with local government (see Chapter 6).

- Update Policy and Procedure and create stronger links to standards and guidance, such as the Design of Roads and Streets Manual to support practitioners.

Funding
The Bus Priority Infrastructure Program (BPIP) of $20M per annum recurrent funding is the only constant funding source for bus priority and it has remained the same for some 20 years, not increasing with inflation and failing to keep up with the rising cost of infrastructure projects. It is inadequate to provide the required investment to realise the needs of a world-class bus system.

Figure 42 - Per centage of investment by mode financial year 2019 to financial year 2027
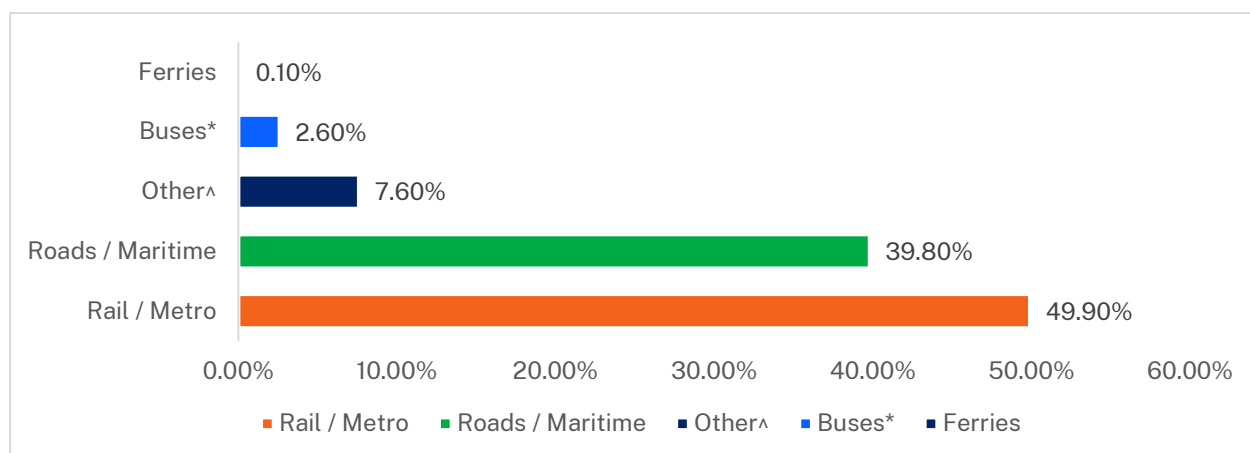
Source: Transport for NSW

Given there are no other bus infrastructure funded programs, many bus related programs draw on the $20 million per annum budget. This includes funding for program development and for investing in analytical tools used by the team to plan infrastructure priorities.

For example, in recent years a significant proportion of annual funding has been directed to project development (technical designs, business case development etc) to get projects shovel ready to seek funding from other sources. A significant sum from the BPIP budget has recently been invested in Macquarie Park bus infrastructure development, and some $7 million of the current budget is directed to the Western Sydney Rapid Bus (WSRB) project development.

This is not the optimum use of a limited budget. It highlights a broader and perhaps more important problem that major bus priority programs such as WSRB may not be sufficiently funded during the development phases.

Infrastructure planning approach

The Taskforce is of the view that Transport's current approach to planning bus infrastructure is fragmented, inconsistent across projects, and is not always best practice.

The recommended Medium Term Bus Plan would not only outline the service priorities, but also provide a comprehensive and unified strategy for the bus priority network that provides clear strategic direction and clear pathways for delivery.

It was apparent from the review that different teams involved in bus infrastructure planning use different tools and approaches for developing and assessing investments in bus priority and that these may not be best practice or consistent to realise the best outcomes for bus passengers.

The BPIP team has developed its own analytical tools to identify poor performing bus corridors, based on slowest travel speeds, on-time running, travel time variability and bus routes with the highest current patronage. There is a governance process in place which seeks input from stakeholders before doing investigations and designs and prioritising investment.

The BPIP team highlighted that their current tools result in project identification being focused on the eastern half of Sydney, given that aligns with the existing higher frequency bus service, demand levels, and congestion. There is some merit in that, but it limits the broader opportunities for developing bus systems for areas which need investment to provide more equitable outcomes, such as western Sydney. The Medium Term Bus Plan should identify priorities for consideration by the BPIP team.

Separately, major bus infrastructure programs which are typically led by Transport's Infrastructure and Place team develop detailed business cases consistent with all major transport infrastructure investments. However, unlike rail and road projects the tools used for bus projects typically rely on traffic models which have been developed for assessing general traffic, not public transport. In these models, buses are treated the same as cars, which has the risk of developing solutions which improve overall congestion rather than prioritising buses over general traffic and missing the overall benefits to support the investment case for the project.

Another issue raised is the cost estimation approach used for bus improvements, which often lacks a consistent approach to developing the total costs (operational and capital) needed to develop, deliver, and provide on-going operations and maintenance.

Consistent best practice tools and approaches should be developed to plan, prioritise, and develop bus priority infrastructure. These tools are required which consider bus specific outcomes and traffic impacts to arrive at the recommended solutions.

Organisational and governance issues

Responsibilities and ownership of bus infrastructure within Transport are separated from strategy, through planning and delivery to operation and enforcement. This can result in poor alignment between strategic intent and detailed planning for bus priority.

Transport's bus priority planning and delivery is currently part of the road planning function with the bus focus being generally secondary. The lack of a strong focus on buses is perceived to result in lower levels of bus priority and in some cases under-utilised bus infrastructure if solutions delivered are not optimal. This problem was raised for smaller scale bus priority projects developed by the BPIP team but also relating to major infrastructure programs developed by the Infrastructure and Place team.

Another major challenge relating to the different roles within Transport relates the steps required for timetable and service contract updates once the infrastructure has been installed. In many cases changes to reflect improved bus travel times are achieved by new infrastructure are not immediately incorporated into updated timetables, either through a lack of confidence in the permanency of the improvement (particularly for non-infrastructure solutions – SCATS updates), or because it is common to wait until a service review is undertaken and contracts are updated.

As a result, some bus trips may dwell to avoid early running achieved by the infrastructure investment instead of making optimum use of the faster travel times for the benefit of bus passengers and reducing operating costs.

In other cases, bus priority treatments are installed and not consistently used by operators. This may be because the treatment is not perceived as a benefit to the bus driver, or under certain circumstances it is quicker to stay in the general traffic lanes. Highlighting the need for bus operations expertise and/or consultation in planning and delivery of infrastructure.

5.8.9 Better land use and transport integration

Housing supply around bus transit

The NSW Government is taking steps to increase housing supply across the state and ease pressure on the rental market. This includes an audit of surplus public land that could be rezoned for housing, inclusion of housing supply in the Sydney Metro review, and establishment of a building commission to make sure NSW is building good quality, affordable homes.

With Federal and State Governments introducing policies to increase housing supply, all places that have potential for housing are under review. There is an opportunity to consider existing strategic bus corridors and rapid corridors as proposed earlier in this Chapter.

The Directions for On-Street Transit White Paper highlights that land use uplift to medium density housing has been slow to materialize along major bus corridors. There is a perception that buses don't have the same capacity as rail, and that the flexibility of buses indicates a potential lack of permanency as a solution on that corridor.

These perceptions are misplaced. Major bus corridors could provide a viable solution for medium density housing. As highlighted in the White Paper:

> *Examples in Australia and around the world have shown already that development and activity can be stimulated near on-street transit when investment in well-designed stops, effective wayfinding and technology signals a permanent and high-quality service. Light rail and high-quality buses are converging in design and both can serve this function.*

The Taskforce agrees with the White Paper proposition that the provision of buses as a relatively low cost and rapidly deployable solution integrated with land use uplift around major stops and along bus corridors is key to addressing the housing crisis being experienced in the short-term but also over the longer term as an integrated transport and land use solution.

The Taskforce also heard that the current planning for new developments faces a related challenge where traditional approaches bias the need to provide significant road capacity.

Transport has been seeking to move away from traditional approaches to transport planning, such as *Predict and Provide,* due to its propensity to reinforce historic trends rather than positively shape and influence travel behaviour. However, this transition has not been fully realised. As a result, new housing supply in some greenfield and brownfield locations continues to focus on providing significant multi lane road capacity based on predicted traffic volumes before housing can be provided.

Transport has proposed an alternative Vision and Validate (VandV) planning approach that defines a desired future state (Vision) which is then validated through the testing of land use, stakeholder engagement, policy, technology, and network solutions.

Figure 43 – Transport's Vision and Validate planning approach
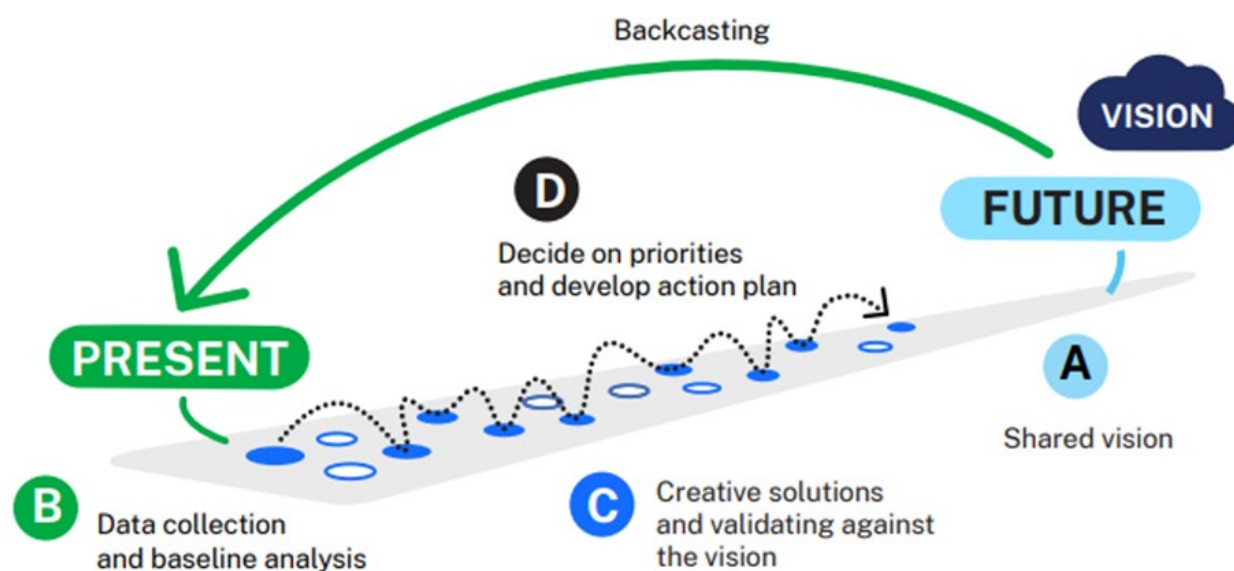
The Taskforce heard that the Vision and Validate planning approach is considered international best practice for outcome-orientated transport planning. Transport has used the approach across its strategies including the Future Transport Strategy to identify appropriate actions and interventions for our communities.

Applying the Vision and Validate planning approach could see higher public transport mode share targets for some development areas realised with higher bus services and infrastructure reducing the road capacity needs. Confidence in realising the higher public transport mode share for these developments would be critical and as such would require confirmation of funded new bus services aligned with the delivery of the new development.

New greenfield areas should also be designed to ensure that high quality, reliable, and direct bus services are provided on day one to enable new residents to choose to use public transport in preference to private vehicles as they establish their daily travel habits. They should be designed to enable the direct and safe operation of school bus services for local school students.

Detailed street design guidelines have been developed by Transport to encourage bus-capable streets and roads that provide 400 m walking catchment coverage to at least 90 per cent of premises and take bus operational requirements into account. Unfortunately, these outcomes are not always achieved.

The Taskforce heard that continuous, connected and fit-for-purpose bus-capable streets and roads are not always delivered simultaneously across subdivisions (see Chapter 6). In many cases developments are staged with different infrastructure being delivered in sections as developers undertake their individual projects.

As well as slow land-use uplift around bus corridors, there appears to be no developer contribution funding for bus corridors. The Taskforce believes this is a missed opportunity to fund the capital investments for infrastructure supporting rapid bus corridors (see Section 6.3) and realising the higher public transport mode share targets discussed above.

The State Environmental Planning Policy (Transport and Infrastructure)[37] benefits communities by providing a more efficient planning framework for infrastructure. The Housing and Productivity Contribution[38] was introduced to provide a fair and consistent development charge that will help fund the delivery of infrastructure in high-growth areas. The funding of rapid bus corridor infrastructure should be included as part of these frameworks and in doing so support housing supply increases on those corridors. Where there are identified transport networks, such as the 40 proposed rapid bus routes in Sydney, they should be included on Infrastructure Schedules for housing and productivity contributions to receive capital funding.

Strategic bus corridors need to be identified as part of the greenfield planning process and be designed to be fast, direct and reliable for future rapid bus corridors that ensure minimal conflict with other road users outside of centres. These corridors should be protected to enable the staged delivery of high-quality bus services over time in line with development to

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[37] https://www.planning.nsw.gov.au/policy-and-legislation/infrastructure/transport-and-infrastructure-sepp
[38] https://www.planning.nsw.gov.au/sites/default/files/2023-05/housing-and-productivity-contribution.pdf

support higher-density transit-orientated development, particularly the so-called "missing middle".

5.8.10 Recommendations for infrastructure priorities

Recommendation 8: That Transport for NSW review its Road User Space Allocation policy to determine how effectively it has been implemented to date. The review should consider how to strengthen the implementation of the policy to better realise its stated outcomes.

Recommendation 9: That Transport for NSW review bus-related infrastructure programs to ensure funding is adequate to meet current needs and to allow for development activities (ie planning, design, business cases, etc) for investment decisions to deliver the Medium Term Bus Plan. This should also involve ensuring that programs are appropriately indexed in line with rising costs.

Recommendation 10: That Transport for NSW consider how to elevate the needs of bus passengers in all infrastructure programs, from strategy through planning and delivery. This would include providing stronger direction for realising bus improvement outcomes and using best practice methodologies for bus infrastructure planning and development.

Recommendation 11: That Transport for NSW adopt a greater emphasis on Vision and Validate planning approach for new development proposals, which includes planning and funding for the provision of bus services and infrastructure. This should include higher public transport mode share considerations which support the fast tracking of the Government's intent to improve housing supply.

Recommendation 12: That the identified 40 rapid bus routes for Sydney be included on Infrastructure Schedules for the State Government's Housing and Productivity Contribution to receive capital funding for bus corridors.

6.   Local government

This Chapter outlines the responsibilities of local councils as the road authority for local roads and the role they play in supporting bus operations. It describes the way in which Transport delegates functions to councils for the management of roads and infrastructure, aspects of which have not been amended in over 30 years. The Taskforce then makes recommendations to improve the governance which oversees this delegation to deliver a more wholistic approach to management of the transport network.

This Chapter then looks at local roads from the perspective of local government through feedback, commentary and case studies provided by Local Government NSW. The Taskforce then makes recommendations to better support local government to meet its responsibilities for public transport.

6.1   How Transport works with councils to manage roads

Local government has an important role in managing traffic movement on our regional and local road network to ensure everyday convenience, safety and efficiency of bus operations. The amenity and quality of local roads can also help to establish transit-friendly neighbourhoods, where people can walk in comfort and safety to bus stops, stations and transport hubs.

Transport and local government can improve the safe and efficient movement on our roads through improvements in the design, construction of the road network and management of road users. The effectiveness of this relationship is an important underlying influence on the experience of bus passengers.

6.1.1   Allocation of road related responsibilities

The *Roads Act 1993* defines roads authorities. Each local council is the roads authority for all public roads within its local government area, except for any freeway, Crown public road, or any public road declared to be under the control of some other authority. This means that councils are responsible for the management of local road networks, including road safety, road funding, road maintenance, and heavy vehicle access.

> *As local government is responsible for 85 per cent of the NSW road network it is essential that Transport for NSW partners with councils in improving bus services and active public transport – Local Government NSW*

Transport is responsible for the control of traffic on all roads in New South Wales through functions and powers under the *Transport Administration Act 1988,* the *Roads Act 1993* and the *Road Transport Act 2013*. Traffic is controlled by the installation of prescribed traffic control devices, regulatory signage (such as a Stop Sign) or by a traffic control facility (such a traffic lights and road medians).

6.1.2 Responsibilities specific to buses

Responsibility for various aspects of bus related traffic signs and infrastructure are shared between Transport and local councils.

The following Acts and Regulations contain sections relevant to location of bus stops:

- *Road Transport Act 2013:* provides for the system of traffic regulation, governs the use of roads and provides the regulatory tools necessary to manage the road network safely and efficiently
- NSW Road Rules 2014: contain regulations around parking and standing near bus stops and creates bus zones
- *Roads Act 1993:* section 87 provides powers and functions using traffic control devices such as traffic signals, sign posting and line marking
- Passenger Transport (General) Regulation 2017:
    - section 104 provides for the regulation and approval responsibilities for the appointment of bus stops
    - section 93 provides allowances for buses to stop along routes where there are no sign-posted bus stops, subject to safety considerations and other rules
    - section 104 is the power for the appointment of bus stops.

Under section 104 of the Passenger Transport (General) Regulation 2017, Transport or a bus operator may appoint bus stops (see Guide to Appointed School Bus Stops).[39] However, the roads authority for the relevant road (in most cases, the local council) needs to concur due to the requirement of bus stop signs and other associated infrastructure. Therefore, the approval of the relevant council is required whether the bus stop is appointed by Transport or a bus operator. Even on Transport managed roads (except freeways), bus stops require council approval.

Bus stop signs are regulatory signs (as there are road rules regarding parking within their vicinity) but are not prescribed traffic control devices and can be approved by local councils without reference to local traffic committees.

By contrast, bus zone signs are a prescribed traffic control device as well as regulatory signs. Transport has delegated local councils the power to install bus zone signs on council managed roads. Before exercising this power, a council is required to refer to its LTC for advice. Bus zone signs on State Roads must be authorised by Transport.

As to bus stop infrastructure, Transport is responsible for the erection of B-poles and the information associated with them, while councils are responsible for all other bus stop infrastructure such as shelter, seating, etc. Councils are also responsible for the surrounding infrastructure that influences bus and passenger movements such as footpaths, bike paths and the road configuration (curbing, median strips, road surface, and the like). They are also responsible for ensuring infrastructure is compliant with the DSAPT (see 4.3.1).

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[39] https://www.transport.nsw.gov.au/system/files/media/documents/2023/Appointed%20School%20Bus%20Stop%20Guide.pdf

6.1.3 Current state of bus infrastructure on the local road network

The quality of the infrastructure provided by local government at bus stops and the surrounding area is inconsistent across the state.

Figure 44 - Examples of poor bus stop infrastructure

Tamworth region
- Overgrown green reserve, no hardstand
- Steps to road make it difficult for low-floor buses to allow for accessible boarding
- Handles on either side of steps could block bus door

Nile Street, Orange
- Shelter faces away from the street, creating visibility and safety issues
- Tactile markings incorrectly applied – these should be perpendicular to the road

Port Macquarie Hospital Bus Stop
- Requires buses to awkwardly turn around within carpark, resulting in the bus not being parallel to the kerb
- No hardstand
- No shelter
- Safety issues in major destination

Dubbo region
- Overgrown green reserve, no hardstand
- No kerb or safe boarding

Source: Transport for NSW

Research has shown that customers in Regional and Outer Metropolitan areas are least satisfied with the design of facilities at bus stops compared to other modes. This includes weather proofing, accessibility needs and provision of information. This issue is of higher impact due to the reduced frequency of services meaning longer stays at stops and shelters.

When compared to train stations, the satisfaction scores are mostly aligned with the exception of accessibility which has a 12-point difference between the two, highlighting the need for improvement.

Figure 45 - Customer satisfaction in Regional and Outer Metropolitan

Satisfaction with train stations and bus stops (%)	Train stations	Bus stops
Overall satisfaction	78	76
Ease of locating where to board	90	83
Accessibility	85	73
Convenience to the start of the journey	80	82
Availability of information needed to commence journey	78	77
The level of noise	77	75
The level of crowding	76	83
Feeling safe while waiting	75	74
Cleanliness	69	64
Facilities are well-designed	64	57

Source: C1. How satisfied or dissatisfied are you with each of the following?
Base: Public transport users. Train users, n=90. Bus users, n=76.

Satisfaction with bus stops and train stations by regions (%)	Total ROM	ROM South	ROM West	ROM North
Overall satisfaction	76	74	90	75
Ease of locating where to board	84	83	87	86
Accessibility	82	86	75	77
Convenience to start the journey	79	76	84	83
The level of crowding	77	79	82	72
Availability of info needed to commence journey	77	75	75	81
The level of noise	75	80	79	64
Feeling safe while waiting	74	73	75	76
Cleanliness	68	70	66	65
Facilities are well-designed	60	61	46	62

Source: C1 (T2B). How satisfied or dissatisfied are you with each of the following?
Base: Bus and train users. Overall, n=166. ROM South, n=61, ROM West, n=18*, ROM North, n=91.
*Note: low sample size. Results are indicative only.

Source: Transport for NSW

Outside Greater Sydney, cleanliness, facility design, and feeling safe while waiting are key pain points. The variation between Greater Sydney and the rest of NSW means that improvements should be location specific.

Table 21 - Opportunities and challenges in Greater Sydney and Regional and Outer Metropolitan

Region	Opportunities	Challenges
Greater Sydney	• Funding for bus priority infrastructure on local authority roads • Improvements to traffic committee process and powers (although overall concern with current proposals)	• Early provision of footpaths in new growth areas • Suitable road layouts and provision of connections, particularly in new growth areas • Negotiating space for layover • Differing priorities for bus shelters
Regional and Outer Metropolitan	• Local government plays a key role in education and raising awareness • Support to amend Local Environment Plans in favour of public transport infrastructure funded by the developer • Prioritising active transport and public transport over parking and taxi • Frequent review with councils to factor in new developments • Standardise passenger experience	• Infrastructure • Minimal existing infrastructure • Limited resource and capacity of councils - long lead time to prepare for upgrades (two years) • Natural disasters • Planning • New development lacks adequate infrastructure for public transport and lag in delivery time • Passenger experience • Availability of physical and digital trip planning information eg B-Poles, live tracking etc • Lack of education and awareness • Ticketing

Source: Transport for NSW

6.1.4 Delegations from Transport to local councils

Transport retains both the control of traffic on the State's classified road network and the control of traffic signals on all roads throughout New South Wales. However, to assist in the management of this task, Transport delegates functions[40] (most recently issued on 31 October 2011) of the control of traffic of Regional and Local roads to local councils.

The main delegation limits the types of prescribed traffic control devices and traffic control facilities that council may authorise and install and requires compliance with conditions when doing so. One of these conditions requires councils to obtain the advice of Transport and NSW Police prior to proceeding with proposals at a 'Local Traffic Committee' (LTC).

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[40] They are limited to the delegation of certain functions under each of the following: Roads Act 1993, Road Transport (Safety and Traffic Management) Act 1999, and the Road Transport (Safety and Traffic Management) Regulation 1999. https://www.transport.nsw.gov.au/operations/roads-and-waterways/committees-communities-and-groups/committees-and-groups/delegations

The LTC is an advisory body and does not have decision making powers. However, if the LTC's advice to council is not unanimous, then the council must notify Transport and the Commissioner of NSW Police before it exercises that function.

LTCs are required to include as members a representative of each of the following:

- council

- NSW Police

- Transport (generally a roads specialist)

- the local State Member.

On the agreement of the formal members, they may have additional non-voting members, for example:

- a road safety officer

- representatives from the emergency services

- bus operators

- Transport Workers Union

- Chamber of Commerce.

In 2023, Transport also issued an additional Temporary Delegation to give councils an alternative approval pathway for certain types of pedestrian works. This delegation is an alternative to, and in addition to, the method available under the Main Delegation. The Temporary Delegation allows councils to approve and implement selected pedestrian works without needing to seek concurrence, approval or input from Transport. Councils do not need to seek the advice of their Local Traffic Committee.

6.2   Opportunities to improve delegations

Many of Transport's processes for oversight of local roads and engagement with local government, including delegations and guidelines[41] for LTCs, have changed little in the past three decades. Advice to the Taskforce suggests that current processes are often resource-intensive, add limited value, and are inconsistent in ensuring that bus issues are adequately represented or considered. The interest of Transport in decisions that affect the experience of bus customers and effectiveness of bus operations is also not clearly identified in current governance.

There is an opportunity to improve consideration of operational bus issues through LTCs, while fostering the expectation of more engaged and strategic transport planning by councils.

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[41] https://www.transport.nsw.gov.au/system/files/media/documents/2023/Guidelines%20on%20the%20Delegation%20including%20the%20operation%20of%20Traffic%20Committees.pdf

6.2.1 Delegation of responsibilities to local government

Following years of significant population growth in NSW and a series of amalgamations, many councils are now relatively large and capable organisations subject to minimal oversight of operational functions. Converting LTCs from a de-facto oversight role to a capacity building and advisory role would signal that the NSW Government expects, and will actively support, better performance from local governments when managing roads.

Delegating lower risk responsibilities to local government will reduce LTCs workload, enabling them to focus on more strategic issues. It will also help streamline and speed up decisions that can improve the local road environment for pedestrians, cyclists and bus users.

This would build on the existing Temporary Delegation issued by Transport in February 2023. It would also draw upon section 166 of the *Liquor Act 2007*[42] that allows the reallocation of road space for outdoor dining or events without requiring referral to Local Traffic Committee.

Delegating more powers to local government to manage streets will need to be balanced with controls that ensure works reflect key State interests. To ensure that bus operations are always considered, it would be appropriate for Transport to specify minimum standards and safeguards, and ensure monitoring systems are in place to identify and resolve any problems.

6.2.2 State government interest in key decisions that affect bus operations

Reducing the workload associated with routine decision-making would increase the capacity of LTCs to deal with strategic decision-making, including in relation to bus operations.

A wider delegation to councils could allow for a clearer statement of operational bus and passenger issues that Transport needs to be involved in or retains control over. Local interests and broader strategic bus operational interests can sometimes compete. It is important there is a well understood process to resolve any conflicts.

Including clear escalation principles and identifying decisions made by Transport that may affect local roads (eg traffic calming measures to prioritise bus movements) would help ensure bus operations are adequately considered.

These changes could be implemented by amending delegations and guides for LTCs, and through amendments to regulation and processes if needed.

6.2.3 Naming conventions for Local Traffic Committees

Some councils have adopted variations on the name of their LTC to shift focus to all modes. For example, the City of Sydney has renamed its LTC the Local Pedestrian, Cyclist and Traffic Calming Committee.

Renaming LTCs would reinforce Transport's expectation that councils should be reflecting carefully on the role of all transport modes, including use of and access to public transport, when making recommendations about management of local roads, streets and public spaces.

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[42] https://legislation.nsw.gov.au/view/html/inforce/current/act-2007-090#sec.166

6.2.4 Broadening the representation and focus of Local Traffic Committees

LTC members often have strong knowledge of local precincts, issues and opportunities. However, Transport has concerns about the extent that broader issues are considered by these members. In particular, Transport has expressed concerns about whether LTCs have the right skills and representation to consider how recommendations and decisions impact bus operations, the uptake of walking and cycling, and urban design.

There is an opportunity to use both local knowledge and draw upon the wider knowledge within Transport, councils and the community to consider more strategic transport challenges, including those applicable to bus networks, walking and cycling improvements. This could include incorporating members with expertise in public transport planning, walking and cycling, road safety policy, and urban design.

With access to more diverse expertise LTCs could be productive forums for more strategic discussions on transport strategy and land use policy. Just as NSW Government housing targets must be incorporated in local government land use policies, there is the opportunity for some NSW Government transport objectives to be cascaded to local government.

For example, LTCs could consider how local government transport plans will support increased bus patronage including active transport connections to public transport nodes (transitways, bus stops and rail stations). Development and assessment of strategies that leverage local government knowledge and planning skills would be greatly assisted by a wide ranging and collaborative LTC.

6.2.5 Consistency of local practices

Local government in NSW is extremely diverse, with large and well-resourced metropolitan councils alongside more expansive rural and regional administrations with huge infrastructure responsibilities. This diversity brings a variety in skills, experience, and capacity.

There is an opportunity for Transport to provide more resources and training to support LTCs and ensure a consistently high level of skills and awareness on these bodies, including in the areas of bus operations, active transport planning, and urban design. There is also an opportunity for LTCs to be further used by local government as a source of information and support on strategic transport decision making, including in relation to bus operations.

6.2.6 Recommendations regarding delegations

Recommendation 13: That Transport for NSW amend the delegation to councils and supporting guidelines to:

> 13.1 delegate lower-level risk and responsibility to local government
>
> 13.2 clarify Transport's role and define escalation principles, and

13.3 require Local Traffic Committee membership to include a more diverse range of experience and skills regarding public transport planning, walking and cycling, road safety policy, and urban design.

Recommendation 14: That Transport for NSW provide more resources and training to Local Traffic Committee members to ensure a high level of skills and awareness, particularly in public transport planning, walking and cycling, road safety policy, and urban design.

6.3   Perspective of local government

At the broad level, local government seeks the equitable provision of reliable, efficient and comfortable services to support their communities. Services need to be well integrated with intermodal hubs and active transport networks. Local government also stresses the importance of improved bus services in regional areas.

As local government is responsible for 85 per cent of the NSW road network[43] it is essential that Transport partners with councils in improving bus services and active public transport.

This section outlines specific issues informed by feedback from councils to Taskforce member Local Government NSW (LGNSW), including through resolutions of the LGNSW's conferences.

Figure 46 - Priorities for local government (source Local Government NSW)

Identify funding options to upgrade local roads for more frequent services and heavier electric vehicles	Bus shelters should be designed to provide refuge from heat, rainfall and storms	Reduce noise and air quality impacts from bus operations	Accelerate the conversion of the bus fleet to electric and hydrogen
Make all aspects of public transport accessible e.g. buses, shelters, media, communications, and timetables	Enable use of Development Contributions and Voluntary Planning Agreements for active and public transport infrastructure	Mandate minimum road and verge widths and overhang clearances to accommodate existing and future bus routes	Prioritise investment in footpaths and shared cycleways within a two-kilometre radius of train stations, shops and schools
Cater for micro-mobility and personal-mobility devices on buses e.g. walking frames and scooters	Develop advisory guidelines for councils to respond to new and emerging modes of transport e.g. e-bikes and e-scooters	Prioritise safety solutions for vehicles, stops and interchanges to remove real and perceived barriers to using public transport	Collaborate with the Department of Education to encourage schools to use safe active travel as a local alternative to cars and buses

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[43] Source: Local Government NSW

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6.3.1 Local road funding

With the introduction of additional bus services the local road network needs to be assessed to determine if it can support more bus services. In addition to the wear and tear caused by the potential increase in bus traffic, it should take account of the potential impact of heavier ZEBs. The assessment should also consider the adequacy of current road construction standards and identify roads requiring upgrades, and associated funding requirements.

Councils do not have the financial capacity to maintain existing road networks, let alone extensive upgrades or renewals and are already dependent on government grants to do so.

6.3.2 Environmental impacts and climate adaptation

LGNSW's policy platform calls for long term consideration of climate change issues across all government functions and services, and State environmental planning policies that achieve improvements in liveability and sustainability of housing to:

i. Ensure developments and precincts include measures to alleviate the urban heat island effect
ii. Enable innovative approaches to community and public transport.

Bus shelters and surrounding infrastructure

As noted, the quality and provision of bus shelters and surrounding infrastructure on local roads ranges from good to poor to non-existent. In addition to the local road assessment, Transport should work with councils to assess the condition of footpaths, facilities, and shelters along bus routes, identifying areas where maintenance or upgrades are necessary.

LGNSW recommends guidelines for the design and location of bus shelters to improve the provision of refuge for passengers from increased heat, rainfall and storms. If it isn't feasible to provide bus shelters in all locations, there should be clear characteristics of high risk stops (eg exposed or unshaded stops) to help with prioritisation.

The Taskforce notes that there already exists a range of resources online including Design Elements for Public Transport,[44] Guidelines for Transport Capable Infrastructure in Greenfield Sites,[45] and Guide to Appointed School Bus Stops.[46] However, they are not stored in a central location and may not be as prescriptive as previous guidance provided by the former State Transit Authority.[47] Transport should work with LGNSW and bus operator representatives to review current guidance available and make amendments if necessary.

[44] https://www.movementandplace.nsw.gov.au/design-principles/design-road-and-streets-guide/road-and-street-design-parameters-and-elements/design-elements-public-transport

[45] https://www.transport.nsw.gov.au/industry/transport-planning-resources#Guidelines_for_Public_Transport_Capable_Infrastructure_in_Greenfield_Sites

[46] https://www.transport.nsw.gov.au/system/files/media/documents/2023/Appointed%20School%20Bus%20Stop%20Guide.pdf

[47] https://nacto.org/docs/usdg/bus_infrastructure_guide_nsw.pdf

Climate Adapted People Shelters case study

Climate Adapted People Shelters[48] was a design competition, initiated by councils in Western Sydney in association with multidisciplinary research teams, to respond to the challenges of increasing urban heat and bus shelter design.

This project resulted in the construction of a prototype shelter at Penrith with significant potential for widespread rollout. Based on its appearance and performance, the winning design received community approval and temperatures inside up to 4 degrees Celsius cooler than in existing shelters.

Figure 47 - The winning design with morning sun-shade profile

6.3.3 Pollution and transition to net zero

Diesel buses contribute significant noise and air quality impacts for local communities, particularly at bus stops and when buses are idling near residences or businesses and exhaust fumes accumulate. The move towards net zero emissions will reduce particulates and noise.

The NSW Government's Net Zero Plan[49] includes the objective to deliver a 70 per cent cut in emissions by 2035 (compared to 2005 levels) and net zero emissions by 2050.

LGNSW's position on emissions is an emissions reduction target of 50 per cent by 2030, and 2050 net zero emissions target. The NSW targets are slightly more ambitious now than the last recorded resolution of LGNSW but remain broadly consistent with LGNSW positions. As such, LGNSW supports plans to accelerate the conversion of the bus fleet to electric or hydrogen powered vehicles. The ZEB strategy and related issues are discussed in Chapter 7.

6.3.4 Disability and inclusion

LGNSW supports making all aspects of public transport accessible, including buses, bus shelters, media, communications, timetables etc.


48
https://lgnsw.org.au/common/Uploaded%20files/Environment/BRCC%20Case%20Studies/12.%20Penrith_Climate_Adapted_People_Shelters.pdf
49 https://www.energy.nsw.gov.au/nsw-plans-and-progress/government-strategies-and-frameworks/reaching-net-zero-emissions/net-zero

This could be achieved by using the lens of <u>universal design principles</u>[50] in standards and guides for the design of public transport. The seven principles of universal design can be applied to 'any building, open space, service, product, phone app, website or document'.

Figure 48 - The 7 principles of universal design
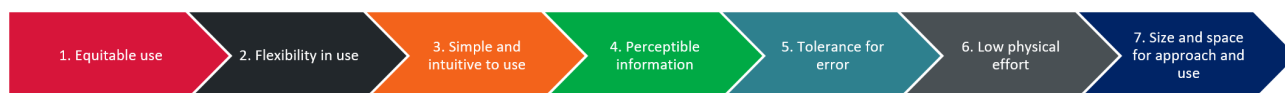
Source: Centre for Universal Design Australia

These principles would help make public transport more accessible to people with disability, older people, parents with children and prams, and the community more broadly.

Transport should also consider how bus design and operation can cater for micro-mobility and personal-mobility devices, such as walking frames or scooters. This should include developing advisory guidelines for councils to respond to the new and emerging modes of transport that are now sharing the road network such as e-bikes and e-scooters.

6.3.5 Planning

LGNSW advocates for improvements to use of developer contributions, minimum road widths and active transport.

Councils should be able to use mechanisms such as Development Contributions and Voluntary Planning Agreements to fund local public transport infrastructure. These mechanisms enable councils to collect direct contributions for key community infrastructure such as bus shelters, lay-by bus stops and other facilities. A good example is the <u>Tweed Contributions Plan</u>.[51]

There are <u>examples of communities which have been developed without consideration for public transport</u> resulting in local roads which are too narrow for bus operations.[52] LGNSW has suggested that the imposition of minimum road widths to accommodate existing and future potential bus routes in new developments, and minimum verge widths to accommodate bus stops, shelters, lay-bys and other supporting infrastructure, would ensure equitable access to public transport for communities across NSW.

There are <u>guidelines for road design and traffic lane widths</u>,[53] but they allow for exceptions at the discretion of Council. The recommendations regarding delegations and governance are intended to ensure LTCs give more consideration to public transport when advising Council.

Active transport and micro-mobility
Footpaths and cycleways enable more environmentally friendly options of active transport to get to the shops, schools, transport hubs such as train stations and bus stops, but these types of infrastructure are often missing. LGNSW recommends prioritising investment in footpaths and shared cycleways within a two-kilometre radius of train stations, shops and schools. The

[50] https://universaldesignaustralia.net.au/7-principles-of-universal-design/
[51] https://www.tweed.nsw.gov.au/files/assets/public/v/2/documents/development-and-business/land-use-and-planning-controls/developer-contributions-s7.11/cp12-bus-shelters.pdf
[52] https://www.smh.com.au/national/they-build-a-suburb-then-find-the-buses-dont-fit-20080616-gdsi3t.html
[53] https://austroads.com.au/publications/road-design/agrd03

Taskforce supports this position and notes that the Get NSW Active[54] program provides a mechanism for councils to seek funding for this type of investment.

Improvements to footpaths and cycleways would also encourage use of walking-buses for school children[55] as a safe active travel alternative to cars and buses, reducing congestion and wear and tear on local roads.

6.3.6 Safety

LGNSW advocates for prioritising safety solutions for vehicles, stops and interchanges as this is a barrier to some people using public transport, real or perceived. Any necessary safety solutions will be addressed as part of the Medium Term Bus Plan described in Chapter 5.

6.3.7 Recommendations regarding local roads and infrastructure

Recommendation 16: That Transport for NSW works with councils and the Department of Planning and Environment to:

15.1 Identify funding options to upgrade local roads to support more bus services and related infrastructure

15.2 Amend guidance for Development Contributions and Voluntary Planning Agreements to strengthen the ability of local government to use these mechanisms for public transport infrastructure on local roads. If necessary, the regulatory framework should be amended to enable this.

7.   Managing assets to support equitable and sustainable services

In Chapter 5 we identified that NSW needs more services, equitably distributed across the state. While some quick wins are possible through more effective use of existing resources, our improved network plan inevitably puts upward pressure on the number of buses required and the quantity and location of appropriately equipped depots.

Meanwhile, there is an urgent need to move towards a net zero emissions economy. With transport a major contributor to greenhouse gas emissions, transitioning the existing and future bus fleet to Zero Emissions Buses (ZEBs), including deployment of supporting infrastructure, is crucial to meet government commitments.

The challenges presented by the concurrent expansion of services and the transition to ZEBs is taking place in a context of already complex models of asset ownership, financing and control of the bus fleet and the depots required to support services.

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[54] https://www.transport.nsw.gov.au/projects/programs/get-nsw-active
[55] https://education.nsw.gov.au/parents-and-carers/wellbeing/health-and-safety/safe-travel/walking-safely-to-and-from-school

The contracting out of service delivery to private operators across the State means there is a variety of arrangements regarding asset ownership and management. The Government owns the depots and the fleet in the former State Transit Authority (STA) Regions (6, 7, 8 and 9 and Newcastle), but the situation in other Regions is mixed. Most depots are owned by the operator or leased by the operator from commercial third parties (who may be a former operator). Just over 70 per cent of buses are either owned or accessed by Transport at the end of a contract, with the remaining 30 per cent owned by the operator (over which Transport has no control).

This Chapter makes recommendations to manage the twin challenges of service demand growth and energy transition in financially, environmentally, and socially sustainable ways:

- In 7.1 and 7.2, we examine the challenges related to the vehicles themselves, proposing modifications to existing plans for the roll out of ZEBs.

- 7.3 focuses on the need for overall improved fleet planning and procurement.

- 7.4 proposes a long-term depot strategy to support the new service plan identified in Chapter 5, as well as the significant investment and coordinated commitment that will be required to create depots fitted with appropriate infrastructure.

- Finally, 7.5 identifies the urgent need for Transport to improve its asset management policies and practices, to maximise the safe and useful life for all its bus related assets, regardless of whether it directly owns or controls them.

The challenges presented by electrification of the fleet and the need for supporting infrastructure are shared by jurisdictions across the country. The Taskforce notes the work of the National Transport Commission in its Electric Bus Evaluation September 2023,[56] which considers many similar issues to those canvased in this Chapter.

7.1   Transition to zero emissions

The bus fleet used to deliver contracted services is made up of approximately 8,000 largely diesel buses of varying sizes. Roughly half of the State's buses are in Greater Sydney, with the other half across Outer Metropolitan and Regional NSW. The regional network is primarily made up of small, family-owned operators providing predominantly school services and public transport to towns and connecting population centres.

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56 https://www.ntc.gov.au/sites/default/files/assets/files/Electric%20Bus%20Evaluation%20-%202023.pdf

Table 22 - Current bus fleet and depot profile as at October 2023

Region	Number of buses and depots
Greater Sydney	3,774 buses across 32 depots
Outer Metropolitan	1,125 buses across 22 depots
Regional	3,073 buses across 592 depots and 72 TrainLink Coaches

Source: Transport for NSW

Transition of the State's 8,000 diesel and natural gas fleet to zero emission technology is a multibillion-dollar program. This transition delivers on the NSW Government's commitment to achieve net zero emissions by 2050 and aims to improve the passenger journey experience and urban amenity for communities.

7.1.1   The environmental case for ZEB

In recent decades, there has been increasing concern about greenhouse gas emissions and their effect on the environment and climate change. Sustainable Development Goals outlined by the United Nations General Assembly intended to provide guidance on approach for the period from 2015–2030 include a specific direction to achieve net zero emissions by 2050.[57]

To align with the United Nation's direction, the previous NSW Government established an objective to achieve net zero emissions by 2050. Various plans were released to guide the State in achieving this long-term goal, including the 2016 Climate Change Policy Framework for NSW[58] and the March 2020 Net Zero Plan Stage 1: 2020-2030[59] outlining an additional objective to deliver a 70 per cent reduction in emissions by 2035 compared to 2005 levels.

The current NSW Government committed to net zero emissions by 2050[60] during the March 2023 election campaign and in October 2023 committed to a Net Zero Commission.[61]

The Taskforce also notes the recent launch of a Transport Net Zero and Climate Change Policy,[62] which sets the targets, principles and strategic direction for Transport to support emissions reduction, particularly the commitment to accelerating net zero operations in the transport sector.

The transport sector represents a significant proportion of emissions generated in NSW, accounting for 24 per cent of the State's Greenhouse Gas emissions in Financial Year 2021-

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[57] https://sdgs.un.org/goals/goal13
[58] https://www.energy.nsw.gov.au/sites/default/files/2022-08/nsw-climate-change-policy-framework-160618.pdf
[59] https://www.energy.nsw.gov.au/nsw-plans-and-progress/government-strategies-and-frameworks/reaching-net-zero-emissions/net-zero
[60] https://www.chrisminns.com.au/nsw_labor_announces_net_zero_legislation
[61] https://www.nsw.gov.au/media-releases/landmark-climate-change-bill
[62] https://www.transport.nsw.gov.au/news-and-events/media-releases/historic-steps-towards-net-zero-transport-future

22.[63] As outlined in Figure 49, Transport's operations account for 3 per cent of the sector's total emissions, but there is opportunity to reduce this further.

Figure 49 - Breakdown of the Transport sector's contribution to greenhouse gas emissions
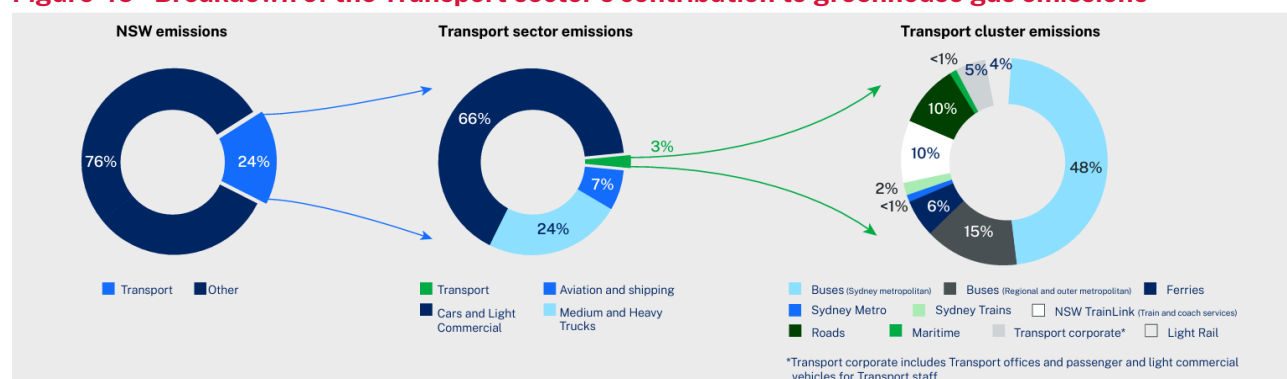
Source: Transport Sustainability Report 2021-22

In 2021 Transport has achieved approximately 50 per cent reduction of its operational Greenhouse footprint by transitioning the Sydney Trains and NSW TrainLink electrified network to zero emissions-based electricity, through a combination of green electricity and offsets. Sydney Metro is already powered by 100 per cent green electricity. As shown in Figure 50, buses are the public transport mode that produces the largest share of emissions.

The current technologies for buses that are considered zero emission are battery electric (BEB) and hydrogen fuel cell technology (HFCB).

Figure 50 - Carbon emissions from Transport operations by mode
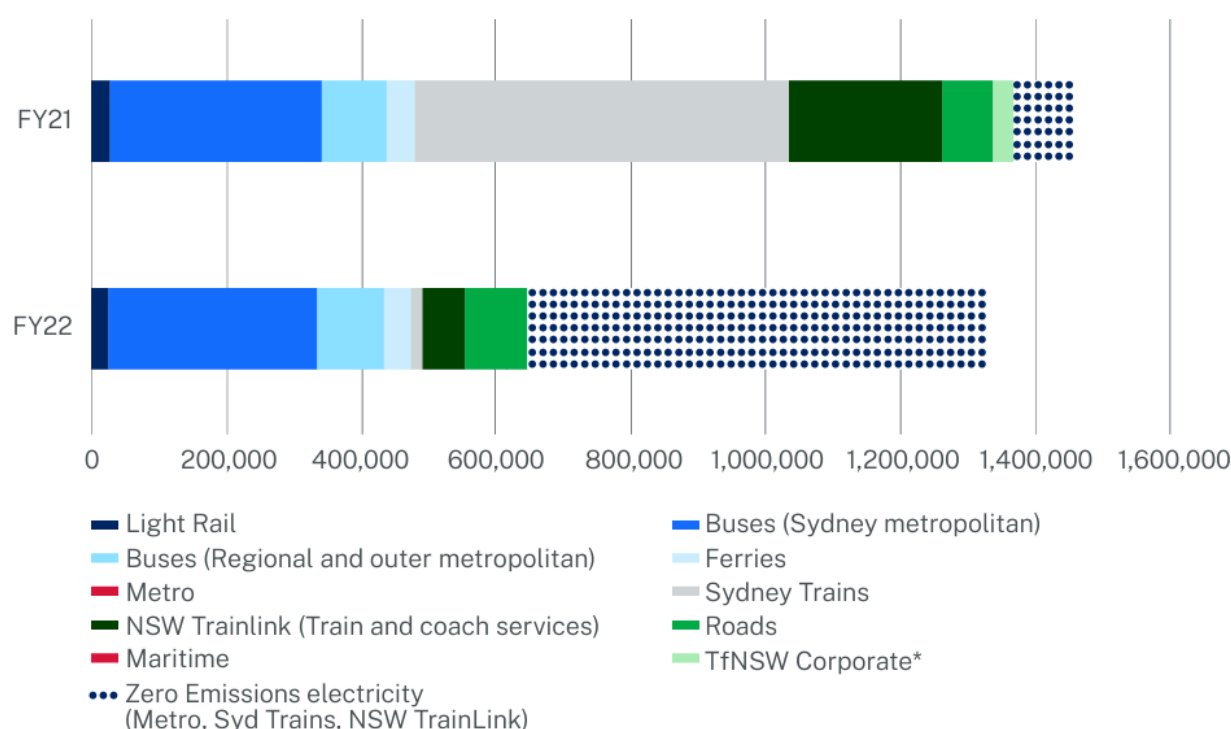
Source: Transport Sustainability Report 2021-22

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[63] Transport Sustainability Report 2021-22

7.1.2   The strategic case for ZEB

The Future Transport Strategy[64] outlines Transport's vision to deliver safe, healthy, sustainable, accessible and integrated passenger and freight journeys.

Net zero emissions is a contributor to achieving the successful places strategic outcome of Future Transport. Transport developed subsidiary targets including a commitment to net zero transport operations by 2035. Steps to be taken include procurement of 100 per cent renewable energy for all electricity to be consumed by the department and its service providers (including any private industry partners operating public transport services on behalf of Transport).[65] Additionally, electrification of the remaining transport network, encompassing buses, ferries, corporate vehicles and non-passenger vehicle fleet, is essential.

In May 2020, Transport invited industry to submit expressions of interest in relation to trials of ZEB technologies, encompassing both BEB and HFCB buses, in partnership with bus operators across Sydney and Outer Metropolitan bus Regions. These trials were intended to facilitate development of ZEB operational skills and capabilities and provide opportunity for testing before implementing a wider roll out. Informed by early operational learning from these trials, Transport's Zero Emission Bus Transition Strategy[66] was released in 2021.

In June 2022, the then Government announced the intent to transition the State's entire bus fleet to zero emissions.[67] In December 2022 it also announced approval of $3 billion to fund the implementation of ZEBs and new charging infrastructure, intended to support the local economy by creating jobs in bus manufacturing.[68]

In support of these announcements, Transport released its Zero Emission Buses Transition Plan[69] in June 2022 outlining the pathway for replacing the State's 8,000 diesel and compressed natural gas (CNG) buses and coaches covering all areas of NSW.

Due to the size of the bus fleet, a staggered transition was considered the best way to facilitate the sustainability of local industry, including capability of bus manufacturers, appropriate lead time for local operational expertise in ZEB to be developed, and to capitalise on improvements and maturing of ZEB technology over time.

Benefits of the ZEB Project
A range of benefits will be achieved through the roll out of the ZEB Fleet.[70] Despite the higher initial capital outlay required for BEB, there are ongoing benefits of lower carbon emissions, and lower running costs (whether powered off a non-renewable grid or from all renewables).

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64 https://www.future.transport.nsw.gov.au/strategy-highlights
65 https://www.future.transport.nsw.gov.au/strategy-highlights/environmentally-responsible
66 https://www.transport.nsw.gov.au/system/files/media/documents/2021/zero-emission-bus-transition-strategy.pdf
67 https://www.budget.nsw.gov.au/sites/default/files/2022-06/20220620_01_KEAN-ELLIOTT-FARRAWAY-Zero-Emission-Bus-Transition-Enters-New-Gear.pdf
68 https://nswliberal.org.au/news/zero-emission-buses-powering-up-with-$3-billion-in-funding-for-new-fleet
69 https://www.transport.nsw.gov.au/system/files/media/documents/2022/Zero_Emissions_Bus_Fact_Sheet_June_2022-v2.pdf
70 https://www.transport.nsw.gov.au/projects/current-projects/zero-emission-buses

Figure 51 - Benefits of the Zero Emission Bus Program

Increased vehicle data and analytics capability	**Improved passenger journey experience**	**Increased local manufacturing**	**Improved local amenity**	**Improved air quality for the communities of NSW**	**Reducing reliance on imported fossil fuels**
ZEB vehicles contain technologies to assist with tracking of key operational data which can better inform operational considerations in relation to service planning and fleet management	Reduced noise and vibration of a ZEB compared to a diesel or gas bus currently being operated throughout NSW will provide a smoother, more comfortable journey	Tranche 1 of the ZEB transition will support an estimated 1,300 jobs each year across construction, bus assembly, supply chain and manufacturing, and provide opportunities for bus operators to create new jobs and training	The quieter running noise of ZEBs improves amenity of community spaces including quieter streets, leading to options for more amenity near key bus routes like outdoor dining	The full transition to ZEB will eliminate tailpipe emissions and reduce Transport's carbon emissions by an estimated 509,000 tonnes per year (equivalent to 391,000 cars	Australia imports 80 per cent of the diesel it uses from overseas, but ZEBs create opportunities to increase domestic renewable energy production, replacing the need for fossil fuels

Source: Zero Emission Bus Program

7.1.3 Community support for ZEB

Between July 2022 and June 2023 Transport received around 450 complaints relating to external impacts of buses (about 1 per cent of all complaints as described in Chapter 4). As shown in Figure 52, these complaints were overwhelmingly related to exhaust fumes or prolonged idling (58 per cent), buses in restricted areas (21 per cent) and noise from buses (16 per cent). Complaints about depot noise and pollution (4 per cent) and spillage from buses (1 per cent) were much fewer.

Figure 52 - Complaints relating to external impacts
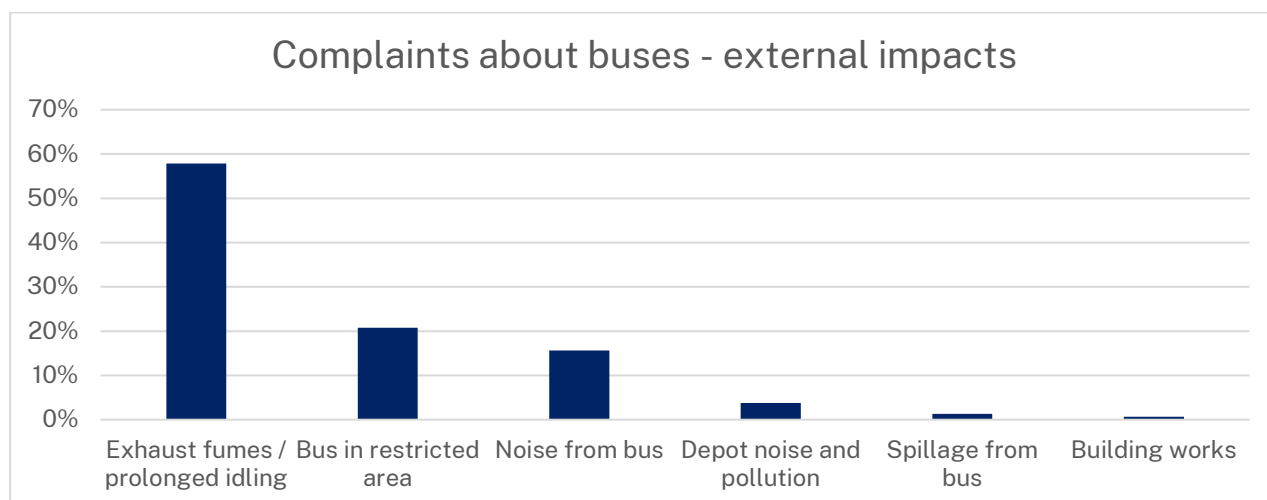
Source: Complaints and enquiries received by Transport for NSW

ZEBs present an opportunity to radically shift community perception and passenger experience by reducing the most frequent complaints about external impacts: exhaust fumes and noise. Figure 53 presents the perceived benefits of ZEBs compared to other buses, the main ones being low environmental impact, quietness, reduced pollution and delivery of a smoother journey. The data was gathered from surveys of 300 customers, 150 residents and 36 businesses along ZEB routes within Sydney (June 2022).

Figure 53 - Passenger satisfaction with ZEBs in Greater Sydney

Satisfaction with ZEBs compared to other buses

80% satisfaction

ZEB benefits mentioned

70% smoother journey

81% quieter

78% less pollution

90% low environmental impact
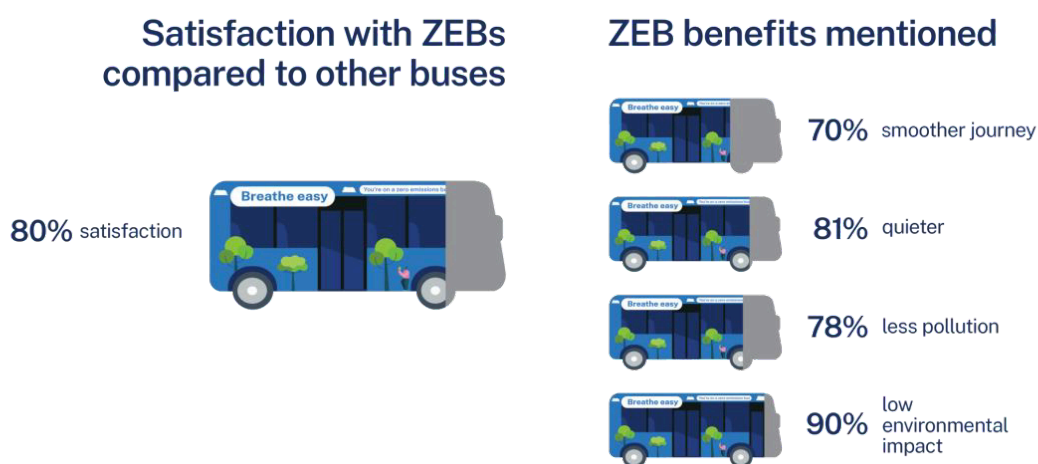
Source: Transport for NSW Zero Emission Bus Program

The findings reflect literature which sees a connection between perceptions of environmental performance and an increase in bus user satisfaction levels.[71] However, this is not consistent across NSW. Although communities in Regional and Outer Metropolitan areas believe environmental sustainability is necessary, ZEBs alone are not likely to drive public transport patronage and current perceptions attached to it.

Focused research regarding the ZEB roll-out in Regional and Outer Metropolitan found a need to improve perceptions and stigma attached to public transport (especially buses) with a particular focus on frequency and fares.[72] Poor perception of buses is addressed in Chapter 4.

7.1.4 NSW's transition to ZEB

As illustrated in Figure 54, the transition to ZEBs is scheduled to be complete in Greater Sydney by 2035, in Outer Metropolitan Regions by 2040, and in Regional NSW by 2047.

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[71] Munim, Z. H., and Noor, T. (2020). Young people's perceived service quality and environmental performance of hybrid electric bus service. *Travel Behaviour and Society*, 20, 133–143.
[72] EY Sweeney ZEB research 2022

Figure 54 - Zero Emission Buses Transition Plan for NSW
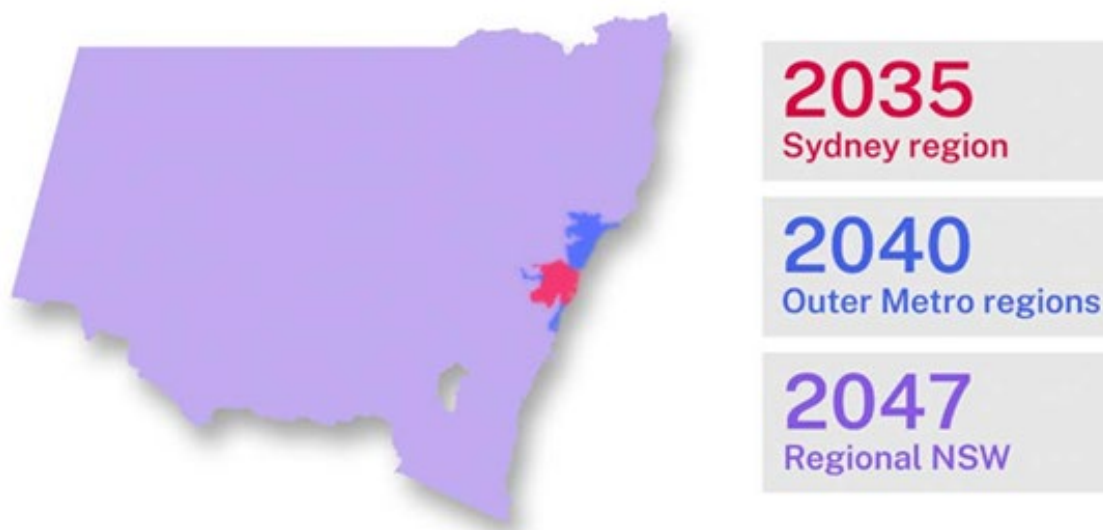
Source: Transport for NSW Zero Emissions Bus Fact Sheet[73]

By the time the proposed transitions are complete, there will be more than 4000 ZEBs in Greater Sydney, more than 1000 buses in Outer Metropolitan, and more than 3000 in Rural and Regional NSW by 2047.[74]

Private fleet used for non-public transport services are outside the scope of the ZEB Transition Plan. This represents an important element in assisting with NSW's achievement towards net zero emissions, and the Taskforce notes Transport's current efforts in supporting transition to electric vehicles (EV) through partnerships with industry on Regional NSW charging programs and transitioning Transport's light vehicle fleet to EV.[75]

The Tranche 1 ZEB Strategic Business Case (SBC), developed in 2022, is the first of eight planned tranches to assist with the State's overall transition targets and timeframes outlined above. Tranche 1 focuses on Greater Sydney, with approximately 1,200 new electric buses funded to be introduced by 2028. 11 existing bus depots will be upgraded with bespoke electric charging infrastructure to support this new fleet. A new bus depot facility will be constructed at Macquarie Park to enable ZEB operations in the Lower North Shore area.

In addition to SBC funding, another 500 ZEBs are due to be commissioned across Greater Sydney using trials and existing bus contract commitments. This will bring the number of ZEBs scheduled to be implemented in the area to approximately 1,700 buses.

73 https://www.transport.nsw.gov.au/system/files/media/documents/2022/Zero_Emissions_Bus_Fact_Sheet_June_2022-v2.pdf
74 https://www.transport.nsw.gov.au/news-and-events/media-releases/regional-nsw-on-board-transition-to-zero-emission-buses
75 Transport Sustainability Report 2021-22

7.1.5   Progress to date on transition to ZEB

As at publication of this report, there are 112 BEBs in operation on Sydney roads.

Figure 55 - ZEBs operating across Greater Sydney (October 2023) [76]

Transport is also investing $25 million towards regional ZEB trials to understand the most suitable technology to meet public transport service needs of remote regions and communities.

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[76] https://www.transport.nsw.gov.au/projects/current-projects/zero-emission-buses

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Transport's ZEB [Transition Strategy](#)[77] considered suitability of hydrogen versus battery electric technology. Hydrogen hubs have the potential to develop industry, grow regional economies and create jobs while helping NSW achieve its decarbonisation objectives. However, this technology remains premature in comparison to BEB operations. A hydrogen bus trial, the first for this technology in NSW, was implemented on the Central Coast as a part of initial steps in increasing local capability around hydrogen-based operations.

The number of ZEBs able to be operationalised in Sydney could be higher based on current available fleet. The Taskforce observed due to depot charging infrastructure upgrade delays at Kingsgrove depot, approximately 45 buses that are ready for service are currently stored between Leichhardt and Hoxton Park depots. These buses are unable to operate due to lack of suitable charging infrastructure.

Daily bus operations must continue during the process of transitioning in-depot infrastructure unless interim alternate operational depot sites can be secured. Getting the whole ecosystem of BEB operations established and working in a timely manner, and doing so at scale concurrently across multiple sites, presents significant operational risk to Transport. As noted by the Legislative Council's [Report into Privatisation of Bus Services](#),[78] this includes the need for the bus operators' workforces to be suitably trained to work with and maintain ZEBs. A key learning from Transport's ZEB trials and rollout to date is the need to ensure consistency across specifications to provide greatest operational flexibility and assist with ease of implementation. These items are discussed further below.

Need for common charging standards

Prior to finalisation of the ZEB Tranche 1 Business Case, Leichhardt depot was the site of an initial ZEB pilot, consisting of 31 ZEBs. Industry preferences for charging solutions and related bus configurations have evolved since this pilot began. To ensure interoperability of the chargers with other systems at the site, mitigation measures such as hardware and software upgrades were implemented.

The specifics of the 31 buses delivered as part of the initial Leichhardt trial means they need to continue to be charged by these compatible chargers into the future. While the quantum of inconsistent fleet is small in the context of the entire NSW fleet, and while workarounds have been implemented, this example shows the importance of establishing common standards for all aspects of ZEB related assets and infrastructure.

Transport has since developed charging and depot conversion specifications adopting current industry standards for chargers and charging protocols for future rollout.

Need for common depot infrastructure standards

Another key learning relates to the level of consistency in depot infrastructure. The transition from a diesel or CNG based fleet to ZEB has significant implications for use of depot space and vehicle movements.

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[77] https://www.transport.nsw.gov.au/system/files/media/documents/2021/zero-emission-bus-transition-strategy.pdf
[78] https://www.parliament.nsw.gov.au/lcdocs/inquiries/2858/Report%20No.%2018%20-%20PC%206%20-%20Privatisation%20of%20bus%20services.pdf

Depending on the site, changes may be required to depot layouts to accommodate charging infrastructure, including in-depot upgrade of electrical equipment such as transformers, switchboards, and installation of multiple grounded charging units. Overhead gantries are another potential solution for mounting charging equipment to potentially save space.

The proposed Brookvale depot ZEB solution features overhead pantograph style charging, but this produces another variant of ZEB infrastructure different to ground mounted plug-in chargers more commonly implemented in other depots in Sydney. While the ZEBs that complement the pantograph solution can be re-deployed to any other ZEB depot, every other bus in Sydney outside this pantograph solution cannot be brought into Brookvale depot's operations.

This constrains Transport's fleet planning ability, discussed in 7.3.1, and limits operational flexibility in the event any non-compatible bus needs to be temporarily reallocated to the Brookvale depot. This could happen if battery levels of buses from neighbouring depots fall low, or any other depot on a different energy grid experiences prolonged power outages.

As Transport develops and matures its ZEB strategy and implementation approach, along with industry, there is increasingly a need for common standards to be enforced across all depot sites that are upgraded to ZEB operations.

Need for a depot energy infrastructure pre qualification scheme
Given the above learnings about consistency, Transport should consider instituting a depot energy infrastructure pre-qualification scheme to remove variability where practicable.

Industry expressed concern about the lack of established procurement processes for depot energy infrastructure. Industry has called for any such process be streamlined and flexible and recognise that the technology is rapidly changing and likely to have a relatively short lifespan. A well-structured pre-qualification scheme can reduce administrative overheads, improve process efficiency, and better manage design and specification standardisation, while remaining abreast of technical advances and managing supply chain cyber security risk.[79]

As more intelligent infrastructure is introduced into the supply chain there is an increased level of risk related to foreign control.[80]

> *Foreign control is when a supplier, manufacturer, distributor or retailer is subject to foreign government laws. In such cases, businesses may have to comply with directions that conflict with Australian laws or interests. Further, such businesses based in foreign countries may be subject to powers granting a foreign government control over that business or access to its data holdings.*

An example of this from an adjacent industry is the Commonwealth Government's ban on the use of Huawei technology in Australia's 5G telecommunications network.[81]

Some of the categories to be considered may include:

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[79] https://www.cyber.gov.au/resources-business-and-government/maintaining-devices-and-systems/outsourcing-and-procurement/cyber-supply-chains/cyber-supply-chain-risk-management
[80] https://www.cyber.gov.au/resources-business-and-government/maintaining-devices-and-systems/outsourcing-and-procurement/cyber-supply-chains/identifying-cyber-supply-chain-risks
[81] https://www.abc.net.au/news/2018-10-30/australian-signals-directorate-boss-explains-huawei-ban/10444064

- energy management solutions, related software and associated services

- depot upgrade and design services

- electrification works

- charging equipment

- switch gear and other equipment

- associated services for maintenance and repair

This approach should assist with producing a panel of common ZEB infrastructure solutions or products to streamline the procurement and implementation process, while allowing for flexibility in catering to the specific needs of each bespoke depot location requiring ZEBs.

7.2   Challenges for the ZEB transition

The Taskforce identifies several key challenges, including allocation of resources and industry consultation, for Transport to meet to enable successful delivery of ZEB over coming decades.

In this Section we discuss significant infrastructure considerations involving capital expenditure to fund necessary upgrades to bus depots, and procurement of fleet and chargers, as well as how to procure supply of suitable renewable energy and ensure sustainability in recycling and/or disposal of batteries and buses at the end of asset life.

7.2.1   Ongoing energy management

Given battery electric is the most common type of vehicle used in Transport's ZEB transition, management of power supply for depots and buses is operationally critical. Commercially, there are important considerations for securing of electricity supply volumes, including whether electricity supply contracts should be led by the State to leverage volume benefits to support operations across multiple transport modes.

There are also specific market considerations applicable to electricity supply. This requires specialist understanding of electricity supply contract terms and conditions, and how these can facilitate efficient and effective bus operations, particularly ensuring adherence to required bus charging windows by operators. Similarly, there will be a requirement for expertise within Transport to support the department and operators through the ZEB rollout, including specialist understanding of battery performance and warranty terms.

Relevant expertise must be assembled within Transport to ensure appropriate oversight in future depot ZEB conversions and ongoing bus charging operations. This new dedicated energy management function should also develop the depot energy infrastructure panel.

7.2.2   Fleet procurement volumes

Transport's 2021 ZEB Transition Strategy forecast that peak deliveries of 1200 to 1300 buses per annum in later stages of the program would be required to meet initial 2030 Net Zero

targets for Greater Sydney. It acknowledged that this would put strain on manufacturers and result in a significant fall in annual deliveries after 2030.[82]

Subsequent amendment of Greater Sydney's ZEB target has assisted with smoothing out the fleet procurement volumes required. Transport has also endeavoured to balance out fleet deployment profiles for the 1,200 buses to be procured as part of Tranche 1, as well as the 500 ZEBS to be procured as part of end-of-life replacements. The Taskforce supports this approach as it alleviates pressures on local bus manufacturers (see discussion of production capabilities at 7.3.5). The challenges of fleet planning more generally are explored at 7.3.

7.2.3   ZEB technology and industry capability

Given the challenges of BEB fleet infrastructure, including local power grid upgrades and depot conversions, ongoing questions about suitability of BEB for longer distance operations, as well as a need to gradually build up ZEB operational capability across hundreds of operators across Regional NSW, the Taskforce notes that hybrid or low-emissions diesel buses could provide operational flexibility and facilitate the journey to fully fledged ZEB operations.

Hybrid buses would still produce emissions, and therefore may fall short of Transport's Net Zero and Climate Change Policy which outlines the objective to transition the entire public transport bus fleet to zero emission buses by 2050, given transition of Regional NSW is currently intended to be completed by 2047. However, the benefits of hybrid are desirable if contemplated for the short to medium term as a steppingstone towards achieving Net Zero.

Transport's Net Zero and Climate Change policy includes provision for prioritising *'low emission transport solutions...and identifying non-build solutions, where appropriate'.* This provides an opportunity for considering hybrid or alternate technologies, especially if any acceleration of ZEB implementation beyond Sydney is required to support Government priorities.

Balancing any alternate ZEB technology choices with the need for consistency and common standards, as discussed in 7.1.5, will be particularly important for Transport's ZEB strategy for Regional NSW in the coming decades.

7.2.4   Inequitable distribution of ZEBs

The ZEB Tranche 1 deployment focuses primarily on State-owned, former State Transit Authority depots as a first step in the implementation of ZEBs, noting some third-party sites are also utilised. As shown in Figure 56, the bulk of Tranche 1 fleet volumes are in inner Sydney or North Shore areas. Understandably, State ownership of the depots guarantees long-term access, ensuring the value from investment could be realised for the entire asset lifespan.

This has led to unintended consequences, including inequitable distribution of ZEBs and their passenger and environmental benefits across Sydney, further entrenching the economic divide identified in NCOSS's report The Great Divide: Overview of Key Themes.[83] This will remain the case until further tranches are funded or until the deployment strategy is adjusted.

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[82] https://www.transport.nsw.gov.au/system/files/media/documents/2021/zero-emission-bus-transition-strategy.pdf

[83] https://www.ncoss.org.au/wp-content/uploads/2023/04/NCOSS_MappingEconomicDisadvantage_Report_April23_v7.pdf

Figure 56 - ZEB Tranche 1 depot locations
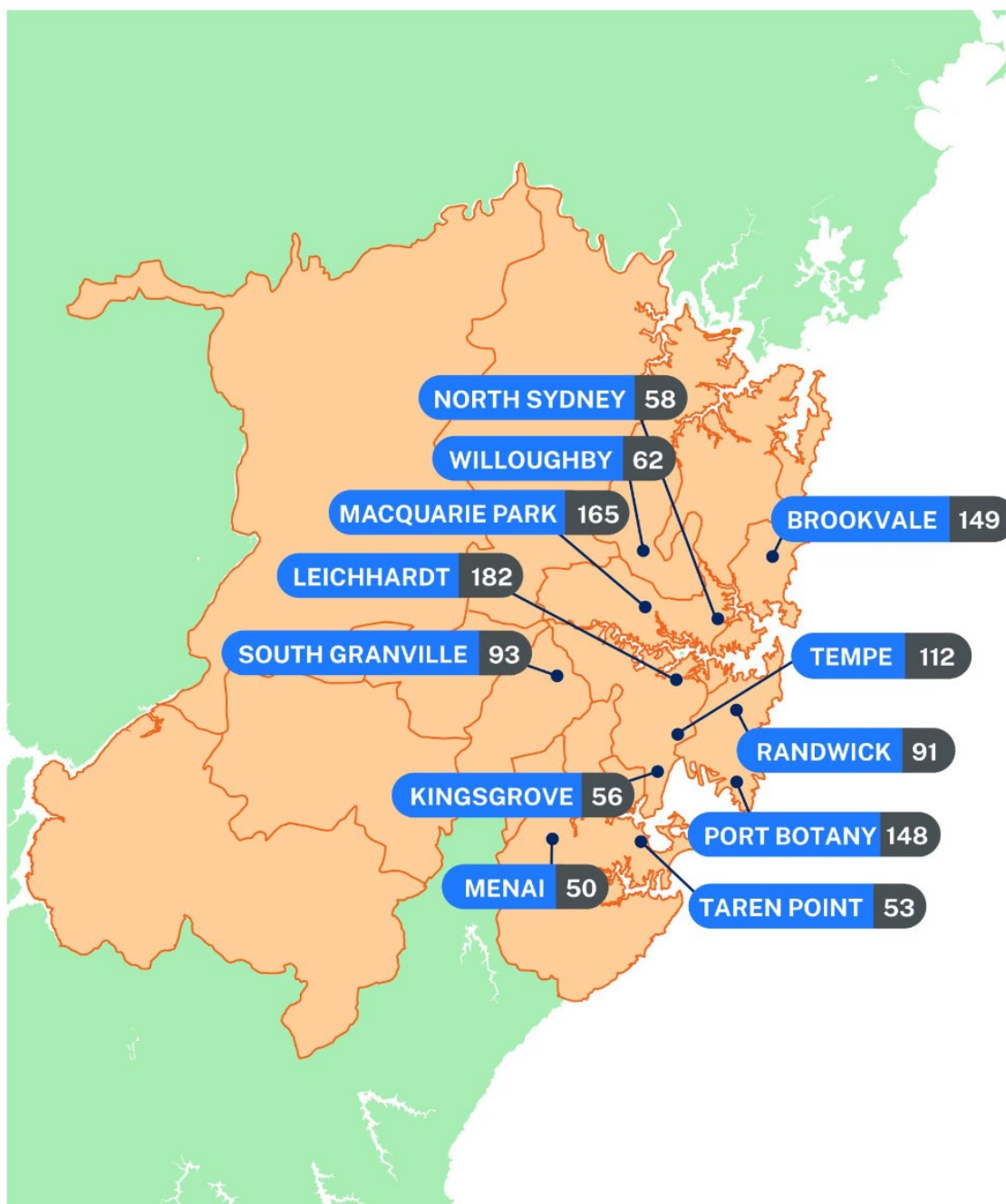
Source: [Zero Emission Bus Program](#)[84]

In addition, as ZEBs are delivered to the locations shown in Figure 56 above, it is intended to cascade the existing diesel buses from these sites to other depots, mostly in Western Sydney and other areas of NSW. While the intention is to assist with the management of an aging fleet profile across the State (further discussed at [7.3.2](#)), it will also result in the reallocation of older diesel fleet westward, while new ZEBs are introduced in the east, thereby creating a disparity in both fleet type and age profile across Sydney.

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[84] https://www.transport.nsw.gov.au/projects/current-projects/zero-emission-buses

Forecasting by Transport indicates that because of the introduction of new ZEBs to earmarked Tranche 1 sites, the average fleet age at those depots will be approximately 4 years by 2029. In comparison, the average fleet age at all other Sydney depots will be approximately 14 years by 2029, due to lack of new buses and new technologies and the lack of any funding for these until the Tranche 2 business case is defined.

With most State-owned depots already converted into ZEB operations as part of Tranche 1, the strategy and direction of further ZEB tranches will depend on a robust long term depot strategy, which is further discussed in 7.4.

Considering this, the Taskforce sees merit in examining short term actions to better balance the distribution of ZEBs across Greater Sydney. However, any redistribution should not adversely affect timeframes, nor should any options conflict with benefits (both financial and non-financial) stipulated under the Tranche 1 business case.

Some depot sites might simply be unsuitable for supporting introduction of ZEB at present, for example because of the need for potentially extensive grid upgrades to electrify the depot. Other depots may contain sufficient existing power to support operation of a small number of ZEBs. Transport should assess all currently operational depot sites, and appropriately balance commercial and operational needs, including consultation with relevant operators, in assessing whether any amendments can and should be made to Tranche 1 to support a more even distribution of ZEBs across Sydney.

7.2.5   Recommendations regarding the transition to Zero Emission Buses

Recommendation 16: That Transport for NSW establish an energy management function and develop a depot energy infrastructure pre-qualification scheme as part of the transition to Zero Emission Buses.

Recommendation 17: That Transport for NSW reconsider the distribution of the 1200 Tranche 1 and 500 BAU Zero Emission Buses to provide more equitable distribution of this technology to Western Sydney. Any proposed redistribution should not cause material delay or undermine the benefits of the Tranche 1 Business Case and include consultation with industry to ensure a more consistent delivery profile and a reduction of average fleet age to within contract limits.

7.3   Approaches to fleet planning and procurement

Transition to ZEB technology cannot occur simultaneously across all areas of the State. There will be a period when Transport operates a mix of ZEB and diesel/CNG fleet while funding, supply chain and technology catch up to demand. Areas in Regional NSW may need to continue diesel-based operations in the short term due to considerations such as route lengths, availability of required infrastructure, regional service requirements, environment and terrain.

Regardless of bus type, fleet planning is a necessary first and ongoing step in robust asset management. Transport's Asset Management Policy[85] and its references to AS ISO 55000 and AS ISO 55001 outlines requirements for adopting a whole of lifecycle approach, covering asset planning, acquisition, operation, maintenance and disposal to assist with delivering fit for purpose, sustainable and reliable assets.

Planning and forecasting of fleet procurement requirements is ultimately driven by passenger demand for bus services, and informed by short, medium, and long-term service planning. Requirements for new buses are likely to arise if the proposals in Chapter 5 are adopted. Fleet planning needs to ensure that the operational fleet delivers operational requirements and that there are enough buses to meet peak demand and that the appropriate bus types are available to suit the operating environment of each contract Region.

7.3.1   ZEB impacts on fleet planning

As discussed at 7.1.5, the previous Government's decision to order more than 50 BEBs without ensuring timely availability of required charging infrastructure, has seen approximately $35 million of state-financed fleet placed in storage for up to a year. This does not demonstrate an informed asset investment decision, yet the timing and implementation have largely been in Transport's control. Deployment of these BEBs would have assisted with alleviating some of the pressures around fleet age and asset maintenance discussed in the following Sections.

Other aspects of fleet planning have fallen outside Transport's control. The Taskforce notes the previous NSW Government's decision to procure only ZEBs in Greater Sydney[86] has had an impact on Transport's fleet planning. At the same time there was a direction to avoid purchase of diesel buses, there was a delay in funding for ZEBs until the ZEB SBC was finalised in 2022. Fleet replacement cycles have subsequently fallen behind schedule with insufficient buses procured over recent years to replace end of life buses. Figure 57 outlines an example trend of declining bus manufacture volumes for the Greater Sydney Region due to reduced orders.

Given the current NSW bus fleet consists of 8000 vehicles, the fleet replacement requirement is approximately 320 buses per year. However, actual fleet replacement in recent years has fallen significantly below this benchmark, with Transport confirming fewer than 200 buses have been procured between 2020 and 2023 for Greater Sydney.

The network and services improvements outlined in Chapter 5 will require additional new buses, and these also need to be factored into forward fleet planning.

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[85] https://www.transport.nsw.gov.au/system/files/media/documents/2021/asset-management-policy.pdf
[86] https://www.budget.nsw.gov.au/sites/default/files/2022-06/20220620_01_KEAN-ELLIOTT-FARRAWAY-Zero-Emission-Bus-Transition-Enters-New-Gear.pdf

Figure 57 - Historical Greater Sydney bus manufacture volumes
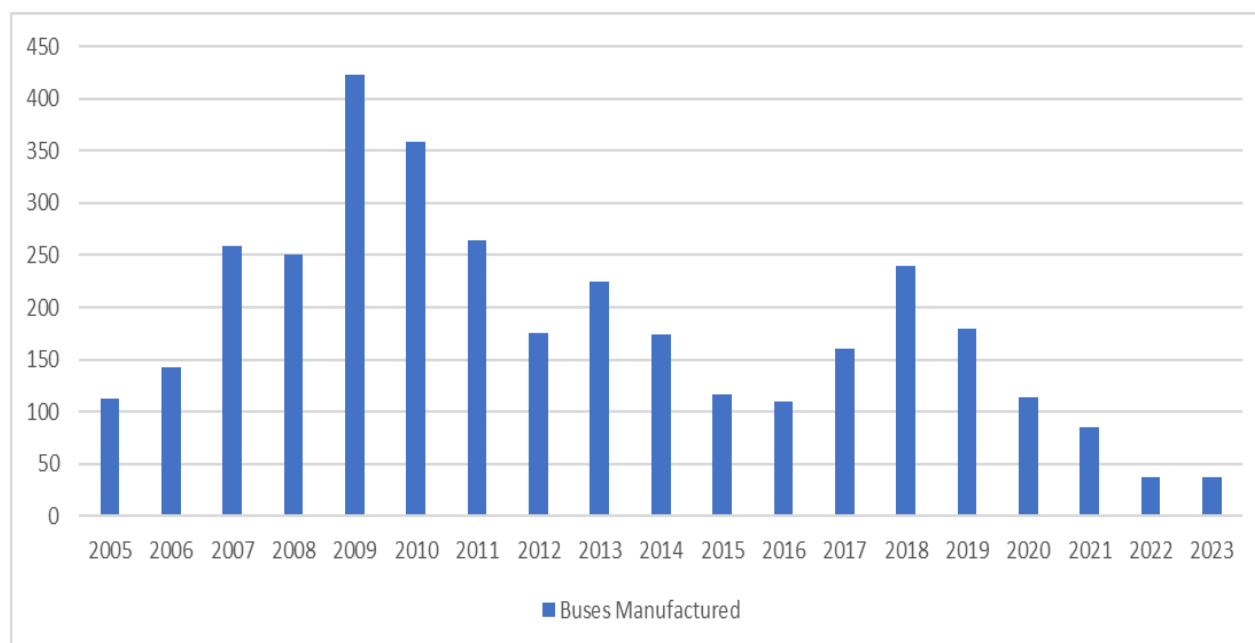
Source: Transport for NSW

As outlined in Figure 57, there have historically been peaks and troughs in the volumes of buses manufactured. This has had detrimental impacts on the Australian bus manufacturing industry. Several suppliers have left the Australian market or downsized domestic operations due to inconsistent demand patterns. For example, Daimler Truck and Bus, supplier of Mercedes buses, has withdrawn from Transport's Bus Panel process (discussed at 7.3.3) and the Australian bus marketplace generally. Risks and concerns relating to viability of bus manufacturers are discussed further in 7.3.5.

As raised in the Bus Industry Roundtable, the industry needs a visible and reliable fleet replacement plan that allows achievable lead times to meet demand. Given the size and scale of the NSW fleet, Transport must take action to plan its fleet holistically across all geographies, accounting for all potential bus types likely to be in scope in the medium term. A defined funding pathway must be secured to ensure fleet procurement is implemented as planned. This activity should be ongoing, and in line with NSW Treasury capital planning cycles[87] (ten years). Importantly, considerations of fleet planning should be shared in greater detail with the bus manufacturing industry to assist with their business planning.

Transport's current bus replacement planning generally allows for a diesel bus asset life cycle of 25 years.[88] With the introduction of BEBs and the unknown lifespan and associated replacement costs of high voltage batteries, the asset life of this type of bus will need to be reviewed in the coming years. Industry has suggested to the Taskforce that a 20-year lifespan for ZEBs be considered. This would align with replacement of two cycles of batteries, with a

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[87] https://www.treasury.nsw.gov.au/information-public-entities/capital-planning
[88] Actual bus asset life can vary from the standard 25 year life assumption, for example: a compressed natural gas (CNG) bus has an asset life of 20 years before replacement is required, due to the high cost of gas tank replacement not being financially viable to extend bus life for an additional 5 years.

projected life span on 10 years each. Amendments to Transport's forward fleet planning to account for ZEB-specific assumptions on asset lifespan should be reviewed continually.

7.3.2 Maximum fleet age

As at mid-2023, the oldest bus in Greater Sydney was 27.3 years of age and in Outer Metro 27.2 years of age. Across both areas, buses in the 11 to 15-year age band comprise a majority of the fleet.

Other Australian jurisdictions have regulations providing guidance on maximum bus age. Under the South Australian Passenger Transport (Vehicle Age Limits) Amendment Regulations 2022, for example, clause 135 dictates a maximum age limit of 25 years, noting the Minister may approve use of an older vehicle if various conditions on vehicle condition are satisfied.

The relevant legislation in Queensland outlines that for a heavy bus that is an open classification vehicle, if the vehicle was manufactured on or after 1 January 1990 and is a vehicle for which the chief executive has previously granted a 5-year service life extension, a maximum age of 30 years applies. If the vehicle was manufactured on or after 1 January 1995 and is a vehicle for which the chief executive has not granted a 5-year service life extension, a maximum age of 25 years applies.[89]

There are no equivalent legislative or regulatory requirements in NSW. Rather, the service contract specifies a maximum bus age of 25.99 years, and an average bus age of 12 years. Operators and suppliers told the Taskforce that this maximum age increases the whole of life cost of the vehicle. The longer a bus is in use, the greater the maintenance expense.

The Tranche 1 transition to ZEB will assist with alleviating pressures on the age profile of buses in Sydney. This will result in a gradual decline in the age profile over time. Transport will need to consider avenues such as exempting contractual obligations around bus maximum and average ages in the interim period so that existing buses can continue to support service delivery while the new ZEBs are procured.

The disruptions and backlog to planned fleet replacements has impacted fleet age, with some operators having their buses' replacement dates extended by Transport to over 26 years. It is more difficult to keep these end-of-life vehicles on road, due to the scarcity of outdated spare parts and potential advanced corrosion of the bus body. While efforts have been made to redistribute the fleet across contract regions to balance fleet ages, this is a temporary solution and presents operational challenges where an operator may not have staff appropriately trained to maintain particular bus types.

The Taskforce acknowledges that there may be some concerns about the increased up-front expenditure on fleet required to reduce the maximum age. However, there is an opportunity to investigate how ZEB transition can be leveraged to simultaneously achieve net zero targets, as well as assist with reducing fleet age profiles, as well as the better safety technologies that come with newer vehicles.

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[89] https://www.legislation.qld.gov.au/view/html/inforce/2022-02-04/sl-2010-0224#sch.1

7.3.3 Bus Procurement Panel

Most buses procured for contracted services in NSW are sourced via a Transport approved Bus Procurement Panel (BPP), using the specifications discussed at 7.3.4 to inform listed products.[90]

The first BPP was established in early 2012 through an open market process. Before that, bus operators negotiated their own bus purchases. The aim of the BPP was to introduce standardised bus fleet specifications for all newly procured buses across the State. The BPP has been through several iterations to expand the scope and amend the required specifications.

As described, the current and third generation panel has numerous bus combinations across various chassis and body suppliers. A shift in the number of bus combinations available would streamline the effectiveness of the BPP. Being selected as a supplier on the Panel does not guarantee any sales volumes.

Figure 58 - Evolution of the Bus Procurement Panel

Panel 1 established in 2012 for Greater Sydney and Outer Metropolitan through an open market process

Panel 2 established in 2015 with expanded scope to include Rural and Regional contracts, options for double deck buses in Sydney, and more detailed requires to meet Australian Design Standards

Panel 3 established in 2019 introduced the Euro 6 minimum standard for lower emissions, passenger information systems, enhanced safety features and options for new innovations relating to ZEBs

Panel 4 is planned for 2024 and includes new categories of Zero Emissions Buses (double deck and articulated buses)

Procurement Panel 4 2024

Procurement Panel 3 2019

Procurement Panel 2 2015

Procurement Panel 1 2015

Source: Transport for NSW

7.3.4   Bus specification and configuration

As the contracted fleet can be transferred between different operating Regions and different bus operators where needed to support service delivery, there is an increasing requirement for

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[90]   Smaller buses used in regional NSW are procured *NSW Government Motor Vehicle Pre-Qualification Scheme.* There are similar issues with these buses as described at 7.5.4. The recommendations described there apply equally to the smaller vehicles used in regional NSW.

closer standardisation in bus subcomponent specification (air conditioning, video, destination equipment etc) to allow ease of transfer, and ease of ongoing asset maintenance by operators.

Currently, Transport's bus specification for the BPP has over 1200 items (including vehicle and subcomponent safety systems, fire mitigation, corrosion protection) which is very complex compared to other states. Queensland and Victoria have approximately half the number of requirements. All states have mandatory requirements in relation to Australian Design Rules (ADRs), National Heavy Vehicle Regulations and the *Disability Discrimination Act 1992*.

The complexity of the specification has resulted in bus vehicle offerings that are reputed to be the most expensive in Australia, and in the Asia Pacific. The inclusion of specifications exclusive to NSW limits the ability for larger bus manufacturers to provide value for money offerings to the State as it prevents leverage of products otherwise available globally.

The Taskforce sees significant opportunity in streamlining and simplifying specifications and reducing the number of configurations and options in each bus category type under the BPP. This would assist in obtaining bulk fleet purchase discount and improve supplier investment in after sales support. Transport should consult with industry in its review of the specification to ensure it is realistic and fit for purpose, while minimising both safety related and financial risk.

7.3.5   Local content and the bus manufacturing industry

The NSW Government has established a [policy](#)[91] setting a target of 50 per cent minimum local content for future rolling stock contracts to be reached by the end of its first term (March 2027). The policy assumes the definition of 'local' to mean Australia and New Zealand, in line with other states and international agreements, but with preference for NSW-based operations where possible. Rolling stock as defined in the policy includes buses.

This Section describes some of the challenges for giving effect to this policy, including how it interacts with the local content policies of other jurisdictions, the proposed roll out of ZEBs across the country, the current state of bus manufacturing, and the need for clear understanding of what counts as local content.

The local bus manufacturing industry
According to the Bus Industry Confederation's submission to the Taskforce, the bus and coach supply chain in Australia employs 10,000 people and contributes $5 billion to the economy annually. Between 2008-2019 there were on average 1500 bus and coach deliveries a year nationally. Over the last decade, several manufacturers have closed facilities due to diminishing orders and a lack of certainty around a forward pipeline of work.

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[91]
https://www.parliament.nsw.gov.au/pbo/Documents/2023OppositionCostingsandRequests/C714%20-%20Costing%20-%20Dome stic%20Manufacturing%20Package.PDF

There can be more than 100 manufacturing and component supply companies (both local and international) contributing to the final assembly of a single bus. The Australian bus supply chain consists of multiple elements:

- Engineering design

- Local manufacturing

- Local assembly

- Importation of complete buses through Australian suppliers

- Component manufacturing and supply

- Ongoing services (maintenance)

- Zero Emission Bus Infrastructure.

These elements make up a strong network of Australian and global component suppliers (eg public transport seating) and suppliers that support the build of a bus (eg air conditioning units) most of whom have set up businesses in Australia.

To grow local manufacturing, create more jobs, provide investment certainty, and fulfill demand, industry has proposed (through the Roundtable and submissions) the development of a national Pipeline of forward commitment for route and school bus, preferably with a 10-year horizon. This would allow industry to plan and invest in plant and people.

Noting the exit of some manufacturers from the Australian market (see 7.3.1), it cannot be assumed that Australian manufacturing will be able to rebuild capacity and capability to meet upcoming demands for ZEBs from multiple States, each with its own goals to achieve its own Net Zero commitments. While many manufacturers claim to be able to expand their operations quickly to meet demand, the Taskforce remains cautious about the availability of adequate skilled labour. Providing certainty to industry about future orders will support the training and retention of an appropriately skilled workforce.

As shown in Figure 59, the current earliest planned achievement of a Net Zero fleet is 2030 for Tasmania, followed by the ACT in 2040. With other States aiming for Net Zero by 2050, the Taskforce sees merit in inter-state collaboration to produce a unified national pipeline to provide manufacturers a more predictable forward pipeline.

The Infrastructure and Transport Ministers' Meetings[92] (ITMM) is a forum for intergovernmental collaboration, decision-making and progressing priorities of national importance. NSW could bring the case for a unified national fleet procurement pipeline to ITMM, so that governments across the country can consider the benefits of this approach. Agreement at ITMM will provide the impetus and accountability framework for actioning the proposal through interjurisdictional cooperation and collaboration.

[92] https://www.infrastructure.gov.au/infrastructure-transport-vehicles/transport-strategy-policy/infrastructure-and-transport-ministers-meetings

Consensus amongst Australian jurisdictions on the way forward for bus fleet procurement and confirming the fleet procurement volumes and timings will provide industry with certainty for investment and development of local manufacturing capability. To avoid the issues associated with boom and bust in supply (see 7.3.1), careful forward planning and forecasting of bus purchases will be vital.

Figure 59 - Bus fleet sizes and transition targets by State

Northern Territory

Fleet of approximately 190. The territory is 'investigating the feasibility of trailing low and zero emission buses' from 2021–2026.

Queensland

Every new TransLink funded bus added to the fleet to be a zero-emission bus from 2025 in Southeast Queensland and from 2025–2030 across regional Queensland. State committed to net zero by 2050. Approximately 2,500 TransLink funded buses operating in SE Queensland.

New South Wales

Transition the state's 8,000 plus diesel and natural gas public to be complete in Greater Sydney by 2035, in Outer Metropolitan regions by 2040, and in Regional NSW by 2047.

South Australia

Target to make SA's bus fleet 100 per cent electric by 2050. Transition plan in development. Adelaide Metro's is a publicly owned fleet of almost 1,000 buses.

Western Australia

Transperth operates a fleet of around 1500 buses. Recent budget commitment for 130 new ZEBs. State commited tonet zero by 2050.

Victoria

All new buses from 2025 will be zero emission. Current fleet 4000+ buses. State committed to net zero by 2050.

Tasmania

Net zero emissions by 2030. Currently small trail of Battery Electric and Fuel Cell Electric buses (6 buses in total). 229 buses in Metro Tas Fleet.

ACT

Policy of zero-emissions fleet by 2040. First 12 electric buses delivered another 94 to be delivered over next 3 years. Current fleet size 450 buses.

Source: Bus Industry Confederation

The 10-year rolling fleet plan described at 7.3.1 should form the basis of discussions with other jurisdictions and industry about the development of a 10-year national pipeline of bus procurement.

The role of Local Content Policy in shaping industry

A key consideration in implementation of ZEB and supporting the bus manufacturing industry is government policy relating to local content. As noted, the policy requires '50 per cent local content' for buses. It is underpinned by the objective to promote local industries, accelerate economic growth, promote regional development, and ensure jobs remain onshore.[93]

The bus industry told us that most buses are purchased via an imported chassis from Asia, Europe or South America with a locally constructed or assembled body.[94] A common arrangement is for a BPP prime supplier to provide the chassis, and for the body component to be supplied via a local subcontractor, with the assembly of the bus body on the chassis the main aspect of local content. Where a chassis is classed as being manufactured locally, it is also local assembly of mostly imported components.

As outlined in a response to questions from Parliament in 2022,[95] various ZEBs procured for Greater Sydney each contained a blend of components that were manufactured internationally and locally.

The Taskforce sees a need for greater clarity on what local content means for buses. This includes which components of a bus should be included or excluded in the definition and calculation of local content per centages. It is uncertain whether the local content policy only applies to the upfront capital cost of a bus, or for the whole lifecycle of the asset (including any replacement parts required), as well as ongoing after sales support.

Industry feedback indicates the measurement and accuracy of validating local content can be complex and suggested that the methodology deployed in Victoria via the Industry Capability Network ICN was a good model to consider. Transport should seek further feedback from industry to define scope, criteria, and measurement systems in accordance with Government's Policy. The dialogue initiated at the Bus Industry Roundtable in September 2023 should be continued, to inform Transport's refinement of bus-specific local content guidelines.

To meet the ambitious target of full implementation of ZEBs in Greater Sydney by 2035, the volumes of buses required to be produced annually over the next decade will need to be significantly higher than what local manufacturers might realistically be able to deliver. If '50 per cent local content' applies to local manufacturing, this may limit Transport's ability to achieve its ZEB targets.

Transport provided information about these risks to the Parliamentary Budget Office[96] when it analysed the now-Government's local content policy during the election campaign. Transport suggested that progressive increases to targets maybe required, to enable a gradual scale up of manufacturing capacity by industry.

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[93] Local jobs and manufacturing to feature in NSW Parliamentary inquiry into government procurement | NSW Government
[94] https://bic.asn.au/wp-content/uploads/doc/BIC0055.pdf
[95] https://www.parliament.nsw.gov.au/hp/housepaper/18318/QuestionsAndAnswers-LC-695-20220307-Proof.pdf
[96] https://www.parliament.nsw.gov.au/pbo/Documents/2023OppositionCostingsandRequests/C714%20-%20Costing%20-%20Domestic%20Manufacturing%20Package.PDF

The Taskforce shares these concerns, noting the industry feedback that local suppliers may not have the capacity in the short term to fully support the required purchase volumes sought as part of ZEB Tranche 1.

Finally, the Taskforce notes that a Parliamentary Inquiry has been established and is currently underway to examine the procurement practices of government agencies in NSW and impacts to social development of the people of NSW.[97] This Inquiry will report on the current procurement practices underway, with the Terms of Reference[98] also outlining an examination of considerations given to local content, local manufacturing and local jobs. The committee is due to report by July 2024, and Transport will need to take into consideration any findings when further developing a bus specific framework to align with Government's broader local content policy.

The Taskforce agrees with feedback from industry that harmonisation of local content policy across jurisdictions would benefit long term sustainability of the industry. This is particularly relevant given the focus in every jurisdiction on the procurement of ZEBs.

There is already common agreement amongst certain States, particularly Victoria[99] and Queensland,[100] in defining local content as goods originating from Australia or New Zealand. As a next step, consideration into how local content is measured by States and how to reach consistent agreement is vital, as this would enable growth, certainty, and sustainability of bus manufacturing in Australia.

7.3.6   Recommendations regarding fleet planning and procurement

Recommendation 18: That Transport for NSW develop a 10-year bus fleet replacement plan to be shared with industry. This could inform a national bus procurement pipeline to be jointly developed with other jurisdictions. The plan should be informed by a review of:

18.1 The optimum operational life of buses taking account of new technologies and infrastructure requirements

18.2 Bus specifications, with a view to national harmonisation, and to reducing the number of bus combination/types available on the bus panel

18.3 Definitions, criteria and measurement systems relating to local content policy in relation to buses, with a view to harmonising definitions across jurisdictions.

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[97] https://www.nsw.gov.au/media-releases/parliamentary-inquiry-procurement
[98] https://www.parliament.nsw.gov.au/lcdocs/inquiries/3014/Terms%20of%20reference%20-%20Procurement%20practices%20-%20Updated%2011%20October%202023.pdf
[99] https://www.vic.gov.au/tafe-toolkit-local-jobs-first-policy-compliance
[100] https://static1.squarespace.com/static/61688374755de560fe8fb906/t/6169094ff952362e9f0e0959/1634273616827/queensland-charter-for-local-content.pdf

7.4 Approaches to depot planning

Bus depots are significant assets essential to the successful delivery of efficient bus services. A strategically positioned bus depot enables planned service outcomes and enhances the cost effectiveness and quality of services delivered to the community. It is apparent to the Taskforce that, over the past decade, Transport has not had a long-term depot strategy. This is particularly concerning in Greater Sydney given the forecast population growth and continued development of land to accommodate this growth, and the lead times and approvals necessary to secure appropriate sites.

The Taskforce acknowledges the committed investment for a new depot at Macquarie Park as part of the ZEB Tranche 1 business case, and that funding has been made available to secure land for a future ZEB Depot as part of the Western Sydney Rapid Bus network to connect Penrith, Liverpool and Campbelltown to the future Western Sydney International Airport. Beyond these investments, the Taskforce could not identify any Transport long-term strategic depot plan but notes that outcomes from recent bus contract tendering activities provide an opportune pathway for a robust depot strategy to be created.

7.4.1 ZEB implications for depot strategy

Transport is about to invest billions of dollars in ZEB and associated enablement of depot infrastructure. A depot strategy is a foundational element to facilitating efficient bus service delivery and network design. It must consider and accommodate growth projections and capacity requirements and would inform future approaches to contracting of bus services. Having strategic depot locations identified in a strategy would also ensure ZEB investment decisions by the State are appropriately made.

The introduction of ZEB charging infrastructure could result in reduction of depot space or require larger land sizes to accommodate required bus fleets. Consideration must be given to the existing building and land layout of a site, the number of current and future buses required and proposed arrangement of chargers.

As an example, the proposed conversion to ZEB in Greater Sydney Region 7 includes upgrades for Willoughby depot under Tranche 1 and Ryde depot under Tranche 2. The addition of charging infrastructure to already at-capacity sites such as Ryde depot, along with population growth forecasts, necessitates construction of an additional greenfield depot at Macquarie Park to enable safe and efficient operations for this Region. The new Macquarie Park depot will be built on surplus Transport land and is funded through the Tranche 1 business case. The strategic location of this new depot will also result in a reduction of dead running and therefore improve overall bus operational efficiency.

Priority must be given to identifying the right locations and securing long-term access rights to other key depots given future service planning requirements and the significant financial investment required to establish ZEB infrastructure.

The Taskforce notes the Legislative Council's [Report into Privatisation of Bus Services](link)[101] which recommended (Rec 9) that the Government retain ownership of ZEBs and related infrastructure, including charging infrastructure.

Several industry proponents have approached the Taskforce proposing innovative commercial and partnering solutions around ZEB depot development and infrastructure delivery and battery storage (fuel security). The Taskforce sees merit in further exploration of the value and benefits these concepts may deliver, as part of Transport's development of a long-term depot strategy.

Transport should consider all relevant commercial implications around its depot strategy, including value for money benefits associated with proceeding with or investing in particular sites in the long term. Thought should also be given to any commercial benefits that may arise from the use of existing land assets within Transport's portfolio.

Some State-owned depots are in areas that could attract additional investment. For example, depots in Randwick, North Sydney, Waverley, Tempe, Brookvale and Ryde are surrounded by tight housing markets, making them attractive propositions for potential over depot development. ZEBs emit zero carbon emissions and significantly reduced noise and vibration, making over-depot development more feasible.

The Taskforce notes international examples where ZEB depots are being integrated with residential dwellings, such as in San Francisco in the [Potrero Bus Yard Modernisation Project](link).[102] This project includes affordable housing for low income workers, which could contribute to solving some of the driver shortage issues we identified in our First Report. The Taskforce supports more consideration of this opportunity, while noting detailed investigations into safety and operational impacts are vital.

7.4.2   Depot strategy to support service outcomes and ZEB rollout

Following the Unsworth Review described in our First Report, two rounds of competitive tendering have been conducted in Sydney's bus Regions. As part of these tenders, negotiations with operators included a right to negotiate for a second 7-year contract term in return for depot access rights, which was accepted by some operators. As a result, the State currently has secured access for some third-party owned sites in Sydney, but there remains a variety of current depot ownership arrangements across NSW.

Many bus operators have historically acquired strategically positioned land and own their existing depot locations. Other bus operators may have made commercial decisions to lease land to establish their depot facilities. The State owns 14 bus depots across Greater Sydney Regions 6, 7, 8 and 9 and Newcastle, which were areas previously serviced by State Transit Authority.

The Unsworth Review identified the importance of contractual provisions allowing for continuity of service delivery through the State's access to assets such as buses and depots.

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

[102] https://www.sfmta.com/projects/potrero-yard-modernization-project

Table 23 - Unsworth Review Recommendation 44

Recommendation	Government reponse
44. Also for the longer term, serious consideration should be given to the establishment of an appropriate entity to enable the separation of asset control from the operation of services, to realise a range of benefits as outlined in this Report. As a more immediate measure, contracts need to provide for step-in rights and call options to enable Government control over assets where necessary to ensure continuity of services.	Longer term consideration of this and other options is supported. In the short-term, contract provisions should ensure smooth transition of operations in the event of contract breach or termination

Source: NSW Government Response to the Final Report of the Unsworth Review

Current bus contracts across Greater Sydney and Outer Metropolitan respond to the above recommendations, with the inclusion of provisions for step-in rights and call options to enable short to medium term depot access.

In the 2022 Greater Sydney bus contract tenders, Transport was able to secure options for extended access to 15 leased or bus operator owned depots. These access options provide some flexibility regarding potential ongoing access to existing depots until around 2045. This assists with removing barriers to entry for future rounds of procurement and offers some guidance for Transport's development of forward ZEB deployment strategies.

This represents a vital first step in securing continuity of bus operations in the medium term and has contributed to a significant uplift in Transport's strategic direction compared to the past decade. However, the access options afforded from recent tenders cannot be deemed as a depot strategy in and of itself. There remains a need for Transport to conduct strategic land planning and assessment to create holistic long-term depot strategy.

More work needs to be undertaken reconciling whether the options secured are long enough, commercially suitable, in the best locations and aligned with the proposed investment in ZEB depot enablement infrastructure, particularly as Transport is formulating its Tranche 2 delivery approach. There also remain areas in Sydney with gaps in extended access, and this presents an opportunity for Transport to further investigate options for securing access through various commercial means or state intervention.

Therefore, informed by the market's position on site availability, Transport needs to focus on depot requirements to support Service Planning strategies for the longer term such as those proposed in Chapter 5. It is recommended that there be a review of all existing extended access options to assess their combined suitability when formulating a whole of Greater Sydney depot strategy. This process will be instructive in informing further ZEB implementation Tranches, particularly in facilitating a balanced implementation of ZEB across Sydney.

7.4.3 Recommendations regarding depot planning

Recommendation 19: That Transport for NSW immediately commence the development of a Long-Term Depot Strategy for Sydney to inform itself of the required locations and access needed to optimise service delivery and costs in line with the Service Plan requirements articulated in Chapter 5. This should involve engagement with industry and explore commercial opportunities, including above depot development at strategic sites.

7.5 Asset management approach

Transport manages and maintains $178.4 billion in network assets across all modes.[103] As noted at 7.4.2, since the Unsworth reforms, Transport has gradually taken a greater interest in assets used to provide bus services across NSW. Prior to the Unsworth reforms, only those buses owned by the STA were Government owned, and Transport had no access to other buses providing services under contract. Over time, this has evolved so that about 70 per cent of buses are either owned, or able to be accessed by Transport at the end of a contract.

Further, Transport faces significant infrastructure investment associated with the transition to zero emissions buses. With an asset portfolio of this size and scale, a robust asset management approach is crucial to ensure the whole of asset lifecycle is appropriately considered.

7.5.1 Current asset management position

Transport assets must be managed in accordance with the NSW Treasury's Asset Management Policy for the NSW Public Sector.[104] This aims to ensure asset management accountability, performance and capability across the public sector, and support the NSW Government's objectives and strategic priorities in relation to any planned and existing assets. Under the policy, every NSW Government agency is required to develop a fit for purpose Strategic Asset Management Plan, Asset Management Plans, and an Asset Register.

To align with this, Transport has an agency-specific Asset Management Policy[105] and an associated asset management framework in place to meet Treasury's requirements. These policies align with AS ISO 55000 and AS ISO 55001, adopting a total expenditure (Totex) whole of lifecycle approach to asset planning, acquisition, operation, maintenance and disposal to assist with delivering fit for purpose, sustainable and reliable assets. Transport's bus fleet and bus depots fall within the scope of the above Asset Management Policies.

Bus operations are dispersed amongst many contracted bus operators throughout the state. Currently, there are six bus operators delivering services in Greater Sydney, and more than 460 operators in Regional and Outer Metropolitan areas. Achieving consistency in delivering

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

[104] https://www.treasury.nsw.gov.au/sites/default/files/2019-11/TTIP19-07%20NSW%20Asset%20Management%20Policy%20-%20Master%20Approved_31%20October%202019.pdf

[105] https://www.transport.nsw.gov.au/system/files/media/documents/2021/asset-management-policy.pdf

asset management outcomes for buses becomes complex and more difficult due to the number of third parties involved.

Transport sets the strategic direction for how each mode and service should respond to the 10-year transport needs of the people of NSW through the Strategic Asset and Service Plan (SASP) or 'Strategic Plan'. Transport's Greater Sydney and Regional and Outer Metropolitan Divisions prepare a Strategic Plan on an annual basis which determines asset and service management objectives, their relative priority and target performance to guide each of the transport modes in responding to passenger, place based, asset performance, safety and service outcomes.

Figure 60 - The integrated planning process adopted by Greater Sydney
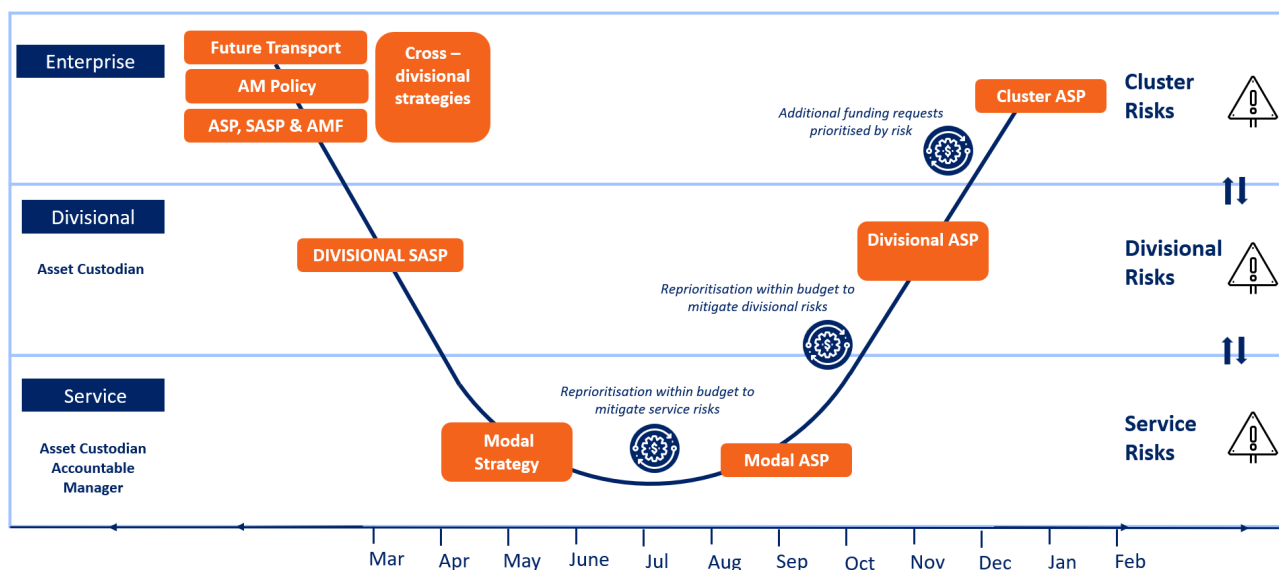
In response, the modes (ie buses), should develop a corresponding 10-year strategy that considers whole of asset and service lifecycle outcomes, and the connecting assets required to enable buses to operate effectively as a service, such as fleet, service planning, workforce planning, technology and wayfinding. This strategy should determine cost, risk and performance trade-offs as well as targets for sustainability, acceptable service performance metrics, required enabling technology for passenger needs and operational needs and more. However, it is noted by the Taskforce that across all transport modes, these comprehensive strategies do not exist and there is no mandate for them to do so. This has been exacerbated by strategic direction for public transport assets and services coming from multiple divisions in Transport.

To support the modes in developing the annual Asset and Service Plan (ASP), Transport requires bus operators in these areas to produce asset management plans and provide regular asset performance reports. Transport amalgamates each operator's asset management plan to produce an ASP specific to the bus mode.

The SASP and ASP inform the forward 10-year plan and annual budgeting processes covering priorities, performance, and risk, and should include more active planning on Transport's part, rather than reliance on contracted operator outputs. This is even more important given the increased share of assets which Transport has ownership interests over.

In the rural and regional context, the current generation of bus contracts do not require asset management plans, but similar to arrangements in Greater Sydney and Outer Metropolitan, there are specific governance forums with an asset management and assurance lens, overseen by senior management. There is, however, almost no active oversight of asset management by Transport, with very few, if any, asset inspections or other assurance activities conducted by Transport staff across any of the contracts.

The lack of an assurance program or detailed oversight of asset maintenance over the lifecycle creates a significant risk that Transport's bus assets will not reach their projected life in a safe and reliable manner. It may lead to reduced asset life, increased safety risk and increased financial costs to both Transport and the operator.

Further, Transport's service contracting approach of re-tendering every 8 to 10 years, means that the bus and depot assets, which have a life of 25 to 50 plus years, may change hands several times over their life. This introduces risk of an unclear asset management approach appropriate for the entire useful life of the asset. Operators receiving transferred fleet from other operators raised concerns with the Taskforce that the lack of detailed information regarding the condition of any incoming fleet poses a real risk of additional cost to non-funded operating expenses, and also presents a poor passenger outcome to the communities that use these buses.

In the view of the Taskforce, reliance on contracted bus operators to consider and manage the whole of life of each operational asset on behalf of Transport is inadequate.

By contrast, Sydney Trains has a dedicated and embedded asset management function within its organisational structure to oversee end to end asset management requirements, including for those assets maintained by third parties. The Taskforce undertook a comparison of the Sydney Trains Strategic Asset Management Plan (SAMP) and ASP against the equivalent bus related plans. The Taskforce found that the bus mode lacked dedicated resources and maturity in expertise and capability to produce Strategic Plans to equivalent levels of detail as demonstrated by Sydney Trains.

A detailed SASP should consider asset risk management and be able to build a case for additional funding (where required) to support ongoing maintenance of assets. It is recommended that the dedicated bus asset management team (discussed below) develop a fit for purpose SASP, bus strategy and bus ASP as a priority in time for the 2024/25 Budget process, to facilitate the necessary asset management uplifts that are urgently required for buses.

7.5.2   Lack of singular focus on bus asset management

In our first report we noted that capability and accountability relating to bus services is scattered across the agency. In keeping with these earlier findings, the Taskforce's enquiries reveal a disjointed bus asset management system that lacks ownership to ensure that the State's bus related assets are managed in a coordinated manner to ensure safety, compliance and value over their life cycle.

No single division or area within Transport takes complete ownership of the asset management and maintenance assurance functions associated with bus operations. While there is an Asset

Management branch embedded under the Safety and Environmental Regulation (SER) division within Transport, this team oversees asset management approaches across all modes, despite the varied requirements of each mode.

Transport's Asset Management Framework identifies this division as the custodian of the overarching asset management framework for Transport.[106] It appropriately addresses risk and prioritisation, standards for Transport and public transport assets, partnering and strategic advisory and peak industry body relationship management, and oversight of aggregated information about Transport's assets. However, it is too generalised across all modes, and not sufficiently specific about the bus mode.

Transport's 2021-22 Annual Report[107] outlines that

> *The Standards Management Framework integrates technical and engineering standards, specifications and associated documents across transport modes to ensure we deliver multi-modal outcomes.*

Similarly, the Taskforce sees issues with integrating and assuming a multi-modal approach across asset standards management, given each mode has specific nuances regarding asset management requirements.

With the majority of contracted bus operators currently utilising state owned or state financed bus assets, and the intended state ownership of the future ZEB fleet, Transport must become a competent and informed bus fleet owner, which it has not been to date. The sharing of bus asset management functions across different Transport divisions and externally contracted bus operators results in a lack of coordination and accountability, arising from blurred lines of responsibility due to no definitive custodian being established.

For example, in the transition towards ZEBs, three different divisions of Transport are involved in the strategic development, implementation and ongoing management of these buses. However, it is entirely unclear where accountability ultimately lies.

Therefore, the Taskforce sees a need for a dedicated Bus Asset Management team to be created and work closely with the Coordinator General, as discussed in our First Report.

The remit of this group should include continual monitoring of the entire State bus fleet and bus related assets, on depots and in-depot infrastructure, including any future ZEB related assets. Assurance checks and acceptance testing of all assets to maintain proactive oversight configuration control will help resolve issues on varied maintenance regimes being conducted by contracted bus operators (see further at 7.5.5).

The group should also be directly responsible for producing a mature bus mode SASP and ASP that allows the senior executives of Transport to understand the key challenges, risks and opportunities as well as the key condition and performance risks and how that compares with the overall investment plans (as discussed at 7.5.1). The new group should contain subject matter experts regarding ZEB procurement and installation lead times for fleet and supporting

106 https://www.transport.nsw.gov.au/system/files/media/documents/2021/TfNSW-Asset-Management-Framework-v4.0.pdf
107 https://www.transport.nsw.gov.au/system/files/media/documents/2022/Transport-for-NSW-Annual-Report-2021-22-Volume-1.pdf

infrastructure and tasks (charging infrastructure, driver and technical training) to support Transport's ZEB transition.

7.5.3 Concerns about Transport's asset management capability

The Taskforce is concerned Transport does not possess sufficient in-house asset management expertise specific to buses. This skill set is distinct from the skill set required to understand and oversee the needs of train rolling stock and other heavy rail assets.

It is clear there are concerns within the department about the lack of broader understanding of the risk exposure to Transport due to inadequate bus specific asset management and assurance activities to inform executive decision making around its bus assets.

We heard that Transport struggles to recruit and retain experienced asset managers across all modes generally, including buses. Feedback from the bus industry supports this view, highlighting the lack of bus experience in the Transport asset management structure.

Previously, bus asset management expertise was contained within the now defunct STA. Following the franchising of the remaining STA Regions, this specific bus-based expertise was dispersed to private industry.

Recent bus related asset assurance activities have been reactive only and initiated due to a particular incident or series of events, such as the recent spate of bus fires and thermal events. Proactive asset assurance is required to ensure that the states assets are operated and maintained to ensure asset life cycle targets are met.

Bus contracts require operators to have asset information systems. However, the Taskforce found through depot site visits, operator interviews and documentation review that a small number of required system components were missing in some operators' systems.

Further, the Taskforce understands that as part of the recent tender processes for Greater Sydney Bus Contracts, other than an initial desktop review during the tender bid and evaluation process, there was no further review or assurance audit of these systems by Transport. Bus operators have also confirmed minimal or no review of their asset systems during the contractual term.

As described at 7.5.1, Transport is required to prepare annual modal ASPs and Strategic Asset and Services Plans (SASP), in compliance with Transport and Treasury's asset management policies. When the Taskforce interviewed Transport staff about the development of the bus modal ASP, it was apparent that while the staff were well meaning, they were trying to do this important piece of work on top of contract management activities at a time when those activities were particularly intense due to the post-COVID operational environment, including challenges arising from bus driver shortages.

Further, it was clear Transport staff had very little understanding of asset management. This is not a criticism of the staff themselves, rather it reflects a lack of prioritisation of asset management at Transport. While we understand that attempts have been made to improve these capabilities, this has not been progressed due to resource constraints faced by the department to date.

Our concern about the deficit in Transport's bus asset management expertise is exacerbated when we consider the challenge of the transition to ZEBs. ZEBs present new asset management challenges, such as introduction of battery components, charging infrastructure, in-depot electrical infrastructure and generally new electric technology. The Taskforce has been advised that investment assurance activities associated with the ZEB program have also recommended the establishment of a technically competent fleet management team.

Transport's ZEB Tranche 1 program delivery team is currently working towards building a competent ZEB asset delivery team. However, it is important that the same efforts are taken to implement a reinforced asset management capability to manage the entire Transport bus fleet.

Our consultations with bus manufacturers, bus operators and bus industry representative bodies, including at the Bus Industry Roundtable, support the Taskforce's concerns about the lack of a centralised, skilled bus asset management function within Transport.

> *There are serious concerns related to the lack of bus related expertise within Transport - Bus Industry Confederation (BIC).*

7.5.4 Safeguard provisions to support bus procurement

Industry representatives are also concerned about a lack of robust process to ensure delivered fleet meet specifications. While extensive and complex fleet configuration is specified and mandated at time of purchase, no documented Transport assessment or approval process occurs at the time of delivery to ensure the vehicle complies with the requirements.

Several operators told the Taskforce new vehicles have been delivered that do not comply with specifications, some with actual defects. Unless the operator conducts acceptance testing, and has the relevant technical knowledge to do so, it is possible for no checks to be conducted when a bus is delivered by the manufacturer, and before it starts providing services on the road. The state is incurring higher costs associated with the premium for insisting on onerous specifications, yet assurance activities are not in place to confirm the specifications are met.

The Taskforce found the assessment of compliance of the tendered product primarily consists of a desktop documentation audit. This can expose Transport to considerable risk. For example, Transport has previously purchased vehicles that have not complied with ADRs around emergency exits. This places both the operator and Transport at risk should there be an incident because of any noncompliance, modification or configuration change from predefined standards for procured assets.

Several existing bus panel suppliers are not original equipment manufacturers but licensed distributors of imported products. There are concerns that these distributors may not have the commercial or financial capability to support supplied buses for their entire vehicle life.

The supply relationship with a bus manufacturer does not end on delivery of a bus. Continued provision and availability of spare parts, honouring of warranty provisions and after sales support all needs to be in place long after initial delivery. Bus operators told us these services have not necessarily been available, and suppliers on the bus panel have not been audited for compliance regarding after-market support.

Transport must ensure appropriate due diligence activities are conducted on all potential suppliers.

There are several recent examples of body suppliers being unable to honour bus warranty provisions due to financial difficulties. Transport needs to ensure that adequate financial safeguards are incorporated into bus supply contracts in the form of relevant bank guarantees or parent company guarantees to minimise risk to Transport.

Assurance mechanisms throughout the bus procurement lifecycle need to be strengthened. Consideration should be given to guarantee or penalty provisions relating to timely delivery, and structure of progress payments during the manufacturing process. Suppliers should be subject to random financial viability assessments during the life of the contract to minimise the risk to Transport of holding assets from an unviable or defunct supplier.

Bus operators were concerned that supplier warranty provisions are not readily available to the individual operators. This is because the only parties to the purchase of a bus via the BPP are Transport and the bus manufacturer. The operator is handed the procured bus and is then responsible for day-to-day maintenance and operations. This may create additional cost through unintentional non-compliance or voiding of warranty provisions by operators. It also means operators are not able to make direct warranty claims if required.

The Taskforce proposes warranty provisions be made available to an operator for the period that the operator has responsibility for maintenance of the relevant vehicle. Warranty information should be kept updated according to any changes to fleet, including where buses are moved between contract regions. In such instances, it is important for operators receiving buses to be made aware of the relevant warranties of these buses in a timely manner.

7.5.5   Asset and fleet maintenance schedules

In part due to the absence of bus asset expertise, Transport does not conduct any fleet assurance activity to check that operators are undertaking maintenance activities to ensure projected asset life. The Taskforce's review of fleet maintenance documentation across a number of operators indicated that, in the main, their fleet maintenance practices were aligned with original equipment manufacturers' requirements (OEM). However, the responsibility of ensuring upkeep maintenance practices cannot solely rely on the goodwill of operators.

There appeared to be some inappropriate reliance on other checks and processes to assist with asset assurance. For example, the National Heavy Vehicle Regulator twice yearly inspection is a roadworthiness safety inspection at a particular point in time. It is not an asset condition audit – it would not advise or recommend, for example, when the next brake change should be scheduled.

Similarly, during the term of a contract, Transport as principal contractor relies upon audit levers under BOAS for assurance that bus assets are appropriately managed. But these do not include any guaranteed physical fleet condition inspections. BOAS is not principally intended as an asset management and assurance tool, rather its objective is to ensure the provision of

safe and reliable bus services.[108] Transport should not rely upon BOAS as an *asset* assurance tool.

Additionally, it is problematic that there is no formal requirement for BOAS audit feedback to be shared with the Transport team that manage compliance of bus operators against their respective bus service contracts.

This lack of oversight by Transport creates an opportunity for operators to select an OEM service level that may not suit its operating environment. OEM service intervals vary based on the duty cycle of the vehicle and how it is used day to day in the relevant operating environment. The Taskforce reviewed the service intervals for a common bus model currently utilised across four operators with metropolitan city-based route operations. The OEM recommendation for a Sydney city-based duty cycle is 30,000 to 40,000km. We found that the service intervals (oil change and service) currently vary vastly between operators:

- Operator 1 = 30,000km

- Operator 2 = 40,000 km

- Operator 3 = 60,000km

- Operator 4 = 60,000 km

This practice can reduce costs for the operator during the time it has possession and use of the vehicle but has the potential to increase the whole of life costs and reduce overall asset life. Regardless of whether Transport owns the bus or has a right to access it at the end of the contract, Transport should be ensuring it is being serviced to the appropriate OEM standards over its useful life.

Best industry practice is to have safety critical components such as brakes, steering and suspension aligned to OEM approved and specified replacements. Fleet handover audits across Greater Sydney were recently conducted by Transport, triggered by changes to contracted operators due to a retendering process. These audits uncovered fleet braking system components not maintained to OEM standards.

It should be noted that when operators were made aware of these deficiencies, they were immediately rectified. However, it is unacceptable for such findings to only be discovered at the end of a bus contract. Such audits on fleet and other assets in general should be routine business for Transport to fulfil its role as the asset owner.

The Taskforce heard that Transport does not provide any direction or advice on the quality of replacement components to be utilised on State owned fleet. Several manufacturers' warranties are conditional on following the manufacturers recommended servicing regime, and this is not proactively enforced and monitored.

We found that where operators are using former STA depots, the State-owned depot infrastructure on site, such as fuel storage, fuel dispensing and bus washes did have routine

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[108] The Taskforce's concerns about the robustness of assurance of the safety aspects of BOAS are discussed in detail in Chapter 8.

maintenance programmes and schedules in place, however depot hardstand (concrete slabs) maintenance programmes were minimal.

Routine maintenance of hardstands, particular in the area of joint sealing, slab jacking and crack repairs is required to ensure hardstand life is maintained. The cost of slab replacement is an area which operators consider out of scope of normal maintenance operations and look for additional Transport funding. With the conversion of depots to ZEBs, there is, in most cases, a requirement to cut hardstand to assist with the installation of cabling. To ensure there is no impact to hardstand integrity, Transport needs to have appropriately experienced asset leads acting as a custodian to ensure all works are appropriate and any make good is specified correctly to minimise impact to asset life.

7.5.6   Recommendations regarding asset management

Recommendation 20: That Transport for NSW immediately establish a dedicated Bus Asset Management team, accountable for bus related assets (fleet, depot and other operational infrastructure) and their management over the entire asset life cycle.

Recommendation 21: That Transport for NSW implement avenues for commercial safeguards relevant to the various stages of the bus procurement and asset lifecycle. Further, warranty provisions for buses should be made available to relevant operators and updated regularly.

Recommendation 22: That Transport for NSW formulate a fleet asset assurance program involving routine audits and inspections of the contracted bus fleet and supporting infrastructure. This should include a review of operators' asset maintenance practices to ensure they are fit for purpose to an asset's projected life.

8.   Safety management systems and regulatory oversight

8.1   Focus of this Chapter

The second of the expanded terms of reference on safety provided to the Taskforce by the Minister on 13 June 2023 is as follows:

> *Whether bus operators are actively managing, monitoring and implementing their safety management systems, including driver training and fatigue management, as well as the adequacy of regulatory oversight by Transport for NSW.*

This Chapter focuses on whether the current framework and its processes intended to provide oversight of BOAS are sufficient to assure the industry, the regulator, passengers and the community at large that providers of public passenger bus services are complying with the safety management systems that every accredited bus operator is required to have in place.

Based on our examination,[109] through site visits, interviews and other feedback from operators, auditors and staff of the regulator (Transport), of how BOAS self-assessment reports and audits are actually carried out, we have major concerns that BOAS is treated largely as a 'tick and flick' exercise, with an inappropriate 'one size fits all' approach.

Transport's guidelines about how to establish, implement and monitor safety management systems have not kept up with modern innovations in safety regulation and assurance. There is no focus on risk and continuous improvement. Considering the available material, it is difficult to draw any meaningful conclusions about overall safety management by operators as Transport does not have adequate processes in place to determine this.

After setting out our findings, we make recommendations about how to improve the framework for assuring BOAS compliance, including the guidelines for developing and implementing a safety management system, that are more aligned with developments in other safety frameworks. We focus both on the direct obligations of bus operators, and on the activities undertaken by the regulator (Transport).

As part of the next phase leading to the May 2024 Report the Taskforce will consider:

- The regulatory framework

- Driver training and fatigue management

- Duplication or gaps in risk management by the National Heavy Vehicle Regulator, Transport and bus operators

- Safety technology in buses.

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[109] Our engagement with operators and auditors is described in Chapter 2.

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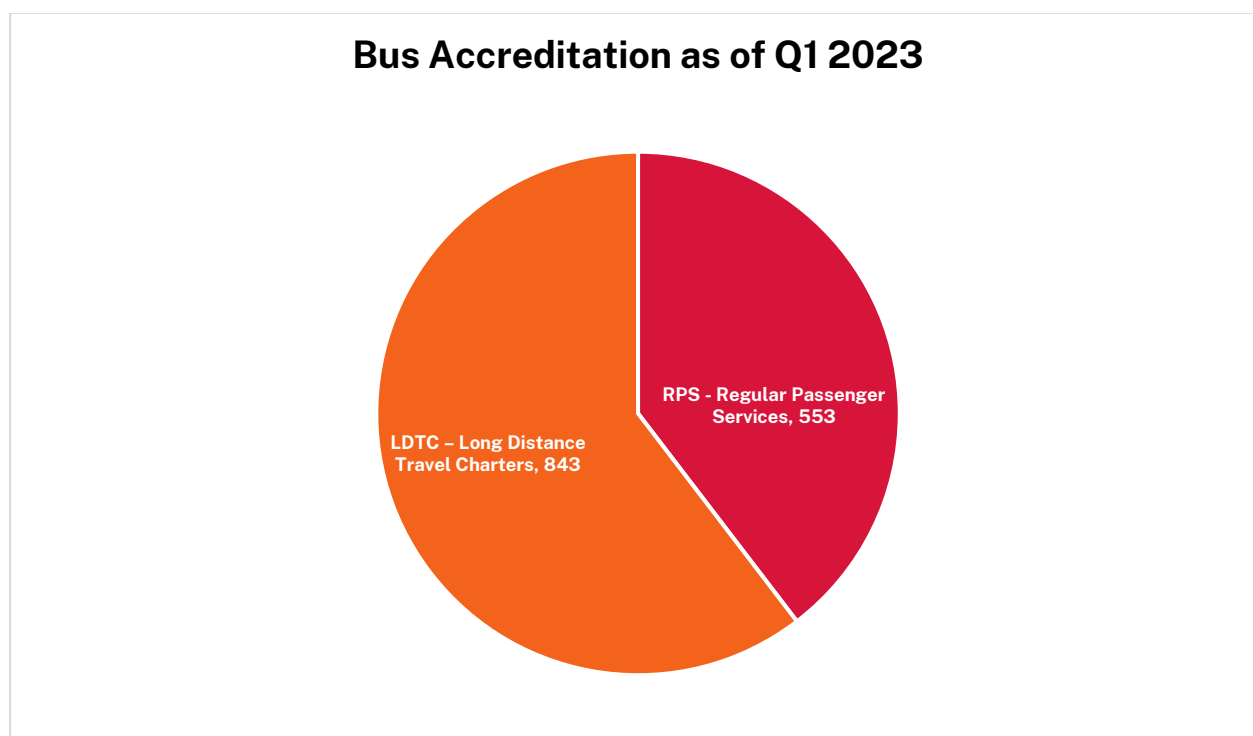## 8.2   Bus Operator Accreditation Scheme - the framework

Section 7 of the *Passenger Transport Act 1990*[110] (the PT Act 1990) requires all operators of public passenger bus services in NSW to be accredited. This covers every bus service that carries passengers for a fee or other consideration. This includes all the services contracted by Transport, including regular route and school services, but also includes non-contracted bus services, such as charter, long distance and tourist services.

Services that do not charge a fare or other consideration, or that are not available to members of the public – for example, courtesy buses or services provided by schools or aged care facilities and others for their own clients – are not required to obtain accreditation. These do not fall within the definition of 'public passenger service'.

The operators of public passenger services must be accredited and comply with all the requirements of the Act and the Passenger Transport (General) Regulation 2017,[111] as well as the standards, conditions and/or guidelines that the Act authorises Transport to make. It is an offence punishable by up to 1000 penalty units to carry on a public passenger service without accreditation.

As shown in Figure 61, in the first quarter of 2023, there were 1396 accredited operators of whom 553 delivered regular passenger services, and 843 were delivering charter, long distance and tourist services.

Figure 61 - Bus accreditation

Bus Accreditation as of Q1 2023

LDTC – Long Distance Travel Charters, 843

RPS - Regular Passenger Services, 553

Source: Bus Industry Dashboard

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[110] https://legislation.nsw.gov.au/view/html/inforce/current/act-1990-039
[111] https://legislation.nsw.gov.au/view/html/inforce/current/sl-2017-0473

Conditions and obligations of BOAS were developed in consultation with various stakeholders including bus operators in 1990, and followed the 1989 Grafton bus crash, which killed 21 people and injured 22 on the Pacific Highway near Grafton, Australia when a semi-trailer truck collided with an express coach.

In 2005, following the Waterfall train disaster in 2003, BOAS was comprehensively amended including the introduction of a requirement for operators to implement a Safety Management System and Drug and Alcohol Program, and for BOAS requirements (including safety requirements) to be independently audited.

8.2.1 Elements of accreditation

The PT Act 1990 and the regulations set out the requirements for achieving and maintaining accreditation. Pertinent to our current focus, section 7(2)(b)(ii) requires the operator to demonstrate its capacity to meet government standards with respect to 'safety of passengers and the public', which include:

- the need for a safety management system (SMS) that identifies risks and specifies controls, and compliance with any SMS guidelines issued by Transport (section 9D of the Act)

- record keeping requirements (section 19 of the PT Regulation)

- the need to undertake and satisfactorily pass any required operator training course (section 20 of the PT Regulation)

- compliance with any conditions, standards or guidelines issued by Transport as authorised by the Act (including the standards to be met for purposes of satisfying section 7, requirements regarding renewal of accreditation under section 9A, any additional conditions imposed under section 9B, and any guidelines regarding the SMS made under section 9D).

It is important to note that the Act and regulations include many other accreditation requirements, such a drug and alcohol program (section 9C) and various vehicle and driver safety regulatory requirements. However, in this Report we focus on the elements of BOAS related to the SMS.

8.2.2 Safety Management System (SMS)

As noted above, section 9D of the Act requires operators to implement a safety management system (SMS). The SMS must be documented and must:

- identify significant risks that have arisen or could arise from providing the service

- specify the controls (including audits, expertise, resources and staff) that will be used by the operator to manage the risks and monitor safety outcomes

- comply with any requirements in the regulations or in any guidelines published by Transport.

The current [BOAS Safety Management System Guidelines](#)[112] were first issued by Transport in November 2005. They were republished, without substantive amendment, in 2017 to coincide with the commencement of the PT Regulation 2017. According to the Guidelines:

A Safety Management System (SMS) is an integrated set of work practices and procedures for monitoring and, where identified, improving the safety of a business. A successful SMS provides a systematic and comprehensive process for managing risks, and includes a schedule of core elements, which are enhanced as the size of the business grows.

The guidelines are intended to assist operators to establish an SMS that suits their operation. They set out the following eight safety elements that form the framework for implementing and sustaining a compliant SMS:

1. Commitment and Objects
2. Management, Accountabilities, Responsibilities and Communication
3. Hazard and Risk Management
4. Process Documentation
5. Transport Safety Worker Monitoring Programme
6. Training and Education
7. Safety Performance Measurement
8. Audit and Evaluation

While all bus operators are required to fulfill the requirements outlined in each element, some elements set out additional requirements, such as security risk assessment and the development of safety related objectives, targets and key performance indicators, which only apply to larger operators with at least 20 employees. The intent of the approach is to achieve uniformity in performance in safety within the bus industry.

8.2.3 Audits

Section 90 of the PT Regulation authorises Transport to require bus operators to undertake audits of their operations, at regular intervals or particular times and as specified by Transport. It is an offence not to submit to any audits required.

As set out in the [Bus Operator Accreditation Package](#),[113] the audit program includes the following:

1. an assessment on entry/application for accreditation
2. an Annual Self-Assessment Report (ASAR)
3. an independent audit required to be completed within the first year of operating and then every three (3) years or as otherwise determined by Transport.

In addition, random and targeted audits may be carried out by Transport.

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[112] https://www.transport.nsw.gov.au/system/files/media/documents/2022/boas-safety-management-system-guidelines.pdf
[113] https://www.transport.nsw.gov.au/system/files/media/documents/2022/bus-operator-accreditation-package.pdf

8.2.4 Independent audits

The audits carried out by independent auditors within the first year of commencing operations and every three years thereafter are a requirement for accreditation and renewal of accreditation. The audit focuses on all aspects of bus operator accreditation including the SMS and its on-going upkeep.

Should the audit uncover any deficiencies, operators are required to rectify these before their accreditation can be renewed. In cases of significant breaches of accreditation conditions, the operator's accreditation may be subject to modification, suspension, or cancellation.

Transport assigns audit dates to operators and issues notification letters eight weeks in advance of the due date. The operator engages and pays for the services of an auditor it chooses from the list[114] of independent auditors approved by Transport. The auditor uses the audit tool[115] provided by Transport to carry out the audit.

8.2.5 Annual Self-Assessment Report (ASAR)

The Annual Self-Assessment Report[116] (ASAR) is part of a bus operator's ongoing accreditation requirements. The ASAR is intended to provide up to date information about the operator's accreditation. It allows an operator to notify Transport of any deficiencies which provides Transport with the opportunity to help rectify any such deficiencies (rather than leaving them for auditors to identify). It is also a declaration that the operator is abiding by the required conditions.

8.2.6 Transport as a regulator

As the public authority in charge of the scheme, Transport is expected by the industry and community at large to be competent, objective and impartial, and aligned with contemporary practices in carrying out its functions.

Transport's functions include setting and issuing the various standards, conditions and guidelines that provide detail of how every operator can ensure that they are in compliance with the Act and the regulation (see 8.2.1). These must align with the purposes of accreditation, which include 'safety of passengers and the public' (section 7(2)(b)(ii)).

Each of these has different requirements for how it can be made:

- Any standards for accreditation made by Transport must be 'determined and published and made available to interested persons' (section 7)

- Processes for renewal of accreditation may be 'determined by Transport and specified in the particulars of accreditation' (section 9A)

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[114] https://www.transport.nsw.gov.au/operations/roads-and-waterways/business-and-industry/buses/operators/audits-and-boas-certified

[115] https://www.transport.nsw.gov.au/system/files/media/documents/2023/boas-audit-tool.docx

[116] https://tfnswforms.transport.nsw.gov.au/45071727-bus-operator-annual-self-assessment.pdf

- Transport may 'impose' conditions relevant to the purpose of accreditation at at any time (section 9B)

- Requirements for the Safety Management System can be 'set out in any guidelines issued by Transport under this section and published in the Gazette' (section 9D).

Transport's role as a regulator is to manage the operation of the BOAS system, provide assistance to applicants and operators, and make decisions about whether to accredit or not to accredit an applicant.

Under section 10 of the Act it has the power to 'at any time vary, suspend or cancel any person's accreditation'. In the case of breach of conditions, Transport is the body that can pursue penalties for offences. As described at 8.2.3, Transport can also carry out its own audits of accredited operators.

8.3 BOAS is out of step with contemporary approach to safety

The BOAS obligations and processes, including the SMS guidelines, were developed in consultation with stakeholders including bus operators in 2005. Workplace Health and Safety (WHS) legislation and International and Australian Standards with respect to safety have changed significantly since then, but BOAS has not evolved with these changes.

8.3.1 BOAS based on needs of more complex bus operators

In NSW, operators vary considerably in terms of size and operation. As outlined earlier, operators fall into two categories – either a bus operator holding a contract to operate route and/or school services on behalf of Transport, or a non-contracted coach or charter operator. The level of Government intervention and oversight varies considerably between these two sectors.
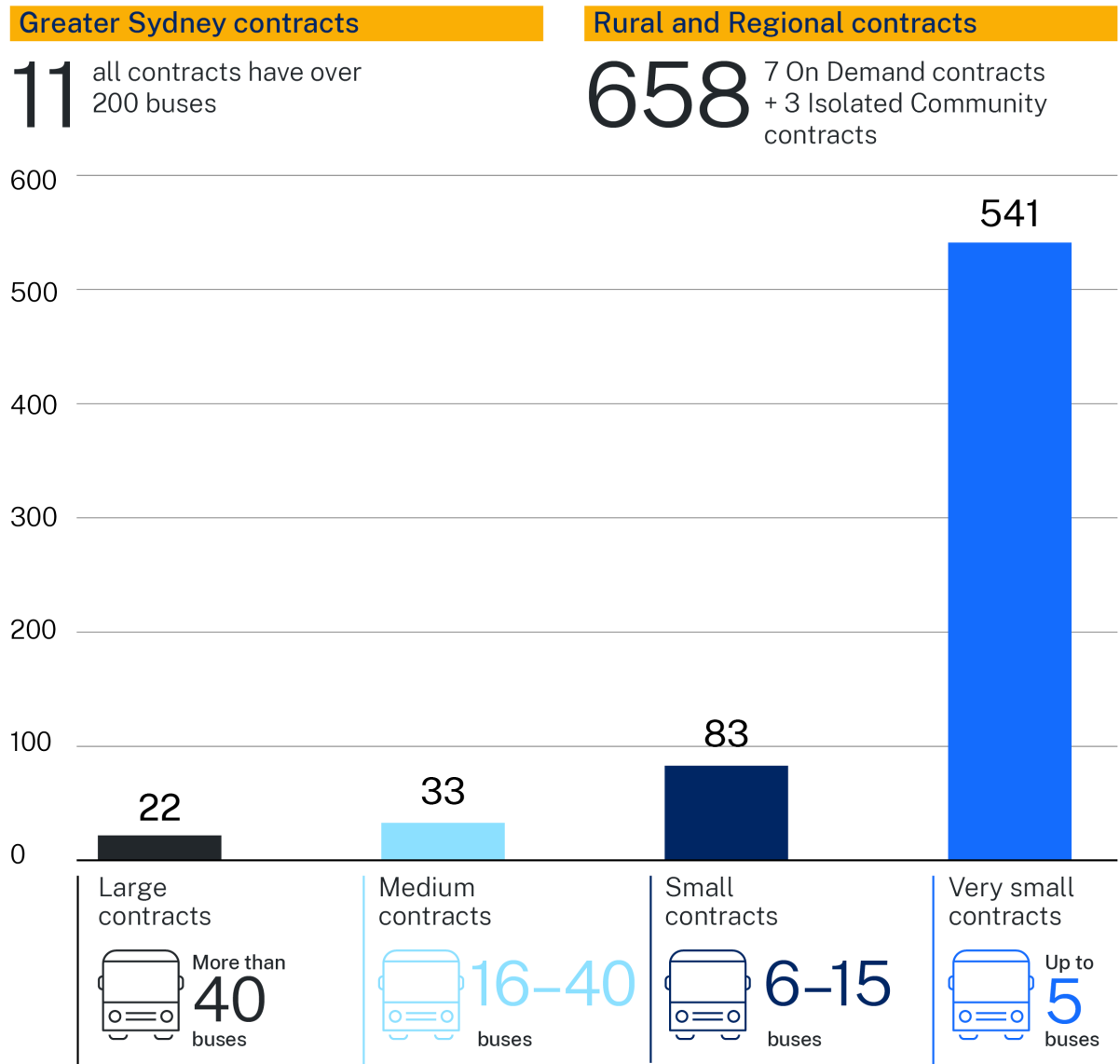
Within the contracted sector itself, there is considerable diversity. The small number of operators who run contracted services in Greater Sydney are generally large and sophisticated businesses, often multinational companies. In contrast, the majority of the 460 or so bus operators in Rural and Regional NSW comprise of small school bus operators, generally family companies with a handful of employees.

As described to the Taskforce by bus operators, the initial design of BOAS considered the insights and inputs of various bus operators, but predominantly those with significant and complex operations, and tailored provisions to this level rather than considering the varying circumstances of different operators in a range of operating environments.

Figure 62 focuses on bus operators who have service contracts with Transport and shows the relative numbers of small and large operators across the State. As shown, there is a very small number of large bus operators, with most contracted operators being small to very small. Similarly, in the commercial sector, there are many operators with small fleets.

Figure 62 - Numbers of large, medium, small and very small contracted bus operators

NSW Bus Operators size by category

Greater Sydney contracts	Rural and Regional contracts
11 all contracts have over 200 buses	**658** 7 On Demand contracts + 3 Isolated Community contracts

Bar chart values:
- Large contracts (More than 40 buses): 22
- Medium contracts (16–40 buses): 33
- Small contracts (6–15 buses): 83
- Very small contracts (Up to 5 buses): 541

Source: Transport for NSW

Rather than adopting a risk-based approach that would take account of the distinct operational difficulties and varying levels of risk encountered by different operators, BOAS ended up with a 'one-size-fits-all' approach. As a result, maintenance of one's accreditation has become a compliance activity rather than a continuous improvement activity.

Operators and auditors we spoke to struggled to find the relevance of some accreditation requirements in light of the evolution of approaches to safety management evident in other frameworks (see 8.3.2), and particularly in relation to small operators, where there are so few staff and accountability lies with a single person.

8.3.2 BOAS SMS Guidelines not aligned with WHS law or international standards

BOAS and the SMS guidelines have not been significantly updated since they were first developed in 2005. This means that they are out of step with subsequent local, national and global advances in thinking about how to provide safe systems of work and services.

The general framework for ensuring workplace health and safety (WHS) in NSW underwent significant transformation when the *Work Health and Safety Act 2011* was enacted. The object[117] of this law is to establish a 'balanced and nationally consistent framework to secure the health and safety of workers and workplaces', by focusing on 'elimination or minimisation of risks arising from work'. Other significant elements are the focus on including the voice of workers in ensuring WHS; promoting the provision of information and advice to support good practice; effective and appropriate compliance and enforcement measures; and providing a framework for continuous improvement and progressively higher standards of work health and safety.

The WHS Act applies to ALL workplaces in NSW, including bus operations. However, because they predate it and have not been reviewed, the PT Act, BOAS and its SMS do not acknowledge or align with the approach to safety taken in the WHS Act. The PT Act, regulations and related guidelines set out standards that must be met or things that must be done to achieve and maintain accreditation, leading to a compliance-oriented approach. By contrast, the WHS Act proceeds by imposing a duty of care to ensure safety at the workplace by effectively managing the risks. In particular, the BOAS SMS does not focus sufficiently on risk assessment and management of risk or acknowledge that risk profiles can vary greatly across operators.

BOAS is also not aligned with the contemporary international standards that have guided the structure and function of workplace health and safety systems worldwide since 2018. Standards Australia maintains the local versions of these standards, AS/NZS ISO 45001:2018 Occupational health and safety management systems – requirements with guidance for use. The standards are available, for a fee, at the Standards Australia website.[118]

This standard provides a structured framework for organisations to proactively manage and improve their workplace safety, reduce occupational hazards, and protect the health and well-being of employees and other stakeholders. The standard follows a Plan-Do-Check-Act (PDCA) cycle, which is the core of its implementation. The PDCA cycle is a standardised approach to achieve continuous improvement to resolve existing or new issues within a business including safety related matters. It helps identify areas for improvement, analyses current processes, identifies gaps and determines the cause(s). The cycle has been used in the manufacturing industry for a long time, is now embedded in ISO 45001, and is also currently used by Transport in its Standards Management Framework.[119]

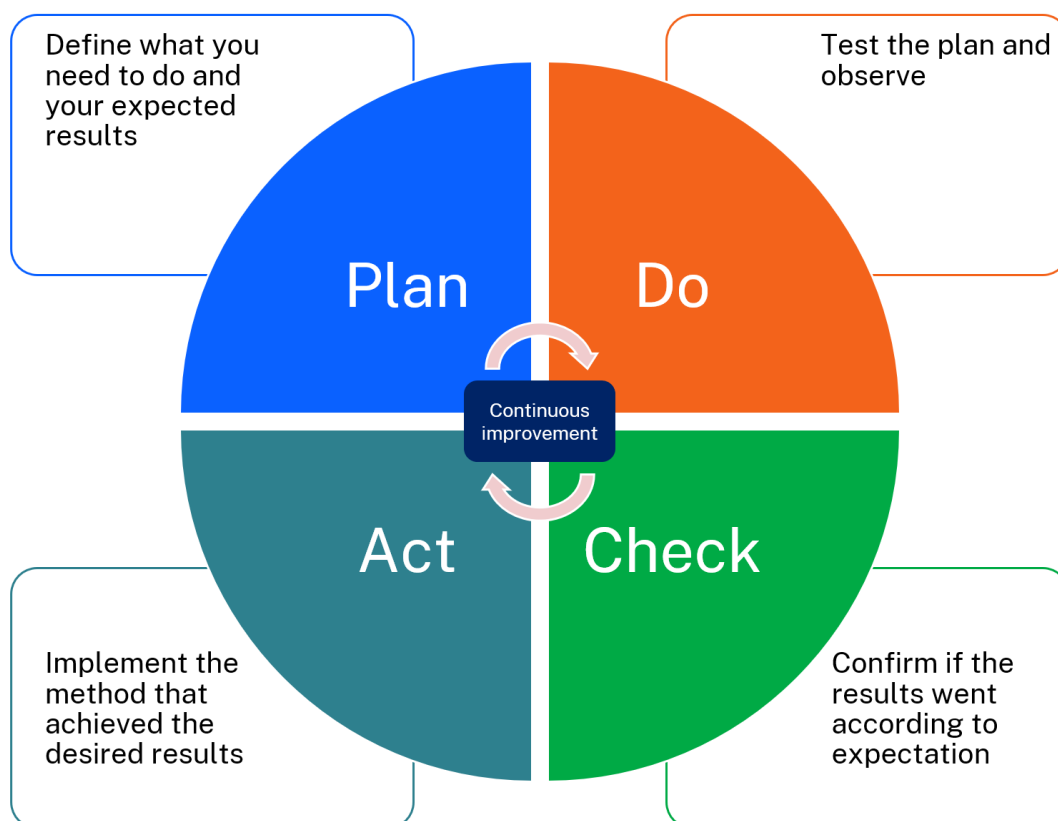The current SMS guidelines do not reflect the Plan-Do-Check-Act (PDCA) cycle, which is illustrated in Figure 63.

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[117] Section 3, WHS Act 2011
[118] https://infostore.saiglobal.com/en-au/standards-australia-as/?gclid=EAIaIQobChMIxszU_cvqgQMV_18PAh3uUw5GEAAYAiAAEgIRj_D_BwEandgclsrc=aw.ds
[119] https://www.transport.nsw.gov.au/system/files/media/documents/2023/standards-management-framework.pdf

Figure 63 - Plan-Do-Check-Act (PDCA) cycle

Define what you need to do and your expected results

Test the plan and observe

Plan

Do

Continuous improvement

Act

Check

Implement the method that achieved the desired results

Confirm if the results went according to expectation

8.4 BOAS and SMS in practice – findings from consultations

8.4.1 SMS guidelines do not acknowledge risk profiles of different operators

As noted at 8.2.2, the SMS guidelines include additional requirements in relation to some elements based on the size of the operator's workforce. 'Larger operators' are defined as those with at least 20 employees.

During consultations, operators criticised this approach. Focusing solely on workforce size disregards other differentiating factors such as size and complexity of operations, risk profile, operator safety record, resource availability and local operating context such as road and traffic conditions and the type of passenger. These factors create different exposure to risk and the need to implement different measures to manage those risks.

The operator's safety record also merits individualised attention. Operators with a consistently strong safety track record may require a different level of oversight and resources compared to those with a history of non-compliance and safety incidents.

Resource availability is another factor raised by operators. Most accredited bus operators in NSW are small, rural school bus operators, usually small family businesses. Most long distance, tourist and charter services and regular passenger service operators are also of a modest scale. While some operators may have ample resources to invest in comprehensive SMS, others, especially these smaller operators, may face constraints in terms of finances,

personnel, or technical capabilities. Failure to account for size and resource disparities creates barriers for smaller operators.

Through our consultations, we were advised that a significant portion of small operators employ a standardised SMS template primarily designed to meet compliance requirements that is provided to them by a bus industry body. This was confirmed by the industry body. This is supplemented by example documentation from Transport, which typically does not get changed in content when adopted by smaller, less resourced operators.

8.4.2 Independent auditing is not sufficiently robust

As noted at 8.2.4, bus operators choose from a Transport-approved list of accredited auditors. The auditors are required to hold certification from an independent external body. As part of this process, auditors must pass a Personal Attribute Assessment and provide evidence to Transport of the completion of specific competency units. They must complete a one day BOAS training course delivered by Transport. The independent external body then conducts a final skills examination. Applicants may then be admitted to the Transport-approved list. An ongoing skills assessment is conducted every four years to maintain accreditation, consisting of an observation of an auditor undertaking an audit. After each skills assessment, Transport completes a debrief with the auditor to assess any deficiencies – which can include remedial training if required.

Beyond these activities, there is minimal email communication with or ongoing training of the auditors by Transport. Communication is generally limited to program updates or changes requiring auditor attention.

How audits are carried out
The Bus Auditors Handbook[120] provides information and advice for auditors in carrying out their activities. The auditors are provided with an audit tool[121] to ensure the audit is conducted in a systematic manner.

Before commencing an audit, auditors are advised to request copies of the most recent ASAR and previous Audit Reports from Transport. However, the independent auditors with whom we spoke told us this information is not consistently requested or provided by Transport, and this was confirmed by Transport. Instead, auditors typically acquire this information from the operator, especially if the operator is a repeat client. It is then used by the auditor to populate the BOAS tool.

Auditors told us they often conduct audits without knowledge of previous deficiencies or information from the ASAR.

We were advised that while larger operators may undergo audits that span several days, the majority of bus operators typically experience audits lasting 2 to 4 hours. This shorter time frame relies on the operator having information ready for the auditor. However, if the

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[120] https://www.transport.nsw.gov.au/system/files/media/documents/2022/boas-auditor-handbook.pdf
[121] https://www.transport.nsw.gov.au/system/files/media/documents/2023/boas-audit-tool.docx

information has not been provided in advance, the auditor's time is also spent reviewing information to complete their audit tool.

In essence, we found that the principal assurance activity of the bus operator accreditation scheme, which evaluates compliance with accreditation requirements, including bus operator safety, consists of a 2-hour audit every 3 years for the majority of bus operators. This falls short of aligning with current Australian and international standards, which advocate for tailoring the audit program to align with the operator's unique characteristics, size, the nature of their operations, complexity, and the maturity level of their management systems.

Little or no verification of audit outcomes by Regulator

Following the completion of an audit, the auditor submits the audit tool and supporting documents to Transport. Transport advised that it undertakes some verification of these reports, primarily concerning administrative data such as addresses and the completeness of responses. However, Transport confirmed that it does not conduct any activities to ascertain whether audit findings accurately reflect the operator's compliance with accreditation requirements. This means that Transport relies on information from the auditors about the current state of the industry and how it manages safety risks.

When deficiencies are identified during an independent audit, evidence is provided by the operator to the regulator to satisfy the deficiency. The regulator does not undertake any verification activities on the provided evidence beyond what is submitted digitally, as we have been told by the operators and the regulator.

Issues with independence of auditors

The operator's ability to choose their own auditor raises concerns about impartiality. There is nothing to prevent auditors from working with the same operator every three-year accreditation renewal cycle. For example, as shown in Figure 64, from October 2022, 10 of the 22 auditors completed over 75 per cent of audit work.

Operators in regional areas noted their higher costs associated with engaging an auditor, such as travel and accommodation expenses. Consequently, auditors tend to be individuals located near the regional operator.

Operators and auditors also told us that the same individuals conducting audits have been assisting operators in understanding and developing documentation for accreditation compliance. This is contrary to section 4.6 (Conflict of interest) of the BOAS Auditor Code of Conduct.[122] This dual role reinforces the perception of bias and questions the continued objectivity of auditors in their audit accreditation duties. The issue of auditor engagement needs to be addressed.

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[122] https://www.transport.nsw.gov.au/system/files/media/documents/2022/boas-auditor-code-conduct.pdf

Figure 64 - 10 auditors do 75 per cent of audit work

10 out of 22 independent* auditors completed over 75% of audit work from October 2022

Remaining 12 Auditors 23%

Top 10 Auditors 77%

*Independent auditors undertake repeat audits of the same bus operators.

Source: Transport for NSW

Audits not used as an opportunity for improvement

Operators and auditors were of the view that the audit process has become a compliance activity for the collection of administrative data, rather than an evaluation of performance or an opportunity for continuous improvement. Auditors fill in the audit tool, verifying that systems are in place. The routine filling in of a form, and the yes/no duality of many of the questions means there is no examination of the effectiveness of these safety systems and whether or how they are being implemented in practice.

This same audit tool is used in every three year audit, meaning the same questions are asked each time, with no consideration of any changes in the operator's business or operating environment. The collection of administrative data is time-wasting and inefficient, given this information can be collected in other ways and at other times (for example, through ASAR or at the time of renewing accreditation).

Analysis of BOAS audit data focusing on deficiencies uncovered during audits, has shown that over a three-year span, the number of identified deficiencies, especially those linked to safety, is unexpectedly low. It was anticipated that the count of identified deficiencies would be significantly higher. The lower than anticipated number of identified deficiencies adds to concerns about the effectiveness of the audits.

Figure 65 - Average number of safety non-conformances per audit

Less than 1 safety non-conformance per bus operator

	2019	2020	2021	2022
Number of bus operator audits	420	188	429	219
Safety non-conformances	349	145	257	77
Average number of safety non-conformances	0.83	0.77	0.60	0.35

Source: Transport for NSW

8.4.3 Annual Self-Assessment Report (ASAR) is of limited usefulness

As noted, the Bus Operator Accreditation Package[123] identifies the ASAR as part of the 'audit' process that supports compliance with BOAS. In the Taskforce's view, audits are properly characterised as systematic, independent evaluations to ascertain compliance against set criteria. The ASAR stands apart as a self-assessment exercise. If ASAR is not an audit, then it is unclear how Transport is authorised to require it (see section 90 of the Regulation).

Feedback from operators supports the view that the ASAR is and has been since inception a 'tick and flick' one size fits all exercise for operators, with the same questions asked every 12 months.

Most of the Report is designed to confirm administrative data like contact details and the identity of responsible persons. Part D Accreditation Requirements asks a series of questions requiring a yes or no response, with an opportunity to provide supplementary information if necessary. This includes questions such as "Do you have a Safety Management System that is consistent with the published guidelines?".

The logic of posing identical queries annually when the responses are unlikely to vary is questionable. For instance, if an operator affirmed the presence of a safety management system in its first ASAR, subsequent years would provide the same affirmative response.

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[123] https://www.transport.nsw.gov.au/system/files/media/documents/2022/bus-operator-accreditation-package.pdf

We understand that Transport does not conduct independent validation to verify all information provided by the bus operator, particularly within Part D. Without verification, it is unclear what the value of this data is.

Based on these findings, it seems that, whatever its original intentions, ASAR does not present as an opportunity for genuine reflection on safety practices or operational enhancements.

Operators who also have service contracts with Transport are concerned by what they see as a duplication of data provision – to contract managers and to the regulatory branch of Transport. Transport could examine ways to streamline this.

This is not only a waste of time and resources on the part of the operator, which is a concern they highlighted to us – it also undermines the integrity of ASAR as a useful tool. In the absence of any real engagement in the exercise from the operators and the lack of verification or follow up from Transport, it has the potential to provide a false understanding of the current state of compliance with accreditation requirements. This can affect the regulator's decision-making and the initiation of actions concerning bus operators.

8.4.4 On road enforcement seems to be rare

Transport advised that it also undertakes ad hoc on road enforcement activities. Feedback from operators suggests that this kind of activity is minimal. A recent example was of a visual inspection undertaken by accredited operators of many buses at a major sporting event. Almost a quarter of the buses were in some way or another not compliant with requirements. The issues identified include:

- Vehicles displaying no accreditation details – potentially unaccredited operators (and possibly drivers) transferring school groups.

- Vehicles with National HV number plates – contrary to Transport instructions to Service NSW.

- Vehicles with non-compliant accreditation details – these should have been detected during independent BOAS auditing.

The operators told us that when these types of events are reported to Transport, little response is forthcoming.

In one of the rare on-road enforcement campaigns conducted by Transport (in the Kosciuszko National Park during the 2023 NSW ski season), of the 71 bus and coach inspections undertaken:

- 7 operators were found to be unaccredited.

- 3 drivers did not hold a current Driver Authority.

- 9 drivers had not completed the required Snow Driver Training, and

- 162 BOAS deficiencies were identified.

Such results from such a small sample base point to larger problems in the BOAS scheme. They also highlight the frustration of some accredited operators who are required to comply with a range of detailed safety requirements, while other operators who should be accredited are flouting the law.

8.4.5 Bus operators vary in their understanding of risk

Section 9D requires an SMS that focuses on both identifying and managing risks that may arise from providing a passenger service. Feedback from operators revealed a wide range of understanding and application of risk management approaches.

At one end of this range were operators who exhibited advanced knowledge and well-established processes in risk management. They described meticulously integrated risk assessment procedures, have identified operation-specific risks, and had effectively implemented strategies to mitigate these risks. These operators stood out for their proactive approach. They saw themselves as having moved beyond the BOAS requirements to a more proactive safety approach. Many of them used the ISO standards to achieve better results.

In the middle of the spectrum were operators with a moderate level of competence in risk management. They possessed a basic understanding of risk concepts and had made some strides in addressing risks within their operations. However, their approach was not as comprehensive or sophisticated as that of the more experienced operators.

They recognised the need to move towards a continual improvement focus. Some have engaged qualified resources to assist them, but others require further education and support on how to do this. Operators of all sizes expressed concern that assistance from the regulator is not currently available at the level required. The focus of the current audit and ASAR processes on compliance reporting was seen as holding these operators back from an evolving continual improvement approach.

At the other end of the spectrum were a mixture of operators, some relatively new to the bus industry but possessed of a good understanding of the concept of risk management and others who had limited experience in handling risks within their bus operations. Their efforts in risk assessment and control were in their early stages, and they had not fully grasped the significance of strong risk management practices.

8.4.6 Problems with industry information and communication

The operators with whom the Taskforce engaged were all frustrated by the difficulty of finding information and finding someone from Transport to assist them with their issues.

Website is not well organised
Everyone we spoke to agreed that finding relevant BOAS information on the Transport website is extremely difficult. Information relevant to bus operators is scattered across different parts of the website. There is no centralised location where comprehensive bus operator information encompassing all aspects of bus operations for operators can be readily accessed.

For example, found via the page titled 'Industries', the page titled <u>Buses and coaches</u>[124] states that "Transport for NSW is responsible for regulating public and private bus services across the state", but it does not mention the need for accreditation or provide any links to information about accreditation. Information about bus operator accreditation is found by going to the 'Operations' page, then to 'Roads and waterways', where a link to <u>Buses</u>[125] is located. To find the SMS Guidelines, the user has to navigate to a separate page titled <u>Documents and Forms</u> and look for the document in a list.[126]

It would be almost impossible for a user who does not already know the name of the document they are looking for to find what they need to know about BOAS and its requirements. Operators told us this was frustrating. What is needed is a 'one stop shop' – a single web page that provides an overview of the BOAS scheme and where all BOAS related information is located.

For smaller operators, this is particularly difficult, given their limited size and resources. We heard that Transport provides very little if any tailored information or support to these operators. Even larger operators are not well informed about the assistance that is available from Transport.

Difficult to find a contact in Transport

Additionally, operators of all sizes, especially those in smaller regional settings, encounter challenges when attempting to identify and connect with the appropriate point of contact within Transport for issue resolution. Our interactions with operators revealed they would welcome additional support, advice and information from the regulator. In the absence of such support, any misunderstandings about requirements can be compounded.

Operators are frustrated by a lack of responsiveness from Transport to their enquiries. Often, assurances like "I will get back to you" end in unfulfilled promises. Some operators have reported being referred to non-existent Transport business units for assistance, suggesting a lack of internal coordination, and this prompts the common question, "Do these people even talk with each other?" Operators frequently receive email responses that lack any contact information for further follow-up. This limited support and feedback from Transport constitutes a significant and recurring problem faced by operators across the board.

8.5   Recommendations for improvement

8.5.1   Improvements can be made without legislative or regulatory amendment

Our investigations revealed a range of concerns about the robustness and usefulness of current tools for assessing and assuring compliance with the BOAS obligations, and have also highlighted that elements of the obligations themselves have not been reviewed since they were first established and are not aligned with contemporary approaches to risk management.

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[124] https://www.transport.nsw.gov.au/operations/buses-and-coaches
[125] https://www.transport.nsw.gov.au/operations/roads-and-waterways/business-and-industry/buses
[126] https://www.transport.nsw.gov.au/operations/roads-and-waterways/business-and-industry/buses/documents-and-forms

At this stage of our investigations, we have not had the opportunity to engage with the question of whether the underlying legislative and regulatory framework requires amendment to bring it into such alignment. However, as is clear from our description of the regulatory framework at 8.2, very many aspects of BOAS are determined by the standards, conditions and guidelines that the law authorises Transport to make. Transport has it within its existing powers to review and amend these standards, conditions and guidelines and to re-assess and re-focus its own activities to better support the purposes of the accreditation system.

The following recommendations focus Transport's attention on these matters which are within its current powers to address, and are expanded upon in the rest of this Chapter:

Recommendation 23: That Transport for NSW develop and adopt new risk-based Safety Management System Guidelines that are better aligned with workplace health and safety laws and other standards for managing risk, including by adopting a multi-level approach that takes into account the size and complexity of different bus operators, with the opportunity for more appropriate arrangements for smaller operators.

Recommendation 24: That Transport for NSW develop and adopt new approaches to self-reporting and auditing including the following:

24.1 replacement of the annual self-assessment report with a system that supports ongoing reporting of changes and incidents and the gathering of relevant data (for example through an on-line portal)

24.2 a program of compliance auditing that takes account of performance and risk tier of the operator and includes proactive auditing by the regulator.

Recommendation 25: That Transport for NSW develop and adopt a more proactive and risk focused approach in its regulatory and compliance activities to support the new Safety Management System guidelines and new approaches to self-reporting and auditing and other aspects of BOAS, based on the following:

25.1 That Transport undertake a program of risk assessment of currently accredited operators

25.2 That Transport use the outcomes of the risk assessment process to establish appropriate tiers of risk and allocate currently accredited operators to those tiers

25.3 That Transport develop standards, policies and procedures that accommodate this risk based approach

25.4 That Transport undertake proactive monitoring and compliance activities as appropriate for each risk tier

25.5 That Transport establish a program of continuous improvement, through ongoing review and other activities to ensure BOAS requirements, including the SMS Guidelines, remain relevant and adapt to change.

Recommendation 26: That Transport for NSW improve its information and educational assistance to industry, including by updating public facing materials in line with our recommendations, and by providing easier access to them on its website and through other means.

8.5.2 A new risk-based Safety Management System guideline – Recommendation 23

The SMS guideline requires urgent review and replacement with a new set of guidelines that take account, to the extent possible within the current regulatory framework, of contemporary approaches to the management of safety risks, as well as the different risk profiles and capacities of different operators. The aim should be to prevent injuries and illnesses not only for workers but also for passengers, pedestrians, and other road users.

The revised SMS should align with contemporary Workplace Health and Safety (WHS) legislative approach to risk management and continuous improvements. It should also align with AS/NZS ISO 45001:2018. This should include consideration of the adoption of the PCDA cycle described at 8.3.2.

The new SMS requirements should seek to continuously enhance safety performance across all operators. It will be important to educate bus operators to recognise that the SMS is not just an accreditation obligation; it should be viewed as tool for ongoing management of safety risk and performance.

The SMS Guideline should be designed to assist bus operators to seamlessly integrate with other management systems that they may be required to implement or choose to adopt voluntarily. The Guideline must be adaptable to the specific needs of each bus operator, considering factors such as size, complexity, risk profile, safety record, resource availability, and local context.

By modernising both the content and structure of the SMS, the regulator can actively support the bus industry in upholding compliance with the current obligations of the PT Act 1990 and the regulations. It should enhance the effectiveness of safety management practices, and foster a culture of continual safety improvement. Ultimately, the safety of passengers and the continued safety success of the bus industry centres upon the evolution of the regulated safety management system.

Taking account of different levels of complexity in operations

To strike a balance between comprehensive risk management and operational practicality, it is necessary to consider operational variations in terms of size and resource capacity. This should be achieved while still prioritising strong safety and risk practices and maintaining regulatory oversight. The new SMS guidelines should ensure safety across an industry that comprises everything from one individual or a family with a single vehicle running a single school route in country NSW, to a multinational company running a large network of services in metropolitan Sydney as well as school services and rail replacement services in metropolitan Sydney.

A multi-level approach to the management of safety is suggested to cater to varying operational sizes and resources. For example, the guidelines could describe a Safety Management System for more complex operators or a Safety Plan for less complex operators. We will use this approach for the purpose of distinction and discussion on the intention of a multi-level approach to the management of safety.

An SMS offers a comprehensive framework encompassing risk assessment, incident management, and continuous improvement. It would promote a culture of safety ingrained in daily operations. By requiring systematic risk assessments, incident reporting, and performance evaluations, a SMS enhances safety transparency and accountability. It requires operators to continually analyse incidents, identify root causes, and update procedures to prevent recurrence. This ongoing process drives safety enhancements over time.

While an SMS provides robust safety infrastructure, it demands substantive regulatory oversight and resources. Regulators must ensure operators comply with SMS requirements through efficient monitoring, audits, and enforcement mechanisms (recommended improvements in regulatory practices are discussed at 8.5.3).

A safety plan offers advantages for smaller bus operators or those with resource constraints. It would provide streamlined, practical guidelines focused on specific safety aspects, avoiding overwhelming complexities. Customisable to individual operator needs, safety plans can target areas of concern. They are easier to develop, implement and manage. They provide clarity by outlining specific safety measures to be adopted. This facilitates straightforward compliance monitoring by the regulator.

By offering a more manageable approach, safety plans support bus operators to adopt safer practices without compromising their ability to fulfill regulatory obligations. Safety plans can be adapted to align with industry trends and regulatory changes while minimising the administrative burdens of larger safety management systems.

The choice between mandating an SMS or a safety plan hinges on the level of risk, operational size, what resources are available, and the desired level of regulatory oversight. It offers advantages for both regulators and operators, in accommodating various operational sizes and resource capabilities.

8.5.3 New approaches to self-reporting and auditing – Recommendation 24

Replacing the ASAR

An alternative approach to the current ASAR process could use technology to create a more streamlined and efficient method of gathering and verifying data from bus operators. One

potential solution, as proposed by many operators, would be the establishment of a dedicated online portal exclusively for bus operators.

This portal would be a centralised platform where operators can provide real-time updates on their accreditation status and relevant information as needed, eliminating the need for the ASAR. Through this portal, operators could regularly input data, address any changes or deficiencies, and upload supporting documents as need be, not once a year.

To enhance the value of the data collected through this portal, it is important that validation mechanisms are implemented including auditing by the regulator. This validation process would involve thorough checks and cross-referencing to ensure the accuracy and integrity of the submitted data. This would address the current gap in data validation and provide the regulator with reliable information to assess bus operator compliance. Further recommendations about regulator activities are made below.

To address concerns about repetitive questioning and administrative burden, the portal could be designed to adapt to changes. Rather than asking the same questions every time, the system could intelligently tailor queries based on previous responses and operational changes. This would ensure that operators only need to address new or modified aspects of their accreditation, saving time and reducing administrative red tape and redundancy.

Improved auditing

The BOAS audit tool is largely unchanged since its inception in 2007. It is more a simple compliance assessment than a comprehensive evaluation of the actual impact and effectiveness of the bus operator's processes.

Transport relies heavily on the independent three yearly audits, which as we have seen are generally of short duration and repetitive, with little verification or follow up by the regulator. The regulator must assume a more active role in ensuring compliance with BOAS safety management, aligning with the proposed risk assessment and risk tiering recommendations which are discussed at 8.5.4.

High-risk bus operators should be subject to regular audits by the regulator to ensure accreditation requirements are met. Conversely, low-risk operators may not require regular audits but would engage in comprehensive reporting activities and be subject to random compliance audits and inspections as part of the regulator monitoring and oversight of the accreditation scheme.

Improvements could be made to the audit process by including the requirement to focus on the specific services provided by an operator, adjustments to audit frequency based on risk and performance, customisation of the audit process, and the introduction of greater independence and regulator verification in the auditing process. Additionally, there should be a shift to evaluation of actual safety performance. This is more likely to promote a culture of continuous improvement in the management of safety.

8.5.4 More proactive and risk focused regulatory and compliance activities – Recommendation 25

The Taskforce recommends a new risk-based assurance framework for planning, managing and implementing regulatory and compliance activities. This new framework would complement the new SMS approach and would:

- Establish structure and consistency in decision-making, leading to increased efficiency and reduced ambiguity in regulatory processes.

- Provide clear communication of performance standards and expectations, enhancing compliance across the industry.

- Embed proactive risk assessment and resource allocation, optimising the regulator's finite resources for maximum impact.

- Deliver adaptability and continuous improvement, ensuring that regulatory practices remain relevant in a rapidly evolving operational landscape.

Core elements

The new framework's emphasis on risk assessment will provide the regulator with an informed view of the industry's current risk and associated complexities, going beyond simplistic metrics like fleet size. By analysing factors such as financial stability, compliance history, safety operations, and operational hazards, the regulator can identify high-risk areas and allocate resources where they are most needed, to mitigate risk and improve the overall effectiveness of regulatory efforts.

The framework includes the following elements:

1. Risk Assessment
2. Risk Tiers
3. Standards, Policies and Procedures
4. Monitoring and Oversight
5. Continuous improvement

Element 1 Risk assessment

Transport should undertake a structured process to identify and evaluate the potential risks inherent to bus operations in NSW. This would involve gathering data on individual bus operators, their operational methodologies, and the unique contexts in which they operate.

Some examples of factors for the regulator to consider – which are a feature of the current regulatory framework to different extents - in determining the risk levels of operators include:

- Potential hazards specific operational aspects of bus services such as vehicle maintenance, driver and other staff training, and historical accident data, emergency response procedures, safety processes, and incident reporting, among others

- Compliance history with regulations and accreditation requirements, and industry standards

- Other measures such as changes in leadership, operational expansions, and emerging industry trends, such as shifts in fleet composition, including the adoption of new technologies such as zero emissions buses.

By taking into account these factors, the regulator aims to formulate a comprehensive risk profile for bus operators. Based on this assessment, operators would be categorised into distinct risk tiers, which subsequently inform the extent of framework requirements applicable to them.

The results of the risk assessment would provide a basis for the regulator to prioritise its actions, allocate resources accurately, and enact targeted measures to address potential identified bus industry wide risks. Figure 66 illustrates the elements of the classic risk management process.[127]

Figure 66 - The risk management process
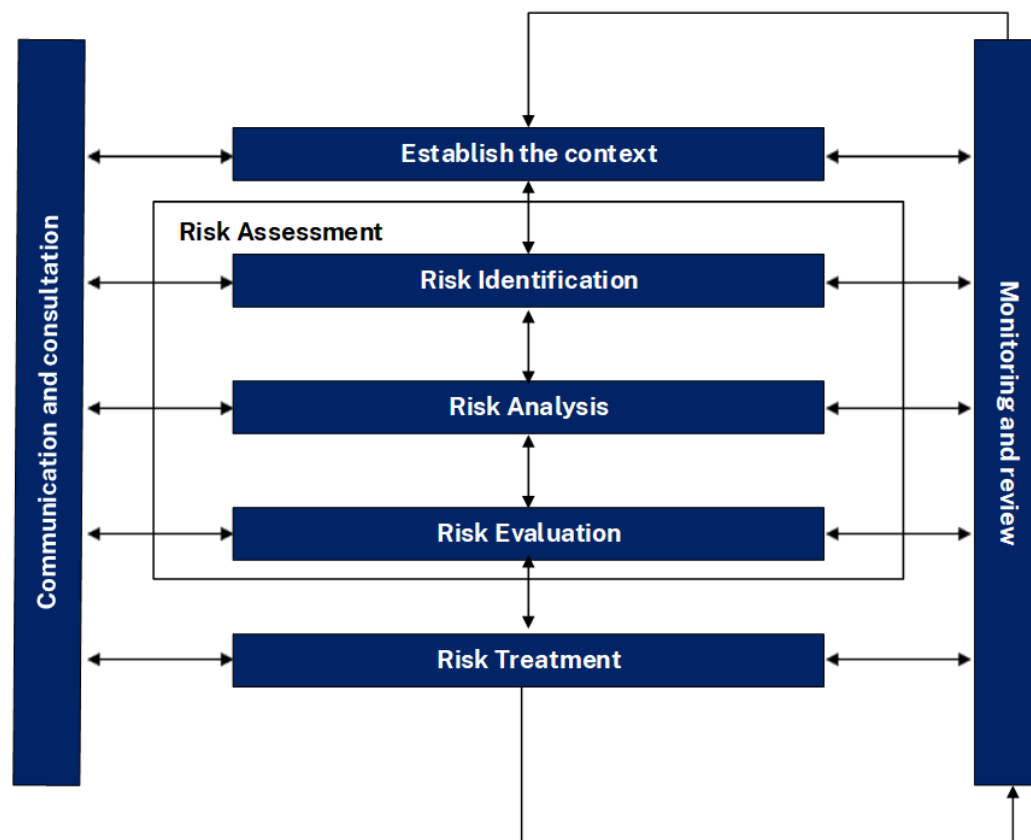
Source: NSW Treasury

Element 2 Risk tiers

Based on the above risk assessment, defined criteria and benchmarks could be established that would provide a basis for categorising bus operators into distinct risk tiers. These would inform the extent of framework requirements applicable to them. This assessment could, for

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[127] https://www.treasury.nsw.gov.au/sites/default/files/pdf/TPP12-03a_Risk_Management_toolkit_for_the_NSW_Public_Sector_-_Executive_Guide.pdf

example, inform the decision about whether a particular operator should use a comprehensive SMS or a safety plan (see 8.5.2).

Establishing distinct risk tiers would help address the identified diversity in operators' capacities to identify and deal with risk. This would be synchronised with regulatory oversight and compliance measures, resulting in a comprehensive and methodical strategy for managing disparities in risk performance across accredited bus operators.

It would be underpinned by thorough risk assessments and analysis of existing operator data. The regulator would utilise these insights to pinpoint specific risk factors that contribute to varying levels of risk associated with bus operators. From risk assessment and data analysis defined criteria and benchmarks would be established as the basis for categorising bus operators into distinct risk tiers.

The tiers would be defined by specific ranges of risk scores calculated using a risk methodology developed from data analysis. The risk scores are derived from the combination and weighting of various risk factors, reflecting bus operators overall risk profile including safety. The proposed tiers could be High Risk, (unmanaged risk), Moderate Risk, and Low Risk (managed risk), as shown in Figure 67.

- High Risk operators would face increased oversight, such as frequent inspections, stringent safety processes, comprehensive compliance activities, and enhanced reporting obligations.

- Moderate Risk operators experience a balanced level of regulatory oversight, involving regular inspections, compliance reporting, and targeted compliance activities tailored to their specific risk factors.

- Operators categorised as Low Risk benefit from a strong compliance and assurance activities in managing risk, resulting in reduced compliance expectations such as less frequent inspections and tailed reporting obligations.

Figure 67 - Pyramid of risk tiers and level of compliance activity
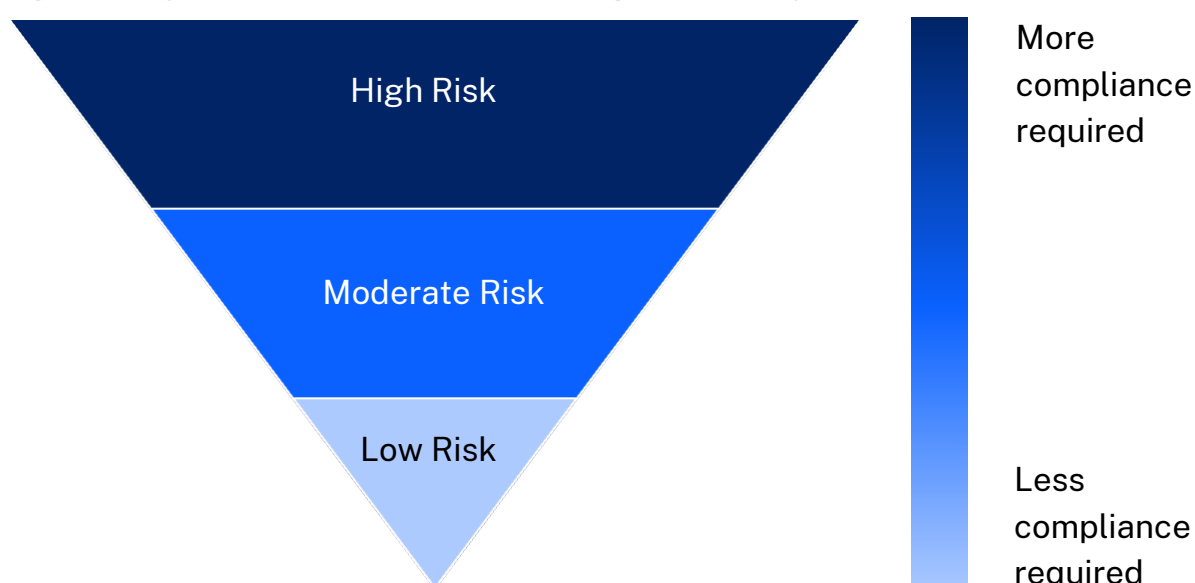
This approach optimises resource allocation by the regulator, and also incentivises operators to invest in safety and compliance to move into lower-risk categories, fostering industry-wide improvements.

The regulator should continuously monitor and evaluate the effectiveness of the risk tiers. Adjustments to criteria and categorisation methodologies should be made as necessary to ensure alignment with changing bus industry requirements and evolving risks.

For bus operators, transparent categorisation into a risk tier offers clarity and fairness in regulatory expectations, helping them understand their compliance obligations based on their risk profile, promoting safety, accountability, and efficiency.

We note that, in its submission to the taskforce, the National Transport Commission (NTC) noted they are leading the current Heavy Vehicle National Regulator reform process. One proposed component of this reform is a future is using a tiered framework approach in the application of accreditation requirements. The proposed timeframe for upgrading to the proposed requirements is in 2025 based upon current proposals.

Any proposed risk tiers for NSW bus operators would need to be harmonised at the appropriate time with any heavy vehicle reforms.

Element 3 Regulator's standards policies and processes
As described at 8.2, the PT Act and regulations authorise transport to provide significant guidance to operators about how to achieve compliance with BOAS requirements. This element refers to the requirement for the regulator to develop a suite of documented information in the form of policies, processes, guidelines and procedural documentation for the following:

- BOAS specific standards, conditions and guidelines that bus operators are expected to meet to ensure safety, compliance, and the overall quality of their operations.

- Monitoring and oversight of the bus operator accreditation scheme.

The following proposed areas to be addressed have been identified during the revision of current accreditation documentation, consultative processes with bus operators and the consideration of submissions provided to the taskforce. These proposed areas encompass a range of aspects affecting bus operations, which may include, but are not limited to:

- Management of Safety.

- Regulatory compliance.

- Data collection and reporting.

- Risk management.

- Performance measurement and monitoring.

Bus operators have expressed their frustration with the rigid and standardised nature of the application of safety accreditation obligations emphasising the need for a more flexible and tailored approach to individual bus operators.

The intent moving forward is that the level of standards and conditions imposed on operators depends on their assessed risk tier (as described previously), with higher-risk operators subject to more comprehensive and detailed requirements.

We know bus operators vary in size, services, operational complexity, and risk. Transport's monitoring and oversight activities, therefore, should be adapted to suit the unique characteristics and risk tiers that operators reside in. This ensures that any activities are proportionate to the level of risk associated with each operator. The framework should be adaptable to permit an operator to move from one risk tier to another, according to safety performance, and changes to business and risk profile.

Operators with higher assessed risks may be subject to more comprehensive and detailed monitoring and oversight activities, while lower-risk operators may have less burdensome requirements.

Element 4 Monitoring and oversight of bus operators

Monitoring and oversight are activities that should be conducted by the regulator to verify whether bus operators are meeting their obligations. These activities are designed to detect and address non-compliance, risk or safety concerns.

Monitoring and oversight of bus operators by Transport is principally undertaken through the following:

- BOAS audits.

- Annual self-assessment review (ASAR).

- Ad hoc on road assurance

- Where there are complaint or concern, an audit or investigation undertaken by the regulator.

However, as we have seen, there is reason to lack confidence in the robustness of the information provided by the first two of these activities, and the regulatory area of Transport does not engage in any significant activity to verify or oversee the outcomes of either the audits or ASARs (see 8.4.3). This extends to the lack of action to verify whether action is taken to rectify any deficiencies that are identified through either process.

This lack of comprehensive oversight means that Transport currently lacks a precise understanding of the extent to which assurance requirements are being met. Consequently, the regulator remains unaware of the level of compliance and the risks posed by current bus operations.

The primary objective of monitoring and oversight is the swift detection of instances of non-compliance or systemic risks. This encompasses identifying breaches of safety requirements, lapses in maintenance procedures, failures to meet reporting and other accreditation obligations. Detecting non-compliance allows for prompt corrective actions to be implemented.

The Taskforce notes that the current enforcement tools available to the regulator under the PT law are largely limited to fines, prosecution, placing conditions upon or suspension or cancellation of an accreditation.

The Taskforce recommends that to guarantee compliance with assurance requirements, effectively manage risks, and uphold safety requirements, the regulator must engage in a variety of monitoring and oversight activities on bus operators. It is suggested that those activities would include:

- Regular audits and inspections - routine audits and inspections of bus operators' safety management systems and associated operations, and records.

- Assurance document reviews - reviewing and evaluating assurance documents provided by bus operators.

- Performance metrics monitoring - monitoring safety key performance indicators (KPIs) and other performance metrics.

- Risk assessment - conducting risk assessments to re-evaluate the risk profiles of bus operators and confirm their risk tiers.

- Digital reporting oversight - monitoring digital reporting to ensure that operators submit accurate and timely digital reports.

- Compliance reviews - conducting compliance reviews to verify that bus operators adhere to conditions of accreditation, including on road compliance programs.

- Incident investigations - Investigating safety incidents and safety complaints related to bus operators.

Element 5 Continuous improvement

The outdated nature of the safety management aspects of BOAS is evident in the failure to focus sufficiently on the need for continuous improvement. The recommendation at 8.5.2 will amend the SMS Guidelines to draw operators' attention to the need to continuously improve their activities in relation to safe operations. This recommendation focuses on the need for the regulator to support continuous improvement of the scheme itself.

The goal of continuous improvement is to ensure an approach that remains adaptable and responsive. This adaptability is crucial in addressing emerging risks, technological advancements, changes in operational practices, and shifts in the competitive landscape within the bus industry.

By continuously evaluating and updating risk tiers, the framework promotes proactive risk management among bus operators. It optimises the allocation of regulatory finite resources. By focusing efforts on high-risk areas and operators, the regulator can apply its resources more efficiently and effectively.

The process of continuous Improvement must involve engaging with bus operators, industry experts, and other relevant stakeholders. Input and feedback from these stakeholders can provide valuable insights and inform adjustments to the regulation and accreditation scheme.

8.5.5 Improving bus operator information and education – Recommendation 26

Action needs to be taken to improve how Transport communicates with and supports the regulated industry.

Updated BOAS publications and supporting material: All the BOAS related materials provided by Transport will need to be reviewed and updated to align with and reflect the changes made by the previous Recommendations, that is, the new SMS Guidelines, the new approaches to self-reporting and auditing, and Transport's new more proactive approach to its own compliance and monitoring practices. For example, the current ASAR form will be deleted and replaced with guidance about the new self-reporting system that Transport will develop.

One stop shop on the Transport website: Firstly, to address the fragmented nature of information on the Transport website, a new centralised hub dedicated to bus operators should be established. This platform will house resources and information relevant to all aspects of bus operations. This one-stop shop will provide easy access to educational materials, regulatory guidelines, all necessary documentation, and updates, ensuring that operators can readily find the information they need to navigate the complexities of their accreditation responsibilities.

Recognising the unique needs of smaller bus operators, the development of tailored educational resources specifically designed to address their challenges should be prioritised. These materials should encompass everything from accreditation compliance requirements to operational practices.

Commitment to respond to operators' enquiries and need for support: To enhance communication and issue resolution with Transport, it is suggested to implement a more streamlined and transparent system. It is proposed the creation of a dedicated point of contact directory on the Transport website. This directory will include contact information for relevant personnel within Transport, categorising them according to their areas of expertise and responsibilities in relation to bus operators. This will eliminate the frustration of operators struggling to find the right person to address their concerns.

In addition, it is suggested Transport commit to set response times to operator inquiries. Transport will commit to responding within a defined timeframe, ensuring that operators receive timely and meaningful assistance. No longer will operators have to endure unfulfilled promises or referrals to non-existent business units.

Lastly, to prevent 'dead end emails', all email responses from Transport should include clear contact information for further follow-up. This simple step will ensure that operators have a direct channel for continued communication, fostering a sense of support and accountability.

By implementing these recommendations of the Taskforce, Transport will aim to create a more efficient, responsive, and supportive environment for all bus operators, regardless of their size or location.

9. Workforce

9.1 Status of enterprise bargaining in Greater Sydney

All Greater Sydney Regions are covered by current approved driver enterprise agreements (EAs) with the exception of Region 7 Busways North West which is still being negotiated. Most recently, the driver EAs for Regions 6 and 14 were finalised and approved by the Fair Work Commission (FWC):

Region 14 – CDC: The CDC NSW Region 14 Terrey Hills Drivers Enterprise Agreement 2022 was approved by the FWC on 24 July 2023. This EA commenced on 31 July 2023 with a nominal expiry date of 30 June 2026.

Region 6 – Transit Systems West: After protracted negotiations of over 18 months, the Transit NSW (Region 6) Transport Workers Union and Rail Tram Bus Union Bus Drivers Enterprise Agreement 2022 (Transit 2022 EA) was approved by the FWC on 15 August 2023. The Transit 2022 EA commenced on 22 August 2023 with a nominal expiry date of 30 June 2026.

Prior to this, driver employees transferred from the former State Transit Authority (STA) were employed under the State Transit Authority Bus Operations Enterprise (State) Award 2018 copied State Award (copied State Award) and new employees were employed under the Transit (NSW) Services Pty Ltd, Transport Workers Union and Bus Drivers Enterprise Agreement 2017 (Transit 2017 EA). This led to workforce and industrial issues as colleagues in the same Region working alongside each other were on different employment instruments with different terms, conditions and wages.

The Transit 2022 EA covers all drivers. There are common clauses that apply to all drivers and clauses that are specific to transferred or new employees. It also includes some conditions or variations on conditions that were previously contained in the copied State Award.

9.1.1 Region 7 – Busways North West (BNW)

BNW is currently in negotiations for one enterprise agreement to cover both transferred and non-transferred drivers with protracted negotiations of over 12 months. Negotiations were paused in April 2023 but resumed in August 2023.

Recent high-level discussions have occurred between BNW, the Rail, Tram and Bus Union (RTBU), and Transport about the negotiations. BNW and RTBU are seeking greater Transport intervention to assist in resolving EA negotiations, including possible financial assistance. However, under the Greater Sydney Bus Contracts (GSBC), the third-party operators have sole responsibility all aspects of employment and industrial relations including to minimise industrial disputes and maintain a good industrial climate. Transport is continuing to actively encourage BNW and RTBU to bargain for a single driver EA that meets each party's expectations.

Senior and salaried employees and maintenance employees also have two applicable industrial instruments based on whether employees are transferred or new. Transferred employees are on the applicable copied State Award and non-transferred employees are on above-award wages underpinned by the relevant Modern Award.

BNW plans to negotiate single EAs for these classifications after they have finalised a single driver EA.

9.2   Bargaining outside Greater Sydney

Most bus operators in Outer Metropolitan regions are also covered by enterprise agreements, most of which will expire on 30 June 2026. Many larger contracted operators in regional areas also have EAs. These are mostly based on the Motor Bus Drivers and Conductors (State) Award. Smaller operators in those areas are unlikely to engage in bargaining with their workforces and are covered by the Modern Award.

Surfside Buslines (also known as Kinetic, operating in Tweed) driver EA nominally expired on 30 September 2022 and separate negotiations are still underway between the Transport Workers Union (TWU) and Independent Bargaining Representatives (IBR). Each of the TWU and the IBR have taken some industrial action in support of their claims to date.

Although negotiations are still progressing, Surfside Buslines have passed on an 8.2 per cent pay increase which has been back paid to the first pay period in October 2022. The majority of claims have been agreed to in principle and TWU and IBR have been taking action in support of a greater wage increase for September 2023. Bargaining is continuing with the parties meeting regularly.

9.3   Government's role

As described in our First Report, bus contracts make it clear that the bus operator is the employer and carries all risks related to the workforce. It is therefore appropriate that Transport's role in relation to workforce matters be geared more towards support rather than intervention.

In terms of providing such support, we note the first recommendation of our First Report, which called out the need for regular performance meetings with bus operators, the workforce and unions. These meetings could provide an opportunity for raising issues where Transport's support may be useful and appropriate.

Assistance with recruitment campaigns for new drivers and the improvement of the condition of and access to facilities are also appropriate roles for Transport to play (see Chapter 2).

In so far as industrial relations issues are concerned, it is acknowledged that Transport does not directly involve itself in industrial disputes which it rightly considers the business of the operator and relevant union/s. It is also acknowledged that there may be situations where discussions about contract variations, the application and function of various contractual clauses, or other matters, with operators and/or unions may be appropriate to ensure service delivery is maintained and where appropriate, industrial issues are minimised.

9.4   Bus employee wages

In our first Report, we proposed measures that would assist in attracting and retaining bus drivers, including amendments to bus driver authority regulations and processes, free Opal cards, and developing a bus facilities fund to improve and maintain facilities (see Chapter 2).

Another key element in the attractiveness of any job is the wage or salary that attaches to it, and how it compares to wages and salaries of jobs in parallel industries.

In its September submission to the Taskforce, the Bus Industry Confederation argued:

> *The underpayment of bus drivers, the lack of consideration in the planning process and the significantly higher psychosocial pressures upon drivers are the real cause of reduced work participation and an inability to retain drivers.*

In this Section we consider the interaction between bus contracts, which determine how much operators get paid, and the wages operators pay their drivers.

9.4.1   How much does a bus driver get paid?

It is difficult to state simply what is the wage of a bus driver in NSW because as we have seen, each operator is responsible for bargaining with its own workforce, resulting in differences across the regions in relation to hourly rates, day of work, rostered shifts times, overtime, allowances etc. Further information from individual operators on typical roster patterns would be required to make direct take-home pay comparisons.

The hourly rates for former STA Regions are inclusive of an Industry Allowance which has a compounding effect on any overtime or other per centage-based penalties or allowances. The different EAs include different rates for employer superannuation contributions which also makes comparison difficult.

The applicable hourly rate of pay is the minimum an employee can be paid, not taking account of any shift or roster payments or other allowances. As at 1 July 2023, the national minimum wage (which is set by the Fair Work Commission in accordance with its powers under the *Fair Work Act 2009* (Cth), and below which no employee can be paid) is $882.80 based on a week of 38 ordinary hours ($23.23 per hour). The current minimum rate for a bus driver under the Passenger Vehicle Transportation Modern Award is an hourly payment of $27.19, equating to $1033.40 per week.

Many smaller operators in rural and regional areas do not engage in enterprise bargaining and are therefore covered by the rates and conditions in the Modern Award. However, they generally pay above award wages, in accordance with their service contracts with Transport, which are based on the provisions of the Motor Bus Drivers and Conductors (State) Award.

EAs must provide rates no worse than those under the Modern Award. An examination of current EAs in Greater Sydney as at 1 July 2023 reveals the lowest hourly rate of pay is $31.05 ($1179.97 per week), and the highest is in the new Region 6 agreement, where ex STA Bus Operators earn $32.72 per hour ($1,243.57 per week). In Newcastle, the hourly rate of pay is $33.27 ($1264.52 per week).

Casual hourly rates are higher, which is worth noting as most drivers employed in Rural and regional areas are casuals, particularly those employed as school bus drivers. Casual rates paid by operators operating RRBSCs are higher than those in the Modern Award, and also include a 15 per cent loading for hours outside ordinary hours, which is not a feature of the Modern Award.

EAs generally set annual per centage wage increases for hourly rates of pay and other payments, that take effect during the life of the agreement. If an EA expires and is not replaced, there is no mechanism for rates to increase further – employees will not get an increase until a new EA is struck.

Provisions for how rates will increase each year differ from EA to EA. In Greater Sydney EA provisions variously refer to the Wage Price Index, the Wage Price Index plus some per centage (eg 0.5 or 1.5 per cent), or per centage increases on the base hourly rate, with 3 or 3.5 per cent being common. Some EAs provide for increases in accordance with the WPI or a per centage rate (of, say, 3 per cent), whichever is the greater.

Wages and entitlements under an EA are the minimum requirements. Operators can and do make discretionary above EA payments such as recruitment, retention, referral and other incentive bonuses and/or out of cycle wage increases for individuals or groups (without necessarily seeking reimbursement from Transport). Similarly, where an operator does not have its own EA and is covered by the Modern Award, it may choose to make payments to staff above the award requirements.

9.4.2 Price adjustments in contracts

The standard bus contracts across NSW acknowledge upward pressure on the costs borne by bus operators by providing for regular price adjustments.

Schedule 3 of the Greater Sydney Bus Contracts (GSBC) requires Transport to apply the relevant inflation index and multiplier to particular items in the contract. So, for example, the price paid for the non-labour costs of contract bus maintenance and repair increases every six months by reference to the Sydney Consumer Price Index (CPI).

The CPI is not used for labour related costs (salaries and wages and on-costs). Instead, the contract requires Transport to apply the ABS Quarterly Wage Price Index; Cat 6345.0, Table 5b, Total hourly rates of pay excluding bonuses; Private and Public; Transport, postal and warehousing (the WPI/TPW).[128] Given the choice of this escalator in the contracts, it is not surprising that many of the EA hourly rate increases cited above also refer to the WPI/TPW.

The WPI measures changes in the price of labour, unaffected by compositional shifts in the labour force, hours worked or employee characteristics. The WPI seems, on the face of it, to be an appropriate measure to use for escalation of labour prices. However, it is worth asking whether it is the most appropriate or relevant measure.

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[128] The Wage Price Index was also referred to in the predecessor contract to the GSBC, the Sydney Metropolitan Bus Service Contracts, and is also used in the Outer Metropolitan Bus Services Contract and Rural and Regional Bus Service Contracts.

The Bus Industry Confederation has submitted:

> *The contracts index the labour costs by the labour [sic] price index which has failed to mark time with either the consumer price index (CPI) or the minimum wage determination (MWD) which is used by the Fair Work Commission, after submissions from all sources, including Trade Unions, Employers Organisations, Treasury and the RBA to determine the minimum wage and the increases application [sic] for all modern awards. These indices are far more relevant to the costs associated with operating bus services and for ensuring bus drivers receive a fair wage for the essential services they undertake.*

Unions have proposed that there be a floor to the price escalator, so that for example, even if the WPI were to fall under 3 per cent, the price for the labour related costs of the contract would still go up by a minimum of 3 per cent – "the WPI, or 3 per cent, whichever is the greater".

The Taskforce considers it appropriate for Transport to review the choice of the WPI/ TPW as the index for labour related price increases, and offers some initial findings in the following Sections.

The comparisons provided below are designed to open a dialogue about what might be the most appropriate index for escalation of labour related costs under the contracts. It is acknowledged that there would be a range of other ways in which to compare movements in these indicators over time, and Transport is urged to examine these comprehensively.

9.4.3 Comparison of different indicators

Using data from the Australian Bureau of Statistics and the Fair Work Commission, the Taskforce undertook comparisons of movements in the following indicators over time:

- Wage Price Index for all industries[129]

- Wage Price Index for the Transport postal and warehousing industry (the measure used in NSW bus contracts for labour related costs – WPI/TPW)[130]

- Sydney Consumer Price Index (the measure used in NSW bus contracts for non-labour related costs)[131]

- National Minimum Wage.[132]

Figure 68 shows how changes in WPI for all industry sectors compare with changes in WPI/TPW, and suggests that the differences are mostly minimal.

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[129] All Wage Price Index data: Australian Bureau of Statistics 2023, Wage Price Index, Australia, ABS, viewed 17 October 2023, https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/latest-release
[130] All Wage Price Index data: Australian Bureau of Statistics 2023, Wage Price Index, Australia, ABS, viewed 17 October 2023, https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/latest-release
[131] All CPI data: Australian Bureau of Statistics Jun-quarter-2023, Consumer Price Index, Australia, ABS, viewed 17 October 2023, https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/jun-quarter-2023
[132] Trading Economics Australia Minimum Weekly Wage Source: Fair Work Commission, viewed 17 October 2023, https://tradingeconomics.com/australia/minimum-wages
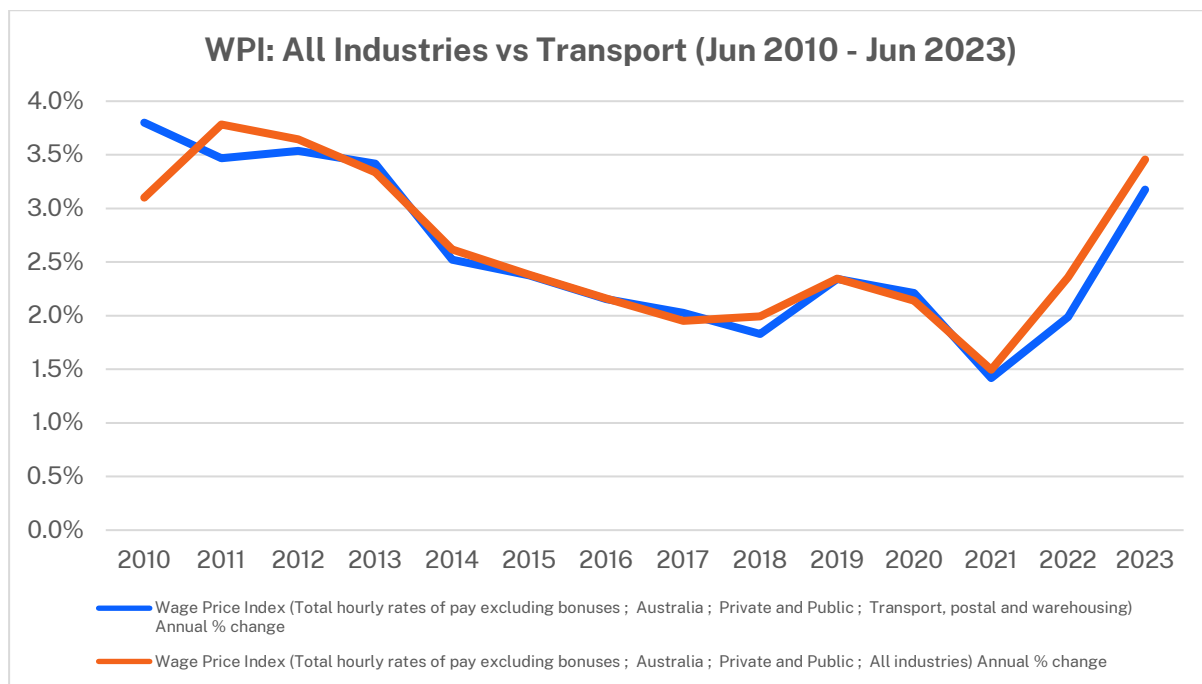
Figure 68 - WPI: All Sectors v Transport

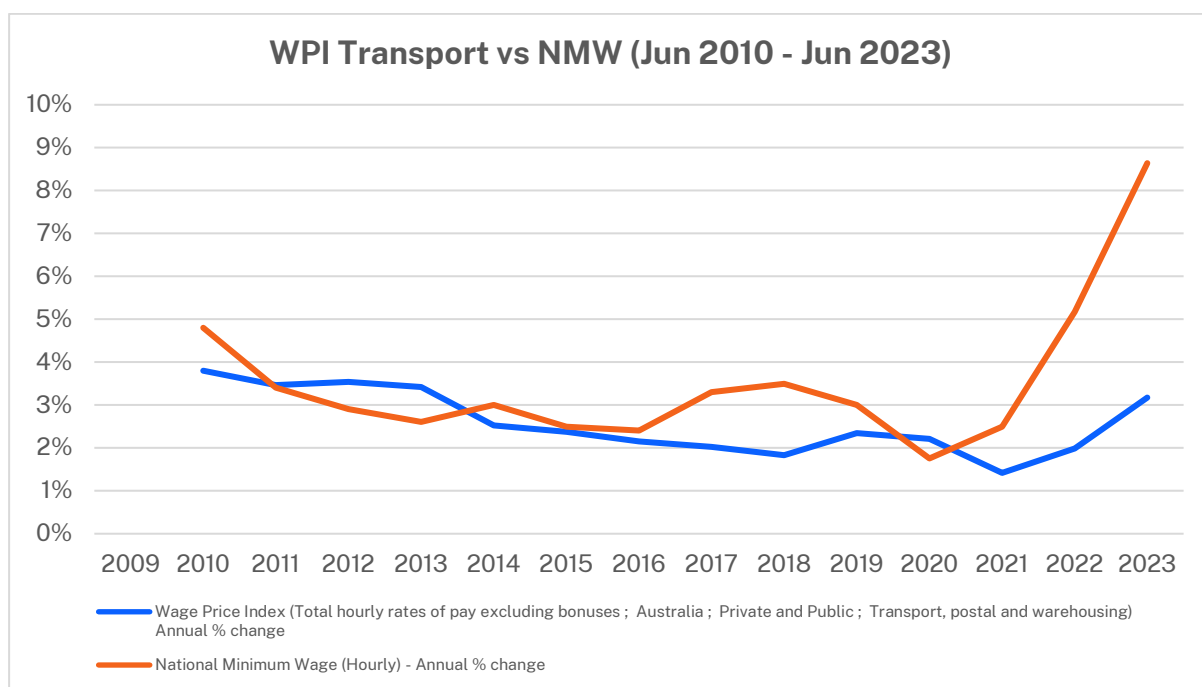Figure 69 compares the WPI/TPW with movement in the National Minimum Wage.

Figure 69 - WPI, Transport, postal and warehousing v National Minimum Wage

Figure 70 compares all three measures over time: the WPI/TPW, the Sydney CPI, and the National Minimum Wage. This suggests that the Sydney CPI is the more volatile measure.

Figure 70 - WPI Transport postal and warehousing v Sydney CPI v National Minimum Wage
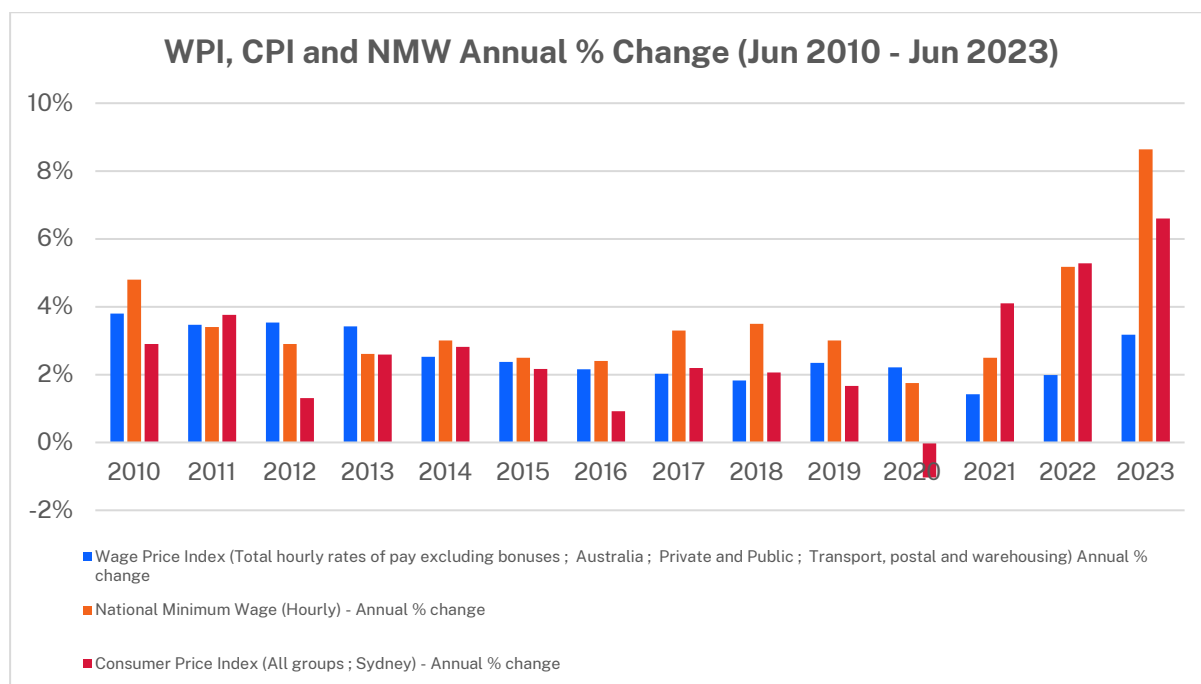
9.4.4 Jurisdictional comparisons

The Taskforce has been verbally advised that Western Australia also uses the Wage Price Index for bus contract price escalations, but uses the WPI for the State, rather than the national measure.

In Victoria, it seems that bus contracts use the Average Weekly Earnings Index for Victoria (Full Time Adults) ABS Publication No.6302.0.[133]

We were unable to find information for Queensland or the other jurisdictions at this time.

In undertaking the recommended review, Transport should seek information from all jurisdictions and consider the relative merits of the various indices used. It would also be useful to seek information about how wage rates in EAs and contracts vary across the jurisdictions.

> Recommendation 27: That prior to the next re-contracting process in Greater Sydney, Transport for NSW review the use of the Wage Price Index for Transport, Postal and Warehousing employment as the index and multiplier for contract payments for labour-related costs, including an examination of how other jurisdictions deal with this issue.

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[133] https://www.tenders.vic.gov.au/contract/view?id=75684

10. Next steps

The Taskforce is required to deliver its Final Report to the Minister on 1 May 2024. The Final Report is to consolidate the findings of the Taskforce and make further recommendations.

The Taskforce expects the final report to have the following broad focus areas:

- **Governance** – we will consider legislative and/or regulatory amendments that have been revealed to be necessary to support the Taskforce's proposals for building a better bus system for the people of NSW.

- **Safety** – building on our consultations and findings to date, we will conduct a full investigation of the remaining matters raised by the extended safety Terms of Reference, including the matters noted in Chapter 8 as still requiring examination and the question of gaps and duplication with the roles and responsibilities of other agencies and other stakeholders.

- **Passenger experience** – feedback received to date has helped shape the recommendations in this report. After the completion of the full program of Bus Passenger Forums and the receipt of all submissions to the Taskforce, we will do a deep dive into all feedback received and make any further recommendations required to address the needs of passengers and the community.

- **Training of the workforce** – this will consider how the bus industry workforce can be supported in making a positive contribution to the improved safety outcomes and passenger needs identified above.

- **Rural and Regional contracts** – we will consider the report from Transport about detailed options to improve contracting outside Sydney and the Outer Metropolitan areas.