EXAMINATION OF THE AUDITOR-GENERAL'S PERFORMANCE AUDIT REPORTS OCTOBER 2016 – MAY 2017

Organisation: Transport for NSW

Date Received: 11 April 2018

Mr Bruce Notley-Smith MP
Chair
Legislative Assembly, Public Accounts Committee
Parliament of NSW
Macquarie Street,
SYDNEY NSW 2000

Dear Mr Notley-Smith

Performance Audit Report – Passenger Rail Punctuality

We write in reference to your correspondence of 16 April 2018 to both the Secretary, Transport for NSW and Chief Executive of Sydney Trains and A/Chief Executive of NSW Trains, on behalf of the Legislative Assembly, Public Accounts Committee, seeking a submission outlining actions taken by Transport for NSW (TfNSW) in response to the Auditor-General's report, 'Passenger rail punctuality' of 11 April 2017. We trust the Committee accepts this as a response to both approaches.

We are pleased to advise the Committee that the cluster has made substantial progress in addressing the report's recommendations which are detailed in the attached submission.

In addition, we can assure the Committee that significant work is underway to ensure that the cluster is well placed to meet the challenges of increasing customer demand post 2019. We will continue to invest in programs that drive improvements in rail punctuality performance.

If the Committee has any questions about the submission, Mr John Karaboulis, Executive Director Service Delivery and Asset Management would be pleased to answer them. Mr Karaboulis can be contacted by email at john.karaboulis@transport.nsw.gov.au or by phone on (02) 8202 3144.

Yours sincerely

Rodd Staples
Secretary, TfNSW

Howard Collins
Chief Executive, Sydney Train
A/Chief Executive, NSW Trains

Encl.

IMPLEMENTATION OF RECOMMENDATIONS

Transport for NSW

Passenger rail punctuality

	RECOMMENDATION	ACCEPTED OR REJECTED	ACTIONS TO BE TAKEN	DUE DATE	STATUS (completed, on track, ongoing) and COMMENT	RESPONSIBILITY (Section of agency responsible for implementation)
1	Transport for NSW should ensure that programs to address rail patronage growth over the next five to ten years are provided to the government for Cabinet consideration as soon as possible.	Accepted	Develop programs to prepare the network for expected future patronage.	Not specified in audit report	a) **On Track** – As part of the More Trains, More Services program, Transport for NSW (TfNSW) is developing programs to unlock capacity in the existing heavy rail network to address urgent capacity constraints on the existing electrified suburban and intercity heavy rail networks to meet projected customer demand and customer requirements, and improve connectivity for strategic growth centres. Programs are being developed in alignment with the Future Transport Strategy 2056, a 40 year vision, directions and outcomes framework for customer mobility in NSW, which will guide transport investment over the longer term. Program development will use recent and likely forecast patronage growth over the next decade, as a key input. Programs to address patronage growth will be announced as they are developed and approved.	Infrastructure and Services

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2	Sydney Trains and Transport for NSW should: a) maintain effective oversight and resourcing for all strategies designed to address rail patronage growth b) adjust strategies for any patronage growth above projection.	Accepted	a) Review governance and resourcing for all strategies designed to address rail patronage growth.	Not specified in audit report	a) **Completed** – Rail operators and TfNSW have committed to the scope and delivery of major programs to address growth, and are planning resources accordingly. Program development is overseen by the Infrastructure and Services Innovation and Planning Committee (ISIPC), chaired by the Deputy Secretary, Infrastructure and Services. This committee has numerous technical consultative committees reporting to it. The ISIPC reports relevant matters to the Integrated Transport Committee (ITCo). The ITCo has recently been created to oversee planning, development and delivery of an integrated suite of transport plans, programs and projects across all transport modes, ensuring network and operational implications are identified and managed. This Committee includes the Secretary, Deputy Secretaries and agency CEOs, including Sydney Trains. Prior to the formation of ISIPC, program development was governed by the Rail Services Delivery Executive Group which was chaired by the Deputy Secretary, Infrastructure & Services.	Infrastructure and Services
			b) Develop an ongoing review process to ensure patronage growth is monitored and strategies addressed accordingly.	Not specified in audit report	b) **On Track** – The program development review process will periodically account for the most recent changes in observed or forecast patronage growth, as well as ensuring the plan remains aligned to longer term transport strategies and other government priorities. For example, ensuring alignment with the Future Transport Strategy 2056.	Infrastructure and Services

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3	Sydney Trains, NSW Trains and Transport for NSW should publish Customer Delay results by June 2018.	Accepted	Develop a plan to publish Customer Delay results.	June 2018	**Ongoing** – Sydney Trains, NSW Trains and TfNSW continue to investigate the most appropriate manner for publishing this data, with a view to publishing this data as soon as possible.	Infrastructure and Services and Customer Service
4	Transport for NSW, Sydney Trains and NSW Trains should agree by December 2017: a) specific performance requirements for intercity train, track and signal availability and reliability b) guidelines for train priorities during disruptions and indicators of control centre performance in implementing these guidelines.	Accepted	a) Identify and review existing performance requirements and indicators for intercity train, track and signal availability.	31/12/17	**Completed** – The current rail services contracts include Key Performance Indicators (KPIs). Intercity fleet availability and reliability are measured using a Mean Distance Between Failure (MDBF) KPI. Further targeted fleet reliability reporting is provided for intercity train safety incidents, cancellations and set/type substitution. Track circuits, points and train stop performance are measured using a Mean Time Between Failures (MTBF) KPI. These KPIs are reported quarterly and performance is reviewed in contract management meetings to investigate and action any identified issues. **On Track** – A review of intercity trains, track and signal performance requirements and associated KPI targets will be managed through the next NSW Trains Rail Services Contract. The development of the new contract is currently in progress and the new contract is expected to commence in late 2018.	Infrastructure and Services
			b) Agree train priority protocols and Rail Management Centre compliance measures to apply during service disruptions.	31/12/17	**Completed** – an updated Operations Protocol for managing access to the RailCorp Network by rail operators was implemented by the Rail Management Centre (RMC) in December 2017. This Protocol identifies priority for passenger trains (including intercity) over other operators during disruptions on the RailCorp network.	Infrastructure and Services

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					Ongoing – TfNSW is currently working with the RMC to ensure compliance with the Operations Protocol as soon as possible.

TfNSW continues to work with Sydney Trains and NSW Trains to further clarify and, where necessary, develop additional plans/protocols to address RMC priorities given to certain train services during service disruptions.

It is anticipated that all plans/protocols will be finalised in late 2018 as part of the RMC's move to the new state of the art Rail Operations Centre in late 2018. | |
| 5 | Sydney Trains, NSW Trains and Transport for NSW should by June 2018:
a) improve the accuracy of patronage measurement and develop a better understanding of patronage growth trends
b) address small errors in the adjustment factors used for determining a train's punctuality status
c) improve their understanding of the factors impacting on intercity punctuality. | Accepted | a) Review and improve patronage measurement systems.

b) Review adjustment factors used in determining train punctuality.

c) Review and identify | 30/6/18 | a) **On Track** - Significant improvements have been delivered, improving the accuracy of patronage measurement via the completion of the transition to electronic ticketing and through providing Opal visualisations and data via the TfNSW website and Open Data Hub. More recently, new analytical tools such as the Rail Opal Assignment Model (ROAM) have also been developed which allow more accurate measurement of train loads. In parallel, new data governance and IT support arrangements have been implemented to improve the quality and accessibility of Opal data.

b) **Completed** - Sydney Trains has a regular audit program to validate adjustment factors. Last adjustment audit completed in July 2017.

c) **On Track** - NSW Trains has developed reporting capability to better understand and isolate the underlying drivers of performance in | Freight, Strategy and Planning

Sydney Trains

NSW Trains |

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			current factors impacting intercity punctuality		a consistent, data-driven and impartial way. An example of an underlying issue currently being investigated is the identification of Track Speed Restrictions on the ARTC network affecting intercity services, resulting in action being undertaken directly with ARTC. The new report, and its supporting data sets and analysis, will be operational by 1 July 2018.	
6	Transport for NSW should, commencing June 2017, explore the potential to use of behavioural insights to encourage more passengers to travel outside the height of the morning peak (8 am to 9 am).	Accepted	Implement strategies to encourage travel outside of the height of morning peak.	Commencing June 2017	**On Track** - To influence travel behaviours, the Sydney Coordination Office within TfNSW has undertaken a multi-faceted strategy involving advertising, unpaid media, working with businesses to rollout a Travel Choices program and network management initiatives. The Travel Choices Program provides behavioural insights and monitors travel patterns. The continued success of the Travel Choices Program is evident when comparing public transport patronage data for the period Jan to Jun 2015 with the period Jan to Jun 2017 where, in line with program objectives: • There has been an increase in public transport patronage across train, bus and light rail trips. • There has been an increase in passengers travelling on public transport into the CBD prior to 8am. • Travel by train on an average weekday has increased by 10.8%, with the strongest growth outside of the peak period, being between 5 to 6am. The Travel Choices program has reached more than 175,000 employees from more than 660	Transport Coordination

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				organisations with travel behaviour change information and tools. The Sydney Coordination Office has identified a range of system focused intervention options to change travel behaviour including: • Promotion of flexible working options, enabling outside of peak hours travel through events, social media and provision of information toolkits to large employers. • Encouragement of walking into and around CBD. • Competitions and incentives to encourage travel behaviour change.	