

27 May 2022

Emily Treeby
Principal Council Officer
Upper House Committees - Legislative Council
Parliament of New South Wales
emily.treeby@parliament.nsw.gov.au

Dear Emily,

**RE: Portfolio Committee No. 6 - Inquiry into the Privatisation of Bus Services –
Public Hearing on 2 May 2022 - BusNSW Transcript & Post Hearing Responses**

I refer to your email dated 6 May 2022 that included a transcript of what the BusNSW representatives said during the hearing with a question on notice highlighted.

We have reviewed the transcript provided and advise there are no corrections to be made.

The question on notice we accepted was for BusNSW to provide any further details about the nature of any incentive-based remuneration made to contracted bus operators under Transport for NSW (TfNSW) metropolitan bus service contracts.

Following is a response for the different contracts.

1. Sydney Metropolitan Bus Service Contracts

Following our review of the current Sydney Metropolitan Bus Service Contract (SMBSC) we could find no evidence of incentive payment clauses that would apply for private bus operators in regions 1, 2, 3, 4, 5, 10, 12, 13, 14 and 15. This is based on the copy of the SMBSC (Tranche 1) that is available on the TfNSW website.

2. Sydney Bus Service Contract (SBSC) 6

The Sydney Region 6 bus services contract between TfNSW on behalf of the State of New South Wales and Transit Systems West Pty Ltd (Operator) includes a patronage incentive payment, which means a payment by TfNSW to the operator may apply in accordance with paragraph 4.6 of Schedule 3 (Payment Schedule).

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Bus and Coach Industrial Association (NSW)

BusNSW understands that the patronage incentive is based on the following terms:

- In addition to any other payments made by TfNSW to the operator under the payment schedule, the operator will also receive a payment sum for each fare paying passenger travelling on the Services.
- The operator must accurately record the total number of fare paying passengers travelling on the services each month and submit those total numbers to TfNSW in its monthly Tax Invoice to TfNSW.
- The parties acknowledge the patronage incentive payment will not be adjusted for inflation.

This is based on the R6BSP contract (Execution Version) available on the TfNSW website. BusNSW notes that the patronage incentive payment rate per fare paying passenger is not disclosed in the contract available on the TfNSW website (as it may be considered commercial in confidence).

3. TfNSW Greater Sydney Bus Contracts 7, 8, 9

We note that TfNSW has issued contracts to three private bus operators for Sydney metropolitan regions 7, 8 and 9. These contracts are not currently available on the TfNSW website and BusNSW does not have access to the contracts.

4. New Greater Sydney Bus Contracts for current TfNSW Tenders

We note that TfNSW is currently tendering ten (10) bus contract regions in the Sydney metropolitan area in three tranches between January and September 2022 (regions 1, 2, 3, 4, 5, 10, 12, 13, 14 and 15). BusNSW understands that the new contracts are available to registered proponents based on the execution of a confidentiality deed. The new contract is not currently available on the TfNSW website and BusNSW does not have access to the contract.

Based on the circumstances outlined above, we consider that TfNSW would be best placed to provide a response in regard to any incentive-based remuneration that is available to bus operators under the new TfNSW contracts noted in points 3 and 4.

Please contact me on _____ should you wish to discuss the response.

Yours Sincerely,

Matt Threlkeld
Executive Director