

Emily Treeby

Principal Council Officer | Upper House Committees | Legislative Council
Parliament of New South Wales
Parliament House, Macquarie Street, Sydney NSW 2000

28th June 2022

Dear Ms Treeby,

Please find below my response to the supplementary questions.

Driver influx

1. *Is it correct that there has recently been an influx of drivers to your Central Coast operation? (a) What reason have drivers who used to work for STA in Sydney given when asked why they left?*
- (b) What is your understanding of why they are leaving?*

Yes, there has recently been an influx of drivers to Red Bus, due to commencement of additional Express Services started in October this year, we are seeking additional drivers.

- a) The reason the previous STA drivers have chosen to work with us are;
- a. They felt safe and comfortable working for a government authority, now STA has been franchised and the option is to work for a private company they decided it was time to understand the type of private bus companies that are out there and choose which ones they would prefer to work for.
 - b. Fuel price – driving to Sydney from the Central Coast to work for a private bus company when there is the option to work closer to home with another private bus company the answer is simple.
 - c. Over time they have noticed the working conditions have change for their fellow colleagues who work for previous STA operations and prefer to work under Red Bus working conditions.
 - d. No longer working for government they have lost benefits such as the Gold Card and free travel on public transport.
- b) My understanding why they are leaving is the same as above.



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Recent tender

2. Do you think that the Government has a preference for larger tenderers?

(a) Can that lead to pressures on some of the smaller local operators like yourselves?

(b) Does that pressure include the need to incrementally reduce and rationalise services and routes to stay competitive?

I believe the government prefers larger tender areas in Metropolitan Sydney and Outer Metropolitan, maybe not in Region & Rural due to a workshop held by Transport for NSW on 28th July to prospective tenderers.

At this workshop Transport for NSW provided a presentation showing maps of the bus regions where they would accept bids with the amalgamation of regions.

- a) This leads to pressure on smaller operators like us, as you then are required to find a bidding partner to gain the equity to be able to bid on not only your region but the neighbouring to region to gain the amalgamation Transport for NSW are seeking.
- b) The pressure does not include the need to incrementally reduce and rationalise services or routes to stay competitive as the routes are determined by Transport for NSW and the contract price is calculated on kilometres and hours. There is no saving to the operator to change the timetable. The savings to an operator is by reducing the layover, repositioning, back to depot sign on and finishing times, which we call dead running. Creating an efficient network is the how an operator makes money not the timetable.

The pressure for smaller operators is not being able to compete with economy of scale, the cost of becoming ISO accredited for a Safety Management Plan for example would be the same for an Operator with 100 buses to an Operator who has 1000 buses.

3. Red Bus Services has recently been announced as the successful trial bus service for hydrogen. How can you be successful on such an important future focused project but not eligible to have your contract extended?

Transport for NSW have quoted in the public arena that the 2 Outer Metropolitan Bus Contracts were unable to be renewed as they were not sustainable, and Transport for NSW are looking for better customer outcomes.



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In the same week that Transport for NSW decided to not to renew Red Bus Services bus contract due sustainability issues, which after a debrief we still do not know what this statement means. Transport for NSW awarded Red Bus the first and only to date NSW Hydrogen bus trial. I find it extremely hard to understand why you would award such an important project to an Operator who you have decided to not renew their contract.

Transport for NSW in the same week as not renewing the bus contract and awarding the first NSW Hydrogen bus trial, also awarded Red Bus 680,000 additional kilometres for Express bus services from The Entrance to Gosford and The Entrance to Tuggerah, requiring the purchase of 14 buses and 25 additional drivers.

It is also worth noting that Red Bus Customer Satisfaction Index in the last survey was 98% with the bus industry average is 93%. At what cost is Transport for NSW willing to pay to receive even better customer outcomes for the people of the Central Coast if they are already scoring Red Bus at 98% and why is Transport for NSW focused on this region when other regions are scoring well below this satisfaction?

Transport for NSW by not renewing the bus contract is the actual sole contributing factor to Red Bus having sustainability issue. They have provided an additional layer of complexity to Red Bus as to how to successfully gain finance to purchase 14 additional buses and employ 25 additional drivers, perform a successful Hydrogen trial, as well as raise the funds to tender on the bus contract, without any certainty of a contract is quite difficult. Fortunately, Red Bus have a strong balance sheet and has been operating for over 80 years and has the reserve to cope these challenges for now.

Transnational corporations

4. How are you dealing with the emergence of transnational corporations into the domestic market for bus services?

We encourage competition as it drives innovation, improvements, and ultimately better customer outcomes.

Service

5. What are your service KPI's?

All Metropolitan and Outer Metropolitan bus contracts have similar KPIs but there are variations due to holding slightly different contracts, depending on when the contract was signed. The key service KPI for all contracts is the Punctuality Rate of 95% of trips at the start and mid must be on time. I have attached a link to the different contracts which outline the KPI's.



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<https://www.transport.nsw.gov.au/operations/buses-and-coaches/bus-contracts>

Complaints

6. *What are the mechanisms through which Red Bus Services interact with commuters to register complaints or gather data on commuter satisfaction?*

(a) Is information on these mechanisms made publicly available and easily accessible for commuters who may wish to lodge a complaint or register their satisfaction with a service?

(b) How often have Keolis Downer submitted such requests?

All customer feedback is managed by a joint effort by the Operators and Transport for NSW through the Transport for NSW customer feedback portal. The customers have the option to either interact with the Transport for NSW Infoline or contact us at Red Bus.

Transport for NSW twice a year perform Customer Satisfaction Surveys.

- a) Customers have the option to.
 - a. Lodge their feedback online on either the Transport Info website or our website.
 - b. Call the Transport Infoline or Red Bus direct.

In all cases the customer will receive a follow up call from Red Bus. The feedback is managed in Transport for NSW Customer feedback portal, so there is a database containing all of our region's feedback as well as all the other Metro and Outer Metropolitan feedbacks. The operators can only see their region, but Transport for NSW can see all feedbacks.

- b) Customer feedback is a daily exercise.

For further information please do not hesitate to contact me.

Yours Sincerely
Leanne Griffiths
MANAGER – BUSINESS SERVICES



Red Bus Services

Red Bus Coach Service