



Busways Group Pty Ltd

ABN 48 114 855 551

T (02) 9497 1800

F (02) 9440 1044

5 Bridge St, Pymble
NSW 2073

Locked Bag 1015
Gordon NSW 2072

5 July 2022

Emily Treeby
Principal Council Officer
Upper House Committees
Legislative Council
Parliament of New South Wales

**PORTFOLIO COMMITTEE NO. 6 – TRANSPORT
INQUIRY INTO PRIVATISATION OF BUS SERVICES**

Please find attached our responses to the supplementary questions for the above inquiry.

Should you have any enquiries, please do not hesitate to contact me.

Yours sincerely
Busways Group Pty Ltd

Byron Rowe
Managing Director

PORTFOLIO COMMITTEE NO.6 – TRANSPORT

INQUIRY INTO PRIVATISATION OF BUS SERVICES

Size of operation

1. What is the largest bus operation you have run and how does it compare in terms of staff and bus numbers to the latest Sydney metro contract you have been awarded?

Prior to being awarded Greater Sydney Bus Service Contract 7 (GSBC 7) in 2021, Busways already held 13 government bus service contracts and oversaw the operation of 1,623 employees and 880 buses.

By way of comparison between GSBC 7 and one of our existing contracts, Sydney Metropolitan Bus Service Contract (SMBSC 1), SMBSC 1 involves the operation of 16.9 million in-service kms, 348 buses and staff of 693, compared to 16.7 million in-service kilometres, 453 buses, and 994 employees for GSBC 7.

Training

2. How does your driver training compare with the 2 week, one on one training that was offered by STA?

To the best of my knowledge, STA's driver training program did not include 2 weeks one on one training. The training seems to have been conducted in small groups similar to our current training program.

As to how Busways' driver training program compares to the STA's, it would seem to me that our program compares favourably, noting:

- For licence upgrades, Busways has a 32 hour, 4-day on-road training program compared to the STA's 15 hour, 3-day on-road training program
- For on-road training to identify hazards and hot spots, Busways provides three days of training with a qualified trainer in a maximum group of three, compared to the STA's one day of training in groups of four to five
- Busways provides new drivers with two to three weeks with a driver mentor, compared to the STA's one week.

Work conditions

3. Why did Busways decide to bargain with the Rail, Tram, and Bus Union for a single set of conditions for workers? (a) Will this cost the ex-STA drivers some of their existing conditions to achieve?

Both the Rail, Tram and Bus Union (RTBU) and Busways are keen for all drivers to be covered by a single set of conditions for the provision of services in GSBC 7. Given this alignment in the objective that we wish to achieve, Busways decided to enter into bargaining with the RTBU to negotiate this outcome.

It is quite possible that the ex-STA drivers may decide to forgo some of their existing conditions as part of the bargaining process, but we would expect that they would expect some form of consideration in return for doing so.

The current draft single agreement includes a number of new conditions that will benefit the ex-STA drivers.

Transport for NSW and BusNSW submissions

4. In its submission to this inquiry, the private bus industry's peak body, BusNSW said that "Ownership of assets (buses and depots) and decisions regarding contracted bus services (which includes routes, timetables and bus stops) remains with the NSW Government." Is this correct? (a) What inspection regime do they maintain to ensure compliance?

Yes, that this is correct with respect to the former STA contract regions. The same is also applicable to the private operator contract regions, with the exception that the NSW Government does not own the depots used in those contract regions.

In NSW, buses are subject to twice yearly heavy vehicle inspections where any major defects often results in a contract KPI failure.

Many of our contracts include periodic 'mystery shopping' where TfNSW (or a consultant) assess service quality (including fleet presentation).

Some depots are leased from TfNSW to operators and these depots are subject to the terms and protections of those leases.

5. In Transport for NSW's submission they said that "TfNSW continues to retain control of the routes, timetables and bus stop locations. TfNSW will continue to set performance standards and monitor performance, to ensure service quality." Is that correct?

Yes, that is correct.

6. Is it correct that Transport for NSW also provides additional payments as rewards to bus operators like yourselves for meeting certain KPI's and other measures?

The GSBC 7 contract includes both abatement and incentive mechanisms in some KPIs. Incentives can be paid where we exceed a certain agreed Performance Payment Threshold for a particular KPI.

Pressures

7. How has Busways responded to changes in the landscape when it comes to competitive tendering for bus services, particularly the emergence of transnational corporations into the domestic market?

In the mid-1990s Busways commenced a programme of investing in the right people, processes and systems in anticipation of the introduction of competitive tendering for bus services in NSW and Australia more broadly. We continue to make investments in these areas to improve the level of service we can offer our clients and the travelling public.

The introduction of competitive tendering created a need for us to develop bidding capability. It has had to become a part of our business as much as service delivery, asset maintenance, customer service and so on. That has involved significant investment and specialised skills development.

The emergence of transnational corporations into the Australian domestic market brought increased competition, which reinforced the need for Busways to keep investing in continuous improvement and innovation.

a. Can that lead to pressures on some of the smaller local operators?

Competitive tendering and the emergence of international competitors can certainly create an environment that leads to pressures on smaller (and larger) local operators. Whether the pressures are good or bad depends on the response taken by those operators.

We believe that these pressures have been good for Busways.

b. Does that pressure include the need to reduce labour costs and to incrementally reduce and rationalise services and routes to stay competitive?

The pressures of a competitive environment could or should cause operators to consider how they can operate more efficiently. Operators should be considering how they can provide the same level of services, at the same or higher quality, for a lower cost to Government.

This is separate from any consideration that may be given to the rationalisation of services or routes, which is ultimately the decision of TfNSW

8. What can a smaller domestic operator like yourselves contribute that a big organisation like Transit Systems cannot?

While Busways is the largest of the privately owned bus operators in Australia, our operations are smaller in comparison to those of the large multi-national, multi-modal operators.

Where we can contribute uniquely as an Australian privately owned business is that we are unencumbered, flexible and fast in decision making and problem solving. Our transparent local organisational structure means Busways' owners and key decision makers are all accessible to government and its contract managers.

We have a singular focus on passenger bus services in the Australian market, so we specialise in understanding needs, challenges and opportunities here. We take a long-term view to investment and provisioning for future transport solutions in the contracts we operate. This benefits Australian businesses and suppliers and local industry competency.

As a family operated business, we take a values-based approach to employee and community relations. Legacy and reputation perhaps have a different meaning for us.

Transport Workers' Union survey

9. Is Busways concerned about the results of a survey conducted by the Transport Workers' Union that found:

- a. 67% of respondent drivers believed that unachievable timetables and inadequately resourced routes are putting drivers under pressure to drive unsafely?**
- b. 74% of drivers believed that a lack of buses or drivers servicing routes placed pressure on drivers to drive unsafely?**
- c. Drivers felt pressure from company management to take various actions to meet unrealistic timetables and servicing requirements, including but not limited to skipping breaks (39%), omitting pre-inspection of vehicles (26%), drive quickly to make up time (25%) and break the law (19%)?**

We are unaware of this survey, and would be interested to review the results.

10. How does Busways intend to respond to some of the serious concerns around driver and passenger safety brought to light by the survey?

We are unaware of this survey, and would be interested to review the results.

Services

11. Under the current contract structures, is it conceivable that a situation could arise wherein it is more cost effective to Busways to cancel services than to run them?

It has not occurred to us to consider whether there is a situation that could arise where it is more cost effective to Busways to cancel services than to run them under the current contracts. From our perspective, we are contracted to deliver a set of defined services and we have an obligation to do so as best we can.

We employ every possible measure to avoid the cancellation of services.

All of our contracts include KPI's which are monitored monthly for cancelled services. A KPI failure can result in significant financial penalties, and repeated failures can result in our contract being cancelled.

have not had any discussions with Keolis Downer on working together to solve this issue as Busways is best placed to efficiently implement any solution (given our existing services). I would expect that in the event that Keolis Downer were well placed to contribute to the solution, TfNSW would be engaging with them already.

a. Has Busways sought funding from the NSW Government to address this issue?

Busways proposed a new route (99) in our 2023 School Services Program submission to TfNSW in June this year. This route will cater for students from Lake Munmorah High School, St Brigid's Catholic College and St Brendan's Catholic Primary School residing in Swansea, Murrays Beach, Cams Wharf, Nords Wharf and Catherine Hill Bay. Creating a new route rather than a dedicated school bus service ensures an improvement is achieved for the community of Catherine Hill Bay as well as local students.

Further, Busways has submitted proposals to TfNSW in June this year to extend existing services for students via Catherine Hill Bay for the following schools:

- Mackillop College (Warnervale) and Lakes Grammar Anglican
- Swansea High School, Belmont High School, Belmont Christian College, Hunter Sports High School and St Marys High School.

We are awaiting approval from TfNSW for both of the above proposals.

Complaints

12. What are the mechanisms through which operators interact with commuters to register complaints or gather data on commuter satisfaction?

Busways encourages all customer feedback to be submitted to the official TfNSW customer feedback system via transportnsw.info and the Opal Travel app. This ensures feedback is monitored and managed consistently and that feedback data for the NSW bus network is captured in one customer relationship management system.

In the instance that customers contact Busways directly, either by calling or visiting a Busways depot, calling Busways' corporate office or through our website, our customer service officers enter the customer's feedback directly into the CRM on the customer's behalf.

Customer feedback lodged through this system is referred to the relevant operator. Busways Infoline supports the function of the TfNSW customer feedback system by investigating and responding to feedback referred to us. This service is staffed by trained, experienced Customer Service Officers 7:00am to 7:00pm Monday to Friday, excluding public holidays, and involves responding to customers directly and documenting feedback outcomes in the CRM.

Customer satisfaction surveys are conducted throughout the year by Transport for NSW at transport interchanges and onboard services. Busways Infoline conducts a sample of customer feedback follow-up surveys on a monthly basis, though in general passenger satisfaction surveys are conducted on a project basis.

13. 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?

Information on how to make a complaint or request and provide feedback is detailed in Busways' Passenger Relations Plan which is published on our website. This is a requirement of our contract, so all operators would be required to do this.

TfNSW also promotes the customer feedback channels and processes on transportnsw.info and the Opal Travel app.