
Appendix 1 – Response from Transport for NSW

Transport for NSW



Mr Bola Oyetunji
Auditor General
Audit Office of NSW
GPO Box 12
SYDNEY NSW 2000

OTS25/00228

RE: Performance Audit Report into Bus contracts in metropolitan Sydney

Dear Mr Oyetunji,

Thank you for the opportunity to respond to the Performance Audit Report into Bus Contracts in Metropolitan Sydney.

Bus services are critically important in connecting communities, supporting passengers, and ensuring public confidence in the transport network. Transport for NSW (Transport) welcomes the Audit Office's report, which provides further analysis of the significant structural challenges including post-COVID shifts in travel patterns and workforce shortages constraining Transport and the broader bus industry. The global shortage of bus drivers has been a major handbrake on improving and uplifting services for our bus passengers. Transport, informed by the previous extensive work of the Bus Industry Taskforce and now also your Audit, recognises these challenges require ongoing, targeted action to deliver a modern and sustainable bus network, and that this includes the need to improve our organisation's capacity.

I am pleased to advise Transport's recruitment initiatives to address the driver shortage have had a real impact, with the bus driver vacancy rate easing from approximately 600 in September 2022 to 149 positions as of 5 January 2025, as a result of measures such as waiving application fees for driver authorities, offering staff Opal cards, and streamlining recruitment processes. This issue requires vigilance, and Transport continues to work closely with operators to minimise the impact wherever possible that driver shortages have on service reliability.

With these initiatives proving effective, Transport is focused on improving service delivery. The NSW Government committed \$139.1 million in the 2024–25 Budget to support improvements in the bus network, including initiatives that align with the recommendations of both the Audit Office and the Bus Industry Taskforce. Service adjustments have also been implemented across key regions, including Western Sydney, the Inner West, the North West, and the Northern Beaches, to better align timetables and routes with current travel patterns and passenger needs.

From this month, more frequent services commence in the North West, following consideration of community feedback. I can also advise new and enhanced bus services connecting to the Western Sydney Airport Precinct will be introduced before the Airport opens in 2026. Further bus service improvements to the precinct are being planned as it grows and demand increases. Transport is also preparing a medium-term bus plan which will improve services over the next 10 years. Importantly, we are also advancing technology upgrades to replace outdated systems, improve real-time bus tracking, and deliver more reliable information for customers.

In line with the Recommendations 1, 3 and 4 of the Report, and as part of organisational changes to embed a new state-wide operating model, I can advise that Transport is working to improve its

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strategic contract management capacity to ensure the robust oversight of Greater Sydney Bus Contracts. Further, we are reviewing options for increasing capability and capacity in service optimisation, service procurement, bus fleet management, safety assurance, contract management and administration and asset assurance. Transport will also commence regular auditing of operator responses to customer complaints to provide greater assurance that these are being appropriately addressed and resolved. Implementing the Audit Report's recommendations will be prioritised, with timing to be confirmed as part of the broader review of resourcing.

Transport will also review its contract-specific procedures and delegations to ensure there is clarity for staff while maintaining appropriate flexibility to respond to operational challenges.

As well as responding to the recommendations, Transport wishes to address the Report's references to service variations needing to be cost neutral under the terms of the bus contracts. As a general principle, Transport strives for robust financial management of contracts on behalf of NSW taxpayers, including bus contracts for which private operators tendered to deliver services. This does not preclude consideration of operator-proposed changes that benefit bus customers, particularly where changes in the wider transport network are impacting bus performance in a contract region, or to provide new 'growth' services. As outlined above, however, such matters may also be subject to consideration of how recently the operator commenced services under the contract, broader service planning and/or factors such as driver shortages.

Lastly, Transport wishes to highlight a number of key performance indicators (KPIs) were amended under the new Greater Sydney Bus Contracts, and although the KPI naming convention was retained, tighter measurement methodologies are applied. Analysis of operator performance which incorporates data for periods prior to and after the commencement of the GSBCs would need to account for these KPI changes for a valid comparison to be made and performance trend to be drawn.

Once again, I appreciate the opportunity to respond to this important audit and to outline the measures Transport is implementing. We are committed to working with operators, industry stakeholders, and the community to ensure that the Greater Sydney bus network is a modern and reliable public transport option for passengers.

Yours sincerely,



Josh Murray
Transport Secretary

28 January 2025