

# Sydney Trains Review

## Phase One

Initial Report, 12 May 2023



12 May 2023

The Hon Jo Haylen MP  
Minister For Transport  
Parliament House  
Macquarie Street  
SYDNEY NSW 2000

Dear Minister,

In accordance with the Sydney Trains Review Terms of Reference, we have pleasure in submitting to you the Review Panel's Initial Report.

This Initial Report sets out our initial findings in relation to the reliability and resilience of Sydney Trains' services and makes specific recommendations for immediate action to address critical issues affecting performance.


The Panel is particularly concerned to address the backlog in outstanding infrastructure defects that has grown over recent years as well as the backlog in major renewals and upgrades necessary to remove ageing assets across the network.

We have identified opportunities to improve incident response times and the flow of information to customers. We have also made recommendations in relation to governance matters with respect to both TfNSW and Sydney Trains.

This Report highlights those areas where we will undertake more detailed investigations during Phase Two of our Review.

The Panel would like to acknowledge the support and assistance we have received from stakeholders to date. The open and collaborative approach to our Review by management, workers and unions has been invaluable in allowing us to make the progress we have to date.

Yours sincerely,



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(Carolyn Walsh)



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(Peter Medlock)



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(Arthur Smith)

# Sydney Trains Review

## Initial Report

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# SYDNEY TRAINS REVIEW 2023

## Abbreviations

Meaning	
<b>AMP</b>	Asset Management Plan
<b>ASP</b>	Asset Services Plan
<b>ATSB</b>	Australian Transport Safety Bureau
<b>AWP</b>	Annual Works Program
<b>CE</b>	Chief Executive
<b>CFR</b>	Corporate Functions Review
<b>ConOps</b>	Concept of Operations
<b>DTRS</b>	Digital Train Radio System
<b>EA</b>	Enterprise Agreement
<b>EMB</b>	Engineering Maintenance Branch
<b>L&amp;D</b>	Learning & Development
<b>MPM</b>	Major Periodic Maintenance (Major Works)
<b>MRN</b>	Metropolitan Rail Network
<b>ONRSR</b>	Office of the National Rail Safety Regulator
<b>OSI</b>	Operational Safety Index
<b>OTSI</b>	Office of Transport Safety Investigation
<b>PIA</b>	Protected Industrial Action
<b>RBINA</b>	Risk Based Training Needs Analysis
<b>RIM</b>	Rail Infrastructure Manager
<b>ROA</b>	Sydney Trains Rail Operations Agreement
<b>ROC</b>	Rail Operations Centre
<b>ROM</b>	Regional and Outer Metropolitan
<b>RSNL</b>	<i>Rail Safety National Law 2012</i>
<b>RSO</b>	Rolling Stock Operator
<b>RSW</b>	Rail Safety Worker
<b>RTO</b>	Rail Transport Operator
<b>SAMP</b>	Strategic Asset Management Plan
<b>SEQR</b>	Safety, Environment, Quality and Risk
<b>SOC</b>	State Owned Corporation
<b>TAA</b>	<i>Transport Administration Act 1988</i>
<b>TAHE</b>	Transport Asset Holding Entity
<b>TCAC</b>	Train Crew Allocation Centre
<b>TfNSW</b>	Transport for NSW
<b>TSRs</b>	Temporary Speed Restrictions
<b>WHS</b>	Work Health and Safety

# SYDNEY TRAINS REVIEW 2023

## 1. Executive Summary

### 1.1. Background

On 31 March 2023 the Minister for Transport, the Hon Jo Haylen MP, initiated this Review of Sydney Trains.

The Review was announced in light of continuing pressures on Sydney Trains in delivering reliable and resilient rail services. This pressure was exemplified by three significant incidents within a 17-day period in March 2023 that caused substantial disruption to the network and major inconvenience for customers.

An independent Panel comprising Carolyn Walsh (Panel Lead), Arthur Smith and Peter Medlock was tasked with undertaking the Review.

The Terms of Reference (Appendix 1 attached) required the Panel to provide an Initial Report (this Report) by 12 May 2023 containing early findings and recommendations and specific areas for further investigation.

The Panel is required to issue a Final Report, consolidating its findings and recommendations by 31 October 2023.

### 1.2. Key Findings

The Panel reviewed an extensive set of performance data, covering safety, punctuality, train cancellations, incidents causing train delays, infrastructure and fleet maintenance, major infrastructure replacement and upgrades and workforce competency management.

The data available demonstrates that the reliability and resilience of Sydney Trains' operations has been fragile since the introduction of the new 2017 timetable.

The timetable was designed to achieve maximum utilisation of the train network, in anticipation of growing patronage, but was far too tight to effectively maintain services, provide resilience following incidents and to give adequate access for maintenance of rail infrastructure.

This poor performance was impacted, but not totally explained, by "black swan" events (such as the COVID pandemic, bushfires and floods).

There was also a sudden and significant increase in the backlog of infrastructure inspections from mid-2021 to mid-2022 due to the impact of Protected Industrial Action (PIA).

Network performance is not recovering. Under current projections of planned maintenance activity, the performance of Sydney Trains' rail infrastructure is unlikely to improve. In fact, it is likely to worsen.

There has been a focus on addressing safety critical and safety significant maintenance defects but under current projections (business as usual), the overall maintenance backlog will take a lengthy time to recover.

Major works to replace assets or upgrade infrastructure are also behind planned activity levels but are recovering. This backlog in major works must be addressed to relieve pressure on the on-going maintenance of ageing assets.

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Key business systems and technologies designed to support more timely and effective train control operations have not been totally effective, impacting the performance of the Rail Operations Centre in managing disruptions to services and delivery of timely information to customers.

There have been on-going systemic issues in the management of the training and competency requirements for Rail Safety Workers, raising concerns about skills and recertification of workers in safety critical roles.

Nevertheless, safety performance has been good with slightly improving trends, but underlying risk will increase if the issues impacting the operation of Sydney Trains are not addressed.

Each of these issues are addressed in the body of this Report.

### 1.3. Consolidated List of Recommendations

1. That Sydney Trains prepare a detailed accelerated maintenance program (“maintenance blitz”) to reduce the maintenance backlog to acceptable levels within 12 months.
  - 1.1 The accelerated maintenance program should minimise disruption to Sydney Trains’ customers and third-party operators by targeting access for maintenance to periods of reduced patronage.
  - 1.2 The accelerated maintenance program should be accommodated within existing Transport budgets.
2. That TfNSW review its stakeholder engagement processes to ensure they provide effective and meaningful engagement with operators/maintainers such as Sydney Trains during the procurement of new rail assets.
3. That Sydney Trains, as the ultimate operator and maintainer of its new rail assets, work with rail unions to develop, document and agree a comprehensive process for the management of major change to ensure rail unions are fully engaged at all appropriate stages of the procurement of major rail assets. This process should also be followed for NSW TrainLink assets.
4. That TfNSW work with Sydney Trains and NSW TrainLink to ensure that the intent of such an agreement is applied across the procurement of all major rail assets.
5. That TfNSW and Sydney Trains expedite the transfer of the timetable development function back to Sydney Trains with the function reporting directly to the Chief Executive.
6. That, within three months of the delivery of this Report, Sydney Trains:
  - 6.1 Develop a plan for the Rail Operations Centre (ROC) to address identified shortcomings and to enhance the capability of critical roles, systems, processes and procedures, along with appropriate training and exercising, to ensure a more responsive and effective management of major incidents.
  - 6.2 Ensure that change management processes are embedded in any plan to address these issues.
7. That Sydney Trains allocate required resourcing to expedite technological capacity to manage train crewing responses during periods of degraded operations. Unions will need to be engaged in this process.

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8. That Sydney Trains and TfNSW:
  - 8.1 Provide a plan and required resourcing for the roll out of short term targeted customer communications initiatives to be delivered within six months.
  - 8.2 Provide a plan for longer term technology improvements to facilitate more effective distribution channels and real-time service information to customers and station staff during major incidents.
9. That Sydney Trains and TfNSW immediately identify current outstanding recertifications and Risk Based Training Needs Analyses (RBTNAs) for Rail Safety Workers and put a program in place to address these as soon as possible.
10. The Chief Executive Sydney Trains should report directly to the Secretary for Transport, providing stronger focus on rail operations within the TfNSW structure. The Secretary should also consider whether a similar approach is appropriate for the CE of NSW TrainLink.
  - 10.1 The Chief Executive of Sydney Trains should have a dotted line of responsibility to the Minister for Transport for matters of significant importance to the Government.

The Acting Secretary for Transport should:
  - 10.2 Rescind the delegations to the Deputy Secretary Greater Sydney for the performance and management of Sydney Trains functions.
  - 10.3 Rescind the delegation to the Deputy Secretary Greater Sydney of the power to issue directions to Sydney Trains under the *Transport Administration Act 1988*.
  - 10.4 Appoint the Chief Executive of Sydney Trains to the TfNSW Executive Team and related executive committees.
11. That Sydney Trains:
  - 11.1 Create a role of Chief Legal Counsel, responsible for independent legal advice and support to the Chief Executive.
  - 11.2 Create a role of Executive Director People and Culture, responsible for strategy and high level decision making for people-related issues, reporting to the Chief Executive.
  - 11.3 Create a dedicated role of Director Employee Relations responsible for employee relations strategy and providing advice and assistance at both the Executive and operational levels.
  - 11.4 Have responsibility for recruitment decision making and employee life cycle within its budget without further approval from TfNSW.

New Executive roles should come from within existing headcount. Resources supporting these executive positions could continue to be drawn from the centralised pool of specialist business partners within TfNSW.
12. That the Government consider, in consultation with TfNSW and unions, transferring accountability for the operation of the electric Intercity fleet and management of associated station staff from NSW TrainLink to Sydney Trains.

Further areas for examination in Phase Two of this Review are detailed throughout this Report.

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## 2. Introduction

Sydney Trains is the operator of suburban passenger rail services across the metropolitan network and the maintainer of the assets of the suburban and Intercity fleet and network.

Sydney Trains' Mission is to "keep Sydney moving by delivering safe, clean, reliable, customer-focused and efficient rail services". In delivering its Mission, Sydney Trains' Priorities are:

- Operational excellence every day.
- Customer at the centre.
- Sustainability as the future.

The three Priorities are supported by two Commitments:

- Safety at the core.
- People at the heart.

Sydney Trains faces continuing pressures in delivering its Mission and Priorities, particularly in maintaining the network and delivering sustained high levels of customer service. Pressures arise from, among other things, the impact of the 2017 timetable, the nature and extent of the network, an ageing asset base and continuing conflict between meeting operating timetable and maintenance objectives.

These pressures have been exacerbated in recent times, including through difficulties in maintaining required staffing levels (including the impact of the COVID pandemic), recovering from severe weather events and industrial disruption relating to negotiations for a new Enterprise Agreement.

The NSW Government supports Sydney Trains' Mission and Priorities and recognises that these continuing challenges need to be addressed. In April, the NSW Government announced a comprehensive and independent review of Sydney Trains' Rail Infrastructure and Systems – "the Sydney Trains Review".

The announcement of the Sydney Trains Review followed three significant incidents, across a 17-day period:

### ***8 March – Outage of the digital train radio communications system (DTRS)***

Sydney rail services were suspended following loss of radio communications between train controllers and signallers with train crew. The incident was declared a Crisis Incident. Due to suspension of services, and significant delays once services were resumed, customers were severely impacted with many customers stranded and major crowding at stations.

### ***10 – 11 March – overhead wire down at Revesby***

Three bays of overhead electric wiring collapsed on top of a passenger train, leading to declaration of a Level 2 Critical Incident. After about two hours, approximately 500 passengers were safely de-trained. Reduced network capacity due to planned weekend track closures and reported signalling irregularities at Erskineville exacerbated the effects of the incident. Disruption spread across the network and lasted into the following day.

### ***25 March – loss of signalling at Homebush***

Multiple signal and points failures, resulting from a signal panel power failure, caused services to be halted and tracks closed. Whilst replacement bus services were introduced, bus capacity was insufficient, leaving many customers without alternative travel options. Police were called to assist with crowd management at Lidcombe and Central stations.



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Each of these failures caused major disruptions to the network and considerable inconvenience to customers.

The Sydney Trains Review was established to assist with identifying the underlying challenges in preventing such incidents from occurring and to make recommendations that will enable Sydney Trains to return to delivering sustained and reliable rail services across Sydney.

The Review Panel (“the Panel”) is led by Carolyn Walsh, current Chair of the National Transport Commission, with Panel members Peter Medlock and Arthur Smith.

## 2.1. Terms of Reference

The Terms of Reference (Appendix 1) provide an initial focus for the Panel on 4 key areas:

- i) Governance and accountability.
- ii) Asset management and planning.
- iii) Reliability.
- iv) Resilience.

As highlighted by the Terms of Reference, Reliability and Resilience are interconnected with Safety. Additionally, the Panel should consider key relationships and interdependencies, including:

- Engineering and maintenance.
- Timetable development and implementation.
- Network operations.
- Workforce resourcing and planning.
- Business systems.

The Terms of Reference require the Panel to provide an Initial Report (this Report) by 12 May 2023 containing initial findings and recommendations and specific areas for further detailed investigation.

The Panel is required to issue a Final Report, consolidating its findings and recommendations by 31 October 2023.

## 2.2. Approach to the Review

During the initial phase of the Review, the Panel met with Executives and representatives from Sydney Trains, Transport for NSW (TfNSW), NSW TrainLink<sup>1</sup>, Transport Asset Holding Entity (TAHE) and rail unions. Additionally, the Panel requested an extensive range of documentation and data to develop a deeper understanding of the issues and challenges facing Sydney Trains in the delivery of reliable and resilient services.

The purpose of this Initial Report is to provide the Panel’s views on issues set out in the Terms of Reference, provide recommendations where immediate actions can be considered and to identify areas for further analysis which will be addressed in the Panel’s Final Report.

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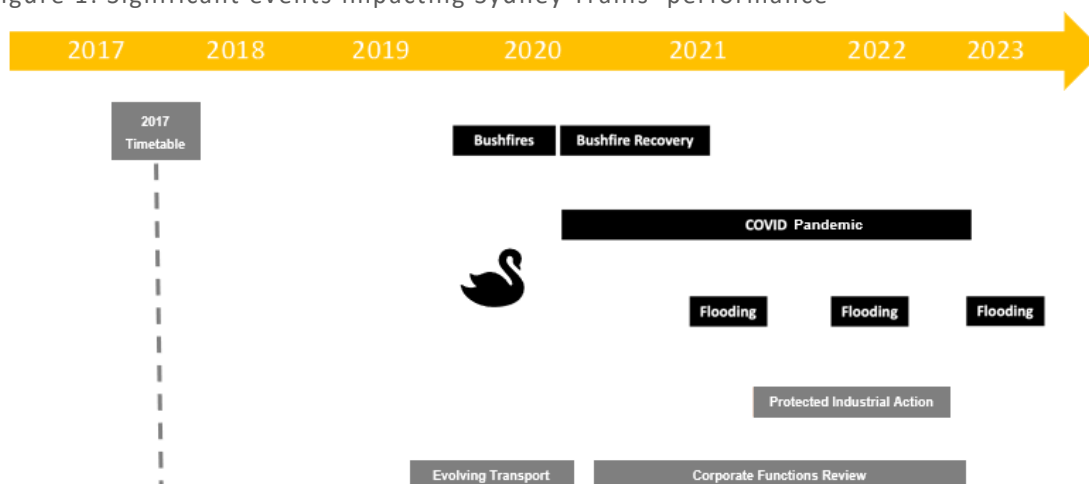
<sup>1</sup> NSW TrainLink is the trading name of NSW Trains which is established under the *Transport for Administration Act 1988*.

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## 3. Recent Challenges

Sydney Trains' performance has been significantly impacted by external challenges ("black swan" events) over which Sydney Trains has had little or no control. Other events were more within Sydney Trains and TfNSW control. The most significant events which have impacted on performance are represented graphically below.

Figure 1: Significant events impacting Sydney Trains' performance



In summary, the "black swan" events involved:

- i) Weather events – the period from 2020 to 2022 was dominated by extreme weather-related events. Bushfires and flooding had major impacts not only directly on rail infrastructure but on the capacity of Sydney Trains to carry out both planned and reactive maintenance.
- ii) COVID pandemic – restrictions imposed through Public Health Orders limited resourcing and the capacity to carry out both planned and reactive maintenance for extended periods.

Areas more within Sydney Trains and TfNSW control included:

- iii) 2017 Timetable – TfNSW led the development of the new 2017 timetable. The 2017 timetable was designed to achieve maximum utilisation of the network with expected increasing patronage. However, the tight nature of the timetable created difficulties in maintaining services, restricted access to undertake maintenance and capital works and reduced the capacity for the network to recover from degraded operations.
- iv) Protected Industrial Actions (PIA) – PIA by rail unions in support of Enterprise Bargaining claims impacted the ability of Sydney Trains to provide services and carry out maintenance programs. Over 500 individual examples of PIA were in place at various times during the bargaining period.
- v) Evolving Transport and Corporate Functions Review (CFR) – these programs entailed substantial restructuring of relations and functions between Sydney Trains and TfNSW with resulting business impact.

These events had a cumulative impact on Sydney Trains' performance resulting in a decline in a range of performance indicators and impacting Sydney Trains' recovery capability.

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## 4. Network Performance and Customer Service

The Terms of Reference for this Review include a focus on the reliability and resilience of the Sydney Trains Network.

**Reliability** generally refers to the punctuality and availability of services in relation to the timetable. Sydney Trains has a punctuality performance target of at least 92% of peak services arriving within five minutes. Intercity services have a target of six minutes.

**Resilience** refers to the ability of the rail system to provide effective services in normal conditions, as well as to resist, absorb and recover quickly from disruptions to services.

### 4.1. Scope of the Sydney Trains Network and Passenger Service

Sydney Trains operates passenger services from Berowra, Emu Plains, Macarthur and Waterfall to the City.

Sydney Trains maintains the heavy rail network (infrastructure, signalling and systems) extending from Newcastle in the north, Lithgow in the west, Macarthur in the southwest and Bomaderry in the south. This network is referred to as the Metropolitan Rail Network (MRN).

Sydney Trains also provides network access to the MRN for all rail operators including Intercity and regional passenger services operated by NSW TrainLink and other third-party operators such as private long-distance passenger services, freight operators and heritage operators. It also provides access for major infrastructure projects and maintenance.

### 4.2. Network Performance

To understand the underlying reliability and resilience of the network, the Panel sought performance data back to 2015 (where available). This data allowed a comparison with performance prior to, and after, the introduction of the 2017 timetable.

During Phase One of this Review, the Panel has focused predominately on the performance of Sydney Trains' passenger services. Sydney Trains' performance as an access provider to third parties will be explored further in Phase Two of the Review.

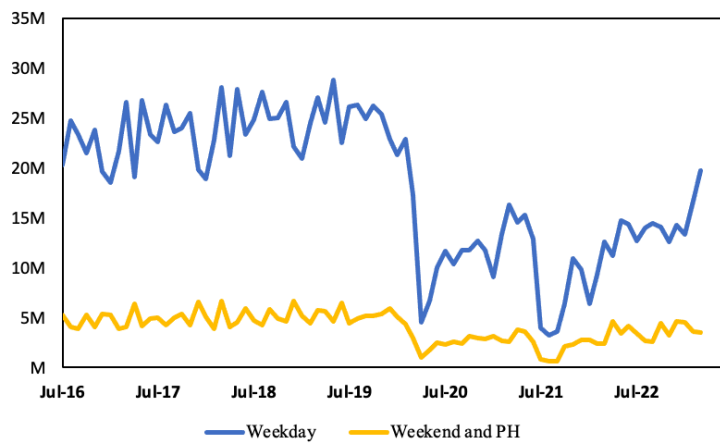
#### 4.2.1. Patronage

The 2017 timetable was necessarily responding to the extreme pressure of increasing patronage and was designed to increase the number of train services to accommodate further projected passenger growth of over 7% per annum.

With the onset of the COVID pandemic, the anticipated growth in passenger numbers did not eventuate. In fact, customer volumes declined sharply from March 2020 and have still not returned to pre-pandemic levels.

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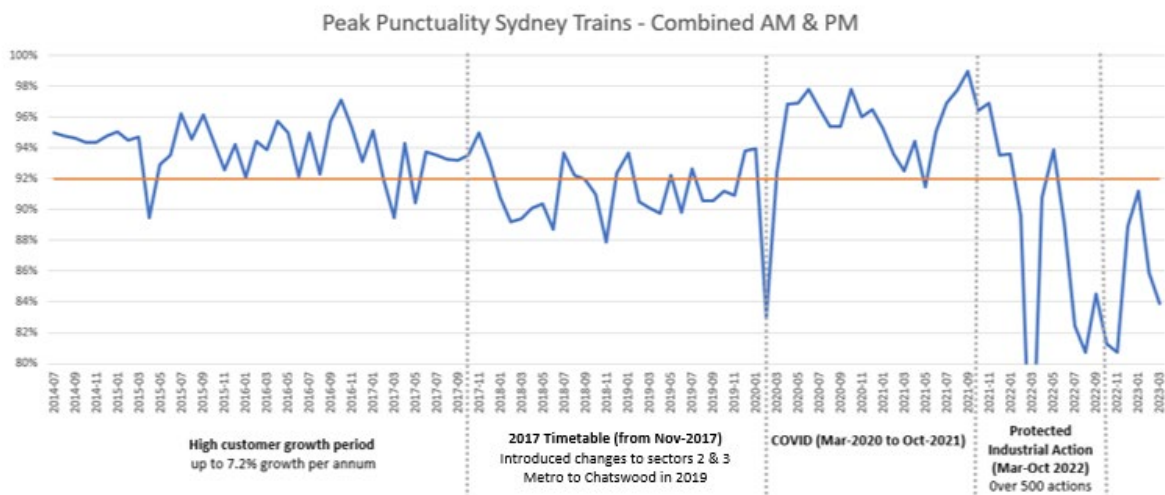
Figure 2: Sydney Trains total monthly patronage trend, 2016 to 2023



## 4.2.2. Punctuality

As Figure 3 demonstrates, the introduction of the 2017 timetable immediately resulted in a drop in customer service, with punctuality struggling to meet the 92% target for peak services. Initially, the dip in punctuality was driven by shortages of train crew. However, performance did not return to pre-2017 levels even when train crew shortages were addressed.

Figure 3: Punctuality, 2014 to 2023



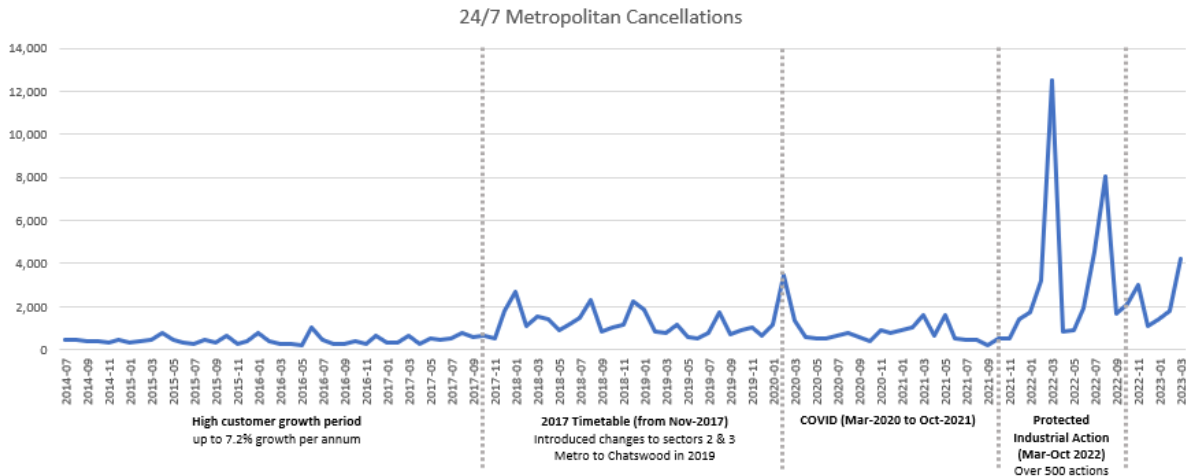
Punctuality performance improved significantly from April 2020 due to a reduction in passenger numbers with the COVID pandemic. Performance declined sharply again from late 2021 as passenger numbers began to recover and the system was impacted by severe weather events and industrial action.

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## 4.2.3. Cancellations

The fragility of the 2017 timetable can further be seen in the rate of cancelled services over this period.

Figure 4: Train cancellations, 2014 to 2023



## 4.3. Safety

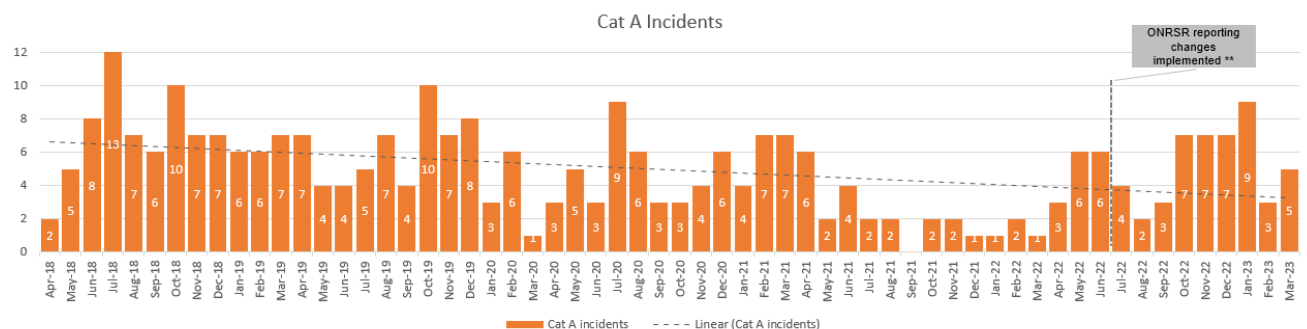
Sydney Trains has obligations under the both the *Rail Safety National Law (NSW) 2012* (the Law) and *Work Health and Safety Act (NSW) 2011* as an accredited Rail Transport Operator (RTO) and Rail Infrastructure Manager (RIM) to identify and manage risks and provide a safe workplace for workers, customers and others impacted by its operations.

The Law imposes strict safety management obligations including development and maintenance of a Safety Management System appropriate to the nature and extent of its operations. Sydney Trains is required under the Law to undertake an annual safety performance review to provide assurance to the Office on the National Rail Safety Regulator (ONRSR) that it is meeting its statutory safety requirements.

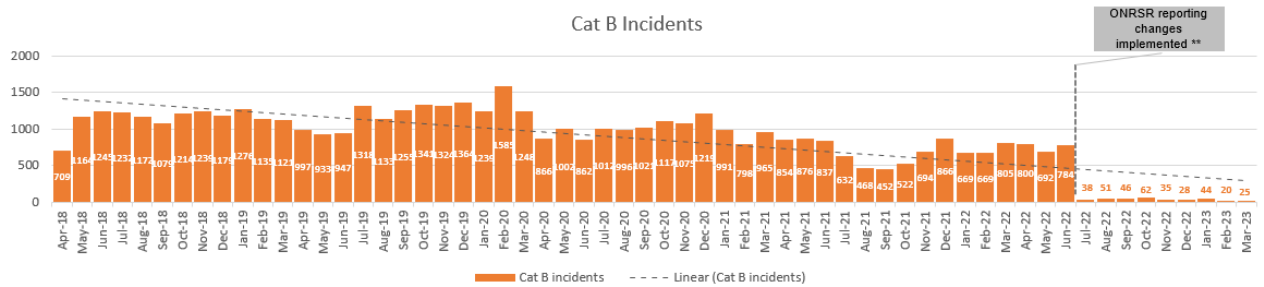
The latest Sydney Trains Annual Safety Performance Report (December 2022) provides information against a range of key safety indicators relating to customer, worker and operational safety, with generally positive trends against each indicator.

Sydney Trains’ Operational Safety Index (“OSI”) demonstrates improvement with a generally declining trend in safety incidents reported to ONRSR in the five years since April 2018.

Figure 5: Category A and B notifiable occurrences 2018-23\*



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\* A notifiable occurrence is defined under the Law as an accident or incident that has, or could have, caused significant property damage, serious injury or death.

\*\* New ONRSR reporting requirements came into effect in July 2019 resulting in requirements to report a wider range of incidents as Category A, including incidents on the Sydney Trains Network but out of Sydney Trains’ control. (In FY 2023, 53% of reported category A incidents related to freight operators, NSW TrainLink operations, passenger/community member behaviours or self-harm).

The Review has also considered investigation reports from the Australian Transport Safety Bureau (ATSB) and Office of Transport Safety Investigation (OTSI) into safety incidents involving Sydney Trains over the last two years. The majority of these reports related to worksite protection incidents. Whilst such incidents have demonstrated an improved trend over the past five years, investigation reports have particularly identified the training and competence of staff undertaking worksite protection roles as being a significant contributor to the incidents. Management of employee training and competency is considered in Section 7 and will be further addressed in the Review’s Final Report.

A further critical factor in safety performance is the condition of infrastructure, rail systems and rolling stock. This is considered in Section 5.

The Review will further consider overall safety performance and the effectiveness of programs to improve safety performance in the Final Report.

## 4.4. Conclusions

The data available to the Review demonstrates that the reliability and resilience of Sydney Trains’ operations has been fragile since the introduction of the 2017 timetable.

The 2017 timetable was far too tight to provide resilience following incidents and to give adequate access for maintenance of rail infrastructure.

This poor performance was impacted, but not totally explained, by “black swan” events (COVID, bushfires and floods).

Network performance is not recovering.

Safety performance has been good with slightly improving trends, but underlying risk will increase if issues raised in this Report are not addressed.

The remainder of this Report focuses on critical functions that will impact the reliability and resilience, as well as the safety, of train operations over coming months and years.

Where the Panel has sufficient supporting evidence, specific recommendations for immediate actions have been made. Issues where further examination is required have been highlighted for Phase Two of the Review.

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## 5. Asset Management, Planning and Performance

### 5.1. Asset Ownership and Management Accountabilities

Rail assets operated by Sydney Trains are owned by the Transport Assets Holding Entity of NSW (TAHE). TAHE sets the safety and service outcomes required of the assets.

TfNSW is accountable for the end-to-end lifecycle management and performance of assets on behalf of TAHE<sup>2</sup>. As Custodian of TAHE's assets, TfNSW develops a Strategic Asset Management Plan (SAMP) and Asset Management Plan (AMP) for approval of the TAHE Board<sup>3</sup>. TfNSW's SAMP covers a 10 year time horizon for all transport assets. AMPs for specific assets align to the SAMP and provide detailed plans for achieving the strategic objectives for the long-term sustainable management of the assets.

During the design and construction phase of the asset lifecycle, TfNSW (Infrastructure and Place Division) is the Steward of TAHE assets and is accountable for delivering assets that are safe and fit for purpose. During the operation and maintenance phase of the asset lifecycle, Sydney Trains is the Steward of the assets and is accountable for their safe operation.

The asset management framework is aligned to the annual NSW Budget process set by NSW Treasury. TfNSW is responsible for seeking funding from Treasury and making that funding available to relevant parties (such as Sydney Trains) in accordance with agreed AMPs.

TfNSW also has control and management of the technical standards that apply to Sydney Trains' rail infrastructure and railway operations. In this regard, TfNSW manages the assurance framework that provides confidence to TAHE that its assets are being managed throughout their lifecycle in accordance with applicable technical and operational standards.<sup>4</sup>

In preparing the SAMP and AMP, TfNSW is to have regard to an annual Asset Services Plan (ASP) prepared by Sydney Trains that sets out its maintenance requirements.

Within Sydney Trains, asset management responsibilities lie with the Engineering and Maintenance Branch (EMB) and include:

- **Asset Management:** includes the development of the Asset Services Plan and the application of the standards that apply to the condition of the asset. Assets include track, bridges, electrical power, signalling, communications, stations and buildings.
- **Network Maintenance:** includes the inspection function and the remedial maintenance that flows from the asset inspection process. The inspection and remedial work is carried out on a daily basis, both overnight and through the day as the timetable permits.
- **Major Works:** includes the Major Periodic Maintenance (MPM) activity incorporating the heavy maintenance functions such as component change out, turnouts replacement, re-rerailing, re-sleepering and ballast cleaning. The major works are carried out using track possessions which are planned two years in advance. Change to the configuration of possessions requires significant timetable amendment.

These relationships are complex and accountabilities need to be transparent and fully understood across the agencies. The Panel will explore this further in Phase Two of the Review.

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<sup>2</sup> The lifecycle of an asset includes its design, construction, operation, maintenance and decommissioning.

<sup>3</sup> Greater Sydney Division within TfNSW is accountable as the Custodian for assets operated and maintained by Sydney Trains.

<sup>4</sup> Accountability for the development of technical and operational standards and the asset assurance framework sits with the Asset Management Branch within the Safety Environment and Regulation Division of TfNSW.

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## 5.2. Asset Maintenance Backlog

Evidence provided to the Panel to date has established that there is an immediate need to rectify a backlog in maintenance inspections and corrective works across the Sydney Trains Network.

### 5.2.1. Infrastructure Performance

Figure 6 shows that incidents causing delays to train services are at their highest levels in the past decade.<sup>5</sup>

Figure 6: Incidents during peak, 2014 to 2023

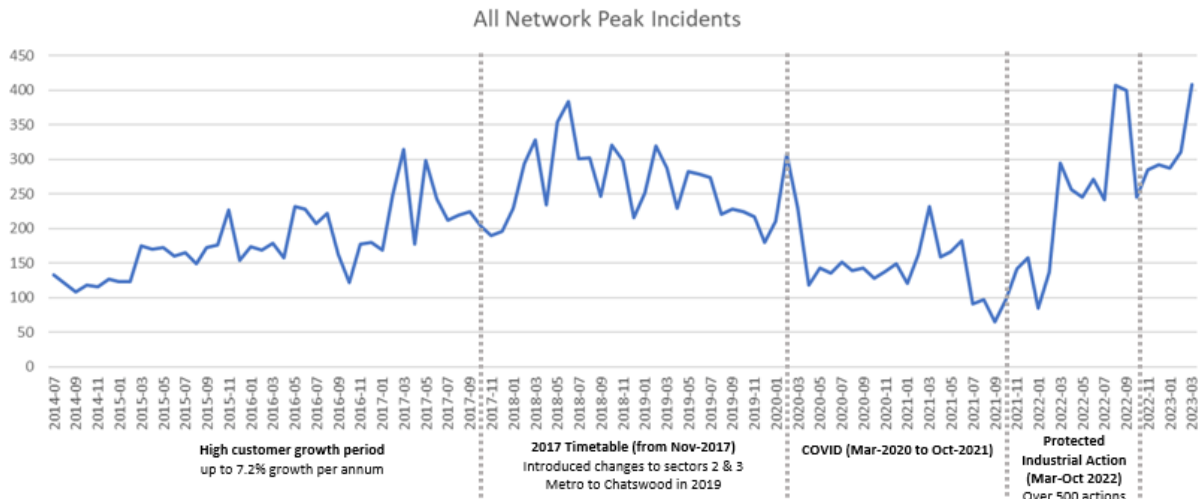
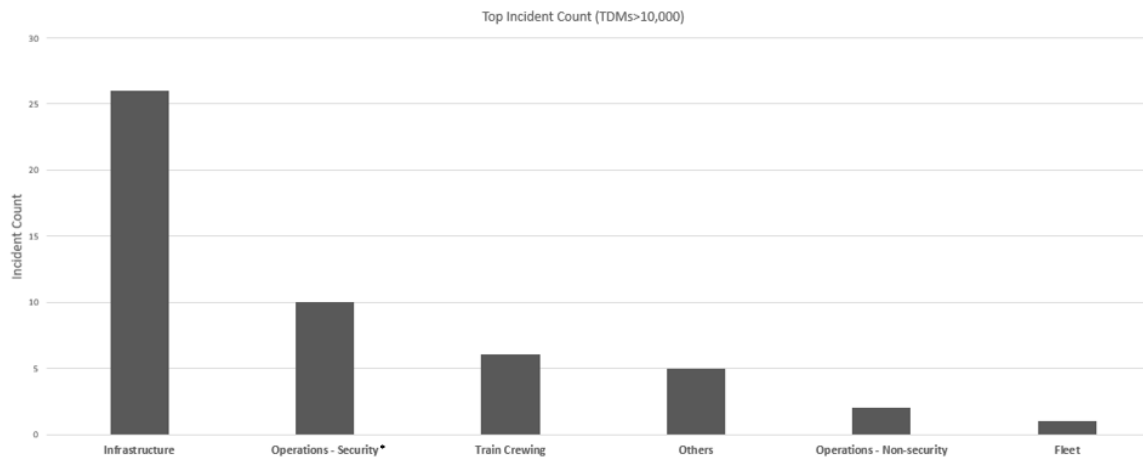


Figure 7 shows that over 50% of major incidents causing delays in this period can be attributed to the performance of rail infrastructure, i.e. track, structures, signalling and electrical infrastructure.

Figure7: Top incidents causing train delays across Sydney Trains, 2014 to 2023



\* Operations - Security includes high volume and impact external causes (including fatalities, self-harm, trespassing, offences against property).

Further, the performance of infrastructure is declining.

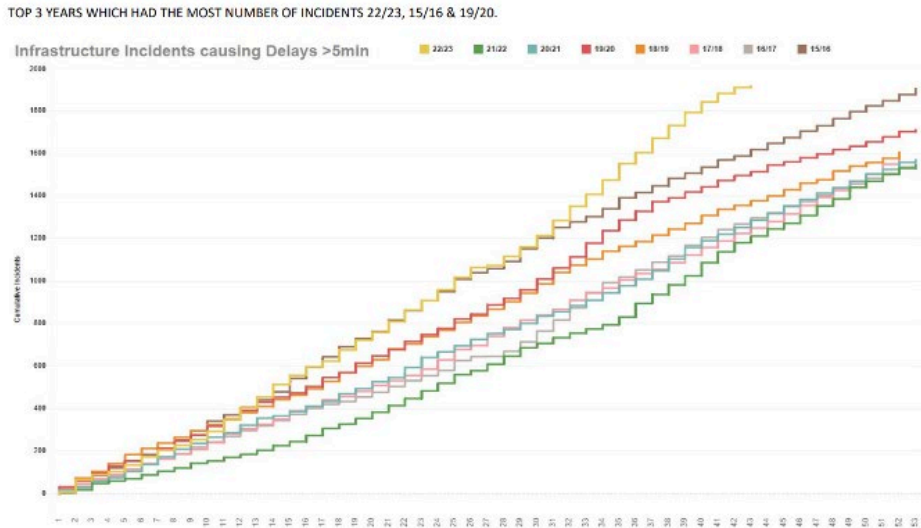
<sup>5</sup> An incident is defined as any event that causes a delay in a train service of more than five minutes.



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Figure 8 shows that 2022/23 has had the highest rate of infrastructure incidents causing delays to services than any year since 2015/16.

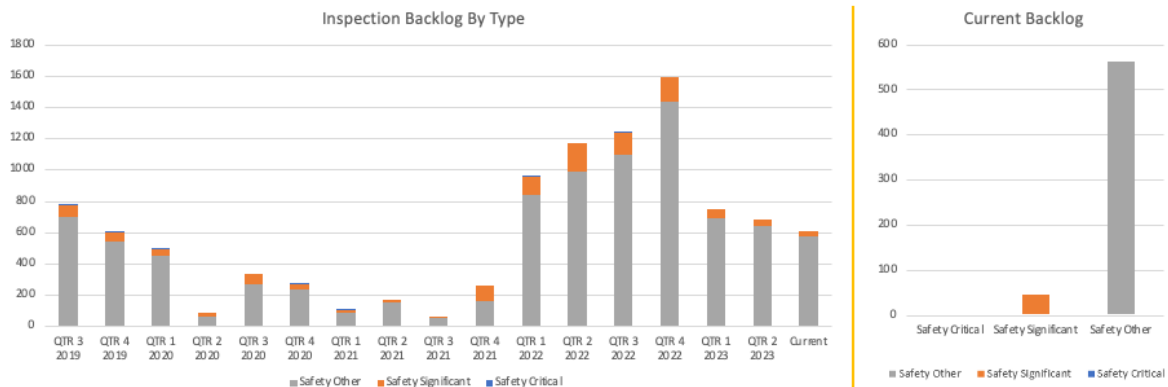
Figure 8: Infrastructure incidents causing train delays



The decline in the performance of infrastructure has coincided with increases in the backlog of routine inspections and the correction of identified defects.

There was a sudden and significant increase in the backlog of infrastructure inspections from mid-2021 to mid-2022 due to the impact of PIA.

Figure 9: Inspection backlog – infrastructure, 2019 to 2023

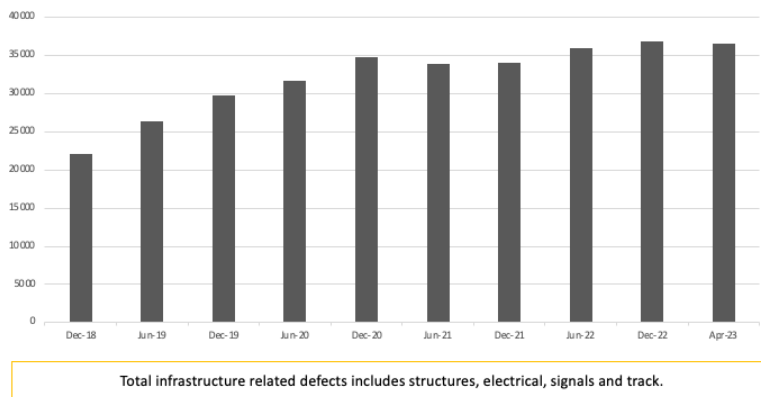


It is important to note that there is no current backlog in Safety Critical inspections (Figure 9 “Current Backlog”), but the backlog in other inspections is of concern.

Despite the slight recovery in the inspection backlog since mid-2022, the number of total infrastructure defects that remain untreated has risen since December 2018 and only plateaued recently.

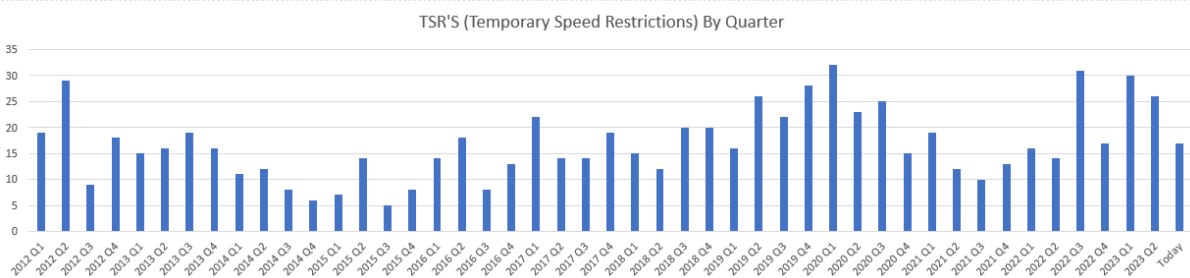
# SYDNEY TRAINS REVIEW 2023

Figure 10: Total infrastructure related defects, 2018 to 2023



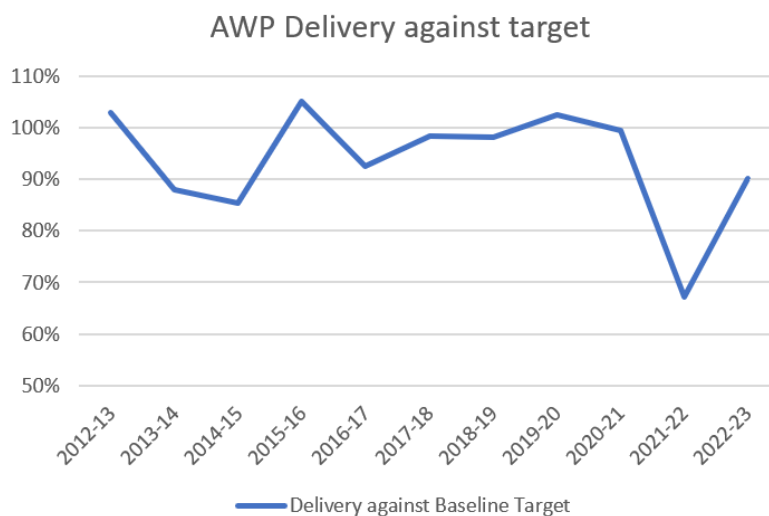
To ensure the safety of rail services, Sydney Trains applies Temporary Speed Restrictions (TSRs) to those parts of the track where defects exist. The number of TSRs across the Sydney Trains network increased significantly after the introduction of the 2017 timetable, as a likely result of the inability to gain sufficient access to the network for maintenance. Having declined over the period of lower passenger number during the pandemic, TSRs peaked again in mid-2022. While TSRs have declined over recent quarters, they remain a significant constraint on the punctuality of train services.

Figure 11: Temporary Speed Restrictions, Q1 2012 to Q2 2023



Major works to replace or upgrade existing infrastructure declined rapidly in 2020/21 and while recovering, are still well behind schedule.

Figure 12: Percentage of major works completed against the Annual Works Program (AWP)



# SYDNEY TRAINS REVIEW 2023

## 5.2.2. Sydney Trains Fleet Performance

Evidence to date (see Figure 7) suggests that the performance of Sydney Trains’ fleet has not been a major contributor to the declining levels of customer service.

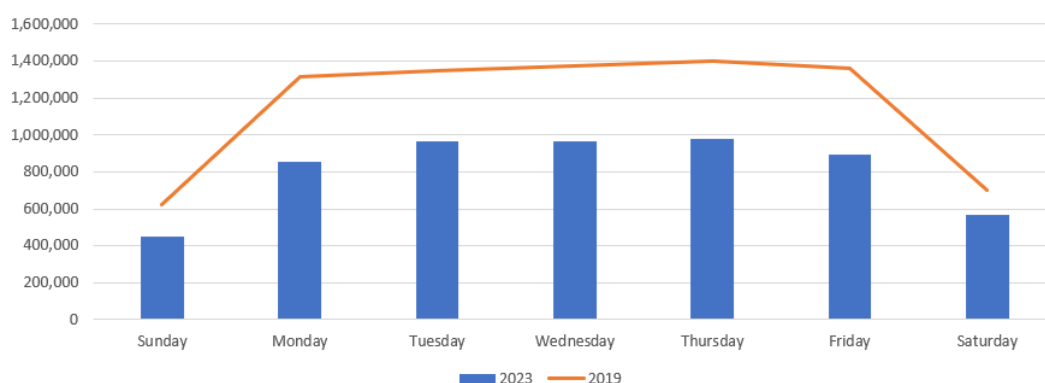
Given this, the Panel has at this stage not focused in depth on fleet performance. However, the Panel will examine opportunities to improve fleet performance in Phase Two of the Review.

## 5.3. Accelerated Maintenance Program

An accelerated maintenance program is required to ensure the recovery of the infrastructure performance. There is a window of opportunity to remove the maintenance backlog while customer volumes are recovering from pre-COVID pandemic levels and before the next major timetable change which is planned to coincide with the opening of the Metro to Sydenham in 2024.

As at March 2023, customer volumes remain well below pre-COVID pandemic numbers. As Figure 13 shows, Tuesdays to Thursdays are now the busiest days of the week but are still 23% below 2019 levels. Mondays and Fridays are almost 30% below pre-pandemic numbers. The weekends have shown more recovery, with Saturdays currently only 10% below 2019 levels.

Figure 13: Current customer volumes compared with pre-COVID pandemic numbers



Sydney Trains should embark on an immediate “maintenance blitz” with provision of additional resourcing and track access, to reduce the maintenance backlog to sustainable levels as soon as possible. The plan to do so should aim to minimise disruption to customers by focusing on periods of lower patronage.

The accelerated maintenance program must include effective governance and reporting to both the Chief Executive of Sydney Trains and the Secretary of TfNSW.

The accelerated maintenance program should also address any backlog in major works in order to relieve pressure on the on-going maintenance of ageing assets.

### Recommendation

That Sydney Trains prepares a detailed accelerated maintenance program (“maintenance blitz”) to reduce the maintenance backlog to acceptable levels within 12 months.

- The accelerated maintenance program should minimise disruption to Sydney Trains’ customers and third-party operators by targeting access for maintenance to periods of reduced patronage.
- The accelerated maintenance program should be accommodated within existing Transport budgets.

# SYDNEY TRAINS REVIEW 2023

## 5.4. Procurement and Delivery of Major Assets

As noted above, TfNSW (through the Infrastructure and Place Division) is accountable for the procurement of new rail assets to be operated and maintained by Sydney Trains.

In a complex engineering and operational environment like rail, it is important that the design and construction of assets take full account of the operational demands of the asset. Contemporary systems engineering principles call for significant engagement of stakeholders, such as operators and maintainers, in the design and construction of the asset. This ensures that the asset is fit for purpose and that the operating model for the use of the asset can be delivered in practice.

Early engagement of the operator of the asset in its design and construction also ensures that plans are in place to effectively manage the asset once it is commissioned. This includes the Concept of Operations (ConOps), required changes to business systems and resource planning (including impacts on worker roles and functions).

There have been issues over the last few years that indicate potential failures in effectively engaging key stakeholders in the delivery of transport assets.<sup>6</sup> This includes a failure to ensure that the operator of new assets has secured support from its unions and workforce for any change to the way in which assets are operated and maintained.

While the Panel will explore this issue in further detail during Phase Two of the Review, there is an immediate need to ensure that the process for stakeholder engagement in the procurement of rail assets is meaningful and effective, particularly as it relates to the operation and maintenance of the asset.

### Recommendations

That TfNSW review its stakeholder engagement processes to ensure they provide effective and meaningful engagement with operators/maintainers such as Sydney Trains during the procurement of new rail assets.

That Sydney Trains, as the ultimate operator and maintainer of its new rail assets, work with rail unions to develop, document and agree a comprehensive process for the management of major change to ensure rail unions are fully engaged at all appropriate stages of the procurement of major rail assets. The process should also be followed for NSW TrainLink rail assets.

That TfNSW work with Sydney Trains and NSW TrainLink to ensure that the intent of such an agreement is applied across the procurement of all major rail assets.

## 5.5. Issues for further consideration

The Panel will consider the following issues further in Phase Two of the Review:

- The governance, development, and delivery of asset management strategies and plans as they relate to Sydney Trains' rail operations and network.
- The effectiveness of the assurance framework in place to provide confidence in the delivery of new rail assets and the operation and maintenance of existing rail assets.
- The adequacy of existing possession configurations in providing access for major projects, major works and routine maintenance.
- Processes for reviewing and amending standards following the introduction of new assets and technologies.
- Opportunities to improve the efficiency of both routine maintenance and major works (e.g. high productivity plant and equipment for maintenance).

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<sup>6</sup> Examples include the delivery of the New Intercity (Mariyung) Fleet for NSW TrainLink.

# SYDNEY TRAINS REVIEW 2023

## 6. Service Planning and Network Control

### 6.1. Timetable Development

As set out in Section 4, introduction of the 2017 timetable was responding to a substantial growth in patronage. However introduction of the timetable had a significant impact on the reliability and resilience of Sydney Trains' services. The timetable has failed to sustain agreed punctuality targets.

It has been agreed between TfNSW and Sydney Trains that responsibility for the design and production of the detailed timetable, should be transferred from Greater Sydney (TfNSW) to Sydney Trains. The change has been accepted in principle by the parties, however, the process for the change has been stalled for some time and should be brought forward to ensure that the quality of the 2024 timetable is not put at risk by any dislocation between key timetable planning functions. The team responsible for timetable development should report directly to the Sydney Trains Chief Executive to confirm its independence from Sydney Trains' operations and maintenance functions and to ensure proper consideration to the network access requirements of third-party operators.

#### Recommendation

That TfNSW and Sydney Trains expedite the transfer of the detailed timetable development function back to Sydney Trains with the function reporting directly to the Chief Executive.

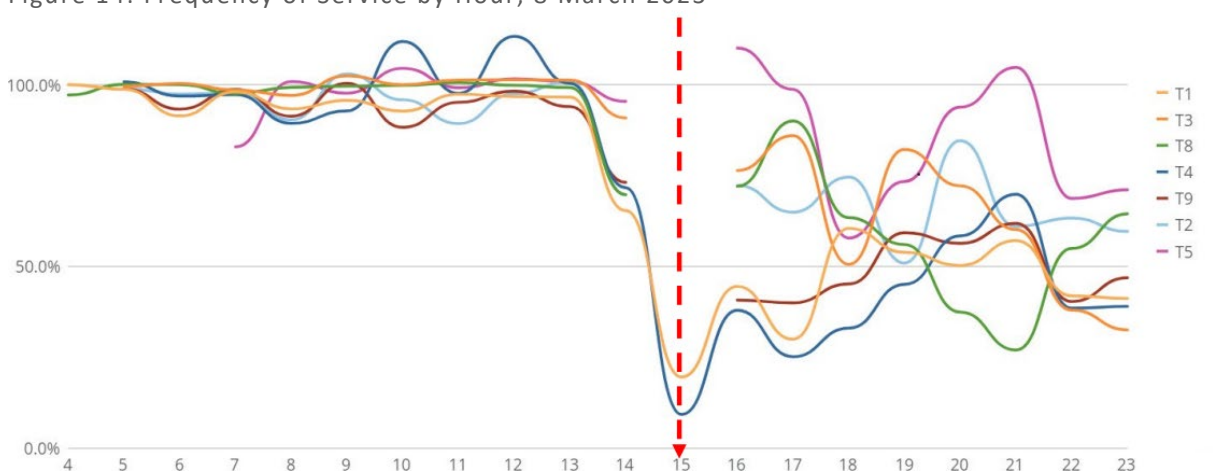
### 6.2. Incident Management

Sydney Trains has recently experienced a number of significant incidents which have had substantial impact on customers and network operations (Section 4). The complexity of the Sydney Trains network, the nature of the current timetable, operational challenges and crew rostering makes recovery from such incidents difficult.

A "ballpark figure" is that if the partial or full blockage of a line is not sufficiently recovered within 30 minutes of the occurrence, the cumulative effect of these issues means that the line/sector or the network as a whole is likely to be substantially impacted. The cascading impact of the DTRS radio outage on 8 March clearly exposed this problem with 1819 services impacted, 887 service cancellations and loss of more than 3 million customer minutes. Some services in the following morning peak continued to be affected.

The nature of disruptions and problems in recovery are illustrated in Figure 14, indicating frequency of service impact and recovery, line-by-line following the DTRS incident.

Figure 14: Frequency of Service by Hour, 8 March 2023



# SYDNEY TRAINS REVIEW 2023

## 6.3. The Rail Operations Centre (ROC)



The ROC commenced operations at the end of 2018 with responsibility for network control and incident recovery.

The Business Case (2014) for establishment of the ROC acknowledged that Sydney Trains' capability to respond to incidents, manage services disruptions and keep customers informed did not align with customer expectations.

The rationale for the establishment of the ROC was to support more effective 'day of operations' capability through a transformation in people, processes, technology, infrastructure and consolidation of all necessary functions in a single location.

The ROC currently combines all operational functions in a single control room, under the control of the Operations Manager, with access to the necessary systems and functions to provide a coordinated response to incidents as they occur.

Whilst the ROC deals with incidents on a daily basis and the effectiveness of responses to incidents is continuously monitored, there are concerns that the ROC is not meeting its original objectives and providing an effective response to major incidents. These concerns include:

- Lack of a single point of accountability during crisis mode with the knowledge, experience and authority to consider all input and make timely decisions on required actions to minimise network and customer disruptions.
- Some critical technologies to support decision making and customer information flows were descoped and not delivered. Decision-making technology during times of disruption has not been successful with a return to previous mainly manual processes and a reliance on individual phone calls.
- Operational systems cannot cope with the volume of communications during major incidents with an overload of requirements and information.
- Lack of timely and accurate service information to station staff, train crew and customers across multiple channels such as Apps, station screens and station or train announcements.
- Limited training and development of staff, lack of regular emergency management simulations and exercises and limited development and testing of business continuity plans.
- Inconsistent processes and procedures.

ROC management are working on the development of an action plan to address these and other issues to improve the effectiveness of the ROC, particularly during major incidents and degraded operations. A significant change management approach will be required to effectively embed proposed reforms.

### Recommendation

That, within three months of the delivery of this Report, Sydney Trains:

- Develop a plan for the Rail Operations Centre (ROC) to address identified shortcomings and to enhance the capability of critical roles, systems, processes and procedures along with appropriate training and exercising to ensure a more responsive and effective management of major incidents.
- Ensure that change management processes are embedded in any plan to address these issues.

# SYDNEY TRAINS REVIEW 2023

## 6.4. Train Crewing Issues

Train Crewing has become one of the central issues in Sydney Trains' inability to recover services in a timely manner during degraded operations.

During degraded operations, Sydney Trains' management can invoke emergency working procedures including extended shift limits for drivers and guards. Changes must be notified to the union and require the agreement of individual drivers. Each week Sydney Trains rosters over 500 shifts of extra base line standby capacity. As a result, for example, at 6am on any weekday, there are 63 available standby crew across the network, including 36 based at Central.

However, these additional crewing resources are of limited use during degraded mode:

- Train sets and train crew may be dispersed across the network and train crew management have difficulty in locating both spare resources and currently operating crew.
- Uncertainty about which crew are able to work the extended hours, dependent on hours already worked and break times.
- Uncertainty about currency of certification for all routes and all tractions (required under EA conditions).

Crew are able to call the Train Crew Allocation Centre (TCAC) for directions. However, in degraded mode TCAC cannot manage the volume of calls.

Train crew management are considering how technology can be best utilised to address these issues with the development of an App to contact crew so management can determine where and how crew can be best allocated to deal with degraded operations.

### **Recommendation**

That Sydney Trains allocate required resourcing to expedite technological capacity to manage train crewing responses during periods of degraded operations. Unions will need to be engaged in this process.

## 6.5. Customer Communications

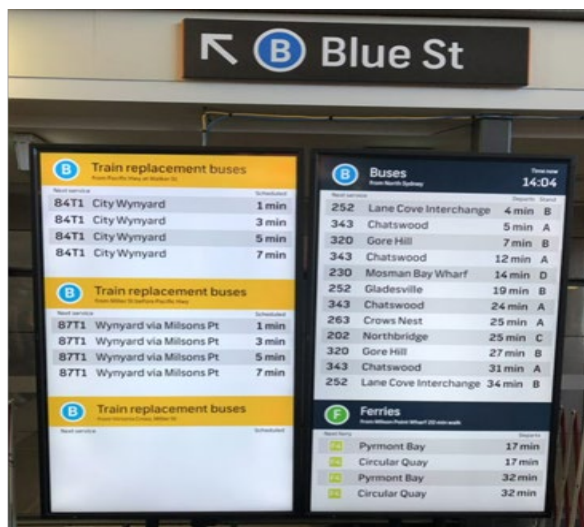
A range of customer communication channels exist to ensure customers are informed, and continue to be informed, during incidents and incident recovery. However, the effectiveness of these systems during the DTRS outage and other major incidents indicates the need for more effective real-time data to be made available to customers across a variety of channels. The effectiveness of these channels will ultimately depend on the timeliness and accuracy of data made available from the ROC.

Sydney Trains has developed a plan to introduce the following initiatives for short term improvements in the availability of customer information:

- i) Engagement of additional customer experience staff who can be flexibly deployed between sites to better engage directly with customers and to identify and respond to their needs during major incidents.
- ii) Deployment of additional multi-modal information screens (Figure 15) at key locations to provide customers with real-time advice on alternative transport options during degraded operations.

# SYDNEY TRAINS REVIEW 2023

Figure 15: Photo of multi-modal information screen



iii) Enhanced use of the Next There App used by Sydney Trains to push information directly to guards during degraded operations with specific scripts to enable guards to communicate with customers on each service about the extent of disruption and likely impact on their travel.

## Recommendations

That Sydney Trains and TfNSW:

- Provide a plan and required resourcing for the roll out of short term targeted customer communications initiatives to be delivered within six months.
- Provide a plan for longer term technology improvements to facilitate more effective distribution channels and real-time service information to customers and station staff during major incidents.

## 6.6. Issues for further consideration

The Panel will consider the following issues further in Phase Two of the Review:

- Principles underpinning the development of the 2024 timetable.
- The proposed plan to enhance the operation of the ROC, including for incident management.
- Competency management for the ROC function.
- Short, medium and long term plans to develop technologies to support customer information flows.



# SYDNEY TRAINS REVIEW 2023

## 7. Workforce Capability and Competency Management

Maintenance of workforce competency is core business for Sydney Trains and is a regulatory requirement under both the *Rail Safety National Law (NSW) 2012* and *Work Health and Safety Act (NSW) 2011*. Sydney Trains has significant training and competency management responsibilities, particularly for its employees in Rail Safety Worker (RSW) roles.

TfNSW Learning and Development (L&D) is the “preferred supplier” of L&D services across the Transport Cluster and is responsible for provision of services to Sydney Trains, including through the Petersham training facility. The provision of services is governed by a number of documents including the Enabling Services Agreement Sydney Trains (FY 22/23), the Learning and Development Services Catalogue (May 2022) and the Principles of Engagement (May 2021).

The Panel has concerns about the effectiveness of the relationship between Sydney Trains and TfNSW in regard to the design and delivery of training and competency management services and whether the needs of Sydney Trains are being fully recognised and addressed. Several functions within Sydney Trains are, or have, developed their own L&D capability.

An internal audit of the management of the competency of RSWs reported in June 2022,<sup>7</sup> concluding that:

*“Major improvements are required in the management of training and competency requirements for Rail Safety Workers... The risks associated with an inadequately trained workforce have safety implications...”*

The audit also identified the lack of a *“defined or fully optimised L&D operating model”*.

An update on the audit for this Review<sup>8</sup> notes that *“ongoing systemic issues”* remain to be addressed and that a range of underpinning issues need to be remedied to achieve a complete and sustainable improvement in rail safety work.

In 2022 Sydney Trains established a dedicated Rail Safety Worker Training and Competency Project to address these issues, to manage and close out 2022 audit actions and to establish enterprise-wide governance (TfNSW and Sydney Trains) to sustainably manage training and competency issues.

The Panel has been provided with a range of competency management performance indicators. Whilst lags in data input and inadequacies in data management need to be considered, the data raises concerns relating to recertifications of RSWs and maintaining up to date Risk Based Training Needs Analyses (RBTNAs) to underpin the development and delivery of training for RSWs.

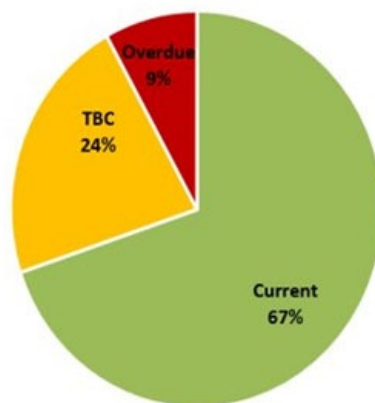
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<sup>7</sup> Sydney Trains - Rail Safety Worker Training & Competency Internal Audit Report – Final, 23 June 2022.

<sup>8</sup> Sydney Trains Rail Safety Worker Training and Competency, Project Rail Review Update; Safety Environment Quality and Risk, April 2023.

# SYDNEY TRAINS REVIEW 2023

Figure 16: RBTNA currency compliance



## Recommendation

That Sydney Trains and TfNSW immediately identify current outstanding recertifications and Risk Based Training Needs Analyses (RBTNAs) for Rail Safety Workers and put a program in place to address these as soon as possible.

### 7.1. Issues for further consideration

The Panel will consider the following issues further in Phase Two of the Review:

- A more detailed examination of competency management arrangements (particularly for RSW) and the relationship, roles and responsibilities for L&D between ST and TfNSW.

# SYDNEY TRAINS REVIEW 2023

## 8. Governance and Accountability

### 8.1. Governance Framework

The objectives, functions and accountabilities of Transport agencies are set out in the *Transport Administration Act 1988*. Of relevance to this review, the Act establishes the following entities:

i) TfNSW – a NSW Government Agency, controlled by the Transport Secretary who is accountable to the Minister for Transport.

The Transport Secretary may give directions to Sydney Trains, NSW TrainLink and Sydney Metro. The Chief Executives of those agencies must manage the affairs of their agency in accordance with those directions.

ii) TAHE – a NSW State Owned Corporation (SOC), governed by a Board of Directors appointed by, and accountable to, the shareholding Ministers (the Treasurer and Minister for Finance). The Transport Secretary is an *ex officio* member of the TAHE Board.

TAHE has vested ownership of NSW rail infrastructure, rolling stock and land holdings, including Sydney Trains' rail assets.

iii) Sydney Trains – a NSW Government Agency, controlled by its Chief Executive who is appointed by the Transport Secretary, with the approval of the Minister.

iv) NSW TrainLink – a NSW Government Agency, controlled by its Chief Executive who is appointed by the Transport Secretary, with the approval of the Minister. The functions of NSW TrainLink include operation of rail passenger services.

v) Sydney Metro – a NSW Government Agency, governed by a Board of Directors appointed by, and accountable to, the Minister for Transport. Sydney Metro is responsible for the design, construction, and operation of Metro passenger services.

While Sydney Trains has important interfaces with all the Transport Agencies, Phase One of this Review has focused on its relationship with TfNSW and with NSW TrainLink.

### 8.2. Organisation Structure and Reporting Lines

#### 8.2.1. Evolving Transport

In 2019, TfNSW commenced a review of its functions and structure, entitled “Evolving Transport”. TfNSW’s structure was aligned around two place-based Divisions:

- Greater Sydney; and
- Regional and Outer Metropolitan (ROM).

The Panel understands that the rationale for this approach was to develop and deliver multi-modal transport options for customers based on where they live and travel.

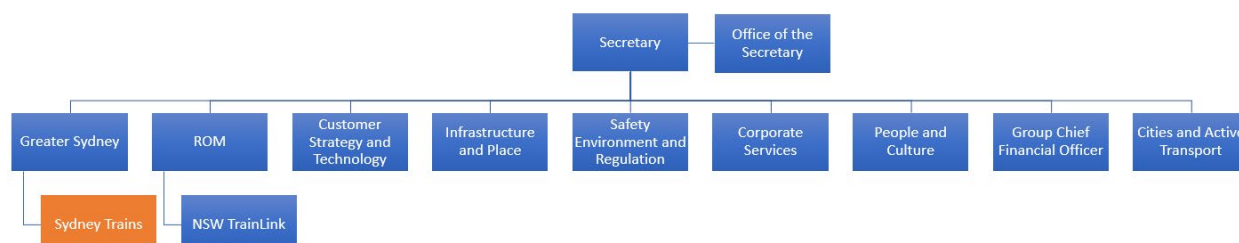
Contracts for private sector transport operators (such as ferries and buses) are managed via Greater Sydney and ROM. Similarly, the Rail Operations Agreements with Sydney Trains and NSW TrainLink are managed through Greater Sydney and ROM respectively.

## SYDNEY TRAINS REVIEW 2023

Under Evolving Transport, the Chief Executives of Sydney Trains and NSW TrainLink no longer report directly to the Secretary. They report to the Deputy Secretary of Greater Sydney and the Deputy Secretary of ROM respectively.<sup>9</sup>

In 2021 the Secretary's powers of direction over Sydney Trains and NSW TrainLink were delegated to the Deputy Secretaries for Greater Sydney and ROM respectively.

Figure 17: Transport for NSW organisational structure – Sydney Trains reporting line



The Panel has a number of concerns with the current governance and reporting arrangements:

- Reporting through a Deputy Secretary does not provide the Transport Secretary with sufficient line of sight in relation to decisions impacting one of the most important strategic and operational risks for public transport in NSW.
- The Chief Executive of Sydney Trains does not have sufficient authority within Transport to advise on, and input to, strategic decisions affecting the planning, design and delivery of rail assets and services in NSW.
- Reporting through a Deputy Secretary confuses the lines of accountability for Sydney Trains operations and performance as the Deputy Secretary is both the owner of the Rail Operations Agreement with Sydney Trains and the ultimate responsible decision-maker about Sydney Trains operations.

In light of the significant challenges facing Sydney Trains, as set out in this Report, the Panel is of the view that the reporting line of the Chief Executive of Sydney Trains should be direct to the Transport Secretary.

### Recommendations

- The Chief Executive Sydney Trains should report directly to the Secretary for Transport, providing stronger focus on rail operations within the TfNSW structure. The Secretary should also consider whether a similar approach is appropriate for the CE of NSW TrainLink.
- The Chief Executive of Sydney Trains should have a dotted line of responsibility to the Minister for Transport for matters of significant importance to the Government.

The Acting Secretary for Transport should:

- Rescind the delegations to the Deputy Secretary Greater Sydney for the performance and management of Sydney Trains functions.
- Rescind the delegation to the Deputy Secretary Greater Sydney of the power to issue directions to Sydney Trains under the *Transport Administration Act 1988*.
- Appoint the Chief Executive of Sydney Trains to the TfNSW Executive Team and related executive committees.

<sup>9</sup> As an agency with a governing Board, the Chief Executive of Sydney Metro does not report to TfNSW.

# SYDNEY TRAINS REVIEW 2023

## 8.3. Corporate Functions Review

TfNSW has undergone significant change under the Evolving Transport Program. The Corporate Functions Review (CFR) arose as a result of this program.

The purpose of CFR was for agencies to consider their corporate functions and whether there were benefits to be gained from development of centralised “centres of excellence” with resources, knowledge and systems which could be shared across agencies within the Transport cluster.

Benefits were envisaged in particular from the creation of “communities” of staff with expertise and a common purpose focussed on outcomes across the Transport cluster, and from streamlined policies and processes. TfNSW Business Partners would be embedded in each agency within their areas of expertise, but with close links to the relevant functions within TfNSW.

Sydney Trains was impacted by the CFR across a number of areas:

- i) Safety, Environment, Quality and Risk (SEQR) – Sydney Trains retains control of delivery of operational rail safety, environment, quality and risk services and programs, operational and enterprise risk management and network standards, systems and quality. TfNSW provides support in the areas of Human Factors, WHS, safety strategy and policies, environment and sustainability.
- ii) Information Technology – IT services, support and procurement were largely transferred to TfNSW with Sydney Trains retaining operational IT capability in selected areas.
- iii) Communications and Media – functions were largely centralised within TfNSW with Sydney Trains retaining control of customer and operational communications. Dedicated communications support from TfNSW has been provided to the Chief Executive.
- iv) Finance and Commercial – finance and procurement functions rest largely with TfNSW. Sydney Trains retains financial sustainability and governance functions and contract management functions under a procurement framework established within TfNSW.
- v) Legal – legal advice and services were centralised in TfNSW. Sydney Trains no longer has a dedicated Legal Counsel.
- vi) People and Culture – Sydney Trains no longer has a specific function responsible for the provision of human resource, employee relations and other people functions. The Director People and Culture Business Partnering in TfNSW is responsible for the provision of these services to Sydney Trains. Learning and development services are provided through the Director L&D in TfNSW. A range of Business Partner resources are embedded across Sydney Trains to assist with the provision of these services.

The Enabling Services Agreement between Sydney Trains and TfNSW establishes a Financial Re-charge for total services of around \$374 million.

The Panel has concerns about the outcomes of the CFR and their impact on Sydney Trains:

- Sydney Trains has extensive legal obligations under various Acts and Regulations and has extensive contractual obligations with both TfNSW and TAHE. In meeting these obligations the Chief Executive should have access to dedicated independent legal advice through a Chief Legal Counsel.

## SYDNEY TRAINS REVIEW 2023

- There is currently no direct representation on the Sydney Trains Executive of an Executive Director responsible for strategy and major decision making relating to a workforce of over ten thousand people.
- Operational decision making needs to be supported by dedicated human resource and employee relations expertise in critical areas such as Industrial Relations.
- Sydney Trains' recruitment to critical executive and operational roles is hindered by the approval processes established under TfNSW.

### Recommendations

That Sydney Trains:

- Create a role of Chief Legal Counsel, responsible for independent legal advice and support to the Chief Executive.
- Create a role of Executive Director People and Culture, responsible for strategy and high level decision making for people-related issues, reporting to the Chief Executive.
- Create a dedicated role of Director Employee Relations responsible for employee relations strategy and providing advice and assistance at both the Executive and operational levels.
- Have responsibility for recruitment decision making and employee life cycle within its budget without further approval from TfNSW.

New Executive roles should come from within existing headcount. Resources supporting these executive positions could continue to be drawn from the centralised pool of specialist business partners within TfNSW.

### 8.4. Enterprise Governance, Risk Management and Assurance

The Chief Executive is the Accountable Authority for meeting Sydney Trains financial reporting requirements and other statutory obligations. Sydney Trains has in place a Corporate Governance Framework to manage these obligations.

The Framework is aligned to Transport's Enterprise Governance Framework and aims to meet obligations under various Treasury policies relating to risk management, audit and assurance, and financial control.

In 2021, the management of Sydney Trains risk management and audit functions was transferred to TfNSW. The Sydney Trains Audit and Risk Committee was abolished and advice with respect to the adequacy of Sydney Trains control environment now sits with the TfNSW Audit and Risk Committee.

### 8.5. The Sydney Trains Rail Operations Agreement

The Sydney Trains Rail Operations Agreement ("ROA") provides the governance framework for relations between TfNSW and Sydney Trains and constitutes the contract for passenger services, including performance and reporting requirements.

The ROA is complemented by a Statement of Expectations issued annually by the Transport Secretary which sets out expectations for service delivery by public transport agencies, including Sydney Trains.

### 8.6. Intercity Rail Services

Sydney Trains and NSW TrainLink were established in 2013. NSW TrainLink took over operation of the former CountryLink regional services and the Intercity services of CityRail. Sydney Trains took over the remaining CityRail services which were rebranded as Sydney Trains services.

## SYDNEY TRAINS REVIEW 2023

With the transfer of Intercity services, NSW TrainLink became accountable for train crew and station staff beyond Emu Plains, Macarthur, Berowra and Waterfall. While this gave NSW TrainLink scale, it also created new overheads through duplication of functions.

Sydney Trains maintains the Intercity fleet and the infrastructure on which the Intercity fleet operates.

The separation of Intercity services from Sydney Trains also has ramifications for customer service outcomes. For instance, Sydney Trains has plans in place to improve the platform customer information screen on its Sydney Trains network. These plans do not include similar investments on the outer regions of the Intercity Network where NSW TrainLink has responsibility for investment in the hardware necessary for station enhancements.

The Panel is of the view that there are:

- Compelling synergies in consolidating the operation and maintenance of all electric passenger services in the Metropolitan Network under the management of Sydney Trains.
- Potential savings in overheads from removing senior management roles, duplicated financial reporting and administration.
- Synergies from the rationalisation of IT systems and applications and consolidation of workforce planning and contract administration requirements.

### Recommendation

That the Government consider, in consultation with TfNSW and unions, transferring accountability for the operation of the electric Intercity fleet and management of associated station staff from NSW TrainLink to Sydney Trains.

### 8.7. Effectiveness and Efficiency of Governance Arrangements

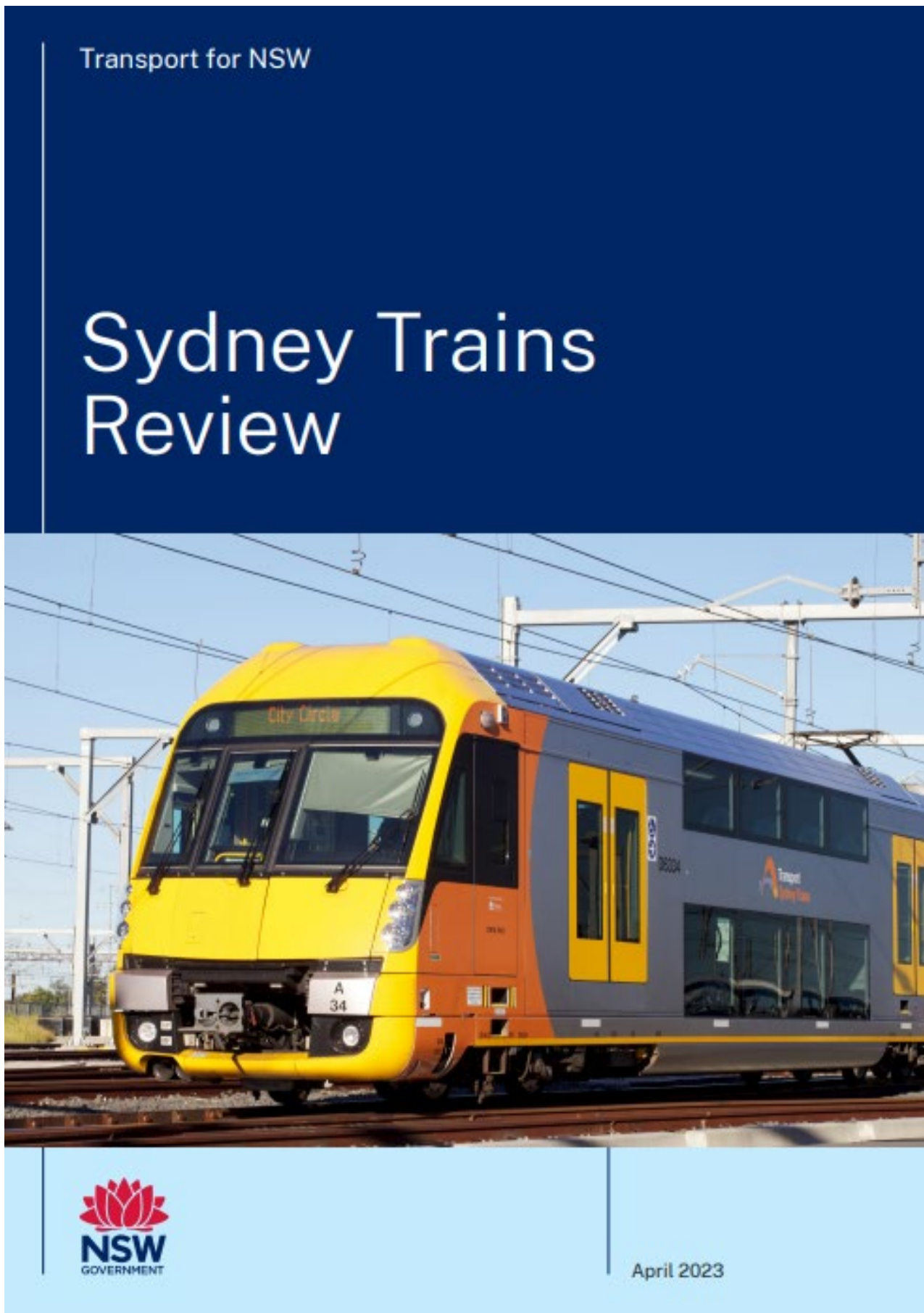
During Phase One of our Review, the Panel has established that the Governance Control Framework is in place and has reviewed the supporting documentation setting out the governance structures to manage Sydney Trains' accountabilities.

We have yet to examine the effectiveness and efficiency of governance arrangements, including under the Rail Operations Agreement. This will be a focus in Phase Two of the Review.

### 8.8. Issues for further consideration

The Panel will consider the following issues further in Phase Two of the Review:

- The effectiveness and efficiency of Sydney Trains governance, enterprise risk and assurance frameworks, particularly in relation to the delivery of safe, reliable and resilient rail services.
- Clarity around the accountabilities and responsibilities of TfNSW and Sydney Trains in relation to critical functions impacting the delivery of major rail projects and customer outcomes (e.g. transport planning, asset management and planning, design delivery and management of major rail projects, technology and innovation etc).
- The service specifications and reporting requirements in place to drive the performance of Sydney Trains with respect to all its functions, including Network Control and operational access for all rail operators, including third party passenger and freight operators.
- Delegations between TfNSW and Sydney Trains.





# SYDNEY TRAINS REVIEW 2023

## 1. Background

Sydney Trains is the operator of the Sydney suburban passenger rail network. The network services urban and suburban areas with 369 km of route length and 170 stations on eight lines.

Sydney Trains operates 3200 timetabled services and delivers over 750,000 passenger journeys each weekday. Sydney Trains is responsible for the management of over \$42 billion in assets, including the maintenance of 2,000km of track, 2263 electric and diesel cars and over 1536km of electric wiring.

Sydney Trains' Mission is to "keep Sydney moving by delivering safe, clean, reliable, customer-focused and efficient rail services". In delivering its Mission, Sydney Trains' Priorities are:

- Operational excellence every day
- Customer at the centre
- Sustainability as the future

Sydney Trains faces continuing pressure in delivering its Mission and Priorities, particularly in maintaining the network and delivering sustained high levels of customer services. Pressures arise from, among other things, the nature and extent of the network, an ageing asset base and continuing conflict between meeting operating timetable and maintenance objectives. These pressures have been exacerbated in recent times, including through difficulties in maintaining required staffing levels (including the impact of the Covid pandemic) and recovering from severe weather events.

The Government supports Sydney Trains' Mission and Priorities but recognises the continuing challenges which must be addressed. However, recent incidents relating to failure of infrastructure and systems have caused major disruptions to the network and considerable inconvenience to customers.

To properly identify and clarify these challenges and to provide guidance and assistance in identifying and implementing appropriate responses, the Government has established this Review.

## 2. Membership

Review Lead: Carolyn Walsh

Panel Members: Arthur Smith, Peter Medlock

The panel will be supported by resourcing with necessary expertise as required.

## 3. Scope of the Review – Reliability and Resilience

The initial focus of the Review will be Sydney Trains' Reliability and Resilience performance, whether that performance is meeting appropriate standards and the performance of the network in recovering from significant incidents and events which impact standards of service delivery.

The Review will have the capacity to consider any functions and issues which it believes impact on Sydney Trains' Reliability and Resilience performance and to identify, consider and recommend areas where performance can and should be improved.

## 4. Initial fields of review

The initial focus of the Review will be the following:

i) *Governance and accountability* - within the current legislative framework, including the Transport Administration Act and the Rail Safety Act.

This will include:

- reporting and accountability requirements to the Minister and TfNSW
- relationships between key stakeholders, including TAHE and Metro
- internal governance, accountabilities and delegations
- performance reporting
- organisational culture

ii) *Asset management and planning* – the process of developing, implementing and monitoring Sydney Trains' Asset Management Plan (AMP). This will include:

- development, validity and adequacy of the AMP
- identification and management of safety critical assets
- the asset management process, including consistency between the AMP, Technical Maintenance Planning and Work Instructions carried out in the field
- barriers to effective asset management, including aligning operational and maintenance objectives
- capital expenditure planning and budgeting, both operational CAPEX and medium/longer term CAPEX
- establishment, management and adequacy of maintenance budgets
- systems engineering and standards
- **Regional and Intercity fleets and networks**
- the interaction of the Sydney Trains operation across the whole network as the rail infrastructure manager and the working relationship with NSW Trains and Rail Access Agreement Holders
- the impact of external access to the Sydney Trains' network
- implementation, monitoring and reporting

iii) *Reliability* – how Sydney Trains develops and meets Reliability responsibilities and objectives. This will include:

- Reliability objectives, standards and responsibilities
- Reliability barriers and performance
- Reliability targets, monitoring and reporting

iv) *Resilience* – the ability of Sydney Trains to respond to incidents and events which interrupt, or have the potential to interrupt, the delivery of services to the public.

This will include:

- how Resilience is built into operational and asset planning
- responsibilities and accountabilities
- contingency planning, including for incidents and recovery
- process improvement and technology advancement
- customer engagement
- security, incident and emergency management
- effectiveness of internal alignments

Reliability and Resilience are interconnected with Safety and the Review will examine:

- Rail Safety Accreditation (RIM/RSO accreditation)
- Safety Management System – development, adequacy and implementation
- Systems safety standards
- Safety objectives and priorities
- implementation, monitoring and reporting

As the Review considers these issues, key relationships and interdependencies will be identified which may need to be considered and addressed. These will include with:

- Engineering and maintenance
- Timetable development and implementation
- Network operations
- Workforce resourcing and planning
- Business systems

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## 5. Key Stakeholders

The Review will engage with key stakeholders, seeking their views and input, including:

- Sydney Trains (Executive, management and workforce)
- TfNSW
- Rail Unions
- DPC, Treasury
- TAHE
- Infrastructure NSW
- Metro
- NSW TrainLink
- Rolling Stock Operators accessing Sydney Trains Network
- ONRSR
- ATSB/OTSI

## 6. Reporting

**The Review will prepare its reports (interim and final) to the Minister for Transport to take forward for consideration by Cabinet.**

12 May - Initial Report and Way Forward

- An initial report will be provided which contains initial findings and specific areas for detailed investigation and recommendations

Ongoing - Interim reporting

- Ongoing reporting will be provided on progress in meeting the Review's scope and issues identified for immediate action

31 October - Final report consolidating the findings of the Review and recommendations.

- If considered necessary to fully address the proposed Scope, the Review may request additional time to finalise its Report.