

2010

GOVERNMENT SUBMISSION

to the

**Standing Committee on Public
Accounts' Inquiry into Auditor-
General's Report No 5 of 2010:
Delivery of ACTION Bus Services**

Authorised for publication

5.8.11

Introduction/Background

The Auditor General's Report on the performance of the delivery of ACTION Bus Services (the Audit) was tabled on 26 August 2010.

The objective of the Audit, as detailed in the Auditor General's Report, was to provide an opinion as to the effectiveness of the delivery of bus services to the Canberra community. Because of the nature of a performance audit, there was no particular time period over which the audit was conducted.

The Audit focused on the operational performance of ACTION and its management of the delivery of bus services. In particular, it looked at:

- accessibility (including related to infrastructure and information);
- timeliness;
- reliability;
- frequency;
- safety;
- ticketing and fare collection;
- customer satisfaction; and
- management of organisational performance.

The Audit acknowledged the complex working environment in which ACTION operates, particularly in relation to industrial relations.

The Audit opinion, formed against the audit objectives, was that was that Territory and Municipal Services (TAMS) had not coordinated, managed and delivered bus services in an effective manner.

The Audit identified that there was significant scope for TAMS and ACTION to improve performance by addressing deficiencies in compliance with legislation, the governance framework and the delivery of reliable services. In particular that:

- TAMS had not fully complied with aspects of the *Road Transport (Passengers Services) Act 2001, Regulations and Minimum Standards, Disability Discrimination Act 1992, Regulations and Standards and the ACT Human Rights Act 2004*;
- there was a lack of approved policies, procedures, and guidelines to support sound management of the safety, reliability, timeliness of bus services and the provision of infrastructure; and
- data collected was not always reliable and was not used effectively by ACTION. This was likely to impede its ability to improve services and provide the government with sound advice on meeting the current and future needs for public bus services in the ACT.

The ACT Government is committed to the delivery of a reliable, safe, accessible, responsive, efficient and effective bus service within a robust governance and compliance framework and has welcomed the Auditor-General's Report and 12 recommendations.

Both TAMS and ACTION have indicated that corporate systems, governance and capability in the business have been somewhat compromised over the past three to four years. Management prerogative has also been compromised by the industrial relations environment and the current enterprise agreement negotiations represent a significant first step in the reform of and continued improvement of ACTION. Through this process it will be imperative that ACTION reclaims its management prerogative to make the business decisions that it will ultimately be held accountable for.

ACTION staff and management are acutely aware of the importance of accessible public transport to the ACT community and are committed to improving the efficiency and effectiveness of the business. To this end, it should be noted that TAMS and ACTION Management have already taken steps to address many of the issues raised in this Performance Audit.

Government Response to the Auditor-General's Recommendations

Recommendation 1 (Chapter 2)

ACTION should review all legislative requirements and develop and implement strategies to meet the requirements of the following legislation:

- (a) *Road Transport (Public Passenger Services) Act 2001 (ACT)*;
- (b) *Road Transport (Public Passenger Services) Regulation 2002 (ACT)*;
- (c) *Road Transport (Public Passenger Services) (Minimum Service Standards for Bus Services) Disallowable Instrument DI2006-40 (ACT)*;
- (d) *Human Rights Act 2004 (ACT)*;
- (e) *Discrimination Act 1991 (ACT)*;
- (f) *Disability Discrimination Act 1992 (Commonwealth)*; and
- (g) *Disability Standards for Accessible Public Transport 2002*.

Agreed in principle – TAMS and ACTION understand the importance of legislative compliance and had given an undertaking to interpret and determine compliance with the identified legislation by June 2011, with assistance from the Government Solicitor's Office.

However, TAMS and ACTION are progressing ahead of schedule in relation to this recommendation and expect to have reviewed legislative requirements and developed strategies to meet the requirements of identified legislation by December 2010, with a view to beginning implementation shortly thereafter. If additional funding is required for implementation, the results of the review will inform budget bids for 2011-12.

It should be noted that ACTION and TAMS have taken immediate steps to address areas of non-compliance identified in the Audit as follows:

- Notifiable incident reporting is now occurring as required by the Regulation and backdated data has been sent to the Regulator.
- A daily bus inspection policy, procedure and monitoring mechanism has been developed and will be implemented as soon as possible subject to the support of the Union.

- The Regulator has agreed to amend the legislation to remove the need for driver checks of security cameras (as this is achieved via an automated process at ACTION).
- ACTION and the Regulator are assessing ACTION's capacity to meet the requirement to keep Closed Circuit Television (CCTV) footage for at least 30 days, with the view to determining whether the legislation can/should be changed to accommodate ACTION's current practice or whether an exemption can/should be granted.
- In consultation with the Regulator, a second draft of an address to the Minimum Service Standards as outlined in the Disallowable Instrument has been completed and will be submitted as soon as possible. ACTION and the Regulator are liaising to finalise the document.
- A new transport website was released in November 2010 with renewed focus given to providing a range of alternatives for people with a disability to access information.
- Roads ACT will assess, on a case by case basis, the need to install handrails with any ramps that are constructed to provide additional support and/or passive guidance for bus passengers.

Recommendation 2 (Chapter 2)

The Department of Territory and Municipal Services should ensure that activities of the various business units associated with the planning for, and delivery of, bus services and relevant infrastructure are well coordinated.

Agreed in principle – TAMS has created the new business unit of Transport Planning for the purpose of improving the planning for, and delivery of bus services. In future, Transport Planning will be responsible for the planning and reporting on public transport infrastructure previously undertaken by Roads ACT.

Further, a consultant was engaged to undertake a review of all Information Communication Technology (ICT) systems including those that record and manage stops data, with a report delivered by the end of October 2010. A master plan for the coordination and management of infrastructure, including *Disability Discrimination Act 1992* compliant bus stops, will be developed by June 2011. In anticipation of the completed plan, funding will be sought through the normal budget process in 2011-12 to upgrade bus infrastructure.

Recommendation 3 (Chapter 2)

The Department of Territory and Municipal Services should implement a robust governance structure within ACTION that:

- (a) includes approved policies, procedures, and guidelines for business critical systems and processes; and
- (b) provides reliable data to inform management and government in decision making regarding delivery of bus services.

Agreed – ACTION indicated that it required a dedicated Corporate Governance officer for this purpose and this officer was in place by the end of October 2010. ACTION has also progressed a management restructure that will give greater emphasis to governance and compliance across all facets of the business. ACTION had indicated that a governance framework and updated and approved policies, procedures and guidelines for business critical systems and processes would be developed by June 2011, but expects a significant portion of this will be able to be delivered by the end of December 2010.

Recommendation 4 (Chapter 3)

ACTION should improve information management by implementing systems and processes that can provide:

- (a) real time data;
- (b) accurate and valid data;
- (c) consistency in reporting; and
- (d) storage of data in an accessible manner.

Agreed in principle – ACTION will work with the new business unit of Transport Planning in the Department who is responsible for the development and implementation of a Real Time Information System by June 2013, funding for which was provided over three years to Transport Planning as part of *Transport for Canberra* in the 2010-11 budget. ACTION agreed to pursue improved accuracy and validity of data, consistency in reporting and improved data storage for ease of accessibility by June 2011.

However, Transport Planning and ACTION are expecting to deliver improved information management ahead of schedule as a consultant was engaged to undertake a review and deliver a report by the end of October 2010 on the transport information systems that are relevant to the effective and efficient operations of bus services. It is anticipated that recommendations will be implemented by the end of December 2010, except for items which require budget and will be subject to the normal budget process for 2011-12.

Recommendation 5 (Chapter 3)

ACTION should:

- a) effectively use collected data to improve the reliability and timeliness of bus services and inform decisions regarding the cancellation of bus services; and
- b) assess the impact of cancelled services on the community.

Agreed in principle – ACTION will continue to improve its analysis of collected data for the purpose of improving reliability and timeliness of bus services and in particular, to inform decisions regarding the cancellation of bus services. This will rely in part on the implementation of the new ticketing system as well as the real time information system, which combined will offer improved trip and travel data. The new ticketing system is due for gradual implementation over the period late 2010 to

early 2011 and the real-time information system is due for implementation by June 2013.

Transport Planning and ACTION engaged a consultant to undertake a review and deliver a report by the end of October 2010 on transport information systems to identify, among other things, the more effective use of collected transport data. It is anticipated that recommendations will be implemented by the end of December 2010, except for items which require budget, which will be subject to the normal budget process for 2011-12.

Transport Planning and ACTION has given an undertaking to investigate options for assessing the impact of cancelled services on the community by June 2011. This is on track to be completed no later than April 2011.

Recommendation 6 (Chapter 4)

ACTION should develop processes for validation of the transfer of data from its Incident Management System (IMS) to the ACT Insurance Authority (ACTIA) stand-alone database to improve the accuracy of data used for management of risks and liability.

Agreed – ACTION had given an undertaking to develop a process for validation of the transfer of data from the IMS to the ACTIA claims database by December 2010.

However, ACTION completed this task by the end of September 2010.

By October 2010 ACTION had engaged a new safety, security and compliance officer to work towards addressing all of the issues associated with safety identified in the audit in Chapter 4. This is a temporary position. The long-term need for this position and any ongoing funding will be considered through the 2011-12 Budget.

Recommendation 7 (Chapter 4)

ACTION should provide regular retraining for all drivers, including:

- a) safe driving techniques;
- b) road rules update; and
- c) customer service skills, including de-escalation of conflict.

Agreed in principle - ACTION had given an undertaking to seek funding through the normal budget process to develop a comprehensive program for driver refresher training for implementation by December 2011.

However, as ACTION is looking at options for the delivery of refresher training now and expects that, subject to available funding, it will be able to begin delivering refresher training by July 2011.

Recommendation 8 (Chapter 4)

ACTION should implement and monitor a documented pre-departure bus inspection procedure that meets legislative, warranty, and safety requirements.

Agreed – New drivers are trained to undertake pre-departure checks and have time available on their shift to do so. Nevertheless, by June 2011, ACTION had given an undertaking to develop a pre-departure bus inspection procedure that met legislative, warranty and safety requirements as well as effectively monitor this task.

While ACTION is ahead of schedule according to the original due date on this Recommendation, management have encountered problems in getting Transport Workers Union agreement to the arrangement. A Workplace Steering Committee (WSC) has been convened to progress the implementation of this Recommendation.

Recommendation 9 (Chapter 5)

In implementing the new ticketing system, the Transport Planning unit should ensure:

- a) ACTION's ICT systems and staff have the capacity to effectively use the capabilities of the new system; and
- b) policies and procedures to manage the new system have been developed and approved.

Agreed in principle– A consultant was engaged and delivered a report by the end of October 2010 on, among other things, system and staff capacity to deal with the implementation of the new ticketing system as well as related policies and procedures. The Department is on track to deliver the outcomes of this report as they relate to this Recommendation by December 2010, except those that will require funding, for which budget bids will be submitted as part of the normal budget process in 2011-12.

Recommendation 10 (Chapter 6)

The Transport Planning unit and Roads ACT should:

- a) coordinate the development of a master plan for the installation and maintenance of all bus infrastructure across the ACT; and
- b) ensure legislated obligations regarding bus infrastructure are met.

Agreed in principle – an undertaking has been provided that by June 2011, a master plan will be developed for the installation and maintenance of all bus infrastructure across the ACT with the view to ensuring legislated obligations regarding bus infrastructure were met.

Funding for bus stop infrastructure will be sought through the normal budget process in 2011-12 in anticipation of the completed plan.

In the interim, Roads ACT will assess, on a case by case basis, the need to install handrails with any ramps that are constructed to provide additional support and/or passive guidance for bus passengers

Recommendation 11 (Chapter 6)

ACTION should provide information (web-based or otherwise) that can be accessed equally by all groups in the community, such as large-print timetables, route maps on buses and at bus stops, or announcements on the buses of 'next stop' information.

Agreed in principle – By June 2011, ACTION and Transport Planning will investigate and implement what improvements can be made to its web-based and printed information to improve equality of access for all groups in the community.

ACTION, Transport Planning and Canberra Connect have immediately begun to assess the provision of information to identify areas of improvement. In particular, a new web-site was released in November 2010 that featured improved functionality and a renewed focus on providing a range of alternatives for people with a disability to use to access information.

ACTION and Transport Planning are also reviewing bus stop information and investigating the possibility of fitting information screens on buses for the purposes of providing 'next stop' information. The delivery of improved information may require additional funding and this will be sought through the normal budget process.

Recommendation 12 (Chapter 7)

ACTION should improve its feedback and complaints system, to ensure it contributes to service improvements, by including:

- a) an approved Customer Service Charter;
- b) approved policies and procedures for complaints handling;
- c) complaints data and record management;
- d) the use of complaints information to improve services;
- e) staff training; and
- f) information about referral to external agencies including the ACT Ombudsman and the Human Rights Commission.

Agreed – As at November 2010, an updated Customer Service Charter was completed and awaiting endorsement. It will shortly be made available to staff and the public via the ACTION web-site. It includes information about referral to relevant external agencies.

In addition, ACTION had a new dedicated Corporate Governance officer in place by the end of October 2010. This officer is working with the Customer Service Team looking at, among other things, the development of approved policies and procedures for complaints handling, complaints data and record management as well as analysis.

By November 2010, ACTION Customer Service staff had been provided access to additional customer service training.