

## **INQUIRY INTO PRIVATISATION OF BUS SERVICES**

**Organisation:** Transport Workers' Union of New South Wales  
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**Legislative Council Portfolio Committee No. 6 - Transport  
Inquiry into Privatisation of Bus Services**

**Submission – Transport Workers' Union of New South Wales**

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# Transport Workers' Union of NSW

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## 1. Introduction

The Transport Workers' Union of New South Wales (**TWU**) represents tens of thousands of men and women in Australia's road transport, aviation, oil, waste management, gas, passenger vehicle and freight logistics industries.

With over one hundred years' experience representing the workers who conduct Australia's crucial passenger and freight transport, the TWU has been proactive in advocating for the establishment and improvement of industry standards which advance the lives and safety of transport workers, their families and the community at large.

The TWU welcomes the opportunity to make this submission to the Inquiry into privatisation of bus services being conducted by the Legislative Council Portfolio Committee No. 6 – Transport.

By virtue of the long representational history that the TWU has with bus drivers, the TWU is uniquely placed to advocate for the commercial and operational realities encountered in the industry.

As the TWU is the only trade union in New South Wales representing bus drivers employed by private bus operators, this submission will primarily address items (c) and (e) in the Inquiry's terms of reference, being:

*(c) the economic, social, safety, employment and environmental implications of bus privatization; and*

*(e) the impact of bus privatisation on worker pay and conditions.*

## 2. Recent History of Bus Privatisation in Greater Sydney

The provision of public bus services in Greater Sydney has been subject to a competitive tendering process since 2012, which was introduced under then Transport Minister Gladys Berejiklian<sup>1</sup>. Prior to the introduction of competitive tendering, bus services in Greater Sydney were provided either directly by the New South Wales Government through the State Transit Authority (**STA**), or by private operators who entered into contracts with the New South Wales Government through direct negotiation rather than a tender process.

In announcing the decision to introduce competitive tendering for bus contracts in Greater Sydney, then-Minister Berejiklian said that "introducing competitive tendering generates not only improvements in services for customers, but also savings for taxpayers."<sup>2</sup> Given that the single biggest cost component in bus contracts is labour costs, it is clear that from the outset

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<sup>1</sup> <https://www.transport.nsw.gov.au/newsroom-and-events/media-releases/new-bus-contracts-to-drive-improvements-for-customers>

<sup>2</sup> *ibid*



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the objective of the Coalition Government's decision to introduce competitive tendering was to put downward pressure on pay and conditions for bus drivers.

Following this announcement, the subsequent competitive tendering process later that year saw most contracts awarded to the existing operators, with the exception of Region 1 (Blacktown & Penrith) which moved from Comfort DelGro Cabcharge (CDC) to Busways, and Region 3 (Liverpool, Fairfield, Merrylands and Parramatta) which was taken away from a consortium of three family-run bus operators and awarded to the Adelaide and Brisbane based operator Transit Systems Australia (**Transit Systems**)<sup>3</sup>. A subsequent round of competitive tendering the following year mostly saw a consolidation whereby contracts held by multiple operators in a single region were instead awarded to just one of the existing operators, with the exception of Region 15 (Campbelltown & Camden) which moved from Busways to Busabout<sup>4</sup>.

At the conclusion of the 2012 and 2013 rounds of competitive tendering outlined above, the 14 bus contract regions across Greater Sydney were as shown in Figure 2.1 below.

Figure 2.1 – Bus Operators After 2012 & 2013 Tendering Process

Region	Operator
1	Busways
2	Interline Bus Services
3	Transit Systems Australia
4	Comfort DelGro Cabcharge (trading as Hillsbus)
5	Punchbowl Bus Company
6	State Transit Authority
7	
8	
9	
10	Transdev NSW
12	
13	
14	Forest Coach Lines
15	Busabout

*Note: Region 11 was absorbed into Region 10 in 2009.*

A map of the Greater Sydney bus regions is included at Annexure A to this submission.

As can be seen in Figure 2.1 above, following these tender processes there were 8 private operators involved in the provision of bus services in Greater Sydney in addition to those regions operated by State Transit Authority. This represents a significant reduction in the number of industry participants compared to prior to competitive tendering, when 13 operators were involved (excluding STA). The majority of the operators that lost contracts through the tendering process were smaller, family-run operators that were replaced by larger national or multinational operators.

<sup>3</sup> <https://www.busnews.com.au/industry-news/1211/tender-shock-rocks-sydney>

<sup>4</sup> <https://www.transport.nsw.gov.au/newsroom-and-events/media-releases/more-than-60-new-buses-and-improved-customer-service-new-bus>



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In May 2017, the New South Wales Coalition Government announced that the operation of bus services in Region 6 would be privatised via a competitive tender process<sup>5</sup>. The contract was subsequently awarded to Transit Systems. Chapter 4 of this submission will examine the particularly troubling employment arrangements used by Transit Systems in further detail, but suffice it to say that in approving Transit Systems' bid the New South Wales Coalition Government explicitly endorsed their proposal for a two-tiered workforce across Region 3 and Region 6, as well as within Region 6 alone.

The most recent development in the history of bus privatisation in New South Wales came in October 2019, when the New South Wales Coalition Government announced that the three remaining contract regions operated by STA would be privatised, again via a competitive tender process. Contracts have been awarded for all three regions, with the contracts in Regions 7 and 8 already having commenced and the Region 9 contract due to commence from 3 April 2022.

Figure 2.2 below shows the current contract operators in each Greater Sydney Bus Region:

Figure 2.2 – Current Greater Sydney Bus Operators

Region	Operator
1	Busways
2	Interline Bus Services
3	Transit Systems Australia
4	Comfort DelGro Cabcharge (trading as Hillsbus)
5	Punchbowl Bus Company
6	Transit Systems Australia
7	Busways
8	Keolis Downer
9	Transdev John Holland*
10	Transdev NSW
12	
13	
14	Forest Coach Lines
15	Busabout

*\* commences 3 April 2022*

As part of the October 2019 announcement that regions 7, 8 and 9 would be privatised the New South Wales Coalition Government also indicated that the contracts for the remaining 10 bus regions would be put out to competitive tender processes in 2022. This process is currently underway for regions 4, 12 and 14 with the remaining regions scheduled to be tendered by the end of 2022.

Interestingly, as part of the 2022 tender process the New South Wales Coalition Government has indicated that operators can submit bids to combine certain combinations of regions. In an industry update provided to potential tender bidders in November 2021 and obtained by the TWU (a copy is included at Annexure B), Transport for New South Wales indicated bids for the following combinations of contract regions would be considered:

<sup>5</sup> <https://www.transport.nsw.gov.au/newsroom-and-events/reports-and-publications/region-6-bus-franchising-factsheet>



- Regions 12 and 14
- Regions 3 and 13
- Regions 5 and 10
- Regions 2 and 15

With the exception of Regions 3 and 13, every other proposed combination involves smaller, local bus operators. It is hard to read these proposed combinations of contract regions as anything other than a clear sign from the New South Wales Coalition Government that their preference is for larger, national and multinational operators such as CDC, Transit Systems and Transdev to takeover the operation of contracts currently held by smaller operators.

### 3. Impact of Privatisation & Competitive Tendering on Pay & Conditions

While item (e) of the Inquiry's terms of references refers to the impact of privatisation on worker pay & conditions, it is important to also specifically address the impact of competitive tendering. Prior to the introduction of competitive tendering, many privately-operated bus regions enjoyed relatively stable industrial relations environments and have had the carpet pulled from under them as a result of competitive tendering.

Prior to the privatisation of the bus industry across New South Wales, the bus network was predominantly serviced by the STA, a New South Wales Government run public transport agency. The employment conditions of STA's workforce were determined by the *State Transit Authority Bus Operations Enterprise (State) Award (the Award)*.

The Award represented a central document that provided one consistent set of employment conditions for bus drivers operating across New South Wales. These employment conditions were fought for and built upon by trade unions that sought to ensure fair and reasonable pay and conditions for employees, resulting in positive safety outcomes for drivers, passengers and the community at large.

Where the New South Wales Coalition Government consecutively privatised and put regions out for tender, the Award no longer applied to those regions. This has resulted in bus drivers across New South Wales completing substantially the same role with little parity in pay and conditions across the industry.

The very nature of competitive tendering facilitates a degradation of employment conditions for those engaged by private companies. In order for tenders made by private bus operators to be viable, they are required to offer the lowest possible price and over-promise on service delivery key point indicators that can be met to ensure competitiveness against other companies tendering for the same work.

Where a private bus company does secure a contract, they continue to put downwards pressure on workers by undercutting their pay and conditions to maximise the company's profit margin. In effect, where competitive tendering is used in industries that were traditionally considered public services, the quality and safety of the service will inevitably degrade as private bus operators put profits before people.



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It is negligible for the New South Wales Coalition Government to have privatised a vital public transport asset as integral as the bus industry. Bus services across New South Wales have been a reliable public service that has offered an alternative to the use of private modes of transportation. Bus services proved useful for day-to-day commuters including school aged children, as well as those with varying needs, such as those with accessibility issues, the elderly, the disabled, less mobile individuals and those who would otherwise experience social isolation. Bus services have traditionally proven more affordable than alternative modes of transport, including taxis, hire cars and rideshare, meaning the New South Wales public had a greater reliance on the services.

It shouldn't come as a surprise that private bus companies that have tendered for work offering the lowest possible price continue to cut the wages of their drivers, require drivers to operate at unsafe staffing levels and for unsafe periods of time, require drivers to engage in unsafe road practices to meet unreasonable timetables, cut corners with the maintenance of buses, remove stops from services and seek to close routes that are unprofitable.

Aside from bus drivers who are in a race to the bottom for employment conditions that are and will be affected, it will be predominantly be those without cars, children, the elderly and those with varying needs that will be most substantially affected where the New South Wales Coalition Government requires private bus companies to continue to engage in competitive tendering practices.

As the trade union in New South Wales representing bus drivers employed by private bus operators, the TWU is consistently seeking to garner a thorough understanding of industry wide issues and pressures experienced by bus drivers. The TWU commissioned a report from Qdos Research Pty Ltd titled '*2018/19 Bus Industry Survey*' (**the Report**) that recorded data submitted between the periods of December 2018 until February 2019.

In excess of 300 bus drivers responded to the report, including both non-unionised workers and TWU members alike. Of the respondents, 46% had worked as a bus driver for over 10 years, 19% had worked in the industry between 5 and 10 years, 21% had worked in the industry between 1 and 5 years and 14% had worked for 1 year or less.

The report uncovered stark findings about safety in the bus industry, widespread concerns held by bus drivers' industry wide. Where researchers sought the view of the respondents about what was the primary driver behind the industry being unsafe, the predominant response attributed concerns to the privatisation of the bus industry in New South Wales, as well as the competitive tendering process.

The report found that 67% of respondents believed that unachievable timetables and inadequately resourced routes are putting drivers under pressure to drive unsafely, whereas 74% of drivers believed that a lack of buses or drivers servicing routes placed pressure on drivers to drive unsafely.

The report found that drivers felt pressure from company management to take various actions to meet unrealistic timetables and servicing requirements, including but not limited to skipping breaks (39%), omitting pre-inspection of vehicles (26%), drive quickly to make up time (25%) and break the law (19%).





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Drivers also reported that they don't think they are receiving adequate breaks and almost all respondents think this is putting them and their passengers at risk.

They also attribute a litany of health issues to inadequate breaks, including but not limited to back, neck and muscle pain (30%), bladder, prostate or bowel issues (26%), fatigue, tiredness and feeling rundown (15%), kidney or urinary infection (11%), headaches, dizziness and blurred vision (10%), cramps (6%), depression, emotional issues and stress (5%) and other physical issues (11%).

The vast majority of respondents also advised that they face verbal abuse very often, with two thirds have felt physically threatened in the past year.

Drivers directly link all this to New South Wales Coalition Government tendering leading company pressure to meet unreasonable expectations that ultimately gets lumped on them.

This is evidenced by the fact that three quarters of drivers (74%) believe that the New South Wales Coalition Government tendering has left the bus industry in a worse state. Drivers with over 5 years' experience were significantly more likely to agree.

Similarly, almost three quarters of drivers (73%) believe that the competitive tendering by the New South Wales Coalition Government compromises passenger safety. Again, drivers with over 5 years' experience and drivers who feel threatened at work were significantly more likely to agree.

Most respondents (88%) reported that they believed that the pressure they faced was as a result of the New South Wales Coalition Government pressuring bus companies which flowed down to individual drivers.

When asked to comment on issues that the competitive tendering has caused in relation to safety, comments included:

*... "My company has been sold twice in the 2 years I have been working there and it has consistently gone downhill with safety, inadequate training of drivers and especially painting repairing vehicles and management that hasn't got a clue and can't even drive a bus."*

*"Maintaining the buses has dropped off. Never know if the bus is going to last a shift. Air conditioning not reliable. Doors opening when they like or not closing at all."*

*"Keeping old buses in operation that perform so poorly stresses drivers out unnecessarily causing high levels of fatigue and affects attitudes and emotional stability."*

Where drivers were provided an opportunity to leave a comment for the report, the TWU received the following submissions:

*... "Clearly the government is more worried about cost cutting than providing quality public transport. The easiest way to achieve this is to privatise, less pushback from the public. And with most private companies' drivers are the lowest common denominator, easiest to exploit and easiest to replace."*



*"In situations where there is abuse or threatening behaviour directed at a driver the company deflects most of the blame at the driver for inflaming the situation. Privatisation and the tendering process is a total failure under this Liberal govt."*

*"I feel that timetable times are unrealistic, do not allow for traffic etc. Main issue is lack of support from management and government regarding safety of drivers."*

The New South Wales Coalition Government turned its back on hardworking bus drivers by privatising the bus industry and generating a downward pressure on workers who experienced wage cuts, are pressured to take risks to meet unrealistic deadlines and have their health and safety in the workplace disregarded. Competitive tendering has and will continue to reduce public service quality, pose a safety risk to passengers and other road users and lead to unprofitable stops and routes being closed.

#### **4. Transit (NSW) Services Pty Ltd and Transit Systems West Services Pty Ltd**

At the time of this submission being written, the TWU is involved as a bargaining representative negotiating for members at Busways, Interline Bus Services, Transit (NSW) Services Pty Ltd and Transit Systems West Services Pty Ltd, Comfort DelGro Cabcharge and Transdev NSW.

As a result of the privatisation and competitive tendering occurring within the bus industry, there is a disparity in employment terms and conditions, whereby some bus companies have retained provisions of the Award in their enterprise agreements, whereas other have severely undercut rates of pay, allowances and conditions.

Of the bus companies that the TWU is currently enterprise bargaining with, none illustrate the perils of privatisation and corporate greed more than Transit Systems, a company which services both region 3 and region 6. Transit Systems purports to the size of its operation spans over 6 depots, 822 buses and 1878 staff members engaged in New South Wales.

Transit Systems' acquisition and subsequent dealings with regions 3 and 6 illustrates the downwards pressure competitive tendering disproportionately places on the everyday worker. At the point of acquiring the region contract, it was widely reported that the competitive tender provided by Transit Systems undercut competitors by tendering at a price that factored the labour rate, the costliest component of any bus operator, below the Award rates.

At or around the time that the tender was awarded, an undertaking was provided by the New South Wales Government that private bus companies being awarded contract would be required to grandfather the pay rate bus drivers were receiving prior to the contract. As a result of this, Transit Systems established a two-tiered workforce, insofar as the drivers engaged prior to the contract being awarded were paid a higher grandfathered rate of remuneration, whereas drivers engaged after the contract being paid a lower rate.

Transit Systems achieved a two-tiered workforce by tendering and being awarded the contract for region 6 under one (1) corporate entity (Transit Systems West Pty Ltd) and using two (2) different corporate entities to engage the employees in region 6, being Transit Systems West Services Pty Ltd (which engaged the previously STA employed drivers) and Transit (NSW)



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Services Pty Ltd (which employed any new driver engaged after the privatisation). This corporate structure allowed Transit Systems to circumvent and evade the contractual requirement that the successful tenderer (Transit Systems West Pty Ltd), must also be the legal entity that directly employs the bus drivers. This allowed Transit Systems to operate a two-tiered workforce, where bus drivers who perform the exact same work on the same government contract, were on different terms and conditions. As a result of the corporate structure Transit Systems utilised, it also meant that there was no legal remedy available to the drivers engaged on lower terms and conditions to seek to have the same terms and conditions as the former STA drivers. Had Transit Systems met their contractual obligations, those drivers could have sought that those terms and conditions apply to them through the Fair Work Commission.

This occurred and still is the case today, despite the fact that the New South Wales Coalition Government purportedly included a term in their contract which explicitly states that the bus company awarded the tender must be the entity that directly engages the bus drivers and that they must ensure that the existing terms and conditions of pay applied for a particular period following the changeover from public to private. Despite these terms allegedly being provided in the contracts, the NSW Coalition Government has shown willful blindness and disinterest by not auditing or enforcing these provisions, essentially rendering the protections purported to be in the contracts as useless. As a result, there are two sets of employees working in the same yard, completing the same function, yet receiving different work conditions and rates of pay and this has been a direct result of the inaction shown by the NSW Coalition Government who simply could have enforced their contract provisions, but instead they chose to sit on their hands and allow terms, conditions and wages for bus drivers deteriorate.

In an attempt to secure the employment conditions of bus drivers that previously worked for the STA, now working for private bus companies, where enterprise bargaining commenced with individual bus companies, the TWU approached Bus NSW, the peak industry organisation for the bus and coach sector, to discuss bargaining goals of both parties.

In these discussions, Bus NSW represented the interests of most major bus companies operating in privatised regions. As a result of these discussions, the TWU and Bus NSW would in effect establish a template agreement that dealt with the overarching concerns of peak body groups to ensure there were some industry minimum standards, which were predominantly based on terms of the Award. In addition to the template agreement terms negotiated between the TWU and Bus NSW, the TWU approached individual bus companies to discuss and negotiate bargaining terms that were specific to that workforce and employer, as well as local claims. The establishment of the template agreement with Bus NSW allowed parties to work cooperatively and meet organisational goals, whilst allowing the TWU to ensure parity between bus drivers operating throughout New South Wales.

Unlike other bus companies, at the point of the region 3 enterprise agreement negotiation commencing for the *Transit (NSW) Services Pty Ltd, Transport Workers Union and Bus Drivers Enterprise Agreement 2017 (the Enterprise Agreement)*, Transit Systems refused to endorse and adopt the TWU and Bus NSW template agreement which included industry standards agreed upon by major bus operators. This rejection of the template agreement allowed Transit Systems to not only strip condition existing employment conditions, but also



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deviate from well-established and adopted conditions throughout the industry, including but not limited to rates of pay and allowances and union rights.

When discussing the disparity in employment conditions between Transit Systems and other major bus operations in New South Wales, region 3 driver who has requested anonymity due to fear to repercussions, states:

*... "We are so far behind every other bus company when it comes to pay and conditions and the Government doesn't seem to care. An example of how far behind we are is the bendy-bus allowance and the double-decker bus allowance. Transit Systems' allowance for driving bendy-buses or double-deckers is only \$4 a day, whereas other drivers working for other bus companies earn as much as \$25 a day for the same work. These are specialist vehicles that require a lot more care and effort to drive and \$4 a day is just an insult. Even the Award has a \$14 allowance for driving these kinds of buses."*

*... "I was recently allocated a run as one half of a split shift that was scheduled to take 5 hours and 14 minutes. That means that if traffic or anything else caused just 61 seconds worth of delays, I would either have to break the fatigue laws by driving for longer than 5 hours and 15 minutes, or stop and take a break which would inconvenience passengers and risk disciplinary action from my employer."*

A Transit Systems and TWU delegate servicing region 6 who has requested anonymity due to fear to repercussions, states:

*... "Legacy drivers get a 15% loading on their entire shift if it finishes after 8pm, whereas non-legacy drivers only get penalty rates after midnight and it's only paid on those hours worked after midnight."*

The gap between Transit Systems and other bus companies throughout New South Wales is significant, to the extent that there is presently approximately a 7% pay gap between providers. One of the primary contributing factors as to why Transit Systems' is so far behind other bus companies, is the fact that Transit Systems drivers' rate increases are in line with Wage Price Increase (**WPI**) rates, rather than at Consumer Price Index (**CPI**) rates.

Clause 8(c) of the Enterprise Agreement, states:

*... "Transport for New South Wales maintains an index of movement in wage levels in comparative industries ("TfNSW WPI Index"). This is currently the ABS Labour Price Index, Total Hourly Rates of Pay (excluding bonuses), Private and Public: Transport, postal and warehousing (A2603469T)."*

Notably, WPI is calculated through the sampling of a target population of business by either state, sector or industry and comparing the valuation of the work complete in comparison to rates paid, whereas CPI is calculated by grouping expenditure classes and calculating the price changes of each item for the previous quarter to come to an aggregate inflation rate. Application of WPI increases in comparison to CPI or set wage increases has led to the value of money being paid to Transit Systems' drivers not keeping up with the rest of the industry and the cost of living.



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Further, WPI data collected for the classification of transport, postal and warehousing does not appear to account specifically for the bus industry, meaning an indexation figure is paid to drivers with little to no transparency as to how that figure and data is reached or whether it is a true reflection of the industry the drivers' service.

To illustrate the substantial financial disparity between bus companies paying at CPI levels in comparison to WPI levels, as at December 2021, CPI rose by 1.3% within the quarter, whereas over the 12 months to the December 2021 quarter, CPI rose by 3.5%.<sup>6</sup> Within the same timeframe, as at the December 2021 quarter, WPI increased by 0.7% and 2.3% over the year.<sup>7</sup>

Unfortunately, in the course of bargaining with other bus operators, the TWU has been made aware that other operators seek to alter their method of increasing wages from set rates or CPI to WPI as Transit Systems has. The TWU remains committed to ensuring that bus drivers are paid a respectable living wage that reflects the work completed and cost of living pressures and in doing so, will continue to rebuke bus companies that seek to strip wages and conditions from workers.

At present, the TWU is negotiating terms for an enterprise agreement for region 6 workers alongside the Rail Tram and Bus Union (**RTBU**). In the course of negotiation, Transit Systems has sought that the two-tiered pay and condition system remains. The TWU and the RTBU have rejected this claim, which has led Transit Systems counter-propose that where there is to be one singular set of conditions for drivers, those conditions are to be based off the region 3 enterprise agreement, which enshrines terms that are well below industry standards as stated above.

Enterprise bargaining for region 6 illustrates the fact that as the costlier component of operating is labour costs, companies such as Transit Systems will continue to place downwards pressure on workers to remain profitable. It is egregious to the TWU that the New South Wales Coalition Government dismantled this public service and engaged the lowest tender vendor, ensuring that the companies reap rewards and financial advantages as a result of undercutting their employees.

## 5. Impacts of a Race to the Bottom within the Bus Industry

Whilst the TWU has an inherent interest in defending and improving the employment conditions of bus drivers, we hold genuine concerns that the race to the bottom that operators are engaged in will continue to disincentivise new workers from entering the bus industry. At present, it is the TWU's observation that the average age of bus drivers' is high, with it not being unusual that drivers continue to work well beyond the average retirement age of 70. It appears to the TWU that there is a labour and skills shortage within the bus industry, whereby bus companies are desperate to retain their existing workforce, including those who continue to work through their 70s and 80s and find it difficult to incentivise and retain a new guard of bus drivers.

This observation was best illustrated to the TWU during the heights of the COVID-19 pandemic, where bus companies were consistently dropping bus services and claiming that

<sup>6</sup> <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/consumer-price-index-australia/dec-2021>

<sup>7</sup> <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/wage-price-index-australia/dec-2021>





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this was as a result of isolation or infection of individual bus drivers. TWU Officials advise that even where minimal levels of staff were affected or were required to isolate, bus operators did not have sufficient staffing levels to cover minimal disruption services.

Further to this, it is a common industry complaint that bus drivers experience difficulty accessing or having periods of leave approved. Where a driver applies for annual leave or long service leave, bus operators impose strict caps in yards as to how many people can be on a period of leave. TWU Officials are commonly advised that caps within yards of hundreds of workers only allow a single figure of drivers being off at any time one time as a result of labour and skills shortages.

Whilst the New South Wales Government cited excessive complaints made by the public, service inefficiencies and the need for greater flexibility of services as the reasons for privatising the bus industry, there is little to no proof that privatising a public service would or has improved bus services. In fact, the following sentiment shared by a bus driver under a pseudonym for the Guardian is reflective of how many in the industry feel, stating:

*... "I've been a Sydney bus driver for more than 21 years and I am just as frustrated as everyone else with the traffic and delays across Sydney. But every Sydneysider knows that traffic in the city is gridlocked during peak times and buses are "late" because they are stuck in the very same Sydney traffic that everyone else is. Visitors are advised to add an extra half an hour to the normal travel time if they want to be anywhere near on schedule. Many commuters try to avoid peak hour completely, instead attempting to leave very early or very late.*

*If you go to Leichhardt depot in the inner west for the morning shift, you will see buses backed up trying to get out of the depot on to Balmain Road, which is equally jammed with traffic.*

*What's the Liberal party's solution to this? Blame the drivers and privatise the bus network, as though a private operator will be able to part Sydney traffic like Moses parting the Red Sea.*

*We love and care about our jobs and we take pride in doing them well. And despite the frustrations of Sydney traffic, it's still a wonderful job.*

*There are 3,500 drivers in the same situation as me. If we lose our jobs, it would be a devastating blow – financially and psychologically – and the truth is we know it won't solve a thing. By selling off the buses, the government is telling us, "we don't value what you do. We don't care about the sacrifices you make."*

*Yes, there are challenges. But privatising our buses will not fix them. We've seen public bus systems privatised before and it has led to poorer services and higher fares."<sup>8</sup>*

When the TWU has asked about the quality of services offered by private operators, bus drivers have advised that in their experience, privatisation has done little to improve service quality as the primary goal of any operator is to be profitable, not service the public at large to

<sup>8</sup> <https://www.theguardian.com/australia-news/2017/jul/09/privatisation-wont-make-sydneys-buses-run-on-time-and-expect-new-problems>



# Transport Workers' Union of NSW

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the best possible standard. Bus drivers further attest to the following experiences, stating:

*... "Bus seats are only ever cleaned if someone soils them – there is no regular cleaning of seats because the companies are always looking to cut costs."*

*... "The timetables are so tight that you don't have time between routes to park, get out of the bus, get to the toilet and get back to the bus in time to start the next route."*

*... "The lack of adequate toilet and bathroom facilities is a disgrace, not to mention the amount of time you have to drive without a paid break."*

*... "If a passenger came up to me while I was driving and said they were busting to use a toilet, I would pull over and wait for them to use a bathroom. But if it's us drivers needing to use the bathroom, we don't get that option. We have a heart, but the Government doesn't."*

*... "I know plenty of drivers who avoid drinking any fluids all day so they don't get caught needing to go to the bathroom. Others take the opposite approach and keep an empty Coke bottle under the seat in case they get caught out with no bathroom to access."*

*... "We accept that drivers need to make a profit, but the balance is tipped too far in their favour and that's all because of privatisation."*

*... "Trying to negotiate with our employers under the privatised model feels like you're not just fighting against your opponent, but against the referee as well (the Government)."*

*... "It's not fair for us to work and fight for better pay and conditions, win a good agreement only for some cowboy to come in at tender time and undercut it."*

It is clear that private bus operators are merely concerned about being successful in the competitive tendering process and after securing a contract, cutting corners with employment conditions, maintenance and dropping services to ensure the operation is as profitable as possible. Privatising the bus industry has and will continue do nothing to increase customer satisfaction, flexibility or ensure greater efficiency.

Where private operators continue to reign freely within the public transport industry, it will be bus drivers who will be forced to operate without adequate breaks, toilet, food or rest break facilities. Drivers will continue to have pressure placed on them to service unrealistic bus timetables that do not account for the reality of New South Wales roads and will continue to be forced to drive longer hours, at faster speeds and take greater risks than required to meet company key point indicators in order to not be subjected to disciplinary action. Further, the community at large, particularly school children, the elderly, the less mobile, the disabled and those who would otherwise experience social isolation will be required to make experience the sacrifices that will be made by private operators, including but not limited to the cancellation of unprofitable routes, changes being made to the frequency and ambit of services the diminishment of service quality.



## 6. A Way Forward in the Privatised Bus Industry

Competitive tendering has decimated the industry standards that employees and unions alike have advocated and worked to establish for many decades. The non-applicability of the Award and discretionary nature of the TWU and Bus NSW industry minimum standards template is illustrative of the fact that the bus transport industry is entirely deregulated within New South Wales.

Where the New South Wales Government is genuinely interested in ensuring that bus drivers are not exploited as a result of the downwards pressure placed on them by operators as a result of competitive tendering, the TWU proposes that there is a need for an industry-wide set of minimum pay and employment conditions to be established and applied throughout New South Wales.

In light of the long representational history and coverage under organisational rules, the TWU proposes that the appropriate parties to be involved in consulting and establishing said minimum standards are the TWU, the RTBU and the New South Wales Government.

The TWU proposes that these industry minimum standards would be inserted into the tender process, making clear that the New South Wales Government will not accept and will penalise any breaches of these minimum standards. The minimum standards would not affect or limit an operator's capacity to engage in enterprise agreement negotiations, rather the minimum terms would operator similarly to national employment standards which are inalienable and a baseline entitlement for all workers.

The TWU remains open to further discussions with the New South Wales Government in addressing the problems that have arisen as a direct result of competitive tendering and the deregulation of the industry. The TWU's primary interest remains to be ensuring safe, fair and reasonable working conditions for all working within the transport industry, including those working as bus drivers.

## 7. Conclusion

The pressures placed on bus-drivers as a direct result of privatisation and competitive tendering is well established, as is the need for minimum standards to be established to ensure the safety and wellbeing of drivers, passengers and road users at large. Where the New South Wales Government continues to disregard to plight of these stakeholders, it becomes increasingly apparent that the true motivation of deregulating and privatising this public transport was ideological, not to ensure an improved, adaptive and quality service to the people of New South Wales.

The TWU stands in solidarity with bus drivers who have and continue to make endless sacrifices, particularly during the COVID-19 pandemic, to provide a safe and reliable service to commuters, whilst having their needs and minimum employment standards diminished.

It is unacceptable that despite the pleas of workers, the New South Wales Government continues to show indifference, particularly in circumstances where as per the report, a quarter of drivers have been disciplined for running late to timetables they believe are not possible to





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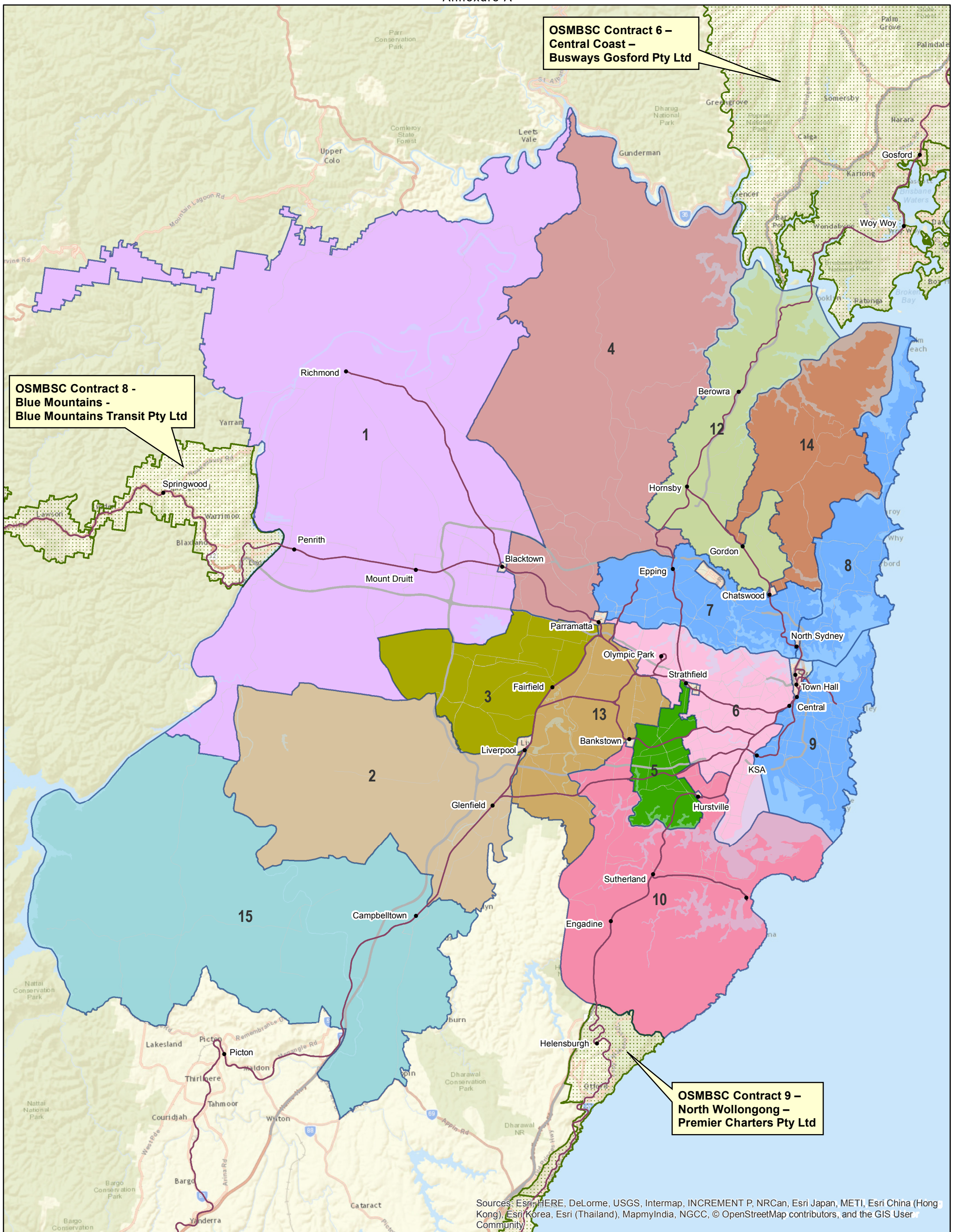
**Richard Olsen** State Secretary | **P:** 1800 729 909 | **F:** 02 8610 8099 | **E:** [info@twunsw.org.au](mailto:info@twunsw.org.au) | **W:** [www.twunsw.org.au](http://www.twunsw.org.au)

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meet and a quarter of drivers are still being disciplined for running late to timetables they believe are not possible to meet.

The New South Wales Government has facilitated a pressure cooker situation, where there is so much building downward pressure that it is merely a moment of time before a tragedy occurs or the entire industry disintegrates. The TWU compels the New South Wales Government to act appropriately and decisively to fix the mess created by the decision to privatise.





## Sydney Metropolitan Bus Service Contracts (SMBSC) - November 2018

- Contract 1 - Busways Blacktown Pty Ltd
- Contract 2 - Ingleburn Bus Services Pty Ltd (Trading as Interline)
- Contract 3 - Transit (NSW) Liverpool Pty Ltd
- Contract 4 - Hillsbus Co Pty Ltd
- Contract 5 - Punchbowl Bus Company Pty Ltd

- Contract 6 - Transit Systems West
- Contracts 7 - 9 - State Transit Authority of NSW
- Contract 10 - Transdev NSW South Pty Ltd
- Contract 12 - Transdev NSW Pty Ltd
- Contract 13 - Transdev NSW South Pty Ltd

- Contract 14 - Forest Coach Lines Pty Ltd
- Contract 15 - Neville's Bus Service Pty Ltd (Trading as Busabout)
- Major Train Stations
- Main Road
- CityRail Network



**OFFICIAL: Sensitive - NSW Government****Update on Greater Sydney and Outer Metropolitan Bus Contracts****TfNSW 2021 012-013-014-015**

Following release of the industry briefing in July 2021, TfNSW has received feedback on a number of aspects of the proposed procurement including the program.

TfNSW is continuing to refine its approach to a number of these items but has made a decision to change the timing and staging for the release of the Tenders for TfNSW 2021 12, 13, 14 and 15 as follows:

**TfNSW 2021-012 – Outer Metropolitan (OM Contract 6 and OM Contract 7)**

TfNSW has decided to shift the procurement of Outer Metropolitan Contracts 6 and 7: RFT TfNSW 2021-012 to the last stage of the bus procurement pipeline. It is currently intended that this RFT will be released in late 2022 following tender closing for GS Tranche 3. Further information on the timing for this RFT will be released during 2022.

**TfNSW 2021-013 – GS Tranche 1 (GSBC4, GSBC12, GSBC14)**

Release January 2021    Close April 2022

**Consolidated Offers:**

Contract regions GSBC12 and GSBC14 may be combined if desired.

**TfNSW 2021-014 – GS Tranche 2 (GSBC3, GSBC5, GSBC10, GSBC13)**

Release April 2022    Close July 2022

**Consolidated Offers REVISED:**

Contract Regions GSBC3 and GSBC13 may be combined if desired

Contract Regions GSBC5 and GSBC10 may be combined if desired.

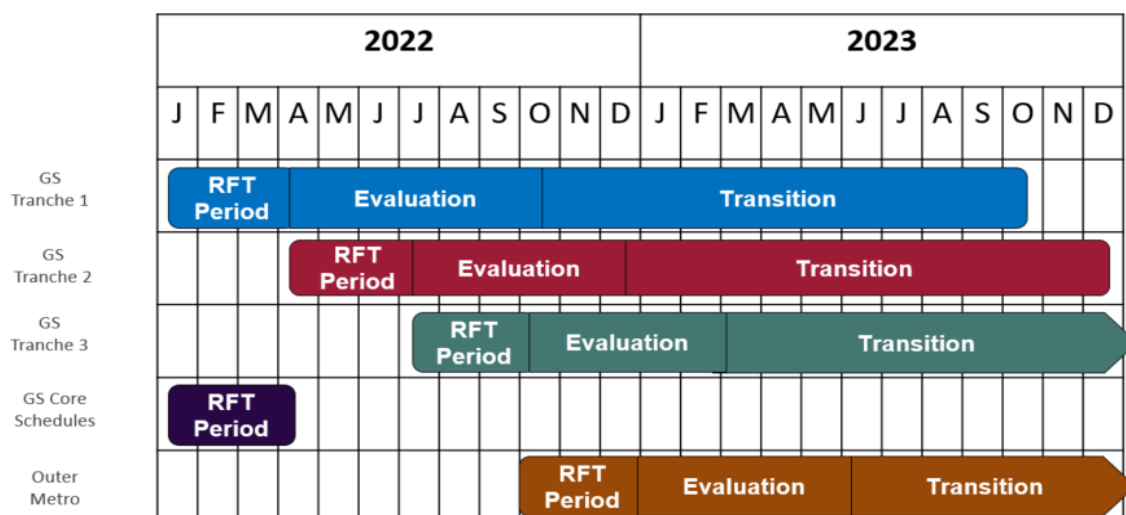
**TfNSW 2021-015 – GS Tranche 3 (GSBC1, GSBC2, GSBC15)**

Release July 2022    Close Oct 2022

**Consolidated Offers:**

Contract regions GSBC2 and GSBC15 may be combined if desired.

The data room for the GS tenders will be opened in late 2021. The revised program is illustrated below:



### **Zero Emission Bus Transition Strategy**

TfNSW advises that it is currently carrying out further investigations to support planning for transition to Zero Emission Buses. These investigations will help to inform requirements that need to be considered around capacity, layout, access, infrastructure, operational, route, workforce and commercial impacts. TfNSW will be engaging with a number of operators to seek further information to better inform its approach.

As part of this engagement strategy further input may be provided directly to the TfNSW Zero Emission Bus project team. Any questions in relation to the Zero Emission Bus Transition Strategy or to discuss opportunities to provide further input please contact the team at [zeroemissionbuses@transport.nsw.gov.au](mailto:zeroemissionbuses@transport.nsw.gov.au).