

Transit underpaid bus drivers \$3.5m as CEO resisted wage rises

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The country's largest private bus operator has been fined \$181,000 after its chief executive resisted passing on wage rises to drivers, and it is now on the hook for almost \$3.5 million in back pay.

Federal Court Justice Steven Rares ruled that the refusal by Transit Systems, owned by ASX-listed Kelsian Group [<https://www.afr.com/companies/tourism/bus-contracts-offset-tourism-hit-for-sealink-20210824-p58lkm>], and group CEO Clint Feuerherdt to immediately pay the wage rises to more than 750 bus drivers in NSW meant it "sought to take the law into [its] own hands".



Clint Feuerherdt, CEO of Kelsian Group - formerly Sealink Travel Group - told executives the wage rise would be a "big unbudgeted blow". **Ben Searcy**

dipping” by getting both the transitional award pay rise and the minimum wage increase.

‘Financial viability’ will be reduced

It said its drivers were already paid “substantially higher” than those under the national award, with a junior driver paid \$1051 a week under its preferred 2020 rates compared with \$895 under the award minimum.

It warned that if the commission did not grant it relief, it would face a “significant unfunded liability” without any bargained cost offsets or productivity increases.

“In turn, this will reduce the financial viability of Transit Systems’ business.”

Although the Fair Work Commission’s wage panel decided in 2018 that its increases would automatically apply to state transitional awards – unless a party sought an exemption – it received few submissions on the issue and the matter has not been tested legally.

Transit says the wage rises should not apply when there are existing wage increases in place.



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A Transit spokeswoman said “we have honoured all known and documented commitments to driver wage rises that existed between the unions and government on transfer of contracted services to Transit”.

“We are seeking a fair and equitable outcome in the circumstances, while the union is pursuing double pay rises for drivers over a number of years in which they have already received the same pay rises as other drivers in Sydney.”

The RTBU’s Mr Babineau ridiculed Transit’s use of “double dipping” as he claimed the company was only required to pay the shortfall in workers’ pay after they had been unlawfully underpaid.