

PORTFOLIO COMMITTEE NO. 6 — TRANSPORT

INQUIRY INTO PRIVATISATION OF BUS SERVICES

Questions on Notice

*Q. Mr Balkin and Mr Sinclair, I am happy for either of you to take this. Is it not a fact that in the contract specification from Transport for NSW, the signatory to the contract must be the employing entity of drivers as well? Is that a fair enough interpretation? Are you still with us?*

A. Transit Systems had historically, when responding to government Request for Tenders, whether in NSW or in other states submitted tenders indicating that the bus service contract would be held by one entity and the employees in a separate entity. This was the direction of the previous owners of Transit Systems prior to 2020. I am not privy to the reasons why the former Transit Systems owners adopted this approach. When Transit Systems submitted its Response to the Region 6 tender in 2017, this same structural approach was proposed in the tender which was accepted by the NSW government.

*Q. You had a corporate entity known as Transit Systems West Services; why not use that to employ everyone, old and new?*

A. We referred previously to the need during the transition to urgently employ and train drivers to fill the shortfall of drivers in Region 6 given the State Transit Authority's inability to staff the region to the establishment numbers required to operate the timetabled services ("Chronic Understaffing Solution Employees"). We had the opportunity to do this using the resources of the Transit Systems Region 3. Transit Systems West Services was to employ the transferring STA employees however Transit Systems was unaware of the need for recruiting the Chronic Understaffing Solution Employees when Transit Systems submitted its tender in 2017 or before the Region 6 Bus Service Contract was signed in February 2018. As the terms and conditions of the transferring State Awards were not available for use by Transit Systems West Services before until 1 July 2018 when these State Awards obligations transferred with the transferring STA employees employment transferred, Transit Systems had to find a solution to engaging and training the Chronic Understaffing Solution Employees before 1 July 2018, its did some using its existing company in Region 3 under the terms and conditions of a pre-existing enterprise agreement which was available to it.

Regards,