

INQUIRY INTO PRIVATISATION OF BUS SERVICES

Organisation: Unions NSW

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Unions NSW Submission

Legislative Council Portfolio Committee No. 6 –
Transport Inquiry into the Privatisation of Bus Services

7 April 2022

Unions NSW
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Level 3, 4-10 Goulburn Street
Sydney



Introduction

1. Unions NSW is the peak body for trade unions and union members in New South Wales with 48 affiliated trade unions and Trades and Labour Councils, representing approximately 600,000 workers across New South Wales. Affiliated trade unions cover the spectrum of the workforce in both the public and private sectors. Unions NSW and its affiliated unions have a proud history of engaging in the parliamentary process to protect and represent the interests of union members. Unions NSW frequently makes submissions to inquiries involving industrial relations and other issues which may impact members. The privatisation of public assets is one such issue, and one with which this organisation has a deep and ongoing engagement.
2. Unions NSW welcomes the opportunity to make a submission in relation to the privatisation of bus services via the Sydney Metropolitan Bus Contracts. Unions NSW hopes this inquiry will allow for meaningful reflection on the grave mistakes made by the NSW Government throughout the privatisation of bus services across the state, most recently in regions 7, 8 and 9 and will compel a reconsideration of the baseless rationale for privatisation of public assets that the NSW Government has pushed for the last three decades.
3. A number of affiliated unions have made separate submissions outlining the direct impact that privatisation of Bus Services has had and will continue to have on their members. Please note this submission is intended to compliment and not supersede any submission from an affiliate union of Unions NSW.

Privatisation of Public Assets

4. Unions NSW is of the firm belief that public assets should remain in public hands. Successive Governments have argued that the privatisation of public assets is necessary in order to “free up” capital which can then be used to “drive down debt” and “balance the State Budget” while also improving the efficiency and lowering the cost of public services. NSW voters have been relentlessly lobbied to believe that good economic management is synonymous with budget surpluses and that these surpluses will lead to the provision of new infrastructure and better services with no evidence supporting such rationale.
5. Despite claims about the economic advantages of privatisation being made by the NSW Government, the privatisation agenda of the last three decades has resulted in cuts to public services, finalisation of few large-scale infrastructure projects and an ongoing budget deficit. The policy objectives set to support the privatisation of public assets have seldom been achieved. There was and remains no evidence that the privatisation of Bus Services is any different to past negative experiences of privatisation such as electricity privatisation, and the Northern Beaches Hospital.

Impact of Privatisation on Pay and Conditions

6. Following the October 2019 announcement of the privatisation regions 7, 8 and 9, in meetings with Unions NSW and the Combined Bus Unions during December 2019, the State Transit Authority (**STA**) and Transport for New South Wales expressed that they were aware of shortcomings of privatisation in other Regions and that it was NOT their intention for industrial terms and conditions of staff to be removed or for there to be cuts to the current quantum of their take home pay.
7. Given the appalling ‘race to the bottom’ that has taken place, with a dramatic and concerning deterioration of employment conditions including significant disparities in take-home pay, it is clear that the STA and Transport for New South Wales, despite their assurances, either never intended or did not possess sufficient willpower to ensure the proper protection of employees’ conditions and pay.
8. As affirmed by our Union colleagues in the Rail, Tram and Bus Union of NSW and the Transport Workers’ Union of NSW, employees have experienced a reduction in take home pay and conditions of employment due to the manipulation of multiple employment entities and a

shameful two-tiered workforce, where some employees in the bus industry have retained protections and have had provisions from the *State Transit Authority Bus Operations Enterprise (State) Award* enshrined in their enterprise agreements and others have had their conditions gutted by private operators in the name of 'competitiveness', facilitated by the NSW Government.

Governmental Best Practice

9. Unions NSW maintains its position that public assets should remain in public hands. However, in the event that workers across NSW are faced with further privatisation and tendering processes, Unions NSW calls on the government to make the following undertakings in respect of every single instance of privatisation and employee transfer to private operators, no matter the industry:
 - (a) Transfer payments for all affected employees;
 - (b) Terms and conditions of employment (including take-home pay) will be equal to or better than any existing industrial instruments; and
 - (c) One industry wide industrial instrument for consistency of employment conditions.

Conclusion

10. The privatisation of bus services via the Sydney Metropolitan Bus Contracts is merely one failed step in the NSW Government's wider privatisation agenda driven by ideology, not evidence which sees public assets sold off to be run for profit, not people. The NSW Government has failed to provide an evidence-based justification for privatisation of bus services across NSW and commuters, taxpayers and workers are yet to see any evidence that privatisation has improved bus services across the state. On the contrary, privatisation has placed immense downward pressure on the wages and conditions of employees in the bus industry and has resulted in risks to the health and safety of workers and the travelling public.
11. Unions NSW stands by its position that public assets must remain in public hands. In the event privatisation does take place, the NSW Government must ensure it institutes minimum undertakings in every instance of privatisation, across every industry, to prevent a race to the bottom for workers' pay and conditions and the quality of services offered to the people of NSW.