

**Submission  
No 99**

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

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The Hon. Abigail Boyd MLC  
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Dear Chair,

I commend the Legislative Council for the establishment of the Inquiry into the privatisation of bus services.

### **Modelling, rationale and process of privatising bus services**

This Inquiry challenges the NSW Government to call a spade a spade. The handing over of accountability for bus services to private operators through the Sydney Metropolitan Bus Contracts is indistinguishable from the commercialisation of services relied on by all demographics of people in order to meet the needs and responsibilities of their daily lives.

In the real world, commercialising bus routes means that the reliability, accessibility and quantity of services are surpassed by the requirements of an operator to turn a profit, particularly if they are the ones charged with providing and maintaining bus assets and infrastructure such as fleets and depots. This, very quickly, leads to poor customer service outcomes, unreliable arrivals and departures, and an infrequency of services that fail to meet the demand of commuters, in favour of minimising staff, fuel and asset deterioration.

I submit that any modelling and rationale behind decisions to outsource the 'burden' of providing the public with high quality bus services will be tainted by—or attempt to ignore—the incompatibility of these two endeavours, i.e. the need for a high service standard and its commercial feasibility.

Unfortunately, should an operator be unable to turn a profit, the scope and, in extreme circumstances, the very existence of services is placed in jeopardy, whereas the inability of an operator to meet commuter's expectations and needs leaves them with little recourse due to political, geographical and financial constraints. Outsourcing provides a scape goat for governments to pass along the blame for dropping

standards. Not all suburbs have access to light or heavy rail as an affordable alternative to bus travel and not everyone can afford to travel by car, taxi or rideshare.

By awarding regional contracts to private operators, the Government all but creates a private monopoly for convenient or affordable transport in those zones, condemning the public to accept cuts to essential services as the new norm. Once a service is privatised, it is very unlikely that the government will revert to administering and operating it.

### **Impact on the commuting public through the loss of bus stops and services**

In the manners touched on above, the plurality, frequency and accessibility of bus routes, as well as of stops along those routes, is adversely and inevitably impacted by privatisation. This is all the more ensured by rising costs associated with the operation and maintenance of bus fleets.

All the more insidious is the reality that commuters are already beginning to experience these impacts years prior to the planned privatisation of a region. As the English politician, Kenneth Baker, once said of Britain's experience:

*"Privatisation came on slowly. When something very big happens, like privatisation, historians and economists like to think you must have had very big causes. That is not how it happened."*

This is the case with Sydney's bus services, which route by route, network by network, is being privatised by the NSW Government under the false guise of creating an improved, integrated public transport system. Due to this piecemeal approach to handing over essential public services, regions of Sydney are only now having the conversation about privatisation, despite the precursory impacts they are already feeling in their routes, wait times, accessibility and pocket.

For some time, planning entities including the Greater Sydney Commission, local councils and the New South Wales Government have been taking somewhat aspirational steps to create "30-minute cities" within Greater Sydney, where people are supposed to be able to get to and from work, shops, schools and healthcare in 30 minutes or less. This has been undermined by cost-cutting changes precursory to and reminiscent of privatisation-driven cuts that have seen some of my most vulnerable residents in areas such as Mascot, Rosebery and Eastlakes now being expected to change buses and spend an hour just to get to the shops in the next suburb.

Since entering the NSW Parliament in 2012, hundreds of residents in my electorate have complained to me of their eroding public transport network. My constituents' experience of commuting has been characterised by their trips becoming more expensive, time-consuming and inconvenient, as well as unfairly disadvantaging those facing any sort of challenges to their mobility. In particular, the elderly, those suffering from chronic illness and those with reduced mobility rely on the diversity of bus routes and a plurality of stops to ensure that pick-up and drop-off points are

conveniently located close to their homes, shops, doctors and other important places. As an aside, accessibility is also impacted by bus design for those with prams, walkers and particularly oversized mobility aids like scooters, for which a private operator is less inclined to invest the capital needed for the elevation of the quality of their fleet.

Far from achieving a truly integrated transport network, private contractors being paid a flat contract fee are by default encouraged to cut routes and bus stops. The impact of this is exacerbated by the Government's prerogative of funnelling commuters onto alternative and poor-performing modes of transport, such as the slow CBD and South East Light Rail, in weak attempts to justify massive cost blowouts associated with their construction.

This reduces commuters' choice of transport and severely limits accessibility for those who cannot afford multiple fares or endure multiple changes of vehicle to complete what was once a quick and simple single-bus trip. Areas of my electorate such as Kensington and Kingsford are already experiencing these impacts despite the privatisation of Region 9 (encompassing the Port Botany, Randwick and Waverley depots) being planned to take place in April 2022.

### **Economic, social, safety, employment and environmental implications of privatisation**

The economic and commercial drivers precipitated by bus privatisation has inevitable flow on effects for residents' wellbeing.

Any time bus services have been reduced in my electorate, frail and elderly residents have contacted me in despair, citing increasing feelings of isolation and depression. Those living alone or with partners facing similar mobility concerns have been most vulnerable. Without a convenient way to travel to local centres such as shopping centres, they have dramatically reduced the number of times they leave the house or have any form of face-to-face social contact. This may lead to the deterioration of their mental and physical wellbeing and reduces not only their life expectancy but also the quality of life they are able to enjoy.

Reduced bus services also impacts the young, particularly children and young women who are statistically more vulnerable to attack when alone in public. Residents of Rosebery have written to me already with concerns that bus stops being fewer and further between pose a very real risk for young women walking home late at night, with Council then having to react to audit and improve lighting in those suburbs.

Very recently, the Southern Courier (a local news outlet covering the south eastern suburbs) related the story of one resident, Adam North, who was forced to lose shifts due to increasing unreliability and segmentation of bus services to the city. He, like many others in Region 9, are dreading further cuts once their region's privatisation comes into effect next month. With infrequent buses running at capacity, it can be difficult for workers to maintain punctuality during business hours, threatening their livelihoods.

Traffic congestion and carbon emissions are also adversely impacted by reduced public transport services. Cuts to bus routes and/or the frequency of services may very well result in commuters opting to drive or the services of a point to point service provider, be it a taxi or rider-share operator.

### **Transition to an electric bus fleet and supporting infrastructure**

Many residents have written to me this year about increased noise and carbon pollution in their areas as a result of poorly-structured routes introducing bus traffic on their narrow residential streets. Bus patronage is also impacted by the design of these routes, with many experiencing a loss of faith in the bus network in general. This causes the buses in some areas to appear anecdotally less occupied, much to the ire of those same residents, who argue that emptier buses cannot be financially or environmentally sound. The antidote to this literal, airborne poison is to electrify Sydney's bus fleets, with priority given those travelling along quieter residential streets.

I would submit that the privatisation of services can in fact hinder the replacement of bus fleets with electric vehicles due to global strains on materials and distribution that will drive up the cost of purchasing new buses. Private operators, again, conscious of their bottom lines, are incentivised by their business model to stretch the running life of their fleets, knowing that they may have to bear the costs of replacement.

This fiscally-driven reluctance to upgrade bus assets is entrenched by the fact that privatised regions can have a monopoly of operation in those areas, ruling out any possibility of commuters 'voting with their wallets' for an electrified fleet.

### **Impact of bus privatisation on worker pay and conditions**

As the already privatised Inner West routes have shown, workers' pay and conditions are impacted by budget cuts within private operations. As the cost of fuel and maintenance continues to rise and fares remain low due to the need for relative consistency throughout Greater Sydney, the only short-term (non-contractually mandated) option for companies needing to reduce operating costs is a reduction in their worker's remuneration.

Bus drivers' working conditions are adversely impacted by any pressure to take on more work as well as by the deterioration of the buses that they drive. Something as simple as ensuring that a driver is safe and comfortable during their routes can have compounding problems for their physical and psychological health. In turn also jeopardising passenger safety.

Both driver fatigue and timetable pressures present a quantifiable risk to the public that is not limited the passengers aboard their vehicle, but also every other car, cyclist and pedestrian on Sydney's roads.

### **Other relevant matters**

Piecemeal privatisation or 'privatisation by stealth', as in the case of the ever expanding Sydney Metropolitan Bus Contracts, has undoubtedly contributed to the growing distrust of both the Government and Sydney's public transport network. It is all but impossible to meet the transport needs of a global city such as Sydney when commuters have lost faith in the system's ability to meet those needs. With the failing reputation of bus services comes a reluctance by many to dismiss bus travel as inconvenient or impracticable—particularly if they have not dared to rely on those services of late. This keeps more cars on congested streets, drives the demand for already scarce parking and does nothing to reduce the environmental impact of travel for the city as a whole.

Yours sincerely,

**Ron Hoënig MP**  
**Member for Heffron**