Submission No 21

INQUIRY INTO STRUCTURE AND FUNDING OF THE ARTS, MUSIC, NIGHT-TIME ECONOMY, AND TRANSPORT PORTFOLIOS

Organisation: Transport Workers' Union of NSW

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Submission

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13/11/2025

Transport Workers' Union of New South Wales

Contents

1. Summary of Recommendations

1.1 The Transport Workers' Union of NSW (TWU) believes this Inquiry is a valuable opportunity to reflect on the Restructuring of Transport for NSW (TfNSW).

1.2 Below is a summary of the TWU's recommendations and insights for the Committee's consideration.

- TfNSW's restructuring will ultimately result in an increased reliance on external contractors and private consultants in the long term – an expense that is incurred by the taxpayer's dollar.
- In-house technical expertise should be maintained within TfNSW, and the agency should be cautious in developing an overreliance on external contractors and private consultants.
- Consultation is necessary between TfNSW and the TWU regarding areas within the restructuring that may directly or indirectly impact the provision of bus services and workers in the industry.
- Outsourcing historically internal responsibilities could realistically result in a decrease in TfNSW's oversight capabilities and may serve to increase costs which, as previously mentioned, would be a taxpayer expense, bringing into question whether certain restructuring decisions do align with TfNSW's safety and value objectives.
- The TWU welcomes and encourages consultation with the Committee on all related matters.

2. About the TWU

2.1 The TWU represents tens of thousands of people in Australia's road transport, aviation, oil, waste management, gas, passenger vehicle and freight logistics industries.

2.2 With over one hundred years' experience representing the workers who conduct Australia's crucial passenger and freight transport tasks, 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.

3. Introduction

3.1 The TWU thanks the committee for the opportunity to contribute to the *Inquiry into the structure and funding of the arts, music, night-time economy, and transport portfolios.*

3.2 Given its long-standing representational history of transport workers, the TWU will reflect on matters relevant to this inquiry regarding the transport portfolio, Transport for NSW, and other related matters.

4. Organisational Restructure of Transport for NSW

4.1 The primary rationale underpinning the decision to restructure Transport for NSW (TfNSW) was described as "financial sustainability reforms". Additionally, the NSW Government shared that the prioritisation of frontline services also informed the decision to restructure TfNSW, with the positions affected being specifically corporate, support or clerical roles.

4.2 Public sentiment indicates that TfNSW may be a "bloated", if not overly complicated agency, due to certain inefficiencies and perceived shortcomings evident through the model that constituted the agency. The target of reducing corporate positions in favour of front-liners may further cement the public's belief in this.

4.3 At the time of this submission there is an ongoing Independent Commission Against Corruption (ICAC) investigation, dubbed *Operation Wyvern*, into allegations concerning the conduct of TfNSW employees. There have also been previous investigations conducted by ICAC into Transport for NSW through agencies that had been part of its greater entity, such as the historic Roads and Maritime Services (RMS).

4.4 Though it remains unindicated as a motivator behind the restructuring, the TWU must raise the historic concerns regarding corruption and conduct of TfNSW employees, in conjunction with the currently ongoing ICAC investigation, particularly if any connections may be drawn between past findings and certain operational inefficiencies.

5. Effects on Transport for NSW's Technical Capacity, Project Delivery and Service Quality

5.1 The reform of TfNSW is currently ongoing, and therefore, the broader and long-term effects of this on the agency remain unknown. Internally, the morale of TfNSW personnel has notably decreased.

5.2 It is promising, however, that TfNSW intends to resume all programs and initiatives that have already been announced, or are currently in progress. This demonstrates some level of organisational confidence in the agency's ability to continuously exercise its functions, and is a welcome commitment, particularly when critical industries and transport sectors, such as buses, could be otherwise adversely impacted by the withdrawal of existing commitments.

5.3 The TWU has yet to see any tangible decreases in operational quality from TfNSW because of the ongoing restructuring but remains cautious due to the undeniable culling of skilled labour in professional roles that may impact long-term consultation and oversight of sectors.

6. Reliance on External Contractors and Private Consultants

6.1 TfNSW's restructuring will ultimately result in an increased reliance on external contractors and private consultants in the long term.

6.2 Whether it can be said to truly improve operational capacity and streamline internal processes, private consultants present a greater cost to TfNSW, particularly when the number of consultants engaged by the agency outnumbers internal employees in certain professional

and niche disciplines, such as engineering. Moreover, this is an expense that is incurred by the taxpayer's dollar.

6.3 Increased engagement with external contractors also raises long-term concerns regarding privatisation and public ownership of assets and infrastructure. Following the economic impacts on commuters, and especially truck drivers, through the privatisation of Sydney's toll roads, the TWU believes that the protection of public ownership must inform TfNSW's motivations regarding infrastructure and service projects.

6.4 Furthermore, the TWU finds value within internal expertise, particularly for the purposes of consultation and oversight of industries. In-house technical expertise should be maintained within TfNSW, and the agency should be cautious in developing an overreliance on external contractors and private consultants.

7. Consultation with the TWU

7.1 The TWU understands that TfNSW has engaged with other unions and industry representatives, such as Professionals Australia and The Public Service Association (PSA) regarding the restructure and its many intricacies.

7.2 The TWU maintains a line of communication with TfNSW regarding the bus industry, infrastructure developments and other relevant areas. Consultation regarding the restructure itself has remained strained, if not limited, and the TWU believes it needs a seat at the table regarding restructurings in the agency that may have a direct or indirect impact on the provision of bus services, and by extension, the workers in the industry.

8. Alignment of Government Decisions with Stated Policy Objectives in the Transport System

8.1 Safety, efficiency and value for the community at large underpins TfNSW's policy objectives. Oversight of NSW's transport infrastructure and network has largely been the responsibility of TfNSW's internal expertise.

8.2 Outsourcing these responsibilities could realistically result in a decrease in TfNSW's oversight capabilities and may serve to increase costs which, as previously mentioned, would be a taxpayer expense, bringing into question whether these decisions do align with TfNSW's safety and value objectives.

8.3 Additionally, a loss in internal expertise, combined with the process of having said expertise engaged through an external firm conducting work could serve to complicate future consultation processes between TfNSW, unions, industry and other stakeholders. If TfNSW sees a decrease in its oversight capabilities and is not the entity directly responsible for conducting certain projects or oversight exercises, then the information it can provide to stakeholders may be strained, or TfNSW may even end up serving as a "middleman" entity between stakeholders and the external firms it engages.

8.4 The TWU raises this as it finds consultation and collaboration with TfNSW and its internal expertise to largely be beneficial and positive for itself and the transport workers it represents.

If consultation and collaboration capabilities are hindered in the future, it would be a loss for unions, workers, employers, and peak industry bodies.

9. Conclusion

9.1 The TWU thanks the committee for the opportunity to contribute to the *Inquiry into the structure and funding of the arts, music, night-time economy, and transport portfolios*.

9.2 Many of the long-term impacts of the restructuring of TfNSW remain unseen, but certain estimations can be made now. It is a certainty that reliance on external contractors will increase under the restructuring, and the TWU raises that internal technical expertise has value for TfNSW and further raises that public ownership and clear consultation with unions, employees, employers and peak industry bodies must be protected for the future.