Submission No 32

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

Organisation: Rail, Tram and Bus Union

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Rail, Tram & Bus Union
(NSW Branch)

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Portfolio Committee No. 6 – Transport and the Arts

SUBMISSION OF THE RAIL, TRAM AND BUS UNION (NSW BRANCH)

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Report Due: 26 March 2026

Introduction

The Rail, Tram and Bus Union (**RTBU**) represents employees across all modes of public transport in New South Wales. Our members occupy operational, technical, and supervisory roles in through the transport cluster including rail, light rail, bus and associated maintenance and support services.

Over the past decade, the Transport for NSW (**TfNSW**) cluster has undergone a cycle of near-continuous restructuring. These restructures have not been strategic reforms aligned with policy objectives, but reactive measures responding to externally imposed savings targets and consultant reports. The result has been a steady erosion of institutional knowledge, technical capability, regulatory skill, and public accountability.

Transport for NSW has become a bloated bureaucracy incapable of performing the most basic of transport functions. To make matters worse, it proactively interferes in agencies specifically tasked to perform such functions on the basis of "*oversight*", when called on to provide briefings or advice to government, it is often tainted with ideologically driven misrepresentation. The role of Transport for NSW personnel in prolonging the recent rail dispute through poor advice and misrepresented facts had significant impacts on the NSW community, and on external institutions that had to deal with the ongoing disputation.

Transport for NSW continues to fail in meeting its statutory obligations as a public agency entrusted with managing people, infrastructure, and reform in the public interest. At the core of this failure is a long standing pattern of promoting individuals who lack the necessary expertise, judgment, and professional grounding to lead effectively. These appointments have produced a culture of mediocrity and self preservation, where those least capable of exercising sound governance are placed in positions of the greatest influence.

This submission addresses the terms of reference (1)(a)–(k) by drawing on evidence from RTBU experience, industrial proceedings, and public material. Collectively, they demonstrate that NSW's transport administration has become a case study in the perils of consultant led public management, internal incompetence and the deterioration of core public service capacity.

1(a)- the processes, rationale and governance structures underpinning budget, resource allocation and organisational restructure decisions within these portfolios

The internal processes that drive transport restructures are opaque and largely externalised. In the case of TfNSW's most recent "branch design" review, the architecture of the organisational restructure was apparently determined by one of "Big Four" accounting and consulting firms under contract to Treasury and/or Government. The consultant's design model was then translated into a precise savings target,[1] which was removed from the TfNSW budget by Treasury, before consultation had even commenced.

Once this quantum was fixed, TfNSW was directed to conduct a staff consultation process to "find" the savings. Because the figure was derived from the consultant model, the range of outcomes was obviously predetermined.[2] Consultation, in this context, has served to legitimise a decision already made. However, despite the fact that some work, or more likely an entire branch model, must have been undertaken to determine the quantum of such specific savings, TfNSW insisted during consultation that the figures were simply provided to it and that it did not know their origins.

[1] In the present case, $414.5m in workforce related savings.
[2] Of the $414.5m, 279m had to come from the reduction of TSSE, TSSM and Award covered roles, and the rations between TSSE and TSSM/Award roles was fixed at the commencement of consultation, $81.9m from reducing external labour, $53.6m from better managing accruals and removing ageing vacancies.

Neither the KPMG report, nor the underlying assumptions have been disclosed to staff, unions or Parliament. The absence of transparency prevents meaningful assessment of how these structures align with safety, service delivery or policy objectives.

The result is a cascading deterioration in leadership capability and accountability, where decisions affecting thousands of workers and the wider community are routinely made without competence, consultation, or consequence. Recent "reforms" have done nothing to address this dysfunction; they have simply repackaged it.

1(b) - the role of central agencies and ministers in determining allocations and approving organisational changes

Central agencies, primarily NSW Treasury and the Department of Premier and Cabinet, have become the de facto architects of the transport cluster. They determine the overall staffing and budget ceilings into which TfNSW must fit.

The Transport Minister and Secretary seem largely unaware of the nuances of the restructure, and will seemingly make commentary at odds with what is actually occurring on the ground. This diminishes ministerial responsibility for public transport policy and erodes the ability of the portfolio minister to balance fiscal, operational and safety considerations. In effect, TfNSW operates as an instrument for delivering Treasury's cost reduction program rather than as a policy driven transport authority.

1(c) - the transparency, timing and communication of decisions to affected agencies, employees and stakeholders

Communication with employees and stakeholders during restructuring has been consistently deficient. Staff often learn of major structural changes through a corporate group email or intranet post. By the time consultation begins, the "case for change" has already been drafted and costed against pre-determined savings.
Supporting material underpinning structural changes is routinely withheld, and Transport executives responsible for "consultation" routinely profess ignorance when confronted with the most basic questions. When employees or unions ask, for example, why savings targets are so specific, or why discrete "buckets" of positions are identified for removal, the standard response is simply *"that's what Treasury has told us."*

This performative ignorance reflects a culture of deliberate information barriers, where key decision makers are positioned outside the scope of consultation obligations. By invoking Treasury as an untouchable source, Transport officers create the illusion that decisions are

externally mandated and therefore beyond scrutiny and the scope of industrial legislative regimes.

The effect is to undermine both transparency and accountability. Consultation becomes a façade, a procedural step to validate predetermined outcomes, while those conducting it disclaim any authority to explain or vary the underlying rationale. This practice intentionally corrodes the integrity of the consultation process and deprives employees, unions, and Parliament of the information necessary for meaningful oversight, and ultimately will lead to poorer outcomes within Transport.

The internal environment of Transport for NSW rewards loyalty to hierarchy rather than loyalty to outcome. Technical competence and ethical judgment have been replaced by bureaucratic obedience and personal advancement. This has created an insular leadership culture incapable of recognising or addressing its own failings.

The predictable result is a workforce stripped of trust in its leadership, an organisation unable to manage change responsibly, and an agency that routinely breaches the spirit and in some cases the letter of its statutory obligations. The absence of qualified leadership has left critical safety processes fragmented, accountability diffused, and risk management dangerously superficial. This approach reflects a broader pattern in which Transport routinely avoids and abandons its duties to adequately consider the impacts of change on different groups, including women, regional communities, and culturally and linguistically diverse groups.

The same individuals responsible for historic failings have been permitted to re-engineer the structure to preserve their own roles and influence. The effect has been to institutionalise dysfunction.

No meaningful reform has occurred within the senior People and Culture divisions, the very parts of the organisation most responsible for the failures in judgment, accountability, and staff welfare. These structures continue to operate without scrutiny, and without the capability or integrity required to restore confidence.

1(d) - the operational, staffing and program impacts of budget and restructuring decisions on... (vii) Transport for NSW

The operational and staffing impacts of these decisions are evident across every agency within the transport cluster.

By way of example, the privatisation of Sydney's bus regions illustrates how structural reform failed to deliver public value. The Fair Work Commission decision (*AG2024/4397*) described how the tendering model created two parallel employment systems; one for transferring State Transit Authority drivers and another for newly engaged drivers employed

under inferior pay and conditions. The entire business model on which private operators tendered was predicated on reducing employee entitlements as a pathway to profitability.

The predictable outcome has been a severe and ongoing driver shortage, widespread service cancellations, and high turnover, a productivity drag on the economy, with no demonstrable budgetary saving to government. Commuters are receiving a poorer service and losing productive hours through constant delays, while public funds are now directed to subsidising private inefficiency rather than reinvestment in operations.

Embedded within this process was the deliberate dismantling of the technical capability within Transport to operate buses in house. TfNSW was restructured around the needs of private operators rather than maintaining its own operational competence. The loss of internal skill and experience has left Transport incapable of readily re-entering the sector should re-nationalisation be required. In the next contract round, private operators are likely to seek significant fee increases to offset current losses, knowing that the State has forfeited the technical capacity to deliver bus services directly. Whilst these skills could quickly be re-built, that seems unlikely to occur when such organisational decision are driven by private sector consultants chasing efficiency dividends based on an ideological preference for privatisation. The ultimate cost of this policy failure will therefore be borne by both commuters and taxpayers, who will pay more for a worse service and diminished public control.

In rail, restructures within Sydney Trains and NSW Trains have fragmented technical functions and created duplication between TfNSW “strategy” divisions and operator level employees. This dysfunction has been repeatedly exposed through major operational and governance failures. For example, large procurement projects such as the New Intercity Fleet (NIF) demonstrated systemic breakdowns in project oversight, stakeholder engagement, and design suitability resulting in extensive safety and compliance issues.

Similarly, the consolidation of critical functions such as timetabling into Transport for NSW created confusion, loss of operational expertise and significant coordination failures.

Subsequent reviews have recommended that timetabling be returned to Rail, confirming that its removal was both strategically and functionally unsound. Collectively, these examples illustrate how ill conceived structural reforms have weakened accountability, blurred lines of responsibility, and undermined the safe and efficient operation of the rail network.

It has become clear that Transport for NSW, in its current form, is beyond internal repair. The agency has evolved into a self perpetuating hierarchy, unmoored from the principles of public service and insulated from external accountability.

To restore integrity and competence, there must be a structural realignment of functions under independent and purpose built entities, each overseen by the appropriate arms of government and subject to clear statutory oversight by autonomous structured agencies.

This model would mirror the functional autonomy of Sydney Trains, creating distinct entities for Roads, Major Infrastructure Projects, Light Rail, and Buses, each with defined governance frameworks, safety accountabilities, and transparent leadership structures. These entities should be led by professionals directly appointed on merit, subject to genuine performance review, and bound by legislative and ethical obligations that prioritise safety, transparency, and the public good.

1(e) - the retention of professional expertise and institutional knowledge, including the adequacy of processes for knowledge transfer, mentoring and succession planning

The long term consequence of these reforms has been an unprecedented loss of professional expertise. Technical specialists, engineers, maintainers, and safety analysts have left the public service, often replaced by short term contractors. Institutional knowledge has been treated as expendable. TfNSW is now reliant on private consultants even for core policy tasks, creating a self-reinforcing cycle of dependency and a hollowed out transport service.

1(f) - the extent to which restructures and workforce reductions have affected technical capacity, project delivery and service quality

Technical capacity across the transport cluster has deteriorated. Safety and engineering functions have been amalgamated or restructured so frequently that no single division maintains end-to-end accountability.

Experienced engineers have been replaced by contractors, undermining mentoring and continuity. Project delivery has slowed and service quality declined, particularly in bus operations where service reliability has worsened since privatisation.

1(g) the reliance on external contractors and private consultants within the relevant agencies

Reliance on consultants is now systemic. Firms such as KPMG, PwC, and Deloitte occupy roles equivalent to shadow executives within TfNSW.

They produce branch designs, business cases, and performance frameworks all of which was once generated internally. Responsibility for failed outcomes is then diffused between consultants, Treasury and TfNSW management, eliminating clear accountability.

1(h) the adequacy of consultation with employees, unions and other stakeholders during periods of change

Consultation practices fall short of good faith standards. Unions are notified of restructures after designs are fixed. Requests for supporting data are often denied.
Feedback processes are perfunctory and rarely responded to in writing. Employees perceive that consultation is merely procedural, fostering cynicism and disengagement.

These leadership failures have direct and serious safety consequences. When organisational change is mismanaged, structures are unclear, and accountability is confused, it is the workforce, not management, that bears the risk. The failure to competently plan, consult, and execute change has left employees exposed to physical, psychological, and procedural hazards.

The union has now escalated these concerns to SafeWork NSW, as the current state of governance and people management represents an unacceptable and foreseeable risk to employee safety and wellbeing. Safety cannot exist in an organisation where fear, confusion, and incompetence govern decision making. This is not a theoretical risk; it is an operational one, and it grows daily under the current model and leadership.

1(i) the impact of budget and organisational decisions on services and programs across metropolitan and regional New South Wales

Restructuring and outsourcing have harmed regional NSW disproportionately. Direct impacts include regional rail facilities losing staff as functions are centralised, with training and local capability then diminished.

A clear example of the more indirect impact is borne out in the failure to implement the Government's commitment to prohibit the use of "relay vans" (or crew cars) on the NSW rail network. Relay vans are mobile sleeping quarters attached to freight trains that allow crews to work in rotation while the train remains in motion. Although once used only in extremely remote areas such as the Nullarbor, private freight operators now propose to use them on the Inland Rail corridor to reduce labour costs by eliminating the need for crew changes and therefore regional crew depots - Brisbane crew could take a train all the way to Melbourne and back. This practice removes rail depots in country towns, which provide not only the immediate jobs and infrastructure associated with a depot, but lower barriers

to freight exchange in regional locations that make regional manufacturing viable. Such an approach bypasses local job creation, and undermines regional economies that historically benefitted from railway employment and depot infrastructure

In June 2023, the NSW Government formally committed to banning relay van operations. The Transport Secretary wrote to the RTBU confirming that:

"The NSW Government opposes the use of relay vans on its rail network, as they offer sub-standard facilities for train crew and, importantly, impact regional communities by taking much-needed employment opportunities for replacement crews... "

The letter also stated that the Transport Minister would raise the issue nationally through the Infrastructure and Transport Ministers' Meeting to extend the policy to interstate freight operators.

Despite this commitment, no regulatory mechanism has been developed. There has been no amendment to the *Rail Safety National Law 2012* or related regulations to prohibit relay van use, nor any guidance to the Office of the National Rail Safety Regulator on enforcement. This failure reflects the hollowing-out of Transport's internal regulatory and policy expertise. Whereas the former RailCorp and Transport Policy branches once contained specialised safety and regulatory drafters, repeated restructures and consultant substitution have left the Department unable to translate ministerial policy into law or regulation.

The result is that operators remain free to deploy relay vans on long-haul freight routes, contrary to the State's stated position. The loss of technical skill within TfNSW thus has direct consequences for regional employment, safety, and policy integrity, the Government can promise reform but no longer possesses the internal capability to implement it.

1(j) the alignment of government decisions with stated policy objectives in cultural development, creative industries, and the safe and sustainable operation of the transport system

Official government policy emphasises safety, sustainability and customer service. Yet privatisation and consultant-led restructuring have undermined each of these aims.
Bus privatisation produced neither savings nor improved reliability, in fact it has been found through multiple reviews and inquiries to have resulted in substandard services and working conditions. Workforce cuts reduced safety and service quality while increasing consultancy costs.

The gap between rhetoric and practice continues to widen, particularly where industrial decisions are driven by ideology and adversarial notions of what is required, rather than

operational need.

1(k) any other related matters

The broader problem is the opacity created by the culture at Transport which has been cultivated through restructuring. Executives routinely communicate via ephemeral messaging platforms such as Signal and WhatsApp with auto-deletion features and, as revealed in evidence before the Fair Work Commission during the 2025 rail dispute, communication between rail operators, transport and government is incredibly secretive. This practice evades proper record keeping obligations and impedes scrutiny. It exemplifies a managerial culture that prioritises secrecy and political optics over transparency and accountability.

A culture of fear and "*don't ask, don't tell*" also exists within Transport for NSW. Although likely cultivated over the entire life of the agency, current personnel with decision making capacity, particularly in employment relations, have retained employment and received promotions despite having being found to have breached whistleblower laws.[3] This continues to have a chilling impact on any employee who dares to speak out over Transport practices and activities.

Such a culture continues to be uncovered through ICAC proceedings ongoing concurrently with this inquiry.

Only by dismantling the self-serving central bureaucracy and redistributing oversight to functional, accountable agencies can the safety of employees and the integrity of the public transport system be protected.

[3] *Wood v Secretary of the Department of Transport on behalf of the Government of New South Wales* [2021] NSWSC 1248