

REPORT ON PROCEEDINGS BEFORE

PORTFOLIO COMMITTEE NO. 6 - TRANSPORT

PRIVATISATION OF BUS SERVICES

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At Macquarie Room, Parliament House, Sydney, on Monday 2 May 2022

The Committee met at 9:45.

PRESENT

Ms Abigail Boyd (Chair)

The Hon. Mark Buttigieg
The Hon. Wes Fang
The Hon. Daniel Mookhey

PRESENT VIA VIDEOCONFERENCE

The Hon. Shayne Mallard

* Please note:

[inaudible] is used when audio words cannot be deciphered.

[audio malfunction] is used when words are lost due to a technical malfunction.

[disorder] is used when members or witnesses speak over one another.

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The CHAIR: Welcome to the first hearing of the inquiry into the privatisation of bus services. Before I commence, I acknowledge the Gadigal people of the Eora nation, the traditional custodians of the lands on which we are meeting today. I pay my respects to Elders past, present and emerging, and celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of New South Wales. I also acknowledge and pay my respects to any Aboriginal and Torres Strait Islander people who are joining us today or watching on the webcast.

Today we will be hearing from a range of stakeholders, including community members, the peak industry organisation for the bus and coach sector in New South Wales, a number of unions, Randwick City Council and City of Sydney council, as well as some State and Federal members of Parliament. I thank everyone for making the time to give evidence to this important inquiry. While we have many witnesses with us in person, some will be appearing via videoconference today, as we have in this first session. I ask for everyone's patience through any technical difficulties that we may encounter today. I also note that one Committee member, the Hon. Shayne Mallard, will be appearing via videoconference for the duration of the hearing. If participants lose their internet connection and are disconnected from the hearing, they are asked to rejoin the hearing by using the same link as provided by the Committee secretariat.

Before we commence, I will make some brief comments about the procedures for today's hearing. Today's hearing is being broadcast live via the Parliament's website. The proceedings are also being recorded and a transcript will be placed on the Committee's website once it becomes available. In accordance with the broadcasting guidelines, media representatives are reminded that they must take responsibility for what they publish about the Committee's proceedings. While parliamentary privilege applies to witnesses giving evidence today, it does not apply to what witnesses say outside of their evidence at the hearing. I therefore urge witnesses to be careful about comments they may make to the media or to others after they complete their evidence.

Committee hearings are not intended to provide a forum for people to make adverse reflections about others under the protection of parliamentary privilege. In that regard, it is important that witnesses focus on the issues raised by the inquiry terms of reference and avoid naming individuals unnecessarily. All witnesses have a right to procedural fairness according to the procedural fairness resolution that was adopted by the House in 2018. If witnesses are unable to answer a question today and want more time to respond, they can take a question on notice. Written answers to questions taken on notice are to be provided within 21 days.

For those participating in today's hearing via videoconference, I ask everyone to please state their name when they begin speaking, to speak directly into the microphone and to mute their microphones when they are not speaking. In terms of the audibility of the hearing today, I remind both Committee members and witnesses to speak into the microphones. Finally, could everyone please turn their mobile phones to silent for the duration of the hearing.

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Ms GAE ROBINSON, Individual, affirmed and examined

Mr KEN WILSON, Individual, before the Committee via videoconference, sworn and examined

The CHAIR: I now welcome our first witnesses. Ms Robinson, would you like to make a short opening statement before we commence questioning?

GAE ROBINSON: Yes. I just thought I would draw out some of the key themes of my submission. The changes that have been made to the services in my area have mostly meant reductions in the efficiency of travel. There are two main types of significant changes. One is changes in routes where the current route covers only part of the previous route. The place I see that most is the 373 route, which used to go all the way from Coogee to Circular Quay, and it now stops at Museum on the edge of the CBD. So whenever going in and out of the CBD using that service, it is now a two-stage trip, which is inevitably longer and more difficult. The second type of change that is having the most impact is obviously the removal of some routes, like the 377 and the 314.

In relation to both of those sorts of changes, the new routes almost always end up in multi-stage trips that require connections between services. To say a few things about connections, one is the connections are not always there in terms of physical location. You may have to make your way from one stop to another to make the connection. There are no connections in terms of timing of services, so you have a wait, which adds to the length of your journey and the journey time is also more unpredictable because you do not know when the connecting services are going to arrive. Another issue with multi-stage trips is having to physically get off one service, wait and then physically get on another, which in itself is not a big issue for the able-bodied and people who are fit but it presents a challenge for people like the elderly, disabled and people travelling with young children.

Multi-stage trips also mean that whatever you are doing on the bus—reading, working—is interrupted during the trip. All of these impacts, I think, make using public transport less attractive for people and in the long run discourage the use of public transport—and I have already seen a couple of examples of that with friends. This has negative impacts for our city and for the environment. I am also concerned that the impacts are particularly felt by the more vulnerable, people like the elderly and the disabled.

The CHAIR: Thank you very much. I will now turn to you, Mr Wilson. Did you want to make a short opening statement?

KEN WILSON: I agree with everything the last witness said. The same things are happening over this side of the bridge—multi-stage trips et cetera. One of my concerns is that we now have about \$30 billion worth of toll tunnels that are being built in those two areas, and they are likely to deliver more traffic congestion to the bus routes. I am thinking that the privatisation might be just a way of the Government avoiding ownership of this problem, being that they are the ones that can actually do something about it. They will just blame busways and what have you.

I live near a place called Willoughby Leisure Centre, and one of the things that does not seem to be considered is we have lost a lot of the buses that serve that actual area. That area has a large swimming pool, a sports hall, sports fields and Australia's largest netball association. The access now is so poor that we cannot operate everything at the same time, and we live in an area that is growing. Willoughby is growing as fast as, if not faster than, the rest of New South Wales and we need these sports fields. Ineke Walker, the netball president who just recently retired, lamented that she seems to be losing members because people cannot get to the thing.

In particular, the bus that we lost that serves this precinct went from Mosman to Willoughby to Chatswood. It was the 257 that had been running for 99 years, either as a bus or a tram, and it got people to places where they cannot park. It was withdrawn, but the way it was withdrawn was rather disturbing. It was publicised on a bus reps webpage by Transport for NSW that said "bus improvements" and announced thousands of extra buses, and I thought that was amazing. I actually put that in my submission. I put a link to this—well, I think this is propaganda. And guess what? It has just disappeared. It is gone. I have sent in an additional thing, and it has a historic—you can actually see this propaganda, as I call it, somewhere else.

But, disturbingly, not even Willoughby council seems to have realised that the 257 is gone. The pool is now being expanded, and guess what? The traffic report says the 257 still exists, which it does not. It says people will not have any trouble getting to the bigger pool because they can catch the 257. There is so much misinformation going around that they have even tricked Willoughby council. If you look at Willoughby council's submission to this inquiry, you will find it does not mention the 257. As far as they are aware, it still exists, but I know it does not.

We complained to Gladys and all that sort of thing. Eventually what happened was that we got a letter back from Andrew Constance saying that, "Look, we know the 257 is gone, but you can catch the 343 to Crows

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Nest, and you can change to the 114 instead." The only issue with that is 10 days before he wrote that letter he had cancelled the 343, so I do not know if we still have people down there 18 months later still waiting for the 343. It does not run.

I could go on. I just find the whole thing amazing. I sense there is something wrong at Transport for NSW. They seem to be going through those things—perhaps now that Rodd Staples has been sacked they are worried about their jobs and they are telling the politicians what they want to hear. What is actually happening there is just chaos. I think I had better stop now. I do not want to use up all the time. I could go on forever.

The CHAIR: Thank you, Mr Wilson. Ms Robinson, if I could just ask a couple of quick questions of you before I hand over to the Opposition, when did you first notice these changes, particularly the replacement of longer journeys with multiple shorter trips? When did that start happening?

GAE ROBINSON: Well, it happened all at once. There was a major change to the services in our area. I have not studied up—I cannot remember the date. I have 5 December in my head. But yes, it was a significant date where the whole thing just changed over.

The CHAIR: Is it the case that there are still some of those longer journeys being provided or is it all now in this kind of multi-trip?

GAE ROBINSON: It depends where you are going, obviously, but coming into the city you cannot get from Coogee or Maroubra all the way into Circular Quay—or even just the centre of the city—without a multistage trip, yes.

The Hon. MARK BUTTIGIEG: I would be interested to understand from either or both of you what sort of accountability has been put in place for these changes to services. Has there been any recourse in terms of what is the feedback mechanism? Is there a complaints mechanism you can take up and feed this back? If so, what has been the response?

GAE ROBINSON: I personally have not investigated things apart from making the submission to the inquiry. I was intending to make a complaint in some way but I had not really investigated that mechanism until the inquiry came up, so I thought, "Oh well, I will make a submission."

KEN WILSON: Over here, I am a member of Willoughby South Progress Association. We met with the Premier, Gladys, about this a year ago and took all this on board. We basically explained the consultation consisted of you went to catch your bus and it did not turn up. She was a little bit horrified and promised to get back to us but has not since. We actually prepared a large spreadsheet with—there were five separate "my bus has been cancelled" petitions totalling 5,000 people. I thought that was probably enough, but they have all been totally ignored. We have tried to pass them on to Tim James, the new member, but he is not interested—

The Hon. MARK BUTTIGIEG: Sorry, Mr Wilson, just on that point: Who did that petition go to?

KEN WILSON: Gladys.

The Hon. MARK BUTTIGIEG: Right.

KEN WILSON: The former member for Willoughby. We had a meeting with her, [inaudible] meetings a year ago. What I could not understand was, like Gladys said, one of the things that has happened is we lost access to North Shore hospital, which is shocking, really. Some people need to get there. Gladys went, "Oh dear, I used to catch that," and then that was the end of it. This is not characteristic of Gladys. It sounds like she has been nobbled, to me. I think someone is out to get her. But everything we have tried—the bus line thing, all that sort of thing—is all ignored. No-one is [inaudible]—

The Hon. MARK BUTTIGIEG: Is there—

KEN WILSON: Tim James keeps promising to talk to us but then does not.

The Hon. MARK BUTTIGIEG: What about the website or anything like that? Is there no interactive ability to jump on a Transport for NSW website and give feedback or anything like that?

KEN WILSON: Yes, I have done that and requested that my submission has been acknowledged. I have done that about 15 times and got nothing back ever.

The Hon. MARK BUTTIGIEG: Right.

KEN WILSON: It is like a complete vacuum. It is like you are screaming [inaudible]. As I said, we created this huge spreadsheet with all the issues in it and all the people's complaints. There is a handicapped lady who bought a house on bus route 120, which went to her work in Bondi, and the 257 went to her friends in—she

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bought a unit in Balmoral and that gave her independence. She lost it completely because she just went down to catch a bus and it was gone—missing in action.

The Hon. WES FANG: Ms Robinson, thank you for coming in today. I was listening intently to your opening statement. The bus that you referred to, the one that used to run from Coogee into Circular Quay, I believe it was, but now stops at Museum: That bus route is a State-run bus route, is it?

GAE ROBINSON: It is the 373. It looks like a public—it is a public service, yes.

The Hon. WES FANG: So it is not a privatised service?

GAE ROBINSON: No.

The Hon. WES FANG: And the other services that you catch between, say, your Eastern Suburbs location and the CBD, they are State Transit buses?

The Hon. DANIEL MOOKHEY: Could I just perhaps clarify—

GAE ROBINSON: They were changed over to a private operator, which I only knew—it was 2 April or something that it moved over to a private operator. I had not known that. They look the same, the buses.

The Hon. DANIEL MOOKHEY: Perhaps the way to ask the question, Mr Fang, is: Is this a bus service that was previously provided by State Transit that is now provided by a franchised company?

The Hon. WES FANG: I guess I am—

The Hon. DANIEL MOOKHEY: Because State Transit does not provide bus services any more.

The Hon. WES FANG: When the routes were being amended, were they amended under the privatised service or were they amended under State Transit, Transport for NSW?

The Hon. DANIEL MOOKHEY: Ms Robinson, the bus service change that you referred to, did that take place after State Transit was franchised and a private operator began to run the route?

GAE ROBINSON: No, the way I understand it is the big changes, whenever they were, 5 December—I cannot remember the date—and then I only saw in an email from our local member the other day that they had moved to a private operator on I think it was 2 April or something like that. The changes happened ahead of that transfer.

The Hon. WES FANG: Okay. So the changes to the service did not occur under a privatised model?

GAE ROBINSON: That is right. I have observed changes to the timetable happening since 2 April. A bus that I used to catch at 7.23 a.m., I go to catch that one and it is at 7.20 a.m. now, which to me says they are changing the timetable actively.

The Hon. WES FANG: Was the timetable change published?

GAE ROBINSON: This was just looking at the app. But, for example, I think when the big changes came in, the latest express 373X to leave the city, I noticed, and I was really pleased, was as late as 7.30, I think, which is a lot later than they had been. But now I think the latest is 7.10. I can see dynamic changes to the timetable, but the big changes were before it moved to the private operator.

The Hon. WES FANG: Thank you. In reference to the concerns that you have had with the previous service, in relation to the terms of reference when you were writing your submission, what parts of the terms of reference were you addressing in your submission?

GAE ROBINSON: I cannot point you to a paragraph. Sorry, I read the terms of reference but I cannot specifically tell you a paragraph that I have been—

The Hon. WES FANG: Okay. Mr Wilson, if I asked you the same question, are you able to provide me some elucidations on what parts of the terms of reference you were referring to in your submission?

KEN WILSON: I think I covered everything except the electrification.

GAE ROBINSON: Can I answer? Sorry, I have got my terms of reference here. I highlighted the impact on the commuting public through the loss of bus stops and services. That is what I highlighted.

The Hon. WES FANG: Thank you. Mr Wilson, if I asked you the same questions about the services and the operation of those services, were the changes under a privatised model?

KEN WILSON: It is a hard question to ask people like Gae and I because it has not been easy to work out that the buses have been privatised. I looked at a bus the other day and it had Busways written on it. I thought,

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"Crikey, maybe it has been privatised." An internet search found a funny article in Lane Cove and the Busways website. They were very proud that they had been awarded the area seven contract. But most people in Willoughby had no idea it had happened, so it is a hard question to ask us. I think you will be asking more questions about this during the inquiry.

The Hon. WES FANG: I have no doubt, Mr Wilson.

KEN WILSON: But definitely the changes happened a year ago, but privatisation was probably being negotiated at the time. I think the idea of privatising area seven would have happened well before the changes.

The Hon. SHAYNE MALLARD: People do not realise it has happened. It is a philosophical argument going on here about privatisation. You say that until you saw "Busways" on a bus you did not know it had been privatised.

KEN WILSON: There are other reports, now that Busways is running it, that they are having trouble—they have been advertising for bus drivers and buses have randomly been cancelled.

The Hon. SHAYNE MALLARD: Your evidence just then was that most people did not realise that the service had been privatised.

KEN WILSON: I have not caught a bus for a while so—no, we did not. But we were a little bit peeved that we were not told. As you know, that does not mean—I am a bit suspicious about that.

The Hon. WES FANG: I can understand your frustration with that, Mr Wilson. I would be equally aggrieved. The Hon. Mark Buttigieg has indicated that he has a question, so I might just allow him—

The Hon. MARK BUTTIGIEG: I want to get your view on if you are going to move to what they call a competitive tendering process, which is kind of a euphemism for privatisation by stealth via franchising—

The Hon. SHAYNE MALLARD: Aided by Labor.

The Hon. MARK BUTTIGIEG: —and you rationalise those routes prior, then it would stand to reason, would it not, that the metrics you use, once it actually goes over, are based on those already changed routes? If, for example, you are using Opal tap-off rates on routes that have already been changed in the lead-up to that process, then that sort of justifies the argument, does it not? Because people like you who have fallen through the gaps clearly, which has been your evidence here today—trips have been hived off into multiple stages, elongated and changed—all that essentially gets lost in the statistics because the statistics are based on routes that have already been changed prior via Opal tap-off rates. Is that your understanding of what has happened?

GAE ROBINSON: Yes, we knew that privatisation was being proposed for our area. My personal interpretation was that the routes were being rationalised, if you like, ready for privatisation. That was my interpretation but, as I have said, I did not know it had actually happened until I saw this email from my MP.

The Hon. MARK BUTTIGIEG: When, roughly, was that email? Do you remember?

GAE ROBINSON: Within the last week or two.

The Hon. MARK BUTTIGIEG: Mr Wilson?

KEN WILSON: Sorry, I have forgotten what you were asking. Can you repeat the question?

The Hon. MARK BUTTIGIEG: The proposition was that if you were prepping routes for franchising and tendering out, as these ones have been, and you change those routes prior to the formal process happening, then your statistics pre and post are not comparable because the old routes are gone.

KEN WILSON: Yes.

The Hon. MARK BUTTIGIEG: So all those things you are talking about—having to change buses, elongating the trips, buses not going to the places they used to, which means people have to walk further—all those sorts of things that get caught, where people fall through the gaps, will not be captured because the routes have already been changed prior to the tendering process.

KEN WILSON: Yes, indeed. For example, when you get to Action for Public Transport, they talk about Balkanisation, and that is that you can only really travel in your own zone now. For example, the 340 bus went from zone seven across to Bondi. Now that has stopped, so you have to get out and change. It is quite a long walk to get to the 333. Also the 343 went from Chatswood to Kingsford. When you get to Action for Public Transport, they talk about Balkanisation. We now have people going to Kingsford who have to change buses twice and use three buses to get there. A friend of mine, an old lady, has a subscription to the Belvoir theatre. She can get there with two changes. On the way back, it is three. She is thinking, "Why did I get this subscription? Why didn't

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somebody tell me they were going to take these buses away so I could plan for it?" They have not and they did not. So I can see that.

We are just relying on conspiracy theories. We have so many conspiracy theories floating around here. I am trying not to get into that. But I can well imagine that that would be the case, but I cannot prove that and I am not in a place to do it. No-one is going to help me and no-one is going to tell me anything unless I start lodging freedom of information requests or something. But, yes, that sounds pretty good to me.

The Hon. MARK BUTTIGIEG: Was there any level of consultation with the community prior to the changes?

KEN WILSON: No, not one bit.

The Hon. MARK BUTTIGIEG: You have these fairly significant changes in routes. It is interesting because when you read the Transport for NSW submission it is portrayed as a very small minority that is affected. They use percentages of routes and try to justify that the dislocation is very minor. But you have said you have a petition of 5,000 people, so obviously 5,000 people have been prepared to sign that.

KEN WILSON: We have five petitions set up by five different people with about 1,000 signatures each.

The Hon. MARK BUTTIGIEG: Ms Robinson, you said that you had had discussions with many people who have experienced the same sort of thing.

GAE ROBINSON: Yes, you only have to read the changes they have made to our services to see that almost every service has been impacted in some way.

The Hon. MARK BUTTIGIEG: Again, for the Eastern Suburbs to the city, which is largely your area, there was no consultation prior?

GAE ROBINSON: No, because if there had been I would have been part of it.

KEN WILSON: The other thing that seems to have happened is that the worst affected are pensioners, elderly and schoolchildren. So mum and dad go and catch the express bus to the city and pay full fare, and the kid goes to catch the next bus and that bus has been cancelled. There is an allegation I think in the Rail, Tram, and Bus Union that where you would have an area and you would have profitable routes full of full-fare paying passengers and less profitable routes, the profitable routes subsidise the less profitable routes. Their allegation—I do not know how true it is but it makes sense to me, because I just live in a world of conspiracy theories and do not know what is going on—is that those profitable routes are now going into the profits of the private bus operators.

The Hon. WES FANG: Can you provide us with some evidence to that effect, Mr Wilson?

KEN WILSON: Sorry, what evidence do you require?

The Hon. WES FANG: I was just seeking any evidence at all that that was occurring.

KEN WILSON: The most profitable route here has always been the one that goes down the freeway. You get people who are earning \$300,000 in the finance industry who actually catch a bus to work and, because it goes via the freeway, that bus goes back and forth. That bus can make as many as five trips in peak hour, so it has to be raking in money. Then you have—

The Hon. WES FANG: Because of the high-income people who catch the bus?

The Hon. MARK BUTTIGIEG: No, because of the frequency.

KEN WILSON: Yes, because they are all full-fare paying passengers basically. There are no pension tickets.

The Hon. SHAYNE MALLARD: I am the Parliamentary Secretary for Western Sydney. Most of western Sydney does not have government-provided bus services. I grew up in Penrith. It has always been a private contract with excellent bus services. Why is your position—both of you—that a government-provided service is better than a privately provided service when the evidence that I am giving you for western Sydney is that it has been a very good outcome, long term, for western Sydney?

KEN WILSON: I think I would say that the government-operated service, as we had it before the changes, privatised, might have been fine. But some of our services have been gutted and then privatised. It is that first step that is the thing that concerns us most.

The Hon. WES FANG: So you are not actually against privatised—

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KEN WILSON: We have Busways. Apparently they are very good. They might be better. I do not know.

The Hon. WES FANG: Mr Wilson, can I just confirm that you are not against privatised bus services? Is that correct?

The Hon. SHAYNE MALLARD: As long as it is good quality.

KEN WILSON: The notion of privatisation, no, but the way it has been done, yes.

The Hon. SHAYNE MALLARD: The second part of my question is—

The Hon. DANIEL MOOKHEY: Sorry, Ms Robinson was not given a chance to respond.

The Hon. SHAYNE MALLARD: —Mr Wilson, your reference to conspiracy theories is quite quaint, but there has been no conspiracy theory about restructuring public transport. It goes back to when Labor was in government. I remember—I was a councillor at the City of Sydney—the protests against bus routes changing in Surry Hills through the Eastern Suburbs, even under Labor. There have been many speeches in Parliament about the change of philosophy about public transport in terms of modal shift. That is what I am getting to about this notion of buses being truncated because the Bradfield thinking of putting buses and trains directly into the CBD has caused the congestion and the problems within the CBD.

Now we are decentralising public transport, and modal shifts are part of the story now: the new metro rail; of course the heavy rail, which is being restructured; the new light rail services; buses; and active transport, which is a big part now of the transport mix. We are now trying to get the population—globally, not just in Sydney—to think about it being natural to swap buses, to swap onto a train from a bus, or ride a bike to a bus stop and take the bus with the bike on it. Do you understand that approach? There is no conspiracy.

KEN WILSON: Absolutely, and I think what we have been delivered here is the spoke and hub model without the hubs. One beautiful place to stick a hub is where the bus stops on the Warringah Freeway under Military Road.

The Hon. SHAYNE MALLARD: I agree with that.

KEN WILSON: I have spoken to the Western Harbour Tunnel group and they said, "Nothing to do with us, mate. We're going integrated transport." I am going, "That is integrated, isn't it?" Integrated transport was another one of the amazing spin—

GAE ROBINSON: Was it integrated?

The Hon. SHAYNE MALLARD: I know that changing modes is inconvenient if you have been used to going by bus all the way from Coogee right to Circular Quay, but we have taken the buses out of the city and the idea is you change somewhere around Central, I guess, and get onto the light rail, which is a magnificent service to go down into the city. It has really changed the city. You would agree with that?

KEN WILSON: Yes, I quite like the light rail myself. I do like some aspects of the new services, true, but I do think we have lost services that deal with access where there is no parking. I think the Government needs to think a bit more about—like the Beaches Link, for example. We will be able to get to the beaches really quickly, but where do you park at the beach? You said before that our area seems to think a metro between Chatswood and Frenchs Forest would completely nail it. It would be a lot cheaper and you then could actually get to the beach, as with a bus interchange on Military Road.

The CHAIR: Mr Mallard, I want to give Ms Robinson the opportunity to respond to the first of your questions.

GAE ROBINSON: I guess what I am mainly commenting on is the change in services that we saw ahead of privatisation, but I guess if you think about a privatised model you are going to want to have more people on each service to make it more profitable. So my interpretation would be that the cuts to services ahead of privatisation were potentially to make it palatable, I guess, for a private operator to run those services.

The Hon. MARK BUTTIGIEG: Ms Robinson, there was a comment made by my colleague, Mr Mallard, about the light rail. In your evidence you say that it is slow and it does not get you to where you need to go. Do you want to elaborate on some of those points that you made?

GAE ROBINSON: The light rail, I thought, ahead of it was a fantastic idea. It is extremely slow through the city in particular because it is going down George Street. There is no restriction on pedestrians. They are constantly almost hitting pedestrians, tooting their horns to get them out of the way, so they have to travel at a very slow pace to get through the city. The other thing for me is that at the end it takes me to Randwick Junction.

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It makes no easy connections with buses that take you further to Coogee or Maroubra because you have to physically move across a road, up a bit, down a bit. The buses are not linked to the light rail so pretty much every time I catch the light rail to Randwick I look across the street I am about to cross and I see a bus leaving, which I could have caught if I had been across the road. The connections need to be good.

In the city the light rail is on George Street and most of the buses are up Castlereagh and Elizabeth Street. It does not sound like a lot, but when you are planning a trip and you want it to be as efficient as possible, that extra wait here for this service, go away on that service, move up to the other service just adds to the complications of the trip. As I say, it is more people like the elderly and disabled that I worry about because I do not mind a bit of walking and running around the city, but some people just cannot do that.

The Hon. MARK BUTTIGIEG: Presumably if Transport for NSW were here and they were being honest, they would say something to the effect of, "Yes, but we have saved." We can look at some of the savings that they have hypothecated in their submission, which is 90 million here and \$120 million here. Effectively, if we were to accept that cost savings are being made at the cost of bespoke provision of services—in other words, direct trips, not having to change, shorter trips—what would you say to that sort of cost-benefit analysis if that were the argument?

GAE ROBINSON: Well, what other impacts might you have from that cost saving? You might have more people using their cars for trips or parts of trips because of the lack of efficiency of public transport. If they are making that saving, what are they doing with the saving? What are they doing with that money? Are they doing something worthwhile with it? I guess there is a philosophy of how much good public transport do you want to provide to the citizens?

The CHAIR: Do you think that the way that the bus services have now been designed is almost commuter-focused as opposed to focused on people getting around in their everyday lives? You were talking before about there being a bunch of changes from bus service to bus service and for people with mobility issues that is a problem but also for anyone with children, young children, having to drag them on and off of buses.

GAE ROBINSON: Yes.

The CHAIR: Also if you are going shopping and you had a huge amount of shopping that you wanted to take on the bus, is that your experience of using the buses in the Eastern Suburbs?

GAE ROBINSON: Definitely. The express services changed to some extent but the core of the express services is still there, so that is for your people who are working in the city. For most other trips, there is more changing, more complications. I am a pretty savvy public transport user and sometimes it is really confusing: Where do I get off to connect with that? What is the change now? Perhaps we will get used to it, but it is going to be harder for those more vulnerable people to just navigate the system.

The Hon. MARK BUTTIGIEG: That is the other thing I want to follow up on, Ms Robinson. As someone who is savvy like you, what means do you use to determine what the connections are and what time and all that sort of thing? Is that like an app or something?

GAE ROBINSON: If I am going on a route that I am not familiar with, I will use—I am sorry, I do not know what it is called—the Transport for NSW website at home or at work. If it is a route that I am familiar with, I am just using my app to see, okay, when's that bus coming? Then when I get to the next bit, when is the next bus coming?

The Hon. MARK BUTTIGIEG: What do you do if you are a person who is not so tech savvy, maybe someone who is elderly who is not up with the technology?

GAE ROBINSON: Exactly. I think it is very difficult now because it causes confusion and uncertainty around how am I going to get there? At this point in time obviously a lot of elderly people will be used to the old services and just thinking, I used to catch the 377. Now what do I do? It is hard.

The Hon. DANIEL MOOKHEY: Chair, can I ask a couple of questions?

The CHAIR: Please do.

The Hon. DANIEL MOOKHEY: Ms Robinson and Mr Wilson, can you take us through how reliable the service is now?

GAE ROBINSON: I actually think the city expresses are a bit more reliable and that is because they have moved the starting point from Spring Street up to Martin Place at Castlereagh. So the evening express services used to be often very late and sometimes not show up at all. I think that related to heavy CBD traffic. That is something that has improved slightly.

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KEN WILSON: Yes, but I think probably not as reliable recently. One of the issues we have is our express services in peak hour have been cut. With the very last stop before the freeway there is—especially before COVID—the queue was around the block. There were people who had to wait until after peak hour to go to town and that had never happened. One of the things here is that we used to have a little short bus route called 272 and now it is like to go to privatisation you needed to have a minimum number of bus routes, so they cut some. So we had a short bus route that went from Willoughby to Wynyard and now we have a long one from Chatswood to QVB. They only do Chatswood to QVB. Most of the traffic is in the bit in the middle and so, with the same number of buses and drivers, there are less services and so you just do not get on. I cannot work out why that shorter 272 has been cut because it worked well and it would make money and everybody would be happy. But maybe that is one too many numbers to get to the busways. I do not know.

The Hon. DANIEL MOOKHEY: Can you take us through what impact COVID had, as you saw them as a commuter and as a traveller or as a member of the travelling public? In terms of the problems that you have referred to and I guess the benefits you have also referred to, how much of that resulted from the fact that there is just a lot less people using our buses as people are working from home? In your view, how would the system cope if there was to be a return to the pre-COVID levels of patronage?

KEN WILSON: That last bus stop on the freeway would then be inoperable again during peak hour, as it was just before COVID started.

The Hon. DANIEL MOOKHEY: Ms Robinson, do you have any views?

GAE ROBINSON: Yes. I think our expresses would get very busy again—because I think overall there may be slightly fewer services in the morning, in particular—if everybody was back, as in pre-COVID.

The Hon. DANIEL MOOKHEY: The logic of building the CBD light rail was that a lot of the volume growth and population growth would be accommodated on the light rail. Has that happened?

GAE ROBINSON: No. No-one I know has changed to the light rail in terms of their everyday commute. If you look at the light rail and how empty it is compared to the buses, it is often pretty empty.

The Hon. DANIEL MOOKHEY: Effectively, in your view, is that because the light rail is fundamentally slow?

GAE ROBINSON: Through the city, yes. It is very slow. For me and many others in my area, it stops at Randwick Junction, and then you have a really awkward move onto buses which are not coordinated. You are adding typically five to 10 minutes to your trip because you have to make that awkward transfer.

The Hon. DANIEL MOOKHEY: To be fair to Transport for NSW, they assumed that they could pare back some services on the bus side because the CBD light rail would take the load. Do you think they were right to make that assumption?

GAE ROBINSON: My comment would be that it is not looking as good as they expected. It has not worked out that way, I don't think.

The Hon. SHAYNE MALLARD: Ms Robinson, did you catch the buses into the city that you mentioned before, down to Circular Quay?

GAE ROBINSON: Yes.

The Hon. SHAYNE MALLARD: What was termed by a Labor transport Minister as a conga line of buses all the way up past the Queen Victoria Building queueing to go down to Circular Quay to do that lineal trip into the city, which has stopped now—that bus trip was no faster than the light rail. I catch the light rail all the time and it is a pretty fast trip to the city, by the way. I hate to say it, but I was a councillor and I know about it, pedestrians were regularly hit by buses on George Street. There were fatalities on George Street. The modal shift to light rail has not been the disaster that you are portraying. It is a safer and more environmentally friendly public transport trip—

The Hon. MARK BUTTIGIEG: Point of order: Chair, is Mr Mallard a witness?

The Hon. WES FANG: He should be.

The CHAIR: Is there a question, Mr Mallard?

The Hon. SHAYNE MALLARD: Well, if I was allowed to finish, I was asking for comment around the comparison of the two. Let's be fair and talk about what a disaster buses were in the CBD. Ms Jackson used to catch the buses and I would like her to comment on that.

The Hon. WES FANG: Ms Robinson.

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The Hon. SHAYNE MALLARD: [Audio malfunction]

GAE ROBINSON: The buses I catch are not at the George Street end of things or the QVB end of things. The ones I catch come via Elizabeth Street. The expresses come through the Eastern Distributor, so they actually miss a lot of traffic. For me, the light rail is much slower than the buses.

The CHAIR: Ms Robinson, earlier when you were talking about shifting, whether it is from bus to bus or bus to something else, you were talking about—you might look up on the Transport for NSW website as to where you might go in order to work that out. If you were someone who had not done that and had taken one of those trips and then found yourself needing to make that change, are there people available at stations to help direct people to where they need to go? What would you do if you did not have access to the internet at that point?

GAE ROBINSON: Well, there is no-one at bus stops. I guess at light rail stops there might be some people around. They might not be there just for giving out information, but they might be handy. So, no, at the bus stops there is no-one.

The CHAIR: We have run out of time, unless there are any final questions from the Opposition or from Government members.

The Hon. WES FANG: Thank you, but I will let them go.

The CHAIR: Thank you very much to both the witnesses for your considered submissions and for making yourselves available today. It is really helpful to hear from members of the public about their experiences. That concludes this session. We will very shortly welcome our next witnesses.

(The witnesses withdrew.)

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Mr JOHN KING, President, BusNSW, affirmed and examined

Mr MATT THRELKELD, Executive Director, BusNSW, affirmed and examined

The CHAIR: We now welcome our next witnesses from BusNSW. Would you like to make a short opening statement?

MATT THRELKELD: Yes, thank you.

The CHAIR: Please go ahead.

MATT THRELKELD: Good morning, and thank you for the opportunity to participate in the hearing. BusNSW is the peak body for the New South Wales private bus and coach industry. Our mission is to foster the efficient and sustainable growth of public transport in New South Wales and to promote the benefits of bus and coach travel. BusNSW considers that the model used to tender the Sydney metropolitan regions, where bus services were previously operated by the State Transit Authority, is part privatisation of government-operated services and would better be described as franchising. Ownership of assets, including buses and depots, and decisions regarding contracted bus services, which includes routes, timetables and bus stops, remains with the New South Wales Government and is managed by Transport for NSW. Further to this, the Independent Pricing and Regulatory Tribunal is responsible for determining fares.

BusNSW questions the timing of the inquiry, given the market process for the STA regions is complete. The contracts have been awarded and the successful operators have commenced the delivery of services in their respective regions. We note that eight metropolitan bus region contracts, where private bus operators have previously met Transport for NSW performance targets and value-for-money benchmarks, were put to tender by the New South Wales Government in 2012-13. Whilst BusNSW has not advocated for the franchising of the STA regions, the tendering of metropolitan bus operator regions in 2012-13 and again this year has meant that it would be unfair for a government bus operator to avoid any competition, in our view. BusNSW understands that in parts of Sydney the community and media have linked the review of public transport networks to privatisation. Based on the submissions made, the main focus of the inquiry appears to be on the performance of Transport for NSW in regard to bus service planning and community consultation. John and I are happy to take any questions from the Committee in regard to the BusNSW submission.

The CHAIR: Thank you very much. I might start with a couple of questions before I hand over to the Opposition. I am interested in the rollout of electric buses and the way that that has been effected by the Government. If you could, maybe talk us through how each operator is able to begin rolling out electric buses. Is it something that the Government is completely in control of? Is it something that each bus operator can suggest themselves? How is that working in terms of that transition?

MATT THRELKELD: I might start, and I will then pass over to John. Essentially it is controlled by the Government and Transport for NSW in terms of approving the procurement of vehicles. We did see the Government release the Zero Emission Bus Transition Strategy last year, and since then we understand that Transport for NSW has been working on a business case to support the rollout of zero emission buses across the State. The main focus at this stage has been on the Sydney metropolitan area and mainly in regard to the regions that were previously operated by the State Transit Authority, although we have seen that some of the private operators in the Sydney metro have commenced procurement of electric buses. That has been supported by Transport for NSW in terms of providing the funding for those vehicles, and that has obviously required some changes to depots in regard to providing infrastructure and charging equipment to support those electric buses. My understanding is that there has been a negotiation between the private operator and Transport for NSW in regard to funding that is required to be able to set up depots for those vehicles that are now in service.

The CHAIR: If there is a particular region where there has been that agreement to have that charging infrastructure put in place, that is captured by each of those agreements as to what that looks like and who owns the infrastructure at the end of the day. Is that correct?

MATT THRELKELD: That is something that has been negotiated between the operator and Transport for NSW. We are talking quite small numbers, so one region in particular in the south-west of Sydney is now up to around 12 battery electric buses, and there are a couple of others who have got five battery electric buses each. I understand that the private operator has made some of the investment required to support the infrastructure and that in some cases Transport for NSW has agreed to provide some funding to also support the charging equipment that is required to run those particular vehicles.

The CHAIR: Is that the case with trials as well as more permanent contractual arrangements?

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MATT THRELKELD: At this stage the vehicles that have been procured in the Sydney metro have been generally part of the normal bus replacement process, where vehicles have been required to be replaced because of their maximum age, or in some cases it may relate to where growth services are put in place and there is a need to increase the peak vehicle requirement that there has been an agreement to go out and procure the battery electric buses which are on the Transport for NSW Bus Procurement Panel. Obviously that then means that Transport for NSW agrees to provide some funding, normally over a 15-year period, for those battery electric buses. But we have seen a slightly different approach for outer metropolitan contracts, and rural and regional contracts, where at this point in time the Government is still procuring diesel buses for those applications.

The CHAIR: Is that because of a lack of charging infrastructure in those non-metro areas? Is that the hold-up? What are we looking at in terms of getting electric bus there eventually? Is it the supply for the buses, or is it to do with the charging infrastructure?

MATT THRELKELD: It is generally to do with the charging infrastructure but I think it is just a case of that it is early days in terms of the rollout, and the actual strategy is still being developed in terms of the business case. I think we will see some trials in those outer metropolitan and rural and regional areas before the actual transition is accelerated. But at this point in time the focus has really been around the Sydney metropolitan area.

The CHAIR: Just one last question on that then: Where are the buses being made? We know that there have been a lot of supply difficulties with electric cars. Is there any of that same sort of problem when it comes to electric buses?

MATT THRELKELD: There is no issue in terms of supply. When you look at the battery electric buses that are approved on the Transport for NSW Bus Procurement Panel for operators to select from, there are a number of differences in terms of where they are manufactured. There are some that are built here in Australia, there are some that are fully built overseas in China and there are some that are a combination whereby the chassis may come from China but the body of the bus is built here in Australia.

The Hon. MARK BUTTIGIEG: I might just follow that line of questioning a little bit. In your submission you went to the trouble of pointing out that you consider the tendering process to be half privatisation, where the Government retains ownership of the assets and decisions over services. Moving towards this electric bus procurement, we are actively looking like we are going down a model where the private operator could potentially own a significant portion of those new assets. Is that right—both in terms of the electric bus and the charging, potentially?

MATT THRELKELD: Not necessarily. If you look at the current model, yes, the operator procures the bus and it sits on the operator's balance sheet. However, there is what we refer to as a tripartite agreement between government, the operator and the financier, which ultimately gives the Government control of that bus. The Government, we understand, also includes that vehicle on its balance sheet because it has a funding stream for 15 years to be able to then pay for the capital component of that vehicle and also the interest that would generally apply to that bus. However, in regard to the industry briefing for the current tendering of contracts in the Sydney metropolitan area, the Government did indicate that it may pursue a change to that methodology whereby the Government would pay for that bus directly rather than the operator paying for that bus. But I am not sure where that is at present.

The Hon. MARK BUTTIGIEG: In terms of that historical model, the asset is essentially, one way or the other, still in government hands, but what we are suggesting here with the electric bus model is actually privatising assets as well.

MATT THRELKELD: No, we are not.

The Hon. MARK BUTTIGIEG: We are not?

MATT THRELKELD: No. There is no change to the model. It is the Government's intent to either own that asset in terms of paying for it or, if it is paid for by the operator up-front and then funded over 15 years by government, the Government would still have full control over that asset and, should there be a change of operator, the Government has a right to require the incumbent operator to transfer that asset to a successor operator.

The Hon. MARK BUTTIGIEG: And the charging infrastructure?

MATT THRELKELD: We understand the charging infrastructure would be the same. So if it is funded by government, government would also have rights to that and would then be able to have that transferred to a different operator. This highlights one of the issues we raised in our submission around depot ownership, and that is still playing out in terms of this current tendering where there will need to be some discussions between Transport for NSW and the successful proponents around the infrastructure requirements moving forward.

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The Hon. MARK BUTTIGIEG: In your submission, you say that the Government retains ownership of the assets and decisions over service and therefore exercises control over the provision of service—that is Transport for NSW.

MATT THRELKELD: Yes.

The Hon. MARK BUTTIGIEG: What is the process then when there is a cut to services or bus stops? What is the interplay of decision-making when that occurs?

MATT THRELKELD: You mean between Transport for NSW and the private operator?

The Hon. MARK BUTTIGIEG: Yes.

MATT THRELKELD: Essentially it is the decision of Transport for NSW. Operators can put forward suggestions and there is a process, which is referred to as the Bus Service Alteration Request process—and I will get John to come in here shortly given his experience as an operator—but ultimately it is the decision of Transport for NSW as to the approval of any changes to the services in regards to routes, timetables or changes to bus stops.

JOHN KING: Just picking up on that—thanks, Matt—as an operator and a contract owner, we are constantly reviewing our networks to satisfy the community obligation under the contracts. If we find a network that is not actually delivering a service that the community ultimately wants, but we have some overloads in other areas, we will then go and plan that, we will put that up through to government, to Transport for NSW, under what we call the BSAR process and that is accepted or rejected by Transport for NSW after working through the incidents—giving evidence of what we can do is what will give the best result, value for money, transparency and community obligation.

The Hon. DANIEL MOOKHEY: Can I ask you, Mr King or Mr Threlkeld, can you take us through the standard—if there is a standard—remuneration structure for an operator in a franchise arrangement as you have described? How are you paid?

JOHN KING: It is basically a cost-plus model. You work out your bus hours, your kilometres, your overhead costs, your fleet requirements and then you will put that into a bucket, as such—we will call it that—and we then negotiate that with benchmarking and/or conversation and that comes up with a dollar, and that is what you would then agree to if you are the successful person to move that particular contract into your environment.

The Hon. DANIEL MOOKHEY: So it is cost-plus on, what, an hourly basis? You are working out the hourly cost of running services and then—

JOHN KING: It all comes back to an hourly and kilometre-based environment, yes.

MATT THRELKELD: Can I just add to that? That is how the operator or the proponent would calculate a lump sum. If we are talking about the Sydney metropolitan contracts and the tendering environment, then the operator puts in a price to run the services as they stand at that time. Obviously, as John is saying, you look at the kilometres, hours et cetera and then, based on your own unit cost as an operator, determine what the total amount is and you put that forward. If there is a change to services during the contract, there are service variation rates within the contract. If the Government requires changes that add service levels and therefore kilometres and hours, then there would be an adjustment of the payment to the operator; and, likewise, if there is a reduction in services, then there would also be an adjustment to the total payment.

The Hon. DANIEL MOOKHEY: In addition to the cost-plus, you are entitled to incentive payments, are you not?

JOHN KING: Yes.

MATT THRELKELD: It depends on which contract you are talking about. Unfortunately at the moment, because of the timing of the tenders, we are going from some older contracts to some newer contracts and then also we have the contracts applicable to the State Transit Authority regions as well. So it is difficult to give you a straight answer depending on the—

The Hon. DANIEL MOOKHEY: There are 15 regions, are there not, or is it 16 regions?

MATT THRELKELD: There are now 14 regions.

The Hon. DANIEL MOOKHEY: But in the clear majority of them you are entitled to some form of incentive-based remuneration in addition to the cost-plus—correct?

JOHN KING: It depends on the type of contract. Under the old contract there were some incentive payments on patronage growth in the sense of the numbers of passengers carried. Under the new type of contract,

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you have a different variation to incentive, on on-time running and tracking of vehicles and other parts of that contract that would drive a higher revenue if you can meet the targets.

The Hon. DANIEL MOOKHEY: Can I invite you to provide on notice any further detail that you can about the nature of the incentive payments you are offered?

MATT THRELKELD: Yes, sure.

The Hon. DANIEL MOOKHEY: That is assessed, what, on a quarterly basis, a monthly basis or a yearly basis? What is the assessment cycle on those?

MATT THRELKELD: The reporting is generally monthly in terms of a whole range of key performance indicators. Yes, if we are talking about what may have been referred to as a bounty payment under the old contracts, then my understanding is that that would be monthly. Yes, I am happy to take that on notice and provide some details.

The Hon. DANIEL MOOKHEY: So you provide the information to Transport for NSW monthly and then they, what, assess it and then provide you with a payment for that month if you meet the targets? Is that correct?

JOHN KING: Correct.

The Hon. DANIEL MOOKHEY: Who makes that assessment in Transport for NSW? The bus division or whoever manages the contract?

JOHN KING: Well, your data. It is a formula, so your data actually drives it for you—the data we feed back.

The Hon. DANIEL MOOKHEY: If they refuse to provide you with a payment, how does that work if you think you are entitled to one? Is there an appellant process?

JOHN KING: There is a dispute process in any type of contract. However, the formulas are set from when you signed your contract.

The Hon. DANIEL MOOKHEY: Can we return to the cost part of your cost-plus model? Each operator has different unit costs. Is that correct?

MATT THRELKELD: Yes.

The Hon. DANIEL MOOKHEY: And that reflects a variety of different arrangements that you apply to them, depending on how they run their business. That is a fair summary?

JOHN KING: Correct.

The Hon. DANIEL MOOKHEY: But it is pretty standard, is it not, that labour is a serious component of your cost structure?

JOHN KING: Correct.

MATT THRELKELD: Yes.

The Hon. DANIEL MOOKHEY: The base award that applies is which one?

MATT THRELKELD: The Passenger Vehicle Transportation Award.

The Hon. DANIEL MOOKHEY: That was previously a State award that has transitioned to the national system. Is that correct?

MATT THRELKELD: Yes. I mean, in New South Wales, yes. The old New South Wales Motor Bus Drivers and Conductors (State) Award transitioned into the Federal system, as did all of the other State awards.

The Hon. DANIEL MOOKHEY: As was meant to happen, right? There is nothing sinister about that.

MATT THRELKELD: Yes.

The Hon. DANIEL MOOKHEY: Can I ask, in respect of the non-STA previously provided services—so I am not talking about the regions that have now been shifted in recent times; I am talking about the ones that prevailed—

MATT THRELKELD: The other 10.

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The Hon. DANIEL MOOKHEY: It was the case that the basic structure was enterprise agreements—most operators had enterprise agreements in place with their workforce, did they not?

MATT THRELKELD: Yes, they were essentially forced with the commencement of the Fair Work system to move from the old State award to enterprise agreements.

The Hon. DANIEL MOOKHEY: So in a company like Busways, for example, there is an enterprise agreement that applies, does it not?

MATT THRELKELD: Yes.

JOHN KING: Correct.

The Hon. DANIEL MOOKHEY: As there is in Transit Systems?

MATT THRELKELD: Yes.

The Hon. DANIEL MOOKHEY: To the extent to which drivers obtain additional remuneration through enterprise bargaining under those agreements, do you pass that cost on or do the operators internalise them?

MATT THRELKELD: Sorry, can you repeat that?

The Hon. DANIEL MOOKHEY: In a hypothetical scenario, after, for example, Busways reaches an agreement with its workforce that results in an increase in wage rates, do you pass those costs on? Do you have a mechanism to pass those costs on under the cost-plus model, or do you internalise them?

MATT THRELKELD: No. There is indexation within the contract, which is based on the Wage Price Index. However, what the operator negotiates in terms of an enterprise agreement, ultimately they have to then absorb that within their payments.

The Hon. DANIEL MOOKHEY: If an operator cannot cost recover, then it is fair to say that they are in a position where their ability to provide additional remuneration to their workforce is limited.

MATT THRELKELD: Yes. Essentially anything that is negotiated above the Wage Price Index would have to come out of the operator's margin.

The Hon. DANIEL MOOKHEY: Operators cannot do that because the margins are pretty low in your industry, are they not?

MATT THRELKELD: I think that is a fair assessment.

The Hon. DANIEL MOOKHEY: If the operators cannot pass them on unless you have the ability to talk to Transport for NSW—because there is only one buyer of public bus services, is there not, in this State? No-one else is buying services to run public transport on public transport routes other than Transport for NSW. Is that fair?

MATT THRELKELD: That is fair to say, yes.

The Hon. DANIEL MOOKHEY: They basically hire 90 per cent to 95 per cent of your services that are provided by your industry. Is that fair?

MATT THRELKELD: In terms of regular passenger services and school services, yes, I think that is right.

The Hon. DANIEL MOOKHEY: They are what economists call a monopsony—they are a monopoly of buyers. There is only one person you get to negotiate with. Correct?

MATT THRELKELD: Yes.

The Hon. DANIEL MOOKHEY: To the extent to which right now there is industrial action in the bus industry and the private bus industry that is focused on the ability to keep up with the cost of living in the bus industry, the truth is that your industry cannot resolve those claims without the participation of Transport for NSW. That is true?

MATT THRELKELD: That is correct. The only thing I would probably add is that being in a tendering environment—and, obviously, this is dependent on the timing and consideration of the fact that the contract tenure is normally five plus three years.

The Hon. DANIEL MOOKHEY: Eight-year cycle.

MATT THRELKELD: Talking about eight years.

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The Hon. DANIEL MOOKHEY: That are three Federal governments.

MATT THRELKELD: Pardon?

The Hon. DANIEL MOOKHEY: Three Federal governments we are talking about.

MATT THRELKELD: Potentially, yes.

The Hon. DANIEL MOOKHEY: Or six, according to the current rate that we go through them.

MATT THRELKELD: Yes. The only opportunity the operator has, I guess, is where they may factor in some increases at the time of tendering. However, we need to weigh that up against the fact that they are trying to win the tender. In some cases, like some of our members in the Sydney metropolitan area, where they have held a particular contract for several decades, obviously they are keen to continue to operate those services. So it is quite a difficult balancing act.

The Hon. DANIEL MOOKHEY: Mr Threlkeld, you are being diplomatic. You do not have leverage with Transport for NSW, do you, because they buy 95 to 97 per cent of services. The power imbalance between the people who supply bus services and people who buy them is heavily stacked in favour of Transport for NSW. Fundamentally, they set your market conditions, do they not?

JOHN KING: They set a condition. However, it is up to the labour side of the organisations to be able to manage that condition, like anything else. If I go to market for something, I put a price in for it. Then it is up to me to manage that price.

The Hon. DANIEL MOOKHEY: But in private transport or in truck transport, for example, all of the contracts are three months, six months, 12 months. You are on an eight-year cycle, contract negotiation, are you not?

JOHN KING: Yes. So when you go into that market process, you have got a mechanism in that. You will negotiate your starting point from that point on, as Matt said. You have got a WPI rise in that contract, so that we would run that through. If that particular WPI gets out of control to a point, if it rises above inflation, then that mechanism gets put back into the contract. So you can actually control that. If you want to then, at the end of the day, go above that as a percentage, then you have to be a fairly good planner in the sense of your rostering and everything else that goes with it.

The Hon. DANIEL MOOKHEY: Like every employer and every worker, you have to make sure the enterprise is sustainable. I accept your point. I want to pass the questioning back on, but I have just two more questions or themes to ask, I guess. Are there drivers right now in depots that are performing the identical work in the identical depot and the identical routes who are being paid different rates?

MATT THRELKELD: We are aware of the circumstance in region 6. Transit Systems is not a member of BusNSW. So I am not sure that I can provide any particular details around this issue. But we are aware of a two-tiered system.

The Hon. DANIEL MOOKHEY: Transit Systems is not a member of BusNSW, that is fair?

MATT THRELKELD: Correct.

The Hon. DANIEL MOOKHEY: Transit NSW recently came to attention for not passing on a pay rise that they were meant to. Are you aware of that?

MATT THRELKELD: I am aware of what is in the public domain.

The Hon. DANIEL MOOKHEY: And you are aware that Transit Systems was called out as engaging in a deliberate act of, effectively, wage theft because they knew that they were meant to pass on the increase and they did not; they pocketed it. Are you aware of that, that that was the description that was applied to them by their internal CFO, actually?

JOHN KING: In fairness, we read the same article you probably did.

The Hon. DANIEL MOOKHEY: But you are right to say that they are not following your standards. That is not common behaviour, is it?

JOHN KING: Once again, they are not members of our association. So we cannot really comment on that.

The Hon. DANIEL MOOKHEY: But your members are not doing that. Your members pass it on because they are scrutinised, are they not?

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JOHN KING: Correct.

The Hon. DANIEL MOOKHEY: They have brought the industry into disrepute, have they not?

JOHN KING: I would not say they would have brought it into disrepute at all—

The Hon. DANIEL MOOKHEY: You do not think engaging in—

JOHN KING: We are talking about an individual company that actually is doing what they are doing.

The Hon. WES FANG: I would ask Mr Mookhey to let the witness answer the question. He has asked quite a pointed question—

The Hon. DANIEL MOOKHEY: Mr Fang, to be fair, you are notorious now for interrupting people too. But I take your point; you are correct.

The Hon. WES FANG: I have been silently observing and listening to your rapid-fire questioning. I think Mr King was attempting to provide a response. You might term it as diplomatic. I would term it as—

The Hon. DANIEL MOOKHEY: Statesman-like was what I was about to describe it as.

The CHAIR: I think the reminder has been well made. If we could continue, please.

The Hon. DANIEL MOOKHEY: Can you explain to me, Mr King, how knowingly not passing on a pay increase that you are meant to, that has been described as wage theft, does not bring the industry into disrepute.

JOHN KING: It does not bring the industry into disrepute—

The Hon. DANIEL MOOKHEY: It brings the company.

JOHN KING: It brings the individual company into disrepute. That is, I think—

The Hon. DANIEL MOOKHEY: That is fair.

JOHN KING: That is a fair comment. As an industry, we stand very firm on what our members are instructed to do. We have not got anybody in that position.

The CHAIR: In response to one of Mr Mookhey's questions, there was discussion around the incentive payments under these contracts and the reporting against KPIs. In a standard contract, what would be the consequence for not meeting KPIs? Is there some sort of financial penalty?

MATT THRELKELD: Yes.

The CHAIR: Is it discretionary? Or does it automatically apply?

JOHN KING: Automatically.

The CHAIR: So it does not need to go through Transport for NSW. It is an automatic "We haven't met these KPIs"? Is it like a sliding scale? Say the performance running time is below a certain percentage. Does it ratchet down with the penalty?

MATT THRELKELD: There are explicit targets, yes, within the contract KPI schedule. Obviously, there is data that is used to determine whether an operator has met that target or not for that month. Where an operator does not meet that target, depending on the class of KPI, then an abatement may apply. My understanding is that it is based on a percentage of the operator's revenue. So the actual abatement could be quite substantial in some cases—tens of thousands of dollars. Yes, they are quite significant. Where an operator fails to meet KPIs on multiple occasions, it can also lead to the termination of the contract, based on the key performance indicator schedule.

The CHAIR: Thank you. Mr Mallard, I will just check in with you to see if you have got any questions.

The Hon. SHAYNE MALLARD: That is very generous of you, Madam Chair. I will try not to upset the Labor Party members this time.

The Hon. DANIEL MOOKHEY: You rarely do.

The Hon. SHAYNE MALLARD: I could not quite hear that, Mr Mookhey.

The Hon. DANIEL MOOKHEY: I am saying we are fans of yours, Mr Mallard. You rarely upset us.

The Hon. SHAYNE MALLARD: Thank you for your submission. Thank you for the bit of historical context. I note that you observed that contemporary reforms to the bus system were done in 2004 under the

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Unsworth report and the Labor Party Government started doing those reforms. Would you like to maybe just fill us in on some of the history of those reforms to where we are today and emphasise that evidence, please?

MATT THRELKELD: I will as best I can, yes. Prior to 2005 we had a situation in Sydney where there were 87 small bus contract regions. So at the time there was an intent to try to reform that system. We saw those 87 regions consolidated into 15 regions at the time. That was obviously quite significant. In some cases it meant that operators who were within a region had to get together and form a management company to be able to hold that contract for that region jointly. At that time we went from the old system—I think this is quite important—whereby operators were paid based on their fare box revenue and also a payment for SSTS, which is under the School Student Transport Scheme. But at that time the operator had full responsibility for their services, the actual planning of the services and consultation with the community, whereby the operator was intending to make a change to those services.

Following those reforms, we saw the change there, which was quite fundamental, I guess, where we moved to a gross cost contract where the operator was paid to provide the services and ultimately the Government keeps the fare box. However, at that time the Government also took control of the service planning. I guess that was quite a significant change in the industry. Also at the time there were some changes to legislation that meant that the incumbent operator was not able to have a guarantee in terms of the renewal of their contract, so ultimately a system was set up that would allow for competitive tendering in the future.

The Hon. SHAYNE MALLARD: That system continues through to today, right? The Government has control of the service operations, the routes and bus stops and so forth and pricing is independent and no guarantee of winning the tender renewal? That carries through to current times, right?

MATT THRELKELD: That is correct, yes.

The Hon. SHAYNE MALLARD: From that period. To be frank, I read between the lines, and I think it would be obvious to say, but you will clarify for me, that the bus operators would much prefer to have control over the service operations, the routes and the bus stops and not have to go through the department to do any changes, is that right? You have more flexibility to provide—one side of the argument would be better services, the other side would be more profitable services.

MATT THRELKELD: Yes. Look, I mean certainly the operators would prefer to have a bigger influence in terms of the planning of the services; however, I think that has to be balanced up with the system. One of the reasons I guess why this actual reform took place back in 2004-05 was the fact that in some regions within Sydney the fare box collected by the operator and the Government's payments to the operator under the School Student Transport Scheme were not enough to cover the cost of providing the services. So ultimately there needed to be a change and that is where the Government at the time moved into a gross cost-type arrangement. It is probably a long way of answering the question but I think, yes, we would prefer to have more influence but I think in some cases the gross cost model has been a need rather than a want.

The Hon. SHAYNE MALLARD: As I said before, I am a past Parliamentary Secretary for Western Sydney, I grew up in Penrith, never had government buses at all in those parts of western Sydney, always had the private sector. That reform model where you went from 87 to 15 regions and so forth, that applied equally across the whole metropolitan area of Sydney, right? So western Sydney had to get that reform as well?

MATT THRELKELD: Yes, that is correct.

The Hon. SHAYNE MALLARD: I do recall.

MATT THRELKELD: That is right, south-west Sydney, western Sydney and also north-west. If you take out the four State Transit regions in the Sydney metropolitan area, then essentially the other, at the time, 11 regions were operated by private operators. Going from 87 down to what were 11 private regions at the time was quite significant and at that time there were also some major changes to bus networks. It is probably quite topical in terms of this particular inquiry, but I do recall that at the time there were some quite major changes to routes and to timetables and there was some quite significant consultation that went along with that. That was obviously supported by the new model but it did mean that there were some winners and losers in terms of the community as a result of those changes to services.

The Hon. SHAYNE MALLARD: I particularly recall the big protest rallies like at Rose Bay, big rallies there with Clover Moore speaking at them—I went to them—against reduction of bus routes, amalgamation of bus stops all the way from the CBD through to the bay, Surry Hills, all the way out to Bondi and Coogee. Do you recall, was that part of the 2004-2005 reform? I recall that.

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MATT THRELKELD: I don't think that was part of the reform because they were services that were operated by State Transit Authority. The changes to services I was referring to were in the 11 private operator regions that were formed around 2005.

The Hon. SHAYNE MALLARD: My last question—and it is a left-field question, you might note—as I said, I grew up in Penrith, it has always had private bus services, always been very good bus services. I recognise that they are controlled by government overarching but the Blue Mountains has got government buses. Do you know why that is? Is it because there was no private operator to provide the service up there?

MATT THRELKELD: I am not aware of the Blue Mountains having government buses. That contract was formerly Pearce Transport, which was a family-operated business who have subsequently sold out to ComfortDelGro, who now operate the services.

The Hon. SHAYNE MALLARD: There might just be some old government buses. I will leave that.

MATT THRELKELD: I think so. More than likely.

The Hon. SHAYNE MALLARD: Thank you. That is enough from me.

The Hon. MARK BUTTIGIEG: It is interesting evidence you have been giving here this morning. By and large we have heard that your members are trying to do the right thing, aside from the Transit mob, who are not your members. Do your members feel like they are essentially being used by the Government in this model? It sounds to me that what they have done is stitched you up on such a tight contractual term that you are in a no-win situation in the sense that, to make ends meet, in terms of paying your employees the proper wage to account for cost of living and all the rest of it, and still provide the service and try to recover cost, yet the accountability piece is perhaps pushed onto your members in terms of cuts to bus routes and stops. Then you get these outliers like State Transit who are trying to subvert that model to turn a profit. Is that sort of how your members feel the model has been set up here? Then you have Transport for NSW spruiking their submission that they are saving hundreds of millions of dollars. I think we can see where that is coming from. In a sense, what this model has resulted in is an outsourcing of responsibility from the department onto private operators, who are in a no-win situation to try to provide the same service which existed before. Is that a fair summary?

The Hon. SHAYNE MALLARD: Are we getting a question, Chair?

The Hon. MARK BUTTIGIEG: My question is, is that a fair summary?

The Hon. SHAYNE MALLARD: It is giving evidence to the inquiry.

JOHN KING: Can I answer that? I don't think so at all. If we are going into a business model and we are doing a joint venture with a government department, typically—and I have these contracts—that we go in with an open book to actually come up with creating government policy to the communities and their obligation, and then it is up to us to manage those community obligations, and we do that. In the sense of the actual reimbursing of those structures to start with, as I said earlier, we get a contract, we bid on it, we actually win it and we go and then manage within that framework. And that is how I see operating our networks.

Coming back to the common point in relation to network management though—and this is where you have to sort of manage that process—we have 25-year cycles in our industries. So new estates go in, they get a whole heap of kids and a whole heap of people moving in, they cannot afford the cars so they catch public transport. Then the kids move out, big houses, we still have got the two parents living in the house who do not use public transport anymore. That is where network planning comes in. You might take a bit out of that estate and put them into another growth estate. That is how you actually manage it. In a sense of what you are trying to imply in relation to contracting, I think the contracting level network and mechanisms are right, it is up to us to joint venture with government to deliver those services.

The Hon. MARK BUTTIGIEG: Can I ask you, that BSAR process you outlined before whereby you have to complete a whole series of questions, presumably the answers go back to Transport in terms of changes to routes and proposed cuts to bus stops or whatever the proposal is. How many of those propositions ballpark have been rejected by Transport for NSW? Do they normally get approved?

JOHN KING: Depending on the severity of them. If you are looking at a brand-new network that might have to put a million dollars in the bottom line of a contract, then obviously there is going to be a more vigorous conversation to whether we put one in that is a nil BSAR, as we call it, that is just going to change a better system at no cost to the Government. We have to take that on notice. I am not sure we would ever get that information.

MATT THRELKELD: No. I think that is a question for Transport for NSW, given they have got that data in terms of applications.

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The Hon. MARK BUTTIGIEG: Your members would be able to tell you whether they are getting knocked back or not, would they not?

MATT THRELKELD: They could if we ask them, but in some cases I think they would probably consider it to be commercial-in-confidence information. But, yes, there has been some anecdotal, I guess, evidence that it can be quite difficult to have a BSAR approved at times. But in terms of the exact numbers, it is really a question for Transport for NSW.

The CHAIR: Unfortunately that is all we have time for. Thank you both so much for your submission and for making yourselves available for our questions today. To the extent you took questions on notice, the Committee secretariat will be in touch, but there will be a 21-day turnaround on those. We are going to take a 14-minute break and return at 11.30 a.m.

(The witnesses withdrew.)

(Short adjournment)

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Mr BILL PAGALIS, Bus Driver, Transit Systems West Services, Transport Workers' Union of NSW, affirmed and examined

Mr RICHARD OLSEN, State Secretary, Transport Workers' Union of NSW, affirmed and examined

Ms SOPHIA NASSER, Legal/Industrial Officer, Unions NSW, affirmed and examined

Mr THOMAS COSTA, Assistant Secretary, Unions NSW, affirmed and examined

Mr DAVID BABINEAU, Divisional Secretary, Tram & Bus Division, Rail, Tram and Bus Union of NSW, affirmed and examined

Mr MARIO DENIS, Bus Operator, Tram & Bus Division, Rail, Tram and Bus Union of NSW, affirmed and examined

The CHAIR: We are now welcoming our next set of witnesses. I will start on my left. Mr Dennis, would you like to make a short opening statement?

MARIO DENIS: Yes, basically the reason I am here is just to explain my situation in terms of the system. At the moment I am displaced from a normal roster and it looks like there is no chance for me to get back at it. The repercussions of being displaced is that my starting times vary within two hours. So I could start 5.30 in the morning—the following day start 7.30 in the morning and obviously finish later. Now, that affects—my life is like being in a continued roster. I do not know when I am going to start, right? When I get home, obviously I am unable to have dinner with my wife because it is too late and it is different times. That did not happen when we were under the State Transit Authority [STA]. There was an order and eventually you ended up on the roster, which I was. Then I was dropped off and my rosters were given to the new guys because they are cheaper to run. Basically, that is what it is.

The CHAIR: Thank you. Mr Babineau?

DAVID BABINEAU: Thank you. I guess this is long overdue as a process and it is nice that it has finally happened, albeit after the fact. But hopefully before the Government takes this franchising approach—which is a form of privatisation regardless of how it is characterised—across other industries, we can learn a little bit on how it has impacted, because at every turn the Government has maintained that it will be beneficial for workers or, at the least, that workers will not be worse off. That is not the case. It has not eventuated in any of the areas that have been privatised, going back to Newcastle. It has not benefited the community, which is ostensibly the reason you run a public service to begin with. The only people that it has benefited so far have been the companies, who are now carving a profit out of what was money returned back into the system, which could then be utilised for other purposes. There is as yet no justification for this process whatsoever.

Transport, through their submissions, have effectively shot an arrow into a wall and then painted a bullseye around it. The vast tracts of their submission have nothing to do with privatisation. It has nothing to do with how we got there. It has nothing to do with the current effects on people. It really is curious as to why their submission is so long given that fact. The only thing they point to are unsubstantiated financial claims of success, which you cannot quantify at this point in time, given the contracts have started and are mid term in some cases. The bottom line is that this should never have happened. It does not benefit any of the parties that are involved except private entities which, I would assume, as private entities have a reasonable opportunity to go and carve out a profit elsewhere where it is not going to negatively impact taxpayers as well as the people that use the service.

The CHAIR: Thank you. Mr Costa?

THOMAS COSTA: Thank you, Chair. I appear on behalf of Unions NSW and I thank the Committee for the opportunity to participate in the inquiry into privatisation of bus services. Unions NSW is the peak body for unions and union members in New South Wales and has over 48 affiliated trade unions and industry unions and trades and labour councils in New South Wales, which represent over 600,000 members. Unions NSW has a long history of opposing the privatisation of public assets and services and believes public assets and services should continue to be owned, operated and managed by the New South Wales Government. However, in circumstances where privatisation does occur, Unions NSW believes the Government must ensure that workers and the public are not worse off by the privatisation.

To do this, the Government must provide the following undertakings: transfer payments for all affected employees, maintenance of terms and conditions of employment equal to or better than the existing entitlements in the public system, and the introduction of a one-industry-wide industrial instrument to provide for the consistent application of employment conditions to those former public sector workers but also to those workers in the

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private sector who are now in competition with those workers—so to create a level playing field. These principles must apply in respect of every single instance of privatisation and employee transfer to private operators no matter the industry. The Government must also develop and implement a formula to ensure the current level of service provision is set as a community service standard for the successful tenderer and to ensure there are no changes to bus routes, removal of stops or service reductions without the provision of a rigorous business case underpinned by a transparent consultation process with the local communities affected. These minimum undertakings must be instituted to prevent a race to the bottom of workers' pay and conditions and the quality of services offered to the people of New South Wales.

The CHAIR: Thank you. Ms Nasser, did you have anything to add to that?

SOPHIA NASSER: Nothing further, Chair. Thank you.

The CHAIR: Mr Olsen?

RICHARD OLSEN: The Transport Workers' Union [TWU] of NSW welcomes the opportunity to provide evidence to today's hearing. From 2012 the provision of public service in Greater Sydney has been subject to a competitive tendering, which was introduced under the transport Minister Gladys Berejiklian. In announcing competitive tendering for bus contracts the then Minister Berejiklian said that introducing competitive tendering generates not only improvements in service for customers but also for taxpayers. Given that the single biggest cost component in bus contracts is labour costs, it is clear from the outset that the object of the Coalition Government decision to introduce competitive tendering was to put downward pressure on pay and conditions for bus drivers. It is therefore unsurprising to the TWU that the plight of bus drivers throughout New South Wales has only worsened since 2012.

In 2019 the TWU commissioned a survey into industry-wide issues and pressures experienced by bus drivers operating for private operators. Of these respondents, 46 per cent had worked as a bus driver for over 10 years, 19 per cent had worked in the industry between five to 10 years, 21 per cent had worked in the industry between one and five years, and 14 per cent had worked for less than one year. With regard to the road safety, the report found that 60 per cent believed that the unachievable timetables and inadequate resourcing routes are putting pressures on drivers to drive unsafely. Forty-seven per cent of drivers believed that the lack of buses or drivers servicing routes place pressure on drivers to drive unsafely. The drivers reported to feel pressure from company management to take various actions to meet unrealistic timetables and servicing requirements, including but not limited to 39 per cent who felt pressure to skip breaks, 26 per cent who felt pressure to omit the pre-inspection of vehicles, 25 per cent who felt pressure to drive quickly to make up time, and 19 per cent who felt pressure to break the law.

Drivers also attributed a litany of health issues to inadequate breaks, including but not limited to 30 per cent of respondents experiencing back, neck and muscle pain; 26 per cent experiencing bladder, prostate and bowel issues; 15 per cent experiencing fatigue, tiredness and feeling run down; 11 per cent reported kidney or urinal infections; 10 per cent experienced headaches, dizziness and blurred vision; 6 per cent experienced cramps; 5 per cent experienced depression, emotional issues and stress; and 11 per cent experienced other physical issues. Respondents also advised that they face verbal abuse very often, with near 70 per cent of respondents having felt physically threatened in the past year. Eighty-eight per cent of respondents reported that they believe the pressure they face was a result of the New South Wales Coalition Government pressuring bus companies, which flowed down to individual drivers. Seventy-four per cent of respondents believed that the New South Wales Coalition Government tendering has left the bus industry in a worse state, and 73 per cent believed that competitive tendering by the New South Wales Coalition Government compromises passenger safety.

The finding and experiences purported by bus drivers around New South Wales is evidence that the New South Wales Coalition Government turned its back on hardworking bus drivers by privatising the bus industry and generating downward pressure on workers, who experience wage cuts and are pressured to take risks to meet unrealistic deadlines and have their health and safety in the workplace disregarded. At present, the TWU is involved in bargaining, representative-negotiating an enterprise agreement with members at Busways, Interline, Transit (NSW) Services, and Transit Systems West Services, ComfortDelGro CabCharge and Transdev. Of the companies that the TWU is currently enterprise bargaining with, none illustrate the advantage of privatisation more than Transit Systems, a company which services both region 3 and region 6.

Transit Systems achieved a two-tiered workforce by tendering and being awarded contracts for region 6 under one corporate entity and using two different corporate entities to engage employees in region 6. This corporate structure allowed Transit Systems to operate a two-tier workforce where bus drivers who perform the exact same work, operate from the same yard and are engaged under the same government contract but are paid in two different rates of pay allowances and operate two separate rosters and have different employment conditions and entitlements. Whilst the TWU remains committed to ensuring that one set of employment conditions applies

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in region 6, it is unacceptable that the New South Wales Coalition Government allowed these practices to flourish under their watch.

The New South Wales Government has facilitated a pressure cooker situation where there is so much building downward pressure that it is merely a moment of time before a tragedy occurs or the entire industry is disintegrated. Whilst the TWU remains committed to continuing with our advocacy to ensure that the condition of bus drivers around New South Wales are improved and protected, we seek that the voices, stories and experiences of bus drivers that are present here today will be listened to and acted upon.

BILL PAGALIS: I am here on behalf of all the new bus drivers. I am actually a new bus driver myself. We are talking about our pay, the fact that we are getting paid nearly \$3—well, \$2.90 per hour less. I get affected by that. I did not know that before I came into the industry. Once I found out, obviously it is annoying that we are doing the same job but not getting the same pay. The way our rosters are set out, I am sometimes starting at one o'clock, finishing at seven o'clock on the road and not having a place to eat properly. I am out on a bus stop because there are no facilities for me to use—sorry, I am a bit emotional about it and a bit nervous altogether. It is just hard. I have to go to a shop and ask the shop owner for a toilet sometimes or go into a Bunnings to use the toilet because there is nothing there for me. It is not fair on us bus drivers, being seven hours or six and a half hours on the road without the right facilities and also, on top of that, not getting paid for the same job as STA drivers. And I am from Transit Systems. There are two of us there, doing the same job, but we are not getting the same pay. It is just not right, and that is why I am here.

The CHAIR: Thank you to all of you for your submissions and for making yourselves available. Before I pass to the Opposition, I will ask one question. We often hear from the Government that this is not privatisation. They talk about the fact that, in their view, under these contracts they are holding on to the assets—that they are holding on to the buses, that they are directing the timetable, that wages will go up based on the WPI, that the fares are coming straight into the Government et cetera. In their view, it is not privatisation; it is still something that is being owned and operated by the Government. Yet we hear across the board about the terrible impact that this franchising or privatisation, whatever you want to call it, has had on workers. My question to all of you is: Why do you think that is? Is it purely the terms of the contracts between the Government and these bus operators, or is it also the putting in of an intermediary between workers and the Government? Has that reduced bargaining power et cetera? If you could talk to that, that would be great. I might start with you, Mr Babineau.

DAVID BABINEAU: It is a form of privatisation, franchising, outsourcing, public-private partnerships for privatisation. These are all full sell-offs. These are all forms of privatisation. What has happened here is effectively the outsourcing of the operation. Call it franchising, but that is what has happened. I think the point is well made about another layer—that is, this has always been a politically driven process, as evidenced by the lack of supporting evidence for it. Really, what has happened now is that instead of public servants who are dedicated to what they do and as we heard—forgive me, before doing this job in 2018 I was a bus driver. You absolutely come into the job pressured to do things. You absolutely come in looking at, "Where can I go to the toilet?" You have to try to plan it, "Can I afford to at this time?" That has only gotten worse because now, instead of the imperative of providing a public service to people, you have a commercial imperative driving that behind you.

It is the difference between it being a public servant and an employee. It is the difference between passengers and customers. It is a subtle thing, but it informs how everyone who participates at the front and back end of public transport is treated, and it is a fundamental difference. What we see here is expression of that, and Transit Systems is a fantastic example of that, where the business plan was to simply treat employees as overheads and completely remove any idea of human cost to their operation and respect. You do not plan to operate a business treating one group of people less than the other unless you are being fairly mercenary about it, and I think that is simply a flow-on. I think it is inevitable. You will have it more or less, depending on how cutthroat the company itself is. Our union has been able to work with a couple of the new operators to mitigate—there certainly has been a hit but to mitigate the impacts. But, again, that is Transport's job. We have had to step in and do that. No, I think that is exactly right to characterise it in that way. The extra layer is for political convenience. It benefits absolutely no-one, and it absolutely encourages workers being treated more poorly across the board.

The CHAIR: Mr Costa, did you want to speak on that?

THOMAS COSTA: Only briefly because I will leave my colleagues to talk about the specifics in terms of the transport industry and the bus industry. But in relation to your comments about privatisation, most definitely this is a form of privatisation. There is a private operator that is responsible for these operations who is not beholden to the policies and practices of government, like we see with other operations of public services, and that is something that cannot be described in any other way. You can use words like "franchising" and other things, but that is, in essence, the privatisation of a public service. We, as I have said earlier, in principle have an objection to the privatisation of public services, but in the circumstances where that does happen, certain principles should

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be adhered to, and that is to ensure that, unlike what has happened here, workers are not pitted in a competition against each other in a race to the bottom.

It should be the raising of a standard to the highest standard for all workers because, despite the fact that a private operator is involved, at the core this is a public service—whether you do it under the hat of Transit Systems or under the hat of STA—and the Government ultimately has a responsibility to that workforce. It should maintain that the conditions and pay of that workforce is to the highest standard for all workers so they are on a level playing field. That is something the Government can do, should do and is something that we insist must be done if we are going to be treating these workers fairly.

The second point I make is about the community. When we are outsourcing, franchising or privatising public services, we also have to make sure that those services are not diminished. We should not do that in consultation just with business but actually with the community that is affected. There is no evidence here that the reduction in services has been done in consultation with the community. We have great concerns about that here. But with any type of privatisation that may be used as a cloak to hide the fact that there is a reduction in public services at no benefit to the public, that is something, again, that we oppose and should not be done.

The CHAIR: Mr Olsen?

RICHARD OLSEN: Thank you, Chair. I would certainly support both comments that have already been made by Mr Costa and Mr Babineau. To highlight some of that point would be that the legacy drivers in region 6, who have been there for a number of years and decades through the STA and the State government employers, have seen a huge shift of their work being moved from their division, which is the legacy drivers, over to new employees because the employer within region 6 was able to move that work and their line of work over to employees who are earning less entitlements, hourly rates and terms and conditions than the legacy drivers. That is hugely unfair and a wrong principle to be used for privatisation, franchising or any other term you wish to use. So we think that on that score it was certainly lost.

The lack of consultation with both union and the community is also a failure within this privatisation as well. The safety and health of drivers, who are the main thrust of privatisation here, has been totally overlooked. There have been no increases in their welfare in as far as—as we have already heard here today—toilet facilities, lunch break facilities. People can drive five, six hours and want to stop and heat up a meal or go to the toilet, yet when they get to that place where they have been told to stop, there is nothing for them. This is 2022, and we are leading now into further privatisation of this industry over the next 12 months or more. Something needs to be done to ensure that people's welfare—that is, the bus drivers in this case—is also looked after.

The Hon. MARK BUTTIGIEG: I thank you all for coming, particularly the bus drivers because I think it is important that we hear from the people who are actually suffering at the pointy end of this process. Just so I have it right, Mr Denis, are you a former STA driver?

MARIO DENIS: A legacy driver.

The Hon. MARK BUTTIGIEG: You are what Richard referred to as a "legacy driver". Notwithstanding the fact that if you read the Government's submission it is all good because we have pretty much snap frozen wages and conditions and brought them across, it is all protected, but in your opening statement you indicated that that is not the case. Did you want to elaborate on what the nuances are in terms of what has happened to your wages and conditions, even though you are a legacy driver?

MARIO DENIS: What happened is basically I was on a roster. In my case my roster implied that I was going to be starting, as an example, between, say, seven o'clock in the morning and 7.30 or maybe just over. So I could start at seven o'clock, the following day at 7.10 and so forth, 7.20, which is fair, the way I see it. Suddenly, because I have been displaced, my starting times and finish times have moved into a very ample window. For instance, today I might start at 7.30 or 8.00 in the morning and finish at about 8.30 or 9.00 in the afternoon. I go home, and the next day I am called to start at 5.30 in the morning.

The Hon. MARK BUTTIGIEG: When would you know about that?

MARIO DENIS: It is planned on the roster. I know that in advance most of the time but the thing is this. Every night I have to change the time I am going to bed, and in the morning I have to change the time I have to get up. Most people would tend to get up at roughly the same time, and you go to bed and you have your dinner, more or less. In my case, that is impossible. I have to calculate. Say, for instance, if the following morning I have to start at 5.30 in the morning, then it is 10.30 or 11 o'clock and I am keyed up from work. I am trying to unwind; I am not ready to fall asleep. So the next morning when I go to work, I have only slept four hours. I do not think the public would appreciate me driving the bus tired. That is the main thing, and around my whole family. Say,

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for instance, under the normal roster if I arrive home at eight o'clock every night, my wife plans meals and whatever. But if the following day I arrive later than that—

One of the things that affects most of our bus drivers is that today most of the drivers live far away from the depots. So most people have to travel over an hour or more. For instance, in Kingsgrove we have drivers that live in Campbelltown. Before, the drivers, they used to have the pass for the train. At least they could sleep on the train. You sleep on the train from Campbelltown, you get off. Now the pass has been taken away, so the drivers now have to drive from Campbelltown. They have to arrive at Kingsgrove. It is a job where you have to be on the bus to service the public. You do not want to arrive two minutes before the starting time.

The Hon. MARK BUTTIGIEG: So that pass has been taken away? In its submission, Transport for NSW says that all the passes have been migrated and there is no change there.

MARIO DENIS: No.

The Hon. MARK BUTTIGIEG: Those passes, they have lost them?

MARIO DENIS: We lost them. We just lost them, what, three months ago, a month ago?

BILL PAGALIS: About that, yes. We lost them, and the new drivers have not got them.

MARIO DENIS: About that. So we lost that. Now what happens is this driver has to go from Campbelltown. I am not saying all of them, but a good majority; most people live on the outskirts. They have to travel there. You know the freeway returning to the M5, now that is a hit-and-miss thing. So what you do is you tend to leave 40 minutes early or half an hour early to make sure that you arrive at Kingsgrove to be on the bus ready to go out.

The Hon. MARK BUTTIGIEG: This must be very difficult to deal with because, as you say, you have different sleeping patterns that you have to adjust to within the period of 24 hours. How does the company comply with its fatigue management policy?

MARIO DENIS: It is very simple. They print the paper saying that they are following all the fatigue management procedures and, if we do have a problem, see one of the consultants, but—

The Hon. MARK BUTTIGIEG: Did they consult you on the fatigue management policy?

MARIO DENIS: Not me. Probably the unions are involved, I don't know. Let me just say something.

The Hon. MARK BUTTIGIEG: Mr Babineau, the union was not involved in any consultation on fatigue management?

DAVID BABINEAU: No. The standard across the industry is that it is up to the driver to manage their own fatigue, and there is no consideration for the impact of rosters or travel time and stuff like that at all.

The Hon. MARK BUTTIGIEG: So you have a situation where you have individual discretion from drivers to manage fatigue. Is that correct?

DAVID BABINEAU: To a degree, yes.

MARIO DENIS: The night shift do, but not the normal drivers during the day.

BILL PAGALIS: Ten hours, isn't it?

DAVID BABINEAU: If a driver is in a situation where they are going to cross the threshold in fatigue—the five hours and fifteen minutes, for example, in the private sector; it used to be five hours for the government sector, when it existed—it would be up to the driver to turn around and note that, call it in, and take steps to make sure that they were not carrying passengers at that time, and then to have a crib break, as legally mandated. But there were numerous situations—which is why the STA had a 15-minute buffer—where drivers of various backgrounds, financial situations and life experience would either miss that and go over it or would actually not care about it and go over it. The buffer allowed you to not be contravening the law, whereas now if that happens you are not just breaking a policy.

The Hon. DANIEL MOOKHEY: Mr Denis, how long were you working for State Transit for?

MARIO DENIS: I worked as a bus driver for about 8½ years, about 4½ years for State Transit and the remainder since Transit Systems took over.

The Hon. DANIEL MOOKHEY: The term that has been used to describe you has been "legacy driver". How many legacy drivers, or drivers who previously worked with State Transit, are there?

MARIO DENIS: Obviously 3½ years ago we were all legacy drivers, right?

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The Hon. DANIEL MOOKHEY: Indeed, quite a legacy. Mr Babineau, how many people are, currently?

DAVID BABINEAU: You have rough parity across the workforce.

The Hon. DANIEL MOOKHEY: Does that mean 50/50?

DAVID BABINEAU: In some cases it is more. But roughly, across the workforce, it is parity. It depends, depot to depot.

The Hon. DANIEL MOOKHEY: Sure. So it varies from depot to depot, but in terms of the services that are being provided by Transit Systems in regions three and six, roughly 50 per cent are people who previously worked for State Transit directly and 50 per cent are people in the category of Mr Pagalis. Is that right?

BILL PAGALIS: I cannot give you exact figures.

DAVID BABINEAU: Region three is not. Region six is—

The Hon. DANIEL MOOKHEY: Sorry, region six. You are quite right.

DAVID BABINEAU: If it is not parity, it would be very, very close.

The Hon. DANIEL MOOKHEY: Mr Denis, were you given a guarantee that your existing conditions would be preserved?

MARIO DENIS: No. In a sense, in my particular case, my conditions, other than working less hours, which suits me but is not for everybody—the only thing that is affecting me is the roster system.

The Hon. DANIEL MOOKHEY: Sure, but you are getting less hours now?

MARIO DENIS: We are getting less hours. We are getting basically the minimum because they are taking those hours and they are giving them to the new guys, which is overworking them.

The Hon. DANIEL MOOKHEY: What is your standard hourly rate, Mr Denis?

BILL PAGALIS: I can tell you. It is \$31.61.

The Hon. DANIEL MOOKHEY: Mr Pagalis, what is yours?

BILL PAGALIS: It is \$28.71.

The Hon. DANIEL MOOKHEY: And that is a \$3.40 variance?

BILL PAGALIS: It is \$2.90, isn't it?

The Hon. DANIEL MOOKHEY: It is \$2.90, is it?

BILL PAGALIS: I could be wrong. Is it \$3.10? It is \$2.90, I think.

The Hon. DANIEL MOOKHEY: Do you work seven hours a day as standard, Mr Pagalis?

BILL PAGALIS: No, no. I do a 13-hour broken. I am a 13-hour broken driver. I do a broken shift for 13 hours. There are 24 hours in a day. Take away 13. What does that leave you? Eleven.

The Hon. DANIEL MOOKHEY: Do you work six days a week or five days a week?

BILL PAGALIS: I do four days a week. But to make up extra money, you have to do extra days. On the 13-hour part, I am lucky; I live in Botany and I only work out at Tempe. Like Mr Denis said, there are people who live out west. It is an hour to get to work and an hour to get back. That is 15 hours.

The Hon. MARK BUTTIGIEG: So this is the situation where you have the same route and the same job—

BILL PAGALIS: Oh, yes. We are doing the same job.

The Hon. MARK BUTTIGIEG: —but lower rates of pay. What was the mechanism that the companies used to contract out of that arrangement? Was it because they created a new entity? Was that it?

The Hon. DANIEL MOOKHEY: Do you mind if I keep going for a minute, Mark?

The Hon. MARK BUTTIGIEG: Go for it.

The Hon. DANIEL MOOKHEY: I just wanted to finish with Mr Pagalis. I just did the quick calculations. You are performing the same work as Mr Denis, are you not?

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BILL PAGALIS: Yes.

The Hon. DANIEL MOOKHEY: You are in a slightly different depot, Tempe, but that is not too far from Kingsgrove.

BILL PAGALIS: No. We sometimes share routes.

MARIO DENIS: It is the same.

The Hon. DANIEL MOOKHEY: Do you see each other?

BILL PAGALIS: I have not seen Mr Denis, no.

The Hon. DANIEL MOOKHEY: Having run the numbers that you just gave me, for doing the exact same work as Mr Denis, you are paid \$10,000 less a year.

BILL PAGALIS: Sometimes even less, depending on the hours. If you do more hours, you get paid less.

The Hon. DANIEL MOOKHEY: And that is the typical driver who is doing the exact same work as you?

BILL PAGALIS: Yes.

The Hon. DANIEL MOOKHEY: So to the extent to which there are cost savings, it is being achieved by paying you \$10,000 less a year. Is that fair?

BILL PAGALIS: One way they get around that is to try and even it up by giving us more hours, to try and give our weekly rate—I will do more hours, so our wages will be similar. In their wage, their penalties are in their hourly rate. We get a shift allowance of \$16 just to turn on our machines. If we do not turn up to work, if we are sick—COVID just came the other day. I have been put aside three times, either for being a close contact or once for contracting it. I am losing nearly \$200 a week because I have to stay home.

The Hon. DANIEL MOOKHEY: Mr Pagalis, I agree with that. But the base incentive here, just on the hourly rates, is that Transit Systems and the Government save \$10,000 a year by giving you the hours and not Mr Denis. Is that fair?

BILL PAGALIS: That is correct.

The Hon. DANIEL MOOKHEY: Let's just explore how that came about. As Mr Olsen said, there was a labour hiring company set up by Transit Systems. Is that fair, Mr Olsen?

RICHARD OLSEN: Yes. They had two different companies owned by the same company.

The Hon. DANIEL MOOKHEY: So they created a shell corporation to employ new staff at Transit Systems. Is that correct?

RICHARD OLSEN: Which was against the rules and legislation by the State Government—

The Hon. DANIEL MOOKHEY: It breached.

RICHARD OLSEN: —and the State Government allowed it to occur, and continue to today.

The Hon. DANIEL MOOKHEY: And the State Government were probably aware of it because that would have had to be disclosed in a tender. Is that fair?

RICHARD OLSEN: Absolutely, yes.

The Hon. DANIEL MOOKHEY: And then that new company sets up its own enterprise agreement. Is that fair?

RICHARD OLSEN: They were using, and still use, region three.

The Hon. DANIEL MOOKHEY: So they brought in an agreement from a wholly different region and put it into a company that, at that point, presumably had no employees. Fair?

RICHARD OLSEN: Yes.

The Hon. DANIEL MOOKHEY: For want of a better term, they were bargaining with themselves to come up with this enterprise agreement, were they not?

RICHARD OLSEN: To a degree, yes, because they utilised region three, which is out west, and just walked into region six and said, "That is the instrument which we will employ new people under."

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The Hon. DANIEL MOOKHEY: And presumably there would have been other instruments that were available, because there are lots of other enterprise agreements in the New South Wales bus industry, correct?

RICHARD OLSEN: Yes.

The Hon. DANIEL MOOKHEY: They could have taken an agreement which paid them close to parity or parity with Mr Denis, could they not?

RICHARD OLSEN: And/or they could have utilised that instrument.

The Hon. DANIEL MOOKHEY: And, in fact, the people that they were bidding against—even if you accept the privatisation, other operators were turning up and bidding on the basis of enterprise agreements that were much more similar to STA rates, were they not?

RICHARD OLSEN: Yes.

The Hon. DANIEL MOOKHEY: Effectively Transit Systems decided to pay well below the market, not just against STA but against all the other private bus operators, to get the work. Is that fair?

RICHARD OLSEN: That is fair.

The Hon. DANIEL MOOKHEY: As you said, labour is a major input.

RICHARD OLSEN: Very much so.

The Hon. DANIEL MOOKHEY: So to the extent to which Transit Systems can win a bid on the basis of lower cost, it is because they are depriving Mr Pagalis of \$10,000 per year. Fair?

RICHARD OLSEN: Fair.

The Hon. DANIEL MOOKHEY: And they are undercutting all the other private bus operators as well, are they not?

RICHARD OLSEN: Yes, to gain the work.

The Hon. DANIEL MOOKHEY: Yes. And so, far from this being an accidental race to the bottom, this race to the bottom has been engineered by the Government, has it not?

RICHARD OLSEN: Totally.

The Hon. DANIEL MOOKHEY: And right now, your union is currently trying to reverse this arrangement?

RICHARD OLSEN: We are, yes—both unions.

The Hon. DANIEL MOOKHEY: And you are working in partnership with Mr Babineau's union, are you not?

RICHARD OLSEN: Yes.

The Hon. DANIEL MOOKHEY: And you are trying to restore the principle of same work, same pay?

RICHARD OLSEN: Yes.

The Hon. DANIEL MOOKHEY: And that is a principle that operated prior to competitive tendering, did it not?

RICHARD OLSEN: Yes.

The Hon. DANIEL MOOKHEY: I think earlier Mr Mallard was asking about the rationalisation that took place in 2004, when we went from 87 regions to 14 or 15 at the time. That process had a pathway towards same work, same pay for everybody who worked in the bus industry, did it not?

RICHARD OLSEN: Yes, absolutely.

The Hon. DANIEL MOOKHEY: And in 2012 that process stopped, did it not?

RICHARD OLSEN: Yes, it did.

The Hon. DANIEL MOOKHEY: And instead of the Government using its power to standardise conditions so that it does not matter whether or not you are working in Mr Denis' situation or Mr Pagalis'—if you were performing the same work, you would get the same pay. That is correct?

RICHARD OLSEN: Yes.

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The Hon. DANIEL MOOKHEY: And to the extent to which private operators had to compete, they had to compete on the quality of their service, not just their ability to exploit labour. Is that fair?

RICHARD OLSEN: Yes, that is true.

The Hon. DANIEL MOOKHEY: And now, since competitive tendering, those principles are no longer in those contracts, correct?

RICHARD OLSEN: They are not required.

The Hon. DANIEL MOOKHEY: And instead we have government pitting private operators against each other to cut Mr Denis' and Mr Pagalis' pay. Fair?

RICHARD OLSEN: Yes.

The Hon. DANIEL MOOKHEY: How should we fix this problem, Mr Olsen or Mr Babineau?

RICHARD OLSEN: What has already been put here this morning is that there is one instrument that applies to one region and should apply to all regions. Region six, where there are legacy drivers who have had an award in place under the State jurisdiction for a number of decades, should prevail and has prevailed, up to this stage, for the legacy drivers. But it should have been prevailing over new employees. The employees should have been engaged through that mechanism, be it a State award or be it an enterprise agreement. At the end of the day, the terms and conditions should have been the same. The employer and the State Government should not have been allowed to engineer a situation where they can contract out of that industrial instrument and invoke a new instrument, which carries lesser terms and conditions.

The Hon. DANIEL MOOKHEY: Mr Olsen and Mr Babineau, you recently had industrial action in support of your campaign, did you not?

RICHARD OLSEN: Yes, we did.

The Hon. DANIEL MOOKHEY: That was two or three weeks ago?

RICHARD OLSEN: Two weeks ago.

DAVID BABINEAU: Two weeks ago.

The Hon. DANIEL MOOKHEY: In response to that the transport Ministers denied having any responsibility for the conditions that are set in the industry. Were you aware of that?

RICHARD OLSEN: Yes.

MARIO DENIS: Yes.

The Hon. DANIEL MOOKHEY: I think he laughed at you at a press conference, and she laughed at you, and he said that it was ridiculous at the idea that he would be getting himself involved. How does it feel for the transport Minister to be laughing at you in that respect?

DAVID BABINEAU: Can I just make a point. This process—and this is where you talk about the political distance that has been driving the entire process. You cannot sit there seriously and claim that everything is okay because "as the Government we continue to set fares and we own the infrastructure and we set the timetables", and yet not have the concurrent responsibility for providing things that overarch all the regions. It is not up to the individual employers to make sure that there is a public toilet here available. It is not. It is up to the overarching economic employer, which is Transport. If they control the network, then they control the facilities being utilised by the employees, regardless of who employs them.

The Hon. DANIEL MOOKHEY: Mr Pagalis, were you part of the industrial action?

BILL PAGALIS: Yes.

The Hon. DANIEL MOOKHEY: Mr Denis, were you?

MARIO DENIS: Yes.

The Hon. DANIEL MOOKHEY: Part of that industrial action, was it not, Mr Pagalis, was to get some toilets?

BILL PAGALIS: Just to be heard. We want to be heard. We are sick of it.

The Hon. DANIEL MOOKHEY: Yes, sure, but part of it was to be heard so you can talk about the fact that you cannot access toilets?

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BILL PAGALIS: We cannot access toilets, and it should not be different. We should not be doing the same job and getting paid differently, getting treated differently and doing different hours.

The Hon. DANIEL MOOKHEY: Did you see the transport Minister's comments that day?

BILL PAGALIS: I saw it on TV. I think originally he did not know, prior to the strike—I think it was in Newcastle. He did not know what was going on. Then he found out and didn't he say it is "wiping our hands" or something like that or in that sense?

The Hon. DANIEL MOOKHEY: Mr Pagalis and Mr Denis, given that you took industrial action and sacrificed a day's pay in order to pursue the same work for the same pay—

BILL PAGALIS: Yes.

The Hon. DANIEL MOOKHEY: —but even things as basic as toilet infrastructure, what is your response to the transport Minister, who mocked you that day when he said that he had no responsibility whatsoever for determining these conditions? How does it feel for you?

MARIO DENIS: First of all, I cannot believe that a Minister in such a position said those words without finding out and knowing what is happening. But there are a lot of things that are happening in the industry and it seems that nobody knows about it. The other day when we were on strike and we were switching off the machines, somebody from the Government said to us through the manager at work that when we mentioned that 50 per cent of the passengers were not paying—they do not tap on, they do not tap off—we mentioned it to them and the answer that come back to us was, "No, the figures show that 95 per cent of passengers are paying." We said, "Hang on, how do you know? We are on the bus. We see persons coming on. They are not tapping on, they are not tapping off." He said, "One, two, three. You have 40 people and 20 did not pay. That is 50 per cent." Yet the Government is under the impression that everybody is paying. Now that is one thing.

The rosters, one thing that I am really upset about in my roster—I have ample time to turn around in the city. Say I am doing a run to the city, and you know the traffic, we arrive there, sometimes I have 10 minutes or 15 minutes to turn around. That means that if I am late, I start my next trip on time. These guys, some of them have two minutes or three minutes. How do you get to the city on time, dealing with all of the traffic, and then when you get there there is no parking because now they have moved everything and now we do not have parking to park buses, and they have three minutes. Those are one of the things that we have to sort out.

The Hon. DANIEL MOOKHEY: Mr Pagalis, can you respond? In respect of the Minister's views that day and since, what was the reaction in your depot?

BILL PAGALIS: Disbelief. You cannot sit there and say, "It is not our fault," and wipe your hands. What were his words? "We cannot tell a private company how to run their business."

The Hon. DANIEL MOOKHEY: Since that dispute, Mr Olsen or Mr Costa—

BILL PAGALIS: Hang on. Was that correct, what he said?

MARIO DENIS: Yes, something like that.

The Hon. WES FANG: I do not think Mr Pagalis has finished.

The Hon. DANIEL MOOKHEY: Sorry, Mr Pagalis. Did you finish?

BILL PAGALIS: Yes, that is fine.

The Hon. DANIEL MOOKHEY: Mr Olsen, Mr Costa and Mr Babineau, since that inaction, have you had the opportunity to talk to the Minister?

RICHARD OLSEN: No.

The Hon. DANIEL MOOKHEY: Have you sought a meeting? Had you sought meetings prior?

RICHARD OLSEN: We sought a meeting even before the strike action and then we have seen the reply which we got through the media, as you correctly pointed out: laughed at the action of thousands of bus drivers taking industrial action on the day; pinpointed to a small yard of some 30-odd people in the Hills district who did not take action—who are not members of the union and so therefore they could not take action—and then claimed that the union should have a red face to some degree, if I remember the terms correctly. But it totally, of course, misses the point. We have other issues in relation to the safety and health of drivers to which he did not make any reference.

The Hon. DANIEL MOOKHEY: Just to be clear, you have not had an opportunity to talk to the Minister?

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RICHARD OLSEN: No.

The Hon. DANIEL MOOKHEY: This is despite the Minister saying that he was trying to resolve disputes. He said that. He says he tries to resolve disputes.

RICHARD OLSEN: He has never asked for a meeting with us, although we have with him.

The Hon. DANIEL MOOKHEY: Mr Olsen, you accept that industrial action is usually an action which drivers take as a last resort. Is that fair?

RICHARD OLSEN: Totally a last resort.

The Hon. DANIEL MOOKHEY: It is not like drivers enjoy taking industrial action. Mr Denis, you do enjoy it?

MARIO DENIS: No.

The Hon. DANIEL MOOKHEY: You do not, Mr Pagalis?

BILL PAGALIS: I do not want to lose pay.

The Hon. DANIEL MOOKHEY: Because this involves you losing pay, yes?

BILL PAGALIS: Yes.

The Hon. DANIEL MOOKHEY: It is not an easy or cheap thing for you to do. Is that correct? And, of course, you accept the fact that you are creating an inconvenience at times for certain communities. That is a by-product, do you accept that? At least, that is a criticism that is levelled at you.

RICHARD OLSEN: Yes.

The Hon. DANIEL MOOKHEY: And as you say, you try to do it as a last resort and you try to minimise all impacts, is that fair? And that is why, Mr Babineau, you do other things like not collect fares and do everything you possibly can to ensure that action can be minimised.

DAVID BABINEAU: Absolutely.

RICHARD OLSEN: Of course.

DAVID BABINEAU: We are bus drivers; we carry people. The last thing we want to do is to impact them negatively like that.

The Hon. DANIEL MOOKHEY: So it is fair to say that you are trying to minimise impact, but it does not look like the Government is coming to the table with you. Is that fair?

RICHARD OLSEN: Not at all.

The Hon. DANIEL MOOKHEY: And it does not look like the Government is showing any good faith.

RICHARD OLSEN: Of course.

The Hon. DANIEL MOOKHEY: Despite the Minister getting on radio and attacking all workers every time they decide to exercise their legal rights and he always says that he has his door open and he is trying to negotiate, that does not seem to be happening in the bus industry, does it?

RICHARD OLSEN: No.

DAVID BABINEAU: To be fair, I have not actually sought a meeting with the Minister. I think he has amply demonstrated where he stands on these things. The fact that his first kneejerk reaction is consistently across portfolios to attack workers publicly rather than reach out to their representatives or to them directly states pretty starkly—

The Hon. DANIEL MOOKHEY: You drew that view, Mr Babineau, because when rail workers from a different division of your unions tried to work and he shut the network down, he labelled them "terrorists".

DAVID BABINEAU: Yes, and also the way he treated the RFS when he was in charge of that portfolio, calling them "Dad's army" and saying he will replace them all shortly. It shows a complete lack of respect for what workers are doing and for the fact that they are people.

The Hon. DANIEL MOOKHEY: Fair enough.

The Hon. WES FANG: I seek the call to ask some questions.

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The CHAIR: Please.

The Hon. DANIEL MOOKHEY: Go ahead, Deputy President. Pull rank.

The Hon. WES FANG: I would never do such a thing, Mr Mookhey. To break the echo chamber of condemnation of the Minister—which does not surprise me at all, given the positions of both the panel and also the Opposition member, who probably has much experience in the transport sector—in relation to the bus strike itself, it was correct, though, that there were bus services that continued to operate that day, wasn't it?

RICHARD OLSEN: Yes.

The Hon. WES FANG: So the Minister was correct in saying that there were passengers in certain parts of the city who were unaffected by strike action and that only certain bus routes were affected by the industrial action from the union and its members. Is that correct?

RICHARD OLSEN: Yes, our efforts were about 100 per cent where we targeted. In those areas those people were on strike on that day and the vast majority of them ended up in Martin Place wanting to have their voices heard.

DAVID BABINEAU: Apologies. It should be noted that it was not a Sydney-wide strike. It was targeted regions. There absolutely were areas that were completely unaffected and there were areas that were.

The Hon. WES FANG: How did you nominate those areas?

DAVID BABINEAU: There were areas that fell within the scope of where you could take legal-protected action.

The Hon. WES FANG: So when you say that you targeted certain areas, it was the workers for whom you could get protected industrial action authorised for where you selected. Is that correct?

DAVID BABINEAU: Yes.

The Hon. WES FANG: So there was not—

DAVID BABINEAU: You cannot take protected action unless you are within the bargaining process at a certain stage. It has to be approved et cetera. That is where we were at.

The Hon. WES FANG: I appreciate that. What I am saying is, when you are talking about regions, were there regions that your members were not taking industrial action in? How did you select those areas?

MARIO DENIS: Because they were not affected.

DAVID BABINEAU: As I say, whether or not you can take protected action is strictly regulated. There is a very specific process and circumstance. That circumstance is you have to be bargaining for an instrument, the instrument has to have expired. There are checks and balances.

The Hon. WES FANG: I appreciate that.

DAVID BABINEAU: A lot of the regions—for example, the other STA regions that had gone across—were not at that stage. They were either not bargaining or the bargaining was at an immature stage to be at that process.

The Hon. WES FANG: The point that I am making is, when you say that you selected regions for that industrial action or certain regions were doing it, all the regions that were eligible to take industrial action that day were taking industrial action. Is that correct?

DAVID BABINEAU: With deference to my TWU colleague, I would say yes.

The Hon. WES FANG: So, in fact, you tried to maximise the impact to the travelling public by those actions that day?

DAVID BABINEAU: What we tried to do was maximise the voice, through a carefully chosen window, which was school holidays.

The Hon. WES FANG: Impact?

DAVID BABINEAU: No, the voice. This is something that you cannot get away from. The one thing that workers control is their labour. So at the end of the day we have taken other measures, across a year of bargaining. We try and minimise, wherever we can, the impact on the public—always. As I say, we are bus drivers. Our job is to carry people. We do not impact on that lightly at all. It is not something we do. It is something that

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takes a lot of soul-searching. We have to get to a really crucial point internally for the members to turn around and say, "You know what? We've had enough. We've got no other choice. We have to do this."

THOMAS COSTA: Can I add to my colleague's point on this. I think there is some confusion about how industrial action occurs. Industrial action in unions is not the decision of an individual official. Unions are democratic institutions in which the members vote on the actions of the institution. This industrial action, like all industrial action in unions, is voted on by the membership. That is a decision by the membership. While it may be inconvenient that industrial action occurs, members of unions do everything they can to prevent harming the public or inconveniencing the public. But, in a democracy, this is the most civilised way that workers can show their displeasure with the decision of an employer or government. It is fundamentally—

The Hon. WES FANG: There is that, or they can find another role. That is another option.

THOMAS COSTA: Sorry? To resign?

The Hon. WES FANG: To find another role. Yes, to find an alternative role.

THOMAS COSTA: I do not think it is very civilised to resign from a role that serves the public because you are upset with—

The Hon. WES FANG: It is a philosophical argument.

THOMAS COSTA: I am happy to engage in it.

The Hon. DANIEL MOOKHEY: Mr Fang, dare I call you for the same sin you accused me of. You just need to let—

The Hon. WES FANG: Yes, but it is do as I say, not as I do, Mr Mookhey. You are well aware—

The CHAIR: Order!

THOMAS COSTA: I will finish very briefly. We teach our children that when they are upset with a problem they should articulate themselves using their language and to walk away from a violent or otherwise controversial confrontation. It is no different for workers who are in disagreement with their employer. They have a legal right to withdraw their labour, to walk away when they are unhappy. In the situation here, those workers exercised a legal right through a democratic process in the institution that represents them—their union. It is not something that they did to upset the public or inconvenience the public. That is just a side effect of those actions.

The Hon. WES FANG: So those factors are not a concern at all then in the—

THOMAS COSTA: Of course, they are concerns. They are concerns that they have to consider, but ultimately there is no other tool available to these workers when a government has ignored them.

The Hon. WES FANG: I have already highlighted one.

THOMAS COSTA: Resignation, I do not think, is—people have mortgages. The cost of living is going up.

The Hon. WES FANG: I accept all that. I am just saying that there are other ways.

The Hon. MARK BUTTIGIEG: Chair, can I ask a follow-up question?

The Hon. WES FANG: No. I have not finished my questioning. I have got one more question that I want to ask.

The CHAIR: Order! You may ask your one question. Then we will come to you, Mr Buttigieg.

The Hon. WES FANG: Thank you, Chair. I note the comments of Mr Mookhey where he was talking about the opinions that you had of the Minister's commentary on the day and whether or not you had sought meetings et cetera, which are all valid points, as Mr Mookhey tends to do. I am wondering if any of you might have heard from impacted commuters on that day, perhaps a nurse who could not get to work, a school teacher who could not get to school to teach the children that she had in the class. Did any of you seek to speak with or get the opinions of impacted commuters on that day?

RICHARD OLSEN: Yes, very much so. I will go first, if you like. Do you want to go?

MARIO DENIS: Yes. First of all, I talked to a few. Really, there was not any impact because the Government or the company—I do not know which—they put extra buses. Right? So there were buses on the road. There was no impact. Another thing—me, little man. My wages is here. My conditions are here. His wages are here. His conditions are here. Yet me and 50 per cent of the other drivers, we were on strike. How can you

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explain that, that a person who is earning so much, with certain conditions, goes on strike to get those guys level or equal? How does the Minister explain that?

The Hon. WES FANG: I am assuming that was a rhetorical question to me, but I am assuming—

MARIO DENIS: You are asking the questions.

The Hon. WES FANG: I am assuming, Mr Denis, that not only are you striking for the conditions of Mr Pagalis, but also, you identified a number of concerns you had with your new roster earlier in this hearing. I suspect that that was a factor perhaps in your acceptance of the industrial action.

MARIO DENIS: Not necessarily.

The Hon. WES FANG: I am only surmising. It was, I guess, a rhetorical question, but I just chose to answer it.

MARIO DENIS: I am telling you not necessarily because if I had a problem with my roster that badly, I will take your word and I will resign. Right?

The Hon. WES FANG: I am not suggesting that at all. I am just—

MARIO DENIS: But I am saying I will go and get another job. The roster affects me. I am sure, in your job, there is a lot of things that affect you.

The Hon. WES FANG: I have to get up at different times, morning and night.

MARIO DENIS: Fair enough. But then again, I presume you earn a lot more than me.

The Hon. WES FANG: Yes. I probably have a lot more stress as well.

The CHAIR: This has gone for long enough. Mr Buttigieg.

The Hon. DANIEL MOOKHEY: Point of order: I think Mr Olsen was trying to answer.

RICHARD OLSEN: It was invited for all of us to make some comment in relation to those remarks. I just want to say, firstly, in relation to whether or not people should leave their job, if we were to leave our job, all nurses would leave their job because they are doing exactly the same thing as what we are doing, all teachers would leave their job because they are doing exactly what we are doing. So you would not have a State Government that could actually function for the people because everyone is leaving their job to go somewhere else. Number two, I would just like to add to that discussion in relation to notification, two different sectors of our community, when we take industrial action, having already said people such as nurses and teachers are engaging in industrial action because they are also upset about not being heard, if I can characterise it in that manner.

The other thing that is very important to us, to be tabled here today for your consideration, is that the law says that we must give three days' notice of any impending strike action. We give five to ensure that the public is not impacted, to ensure that nurses are not impacted. We write to schools' principals and other community sectors to ensure that they are aware that the bus will not be arriving because we do not want any child standing at a bus stop when no bus is coming. We do everything that is possible. You would be lucky to count on one hand the amount of strikes which we have had in this industry alone over the past half a decade or longer. This is a matter that is not taken lightly because bus drivers, teachers and nurses, police et cetera all take their jobs very seriously in ensuring that they are servicing the needs of the community.

The Hon. WES FANG: It is a shame Mr Morey is not here. I could ask him about his comments about the year of the strike.

THOMAS COSTA: I am happy to talk on behalf of Unions NSW and Mr Morey if you have any questions in relation to that.

The Hon. WES FANG: I am sure you are. I would have liked to have asked him directly. But that is okay.

The CHAIR: Order! I think Mr Babineau wanted to say something.

DAVID BABINEAU: Just in relation to where Mr Denis is coming from, what is happening is you have got people that have devoted 20, 30 more years to providing a public service to this State. Then, through the actions of Transport for NSW, in conjunction with the bidding companies to deliberately push things down, you have a quarantined group of ex-government workers who are effectively being rostered out of a job. Their work is just disappearing. It is not just the point Mr Denis made before about a small movement and, as you said, you start at different times. You can be on a displaced roster, which simply means that you are off the roster and you are first in line to get the fallout work. It does not mean you are. An AM driver could be happily or unhappily

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doing midday work. And we are not talking about an hour or two, we are talking about several hours, and that fluctuates on a daily basis. These are people who have devoted decades of service to this State and to moving—and to be honest, to turn around and say that if they are not happy, they should go and get a job, is just—it is so far out of touch I don't even know how to react; it really is. You are talking about everyday working Australians here. It is really, phew.

THOMAS COSTA: Let us not forget that in New South Wales and federally it is Coalition governments. The Coalition is in government. The laws that allow industrial action are presided over by Coalition governments. These unions followed those laws. They have every right to use those laws in bargaining. They should not be—

The Hon. WES FANG: I have never suggested otherwise.

THOMAS COSTA: You suggested that they should resign from their employment instead of utilising the system.

The Hon. WES FANG: No.

The CHAIR: Order!

The Hon. WES FANG: Point of order: I will not say it is verballing, Chair, but I was having a philosophical mini debate before putting a question. What has occurred subsequent to that is a continual shifting of the comment to now basically putting words in my mouth that I have instructed drivers to resign.

The Hon. MARK BUTTIGIEG: To the point of order—

The CHAIR: I do not need to hear anything more. Mr Fang, you cannot take a point of order against a witness. I think that this particular line of questioning has followed its course and it would be good to move us on, in the interests of time. If I could go to Mr Buttigieg.

The Hon. MARK BUTTIGIEG: I did want to get the view of the people who are at the pointy end of this again. We have two bus drivers here who were essentially, as it has been pointed out, part of an action to withdraw their labour and to make a point to the Government that their wages and conditions were unfair because of a contractual system put in place and a company contracting out of their obligations. The response we have had from a Government member here today is that they could always and I think quote, "find another role". He did not say "get a new job", he said "find another role". I want to know how realistic that is, Mr Pagalis and Mr Denis? How realistic is it for you to find another role, because this is part of the Government's solution?

BILL PAGALIS: Within the same industry?

The Hon. MARK BUTTIGIEG: Yes. Well, another role.

BILL PAGALIS: Because you will not be able to find another role. You are a bus driver or you are not a bus driver. It is simple.

The Hon. MARK BUTTIGIEG: How long have you been in the industry?

BILL PAGALIS: I have been in the industry for three years now, close to three years. I left the hospitality industry to drive buses.

The Hon. DANIEL MOOKHEY: You are proud of your work, aren't you?

BILL PAGALIS: Yes, of course I am. You feel part of it.

The Hon. MARK BUTTIGIEG: You have family, Mr Pagalis—

BILL PAGALIS: I sure do. I have two girls.

The Hon. MARK BUTTIGIEG: —who rely on your income?

BILL PAGALIS: Yes.

The Hon. MARK BUTTIGIEG: You, Mr Denis, what is your situation?

MARIO DENIS: My situation is, well, at the moment, obviously my age, I can retire easily. I will have no problems. So I am in a position that I can do that. But I am not doing on my behalf, right. I suppose I could get another job, but what in my mind is about these guys, right. Why work at Tempe or Kingsgrove for what they are earning when they can go across to Port Botany or Waverley and get paid more money? That is the situation that at the moment what this company is doing, or what some of them, they are destroying the system and they are running out of drivers.

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The Hon. MARK BUTTIGIEG: Are you two delegates?

MARIO DENIS: No.

BILL PAGALIS: I just joined, literally a couple of weeks ago. That was my passion—

The Hon. MARK BUTTIGIEG: What would the response of your fellow members be to a response like that from the Government saying you can always get another role instead of going on strike?

BILL PAGALIS: We will have it out. Look, I took offence to it. I am sure that everyone here took offence to that. That is not fair to say you can go find another role. You cannot find another role in the bus industry unless you move up, which you are not going to be doing in the private sector, that's for sure.

The Hon. DANIEL MOOKHEY: But you take pride in your job, fair?

BILL PAGALIS: A hundred per cent I do.

The Hon. DANIEL MOOKHEY: As do you, Mr Denis? You take pride in your work?

MARIO DENIS: Of course I do.

The Hon. DANIEL MOOKHEY: You are not just doing it for the wage; you are doing it because you think you are making a contribution, as you said?

MARIO DENIS: Yes, it is part of what we do.

BILL PAGALIS: We move people. We are taking kids to school, we are taking nurses to their jobs, and doctors, and fires and police.

The Hon. WES FANG: Well, if you are not on strike.

The CHAIR: Order!

BILL PAGALIS: Well, we have to do that because you guys don't listen.

The Hon. WES FANG: I appreciate—

The Hon. DANIEL MOOKHEY: You provided services during the pandemic, did you not?

MARIO DENIS: Yes.

BILL PAGALIS: Yes, sure did. We did not stop.

The Hon. DANIEL MOOKHEY: You kept essential services running during lockdowns?

MARIO DENIS: We kept essential services running while the company—

BILL PAGALIS: Cut our wages.

MARIO DENIS: —cut our wages.

The Hon. DANIEL MOOKHEY: Are you aware of anyone in your depot who has been exposed to COVID while performing their role?

BILL PAGALIS: Right here.

MARIO DENIS: Oh yes. There are a couple.

The Hon. DANIEL MOOKHEY: You, Mr Pagalis?

BILL PAGALIS: I got close contact twice and then contracted it as well. But we cannot prove, could not prove the contracting, when I got it, I got it at work, so I cannot—

The Hon. DANIEL MOOKHEY: Presumably you do not have expertise in genome sequencing?

BILL PAGALIS: Yes, exactly. But with the close contact, we could—

The Hon. WES FANG: I would not be making assumptions, Mr Mookhey.

The Hon. DANIEL MOOKHEY: Do you have experience in genome sequencing?

BILL PAGALIS: No.

The Hon. DANIEL MOOKHEY: As a result, you were not able to establish the fact that you contracted it at work.

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BILL PAGALIS: No. The close contacts I could because they were people on our routes, and Service NSW said on route 320 you are a close contact. That happened to me twice. I lost three weeks of work there, which again goes to the penalties.

The CHAIR: So unpaid?

BILL PAGALIS: Not unpaid. I fought for that. I said it is not fair. They tried to do that; they tried to get me to use my sickies. I said "No, it happened on work time, you have to pay me." But I got paid at a sick rate, sickies rate. So it means I get paid at the basic rate. I don't get—I lose close to about \$200, \$250, \$220 a week because I cannot perform my duties.

The Hon. MARK BUTTIGIEG: Were you aware, Mr Pagalis and Mr Denis, that there was a period last year where the New South Wales Parliament was not sitting because of COVID and the potential exposure to parliamentarians of COVID, and yet we were all still on full pay, while presumably you people are coming in exposing yourselves to this disease and getting substandard wages and conditions as a result of this arrangement? Were you aware of that?

BILL PAGALIS: We are aware now. We are not happy about it.

The Hon. MARK BUTTIGIEG: What is your attitude towards that?

MARIO DENIS: It was bad and during that period where the epidemic was at its, we lost, I think, I don't know, 25, 30 per cent of drivers. So the company comes to us and says, "All right, look, we all got to pull together." No problems. So I end up, as a compromise with the company, that I was going to work two weeks and then have two weeks off, right, because they were short of drivers. Okay, I ended up working three weeks, only one week off. And then all of a sudden that week that I was working before the pandemic, I was doing 37, 38 hours a week. Suddenly during that week I was doing nine, 10 hours every day. But I was not getting paid per hour, it was a package—

BILL PAGALIS: Average. It was an average, wasn't it? It was an average.

MARIO DENIS: An average of what we were doing before, not the hours we were doing during those critical moments. And yet we soldier on, we did not go on strike, getting underpaid. They promise that we are going to get two weeks off. Did not happen.

The Hon. MARK BUTTIGIEG: So how do you feel about parliamentarians getting paid around about \$200,000 a year on full pay during a pandemic—

The CHAIR: What are you getting paid?

The Hon. WES FANG: He is a Whip. He gets more than—

The Hon. MARK BUTTIGIEG: I am averaging out a Minister and a backbencher—while you people are coming in and exposing yourselves to viruses and having your wages and conditions undercut all the time?

The Hon. WES FANG: It is good to be a Whip.

The Hon. MARK BUTTIGIEG: How do you think that washes with the average bus driver?

MARIO DENIS: It doesn't.

BILL PAGALIS: They won't be happy, it doesn't.

The CHAIR: Before I go to Mr Mookhey, Mr Denis, when you are talking about the uncertainty of your rostering, how much notice do you get?

MARIO DENIS: We get a month. So I get a month. At the beginning of the month the roster gets printed, but it is subject to change. So if they are running short of personnel or somebody is on holidays or sick, that roster might change. So it is not set in stone, you know what I mean?

The CHAIR: If someone was to ask you to go to a birthday dinner or something in June, you would have no idea yet?

MARIO DENIS: No. Actually, you have to plan one month before if you want certain dates. One of the things that Transit Systems pride themselves is that they are there to help us to change the roster. I cannot speak about Tempe or the other depots, but at Kingsgrove there is no chance in hell that you are going to be able to change anything from one week to the other.

The CHAIR: So you have got no rights to change the roster but they can change the roster on you at any time?

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MARIO DENIS: They can change the roster. You can request.

DAVID BABINEAU: Sorry, there is a—for Mr Denis' working conditions, there is a qualification regarding notice. There has to be—if notice is not given before the preceding shift, then it has to be consensual. Otherwise, indeed, it can simply be done.

The CHAIR: Before the preceding shift?

DAVID BABINEAU: Before the preceding shift. So if a shift is changed on the Friday, before Mr Denis starts on the Thursday, he must be notified of the change. Or it has to be done by asking him basically.

The CHAIR: So that is just a day's notice?

DAVID BABINEAU: Yes, there is absolutely no circumstance ever where the roster as it comes out ever plays in that way—ever. It is not even close to it. The daily changes—especially in someone in his position where he is not on a roster—mean that his work will change on a day-to-day basis.

The CHAIR: So someone could say, "Can you come to a birthday dinner on Friday of this week?" and you might not know until Wednesday or Thursday that that is definitely going to be the case?

MARIO DENIS: And the answer will be: "Find another job."

The Hon. DANIEL MOOKHEY: Mr Babineau, can I ask you—has Transit Systems recently underpaid 754 employees \$500,000?

DAVID BABINEAU: The exact figure escapes me but, yes, that—

The Hon. DANIEL MOOKHEY: That is about right?

DAVID BABINEAU: That is about right. That was part of a case and that \$500-odd thousand is actually a component of a much larger figure if you factor in the \$3.5-odd million that encompasses the 2019 to 2021 financial years.

The Hon. DANIEL MOOKHEY: This was because a scheduled increase in the indexation or pay rate was not passed on?

DAVID BABINEAU: Correct.

The Hon. DANIEL MOOKHEY: That is, Transit Systems chose not to pass it on?

DAVID BABINEAU: For that particular amount, yes. That is what got them the \$181,000 fine.

The Hon. DANIEL MOOKHEY: Yes, and the workers that were predominantly affected by this failure to pass on the pay increase were the former workers of STA. Is that correct?

DAVID BABINEAU: Exclusively.

The Hon. DANIEL MOOKHEY: So it was you, Mr Denis?

BILL PAGALIS: Yes, legacy drivers—so they are getting another pay rise.

The Hon. DANIEL MOOKHEY: Mr Denis, you were underpaid?

MARIO DENIS: In a way, yes.

The Hon. DANIEL MOOKHEY: Yes? Well, you were performing work and not being paid your appropriate rate.

MARIO DENIS: It is relative because, yes, I have been underpaid but these guys were way under.

The Hon. DANIEL MOOKHEY: Sure. It is all relative but the point is you were not receiving—your wages were stolen, correct?

MARIO DENIS: Yes, correct.

The Hon. DANIEL MOOKHEY: Transit Systems were aware that they were not passing it on. Is that correct, Mr Babineau, from the evidence that came out in that case that you brought?

DAVID BABINEAU: Very aware.

The Hon. DANIEL MOOKHEY: In fact, you drew it to their attention, did you not? Repeatedly?

DAVID BABINEAU: We drew it to their attention. Yes, court is not the first sort of card that a union pulls out of its deck of reactions. We brought it to their attention. We gave them sound legal basis of why it

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applied. Evidence showed that that basis was understood. Evidence showed that that basis was accepted and then there was an internal discussion about how best to spin it and that resulted in refusing to pay for the time period.

The Hon. DANIEL MOOKHEY: Yes, we will get to that. But this created—I think the way the judge described it was "unbudgeted and unexpected surprise".

DAVID BABINEAU: You could call it that.

The Hon. DANIEL MOOKHEY: No, actually to be fair, that is what the judge says. He said:

This created an unbudgeted and unexpected surprise, which affected the overall financial position of the group.

Correct?

DAVID BABINEAU: Indeed.

The Hon. DANIEL MOOKHEY: They were budgeting never to have to pay this. Therefore, all their calculations turned on basically being in a position to steal Mr Denis' wages. Is that fair?

DAVID BABINEAU: Absolutely.

The Hon. DANIEL MOOKHEY: Then when it was pointed out to them, did Transit's chief operating officer inform Transit's CEO this? I quote:

I think we have no alternative but to pay the increase and associated back pay and then double down on any other increases for ... drivers in the first year of the EA.

DAVID BABINEAU: Yes, that sounds like the Kelsian chair.

The Hon. DANIEL MOOKHEY: And in effect what he was saying was that, in order for drivers in Mr Denis' circumstance to get what they were legally owed, they would have to trade off future conditions, correct?

DAVID BABINEAU: Yes, they were trying to bargain with something that they already owed drivers.

The Hon. DANIEL MOOKHEY: Did the CEO respond, saying, "I think you know clearly my view on this," calling it a "big unbudgeted blow"?

DAVID BABINEAU: Yes.

The Hon. DANIEL MOOKHEY: Did he reply to that email by saying, "If attached to the agreement, I was hoping that you could at least get something for it—reduce a penalty, get longer working hours or something"?

DAVID BABINEAU: Yes, absolutely.

The Hon. DANIEL MOOKHEY: Did he also say this? He said:

Do what you need to do to avoid the court case but I would encourage you to get the new agreement in place and leverage this as soon as you can because it will soon enough fade in people's memories and you will end up paying even more to get the agreement over the line.

DAVID BABINEAU: Yes.

The Hon. WES FANG: You could just table that document.

The Hon. DANIEL MOOKHEY: I am very happy to table that and publish it.

The Hon. WES FANG: No doubt. I reckon it might be easier than having to read the whole thing onto the record.

The Hon. DANIEL MOOKHEY: Yes, more than happy. So is it typical, Mr Costa, to compel workers to have to sacrifice conditions in order to obtain—to recover the wages that were stolen from them?

THOMAS COSTA: No, it is not.

The Hon. DANIEL MOOKHEY: It is illegal, is it not?

THOMAS COSTA: It is illegal.

The Hon. DANIEL MOOKHEY: In fact, the fact that Transit were even thinking about this—to compel workers to have to sacrifice future conditions in order to have their past legal entitlements—is itself a breach of the Fair Work Act, is it not?

THOMAS COSTA: It would be breach of the adverse action section of the Fair Work Act, that is right.

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The Hon. DANIEL MOOKHEY: It is lawless, is it not?

THOMAS COSTA: It is prohibited by the Act. Yes, it is unlawful.

The Hon. DANIEL MOOKHEY: Transit Systems were, according to the judge—Mr Babineau, were you aware that he said that this was in effect Transit Systems taking the law into their own hands?

DAVID BABINEAU: Yes.

The Hon. DANIEL MOOKHEY: Transit Systems discloses its cost structure to Transport for NSW, does it not?

DAVID BABINEAU: You will have to ask Transport for NSW that.

The Hon. DANIEL MOOKHEY: I asked BusNSW. And they say that they remunerate on a cost-plus method, which means that they disclose their costs monthly, I think, to Transport for NSW. That is common industry practice, is it not, Mr Babineau and Mr Olsen?

DAVID BABINEAU: Yes.

RICHARD OLSEN: Yes.

The Hon. DANIEL MOOKHEY: So Transport for NSW is aware of this, is it not, or they reasonably should be aware of this, should they not?

RICHARD OLSEN: As the economic employer they have a right to and a legal obligation to be aware of what their contractor is doing.

The Hon. DANIEL MOOKHEY: Not just that, Mr Olsen, they are paying for it, are they not?

DAVID BABINEAU: Indeed.

The Hon. DANIEL MOOKHEY: So presumably from 1 July last year they were paying Transit Systems, assuming that Transit Systems was lawfully paying their workforce—correct? That is a fair inference?

RICHARD OLSEN: Yes.

DAVID BABINEAU: Absolutely.

The Hon. DANIEL MOOKHEY: So the fact that Transit Systems are in a position to underpay at least half a million—I think one union is claiming \$3.5 million—there is no way Transport for NSW should not have been aware of that, correct?

DAVID BABINEAU: Absolutely.

The Hon. DANIEL MOOKHEY: Equally, at any point were you aware that Transport for NSW was intervening with Transit Systems and saying, as part of their KPIs amongst others things, "Maybe you should follow the law and pay your workforce what they are owed"?

DAVID BABINEAU: Those discussions, that is not how—no, it does not work like that.

The Hon. DANIEL MOOKHEY: But it should, shouldn't it?

DAVID BABINEAU: Well, ideally, that would be nice.

The Hon. DANIEL MOOKHEY: Mr Olsen, in every other region with other operators, it is the case, is it not, that Transport for NSW has previously exercised step-in powers to issue directions to bus operators for how they should be providing their services?

RICHARD OLSEN: Of course, and they can and should do also in Region 6. There should be no reason why they do not do it.

The Hon. DANIEL MOOKHEY: There is no legal barrier for them intervening.

RICHARD OLSEN: No, there is not.

The Hon. DANIEL MOOKHEY: And they would rightfully intervene, for example, if, say, Transit Systems was leaving people by the road, correct?

DAVID BABINEAU: Sorry, attached to that—after the industrial action we recently had—was a cancellation of all overtime in Region 6. Now, again, that means services cancelled. Now, I am not too sure—basically, in the sense of what you are saying in terms of transparency and stuff like that, Transport should be able to answer that question you posed as well as the question about cancelling trips. Because, say they have triggered

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the abatement for cancelled trips and they are not going to even try anymore—because that would be a horrific betrayal of the public by saying, "We are not going to run your buses because we want to save the money it would cost to do so."

The Hon. DANIEL MOOKHEY: Yes, that is fair, Mr Babineau. But it is the case, is it not, that we have Transport for NSW exercising their contractual powers to ensure that Transit Systems follows the law when it comes to picking up passengers? Is that fair?

DAVID BABINEAU: Well, we would like them to.

The Hon. DANIEL MOOKHEY: So why should they not be exercising their power as the economic employee to make sure that Mr Denis does not have his wages stolen? Is there a reason why not?

DAVID BABINEAU: A lack of transparency and good governance.

The Hon. DANIEL MOOKHEY: The summary here is that Transport for NSW handed the contract to a company that then used the law to pay drivers who are performing the exact same work different rates and then engaged in wage theft. Is that fair?

DAVID BABINEAU: Yes.

BILL PAGALIS: And also have not passed on to us any pay rises since 2020.

The Hon. DANIEL MOOKHEY: Since 2020? How long have you been bargaining, Mr Olsen, with Transit?

RICHARD OLSEN: Twelve to 18 months.

The Hon. DANIEL MOOKHEY: Twelve to 18 months? So this agreement would have expired around May last year—or more than that, earlier than that.

DAVID BABINEAU: That agreement expired but there is an interaction between that and the copied State award—but, yes.

The Hon. DANIEL MOOKHEY: Sure. But, basically, the bargaining period has been around for now nearly more than two years, yes?

RICHARD OLSEN: Close to on two. A good 18 months, for sure.

The Hon. DANIEL MOOKHEY: That is why Mr Pagalis is not getting a pay rise.

RICHARD OLSEN: Never once have we heard from Transport for NSW having any concerns about that. We have the Minister standing up and saying it has nothing to do with him, yet the workforce that is out there, representing both the State Government and the employer, are getting ripped.

The Hon. DANIEL MOOKHEY: What is the life of the agreement?

RICHARD OLSEN: They usually are three years.

The Hon. DANIEL MOOKHEY: So you have spent nearly half the time bargaining for an agreement, as a percentage of the life of the agreement. Correct?

RICHARD OLSEN: With only one industrial action.

The Hon. DANIEL MOOKHEY: By the time you resolve this agreement, unless you agree otherwise to change when this agreement commences from whence it goes, by the time you resolve the 2020 bargaining round the 2023 bargaining round is due to start. Correct?

DAVID BABINEAU: No, you would—it is from the date of ratification, a maximum of four years.

The Hon. DANIEL MOOKHEY: Sure, but that is assuming that you agree to that—that that is the life of the agreement for the next one.

DAVID BABINEAU: Yes, and you would go back, obviously, and part of the negotiations would be about that.

The Hon. DANIEL MOOKHEY: But this is patently absurd, is it not, that a person working in the position of Mr Pagalis has to bargain for more than two years and you are still nowhere near an agreement? That is ridiculous. Do we agree?

DAVID BABINEAU: This is a built-in feature of the current industrial laws, unfortunately.

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The Hon. DANIEL MOOKHEY: So that is by design?

DAVID BABINEAU: Absolutely.

RICHARD OLSEN: It is a known fact that when we are talking about Transit Systems, they are a good minimum 5 per cent behind any other employer out there in the private bus industry.

The Hon. DANIEL MOOKHEY: Their business model is basically to undercut other private operators to take the work. Is that fair?

RICHARD OLSEN: That is what their business model is. Absolutely.

The Hon. DANIEL MOOKHEY: With a view they can be harsher towards Mr Pagalis and Mr Denis.

DAVID BABINEAU: With a view they could extract more savings out of the overheads they represent.

The Hon. DANIEL MOOKHEY: It is not just like they were benchmarking a company like Transit to adjust the previous STA. Mr Pagalis could literally be driving. Where does region 6 finish?

BILL PAGALIS: That is the whole inner west.

The Hon. DANIEL MOOKHEY: So if you were to go down Victoria Road, two separate operators, and go towards Parramatta, you will find yourself in a position where you are getting paid less than a driver who is going halfway up Victoria Road.

BILL PAGALIS: Well, it is us. We could go down Victoria Street down in Enmore.

MARIO DENIS: Absolutely. They are the same route.

BILL PAGALIS: We were talking about it earlier where I am right behind him on a different number—I am a 430, and he is on 328—and we are driving exactly to the same place to Martin Place, but yet he is getting paid two dollars—

The Hon. DANIEL MOOKHEY: On Victoria Street and Enmore Road.

BILL PAGALIS: Enmore Road, yes.

The Hon. DANIEL MOOKHEY: Yes, past my house.

MARIO DENIS: Same company, same bus, same number.

BILL PAGALIS: And he is getting paid \$3 more an hour doing exactly the same run.

The Hon. DANIEL MOOKHEY: It is absurd, is it not? This is basically in order to obtain artificial savings from Transport for NSW. That is the summary here.

DAVID BABINEAU: Well, none of the savings they have put forward have been quantified, and the only savings—every year the State operator would hand money back. That was just how they always performed under budget, to a degree. So somebody is making savings.

The Hon. DANIEL MOOKHEY: As our time comes to a close, you are saying the principles we should adopt here is "same work, same pay", and we should be designing structures that take labour out of competition?

The CHAIR: That is a radical suggestion.

RICHARD OLSEN: Yes.

The Hon. DANIEL MOOKHEY: Equally, the third principle we should adopt is that competition should take place on who can provide a better service and who can organise themselves better, not who can cut drivers' pay the fastest?

DAVID BABINEAU: There should be more to it. It is a public service. All bus services are subsidised, to a degree.

The Hon. DANIEL MOOKHEY: Yes, all public transport is.

DAVID BABINEAU: Exactly. The point is that it does not always have to make money. By reducing the entire process to a fiscal imperative, you completely take away from the fact that there are services that will never in a million years make a profit. These are the little services that service a retirement village once an hour on a Saturday and things like that, but they are there for a reason because they are there to cater to the people that have no other option to get around.

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The Hon. DANIEL MOOKHEY: That was the fourth proposition I was going to put to you, Mr Babineau, which is the principle we should opt towards is that citizens have a right to public transport.

DAVID BABINEAU: The Government has an obligation to provide that.

The Hon. DANIEL MOOKHEY: I was going to say that the citizens have a right to public transport, and it is the Government's job to make sure that the transport that they are providing them is first-class.

DAVID BABINEAU: Absolutely. The former transport Minister, after Newcastle was privatised, stood up in the media and said that he had saved Newcastle Transport when he was actually, as transport Minister, the one responsible for the provision of Newcastle Transport is mind-boggling. So the entire privatisation—

The Hon. DANIEL MOOKHEY: Mr Babineau, if we were to debate the absurd statements of the previous transport Minister, we would be here for a long time.

DAVID BABINEAU: We would. I guess the entire privatisation process is basically the Government throwing its hands up in the air and saying, "We don't know how to run anything with any transparency, any accountability, or with fiscal responsibility."

The Hon. WES FANG: I do not think we are saying that.

The Hon. MARK BUTTIGIEG: Or, "We don't want to."

DAVID BABINEAU: The process has shown that.

The Hon. MARK BUTTIGIEG: In this arrangement where they set up another agreement as a facility to undercut the main legacy people, were the contractual arrangements from Transport for NSW that allowed that loophole pointed out to them at the time?

DAVID BABINEAU: It would have been a part of the tender. They would have seen the company structure as part of the tendering process.

The Hon. MARK BUTTIGIEG: The Government has lawyers all over this. Presumably, they would look at this contract and they would know that there was a loophole there to allow that greenfields arrangement to come in, which has facilitated the undercutting of Mr Pagalis' wages?

DAVID BABINEAU: No. For the government operators, when they transitioned into the private sector, their State award basically became a copied State award, and it is like a bubble. It just floats along with them into the private sector. They have utilised that, and the company structure supports this in that they quarantined these employees in a separate employing entity. Then the other group of employees, the ever expanding group of employees, were basically quarantined again. That is how you arrived at the two-tiered system.

The CHAIR: As Mr Mookhey said, our time is coming to an end. But if we were to summarise what has happened here with the privatisation of our bus services, we are looking at a government that is crowing about having cut costs, the cutting of those costs resulting in distance from workers and workers ending up with worse pay and worse conditions. It is not unfixable, though, is it? The Government could come and say, "We will actually pay more for better wages and for better conditions. We will invest in those facilities." In regard to what they could do to fix this, going forward, short of taking it back into State hands, what would be on the wish list of what they could do to fix this?

DAVID BABINEAU: I think what you are saying makes complete sense. There does not need to be— I mean, as much as I wish it had never happened, privatisation does not need to be conducted in this way where it is to the detriment of everyone involved except a very specific party. If the Government can quite easily build things into the contracts—

The Hon. MARK BUTTIGIEG: The unions are trying to mop up the mess now with this common instrument. Why is the Government still awarding contracts to Transit Systems, who are refusing to sign this common instrument?

DAVID BABINEAU: You would have to ask them that question.

The Hon. DANIEL MOOKHEY: Is it because they benefit from Transit Systems not signing the common instrument?

RICHARD OLSEN: Well, it is because they are able to work in through the two-wages tier systems by not.

The Hon. DANIEL MOOKHEY: Is it not the case that—

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RICHARD OLSEN: That is not new either, Mr Mookhey. That statement—that has been identified in State Government over the past years. They know since 2018 when Transit Systems came in that Transit Systems illegally, if I can put it that way, put itself into a position to create this two-wages tier system. They were under contract to actually engage all employees under one entity, and they did not.

The CHAIR: Again, putting the responsibility back where it belongs, the Government could now decide to pay more under that contract—

RICHARD OLSEN: Of course.

The CHAIR: —in order for those wages to be increased. Correct?

The Hon. DANIEL MOOKHEY: Or they could adopt the common instrument as part of the contract, could they not?

RICHARD OLSEN: And they should be doing that prior to fulfilling their requirements to outsource the rest of the vast industry into private hands.

The Hon. MARK BUTTIGIEG: So the Government deliberately facilitates this two-tier system, which is under cutting people's wages?

RICHARD OLSEN: They did that at that time, yes.

The Hon. DANIEL MOOKHEY: They have an incentive to have Transit Systems cannibalise the work that is otherwise being done by companies like Busways. Correct?

RICHARD OLSEN: Well, yes. Where else would they make the savings?

The Hon. DANIEL MOOKHEY: I do not know about Busways. I just picked that up randomly.

DAVID BABINEAU: No, that is another company that basically tacitly approved a two-tier system. However, we are working with them to try to sort that out. We will see how that goes.

The Hon. DANIEL MOOKHEY: Mr Babineau, I am picking these names at random.

DAVID BABINEAU: No, well picked.

The Hon. DANIEL MOOKHEY: My only point is if Transit Systems is coming in, deliberately competing on a lower-wage model, then there is an incentive for Transport to spread them. Correct?

DAVID BABINEAU: Transport could fix this. At the end of the day, given the time, we are bus drivers, right? We are average working Australians. We are not looking for velvet seat covers and gold chain steering wheels. We are looking to be treated with respect. We are looking to be treated with dignity and fairness. We provide a public service. We are bloody proud of that. One and all, we are really proud of what we do. It is why we keep doing it in spite of COVID, in spite of everything. It is why we do not look for other roles, because we genuinely love what we do. It would be really nice if what we do could be appreciated by the Government to the point where it would turn around and actually invest in us as a public service.

The Hon. MARK BUTTIGIEG: Instead of telling you to get another job.

BILL PAGALIS: Or find a different role.

The CHAIR: Unfortunately, that is all we have time for.

The Hon. DANIEL MOOKHEY: We have to go to another job.

The CHAIR: We will break for lunch and return at 2.00 p.m. Thank you all so much for being here and for contributing to this inquiry.

(The witnesses withdrew.)

(Luncheon adjournment)

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Mr TONY LEHMANN, Manager Integrated Transport, Randwick City Council, affirmed and examined

Mr DYLAN PARKER, Mayor, Randwick City Council, affirmed and examined

Mr KIM WOODBURY, Chief Operating Officer, City of Sydney, before the Committee via videoconference, affirmed and examined

The CHAIR: I welcome our next panel of witnesses. Mayor Parker or Mr Lehmann, would one of you like to make a short opening statement?

DYLAN PARKER: Yes, that is fine, thank you. Just before I begin, I would actually like to make a declaration to the Committee, just for transparency, that I am an employee of the member for Maroubra—and the Parliament of New South Wales—who will be appearing later today. However, we have not had any involvement in this particular matter through that capacity. But I thought it was best just to declare that up-front for the benefit of the Committee.

I am appearing in front of this Committee as the Mayor of Randwick City Council, and I can wholeheartedly say after several long years of discussions around our public transport network with the community, with the council as well as Transport for NSW, that as a result of bus route changes, which have been kicking around for some time now, and the subsequent privatisation, the public transport outcomes on behalf of our community are undeniably worse. Council has for some time taken the position to oppose the significant changes to the bus network that were put in place in December of last year, to seek the ongoing retention of the bus services which were cut and to call as well for the release of all of the consultation data held by the New South Wales Government in relation to this.

The position of council is that we have had significant doubts as to the rationale behind these changes as well and the publicly espoused view that it would lead to a better public transport network. The experience now for our community is that people are clearly highlighting three major issues. One of them relates to issues around interchange—the loss of directness into the heart of the city. Other ones relate to the loss of the frequency of smaller routes, and there is also concern surrounding the privatisation of this service and operating a new network and the concerns which it will have going into the future in light of the experience of other areas. That has been a position which has broadly been expressed across the political groupings of council but are undeniably on behalf of the community. I note that I have two attachments in front of me, one relating to the actual travel patterns across Randwick City Council as well as council's commentary on specific routes.

Generally I will be keeping my comments to the second nature of the inquiry as it related to the overall operation of the network and bus routes but will be happy to comment on some experiences of the privatisation as well. There have been several notices of motion from council which were successfully passed. The main thing is that there is a clear concern for the loss of 24 Eastern Suburbs bus routes but, in addition to that, six services which were actually cut prior to the implementation of the new network, including the M10, the M20 and the M50, which I note were previously operated and came out of Region 6 but impacted on our area and were operated by Transit Systems. They are the main thrust of my opening statements. I am happy to answer any questions, but I am also happy to hand over to Mr Woodbury. Mr Lehmann is appearing to answer any technical questions you may have.

The CHAIR: Mr Woodbury, do you want to make a short opening statement?

KIM WOODBURY: Yes, thank you very much. The City of Sydney welcomes the opportunity to present to the inquiry into the privatisation of bus services. Because of the high population and business densities within the inner Sydney area, the city believes that these areas should be primarily a place for walking, bicycle riding and public transport, so that those forms of transport are prioritised for most trips. This approach to transport planning and management is the only way to achieve the movement and place outcomes that support economic, environmental and social outcomes outlined in various New South Wales Government strategies, and the city strategies for that matter. The city's submission to the inquiry raised the following key issues. Increased bus priority over general traffic within the inner city area should be the focus to improve travel times, not by reducing bus stops—so measures like bus priority lanes, bus lights at traffic intersections and the like.

The next point is removal of bus stops is supported only where there are replacement locations to be provided in more accessible locations due to the high patronage within inner Sydney. If services are prioritised then contracts must allow for services to cross geographic contractual boundaries to eliminate city-centre layovers and provide better cross-regional connection flexibility. Consultation with residents and businesses is required before the development of any changes to bus services. For example, in 2024 the new Sydney Metro opening, Waterloo station, as well as other metro stops, will trigger changes. The city asks for extensive consultation with residents and businesses before those changes happen.

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The City supports the announcement that the bus fleet will be entirely zero emissions by 2030. This not only reduces carbon emissions globally but will greatly reduce diesel engine-generated air pollution and reduce bus noise along the route. Air quality and noise is a major issue in densely populated areas such as the inner city. We have particularly advocated for, as a priority, 100 per cent electric buses along a modified 304 bus route to Green Square, where we have the highest densities of apartments close to bus routes in Australia. Finally, the City's submission does not focus on privatising services but on improving services, reducing impacts and supporting connections. Many opportunities for bus improvements are not in the control of bus operators, and the Government needs to prioritise improvements regardless of who the operator is. The City will continue to work with Transport for NSW and the State Government to improve bus services in Sydney into the future. Thank you.

The CHAIR: Thank you very much. Before I pass over to the Opposition, I want to ask a quick question of you both. Mayor Parker, is your submission something that was approved by councillors as a whole? How does that process work within your council?

DYLAN PARKER: As it relates to this particular submission there have been, from my recollection, three or four notices of motion which were successfully passed by council. There have been, I believe, at least two mayoral minutes. This particular submission came off the back of a request from councillors and was passed by council, in order for council to make a submission. That was then sent off. It did not then go back to council, from my understanding. Is that correct, Mr Lehmann?

TONY LEHMANN: Yes, that is correct.

The CHAIR: That is useful to know. The same question to you, Mr Woodbury: Is the City of Sydney submission something that has been approved by councillors?

KIM WOODBURY: Our normal process is to send a draft submission around to councillors for comment. It does not go to a formal council meeting for resolution. I understand that that is the process that was followed for this one, but I will clarify that. I will take it on notice.

The CHAIR: In particular, I am interested in the line about not really having a particular view on privatisation and wanting to see where that has come from, whether there have been council minutes or resolutions or something to that effect, and whether that has been approved in any way by the councillors. If you could take that on notice, that would be very useful.

The Hon. DANIEL MOOKHEY: Could I just follow up? To the City of Sydney Council representative, who approved it? Was it the mayor? Was it the general manager? Was it you? Who approved the submission, if it was not by councillors?

KIM WOODBURY: The CEO. The process is that the draft is distributed to councillors for comment and they get back to the relevant director—as in, myself—prior to sending. I can certainly clarify that it has not been to council for resolution, but I will clarify that this particular submission was circulated to all councillors.

The Hon. MARK BUTTIGIEG: Mayor Parker, in your opening statement you said that there were consultation reports that you asked for from the Government about the consultation that went into this process of changing the routes and cutting the routes. Did you end up getting any of that consultation reporting back?

DYLAN PARKER: Nothing. I could only describe the exercise of consultation after the draft plan came out—almost universally was the feedback negative which was anecdotally, at least, received by council and as an elected representative. But if you actually looked at the substance of the consultation documents, it was very difficult to be able to say how these routes and this new map would impact members of the community in a way that was not positive. Needless to say, I do not even think that was the outcome. I note that there were, I believe, many thousands of community submissions into that. In the final consultation report which was released by Transport for NSW, from my understanding and from my recollection, very few of the actual comments from the community were included, if any. It only spoke to general themes and feedback as a result.

The Hon. MARK BUTTIGIEG: To what extent, if any, was council part of the process? Was the process of consultation direct with residents in that LGA? Did council play a facilitative role? How did that work?

DYLAN PARKER: Council had no input whatsoever. Is that correct?

TONY LEHMANN: We had minimal input. There was a briefing of senior staff. Subsequently we asked for a subsequent briefing of councillors, and unfortunately that was not achieved.

The Hon. MARK BUTTIGIEG: You asked for a specific briefing and it was not forthcoming?

TONY LEHMANN: Correct.

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The Hon. MARK BUTTIGIEG: Right. In your subsequent feedback from constituents, presumably via local councils and other methods—let us be frank. If you read the Transport for NSW submission, it is a very small minority of people who have been put out by this and, by and large, it has been an overwhelming success. But your evidence is that, via your councils, your councillors and other mechanisms, constituents in your LGA are not happy about this at all.

DYLAN PARKER: I would say that that, quite clearly at the time, was the expression of the view of the community. There was a great frustration with the process which was undertaken by Transport for NSW. There was great frustration as to the outcome as a result of that and at the consultation report which came out afterwards. I would quite confidently say that calling the consultation cursory would be a very complimentary description of the exercise which was undertaken.

The Hon. DANIEL MOOKHEY: Thank you, Mayor, for your appearance. Thank you for your official's appearance, as well. Equally, thanks to the City of Sydney. Mayor, when the Government privatised some of these services, it promised your community more efficient services provided in a more reliable manner. Is your community getting more efficient services in a more reliable manner?

DYLAN PARKER: The experience to date of the new network has been particularly patchy. For large chunks of the community, what they are finding is that, for areas which are not tied to the major bus routes, they are more infrequent. As well, the changes in the actual routes mean that they are effectively shuttle services to the main nodes, rather than having a direct, reliable service into the city. A good example of that would be South Maroubra in my community, which I would also note, for the benefit of the Committee, is home to a very large social housing estate. The 397 was a bus which travelled through South Maroubra. It was a reliable, direct service which went all the way into the heart of the CBD—I believe all the way to Circular Quay. They now have a shuttle, which occurs on a far less frequent timetable than was previously there, which travels between Westfield Eastgardens, which is a shopping centre, and Maroubra Junction, which, while part of my constituency, in no way is a major centre as far as Sydney is concerned.

The Hon. MARK BUTTIGIEG: What happens if you are down at Little Bay and you want to get into the city? How does that work?

DYLAN PARKER: There is a significant number of routes, but one of the main things which the feedback from the community has been—in the non-peak, the loss of the direct services into the city. In all honesty, there has been an additional route, which does have directness into the city. But for those who are not directly on that route, it has been an objectively worse outcome.

The Hon. DANIEL MOOKHEY: Mayor, you said that your community has lost 30 bus routes. Is that right? Did I hear you correctly?

DYLAN PARKER: No, I believe it is 26. It depends whether or not you count the ones previously. But if you add on the additional ones, there are also an additional 23 which have been forced to interchange.

The Hon. DANIEL MOOKHEY: Let us just do this by time, rather than before or after privatisation. Compared to 2015 or 2016—let us go over the last five years. Since 2017 how many bus services has your community lost?

DYLAN PARKER: To be totally accurate, it is about 30 bus routes which have been cut. There have been about 23 or 24 which have either been truncated, rerouted or sent elsewhere.

The Hon. DANIEL MOOKHEY: So 56 have been affected, of which 30 have been cancelled and 26 substantially modified. Is that fair?

DYLAN PARKER: Yes, that is a fair assumption.

The Hon. DANIEL MOOKHEY: Let us talk about the 30 that have been cut. Were those bus routes fully patronised?

DYLAN PARKER: No. We had an excellent bus service.

The Hon. DANIEL MOOKHEY: Were they ghost buses that we were paying for?

DYLAN PARKER: No.

The Hon. DANIEL MOOKHEY: Was the public having to fund buses to run from Maroubra and other parts of your community to the city that had no-one on them?

DYLAN PARKER: No. One of the observations I would say in previous years was that we actually had an excellent bus service, and that was much loved and well patronised by our community.

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The Hon. DANIEL MOOKHEY: In your view, why did the Government cut 30 bus routes?

DYLAN PARKER: There was the publicly provided rationale, which I do not believe, which was that it was standardising and streamlining the service. My genuine belief was that they were trying to force patronage onto the light rail, number one, because what they were at the very least initially finding was that the community did not want to take the light rail because it was a less efficient service, which was also slower. The second point was, in order to achieve patronage of the light rail, they actually had to encourage people to interchange, and the easiest way to encourage people to interchange is to stop the bus route at the stop of the light rail and not continue it any further. The third point, which I would also point out, was to make it more attractive and easier for a private operator to run.

The Hon. DANIEL MOOKHEY: I accept that you may acknowledge the public rhetoric or at least the public argument that was made, but your private view, or the view of the council, is about it being done in order to support the economics and operational costs of the light rail. Do you conclude that by the fact that in your submission No. 2 you have provided us with multiple examples of bus routes that have changed in order to facilitate people's access to the light rail? Is that the reason? I think the 317 you mentioned.

DYLAN PARKER: Undeniably. If you really want the flavour of the bus changes, it is to require interchanging—so to get on a bus and then have to get off and to change at a node, which are the two light rail terminuses. If you actually look at the changes, quite clearly—with some exceptions—that is the main flavour of it because otherwise what we were finding for the period of time when the light rail and the former bus network was operating was that people would get on a bus and they would stay on the bus. Mr Lehmann also has some advice as it relates to the discount that people put in in regards to interchanging as well.

TONY LEHMANN: In transport planning the interchange waiting time is valued by the passenger at twice the time. So if you are waiting 15 minutes for the next tram to come, or light rail, you value it at about half an hour. That is really a significant impost on the passenger and they feel it quite closely.

The Hon. DANIEL MOOKHEY: I feel it often when I am waiting 15 minutes for a service.

TONY LEHMANN: Yes, it feels like you have been there for half an hour, particularly if it is too hot, too cold, too wet—those types of things.

The Hon. MARK BUTTIGIEG: Has the patronage of the rail increased as a result of those changed routes and funnelling them in there?

TONY LEHMANN: I do not know. I do not have any data on that.

The Hon. DANIEL MOOKHEY: In respect of the point about modal shift, that is your view that the reduction of bus services is all to facilitate the modal shift to light rail. Has the community welcomed that?

DYLAN PARKER: That has not been my observation, no.

The Hon. DANIEL MOOKHEY: You said that is because it is a longer service. To go from Kingsford into the city is 42 minutes, isn't it? That is the scheduled time.

DYLAN PARKER: It is the scheduled time, but the experience has been sometimes significantly longer than that, and reliability is also a concern.

The Hon. DANIEL MOOKHEY: It is not like the two are directly substitutable. Correct?

DYLAN PARKER: No.

The Hon. DANIEL MOOKHEY: You made the point in your other submission that your community is particularly dependent on public transport. Did I read that correctly? You have provided me with maps that show—

DYLAN PARKER: Yes, I think so. Part of what is very helpful about these maps in relation to submission No. 1 as well is that it shows the heavy reliance on public transport in the north of the city and cars in the south of the city. Why I think that is very important is that a majority of these bus changes have, at least in my observation, impacted the south of the city. The importance of that is that it makes travelling via public transport in areas where we actually need to see a shift toward public transport less attractive. It effectively runs counter to the outcome which we want. Yes, undeniably we are heavily reliant on public transport, and that is predominantly on the north of the city, but where council actually wants to see a reduction in vehicle share is in the south of the city, where there is greater reliance on cars, by reducing the public transport quality which is serving those areas. It runs counter to our objectives.

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The Hon. DANIEL MOOKHEY: How does a person who is living at the bottom of the peninsula in La Perouse without access to a bus reach an interchange point? Do they drive?

DYLAN PARKER: Plenty do, but also what they have to do is they have to get on at a different bus. They will either get off at Maroubra Junction—this is at the southern point—or they will get off at the interchange in Kingsford. If they are driving, there is a significant lack of parking facilities which are around the Kingsford interchange. Council has actually provided a car park, which we purchased at quite a large expense of nearly \$15 million. We actually had plans to build a customer service centre there, but we have been required as a result of some of these changes to maintain it as car parking.

The Hon. MARK BUTTIGIEG: If you are down the bottom end there, say, as my colleague said, down at La Perouse or Little Bay, you would have previously got on one bus and gone all the way into the city in how long, roughly?

The Hon. DANIEL MOOKHEY: I did it once. It was 40-ish minutes.

DYLAN PARKER: It is about 40 to 45 minutes.

The Hon. MARK BUTTIGIEG: Now you have to get on, get off at Kingsford and then change onto the light rail. Do we have an idea of how long that would take?

DYLAN PARKER: I will have to take that on notice, but—

The Hon. DANIEL MOOKHEY: But your point is it provides an incentive for a person to get in their car and drive all the way in there.

DYLAN PARKER: It is definitely slower. I just do not want to give an exact figure.

The Hon. MARK BUTTIGIEG: That nightmare on Anzac Parade is exacerbated by it.

DYLAN PARKER: Yes.

The Hon. DANIEL MOOKHEY: And a person who is travelling from Little Bay into the city has a pretty good incentive to just stay in their car—that is your point.

TONY LEHMANN: Correct.

DYLAN PARKER: Correct. And just to give you an idea from a—

The Hon. DANIEL MOOKHEY: And that is not anecdotal; you have had to buy a car park to facilitate that, is what you are saying.

DYLAN PARKER: We purchased the car park for other reasons. It remains to this day a car park and it is very well subscribed and I am coming under a lot of pressure from a council perspective to maintain it as that. I look at that as broad cost shifting from the State.

TONY LEHMANN: The site will be forevermore encumbered with providing this service to the community because it would be very difficult to take that away. Whatever we do to that site, we will have to accommodate that parking.

The Hon. DANIEL MOOKHEY: Generally removing car parks on communities is, on balance, not a popular decision—Mayor, is that your point?

DYLAN PARKER: Yes, it is not a popular decision.

The Hon. WES FANG: I will ask one quick question. I was curious, the journey that you are talking about, what is the distance of the journey, did you say—about 10 to 15 kilometres?

TONY LEHMANN: Yes.

The Hon. WES FANG: That is what I anticipated it would be. I grew up in a place called Uranquinty, which is a little village just out of Wagga. It is about 10 or 15 kilometres away. You talked about the extension of time for the bus trip that you have between that location and the city. How long do you think it takes for the bus to travel from Uranquinty to Wagga? It is a similar distance in area.

The Hon. DANIEL MOOKHEY: Sorry, Chair—

The Hon. WES FANG: I am just curious.

The Hon. DANIEL MOOKHEY: Point of order: I understand that Mr Fang is making a point. Perhaps he can rephrase his question to make the same point in a way that the witnesses can respond to. I do not necessarily think that the Mayor of Randwick can be reasonably expected to be able to project bus journey times between

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your village and Wagga—as fine a village and as fine a city as Wagga is. To be fair, nor do I think the chief operating officer of the City of Sydney would have the expertise. I am sure the Deputy President can make the same point through a better question.

The CHAIR: The member is of course entitled to ask questions that are relevant. I ask him to try and make those questions as answerable as possible. It is of course up to the witnesses if they are unable to answer the question to say so.

DYLAN PARKER: I am going to say that I am unable to answer that question.

The Hon. WES FANG: Well, there is no bus service between the village I grew up in and—

The Hon. DANIEL MOOKHEY: Certainly not under your Government.

The Hon. WES FANG: Not under yours either.

The Hon. DANIEL MOOKHEY: Shouldn't you do something about that?

The Hon. WES FANG: The point being that you actually have a bus service.

The Hon. DANIEL MOOKHEY: Had a bus service—past tense.

The Hon. WES FANG: From my own perspective, I am listening to the concerns that are being raised, but the reality is you have got a bus service. While there are some challenges with that bus service, you actually have one. The vast majority of areas outside of the metropolitan areas do not. I think that just needs to be put into perspective when we are talking about bus services and privatisation.

The Hon. MARK BUTTIGIEG: That question is fair enough. If I could just ask a follow-up question.

The Hon. DANIEL MOOKHEY: Was that a question?

The Hon. WES FANG: No. That was a statement. I got it through before you interrupted.

The Hon. MARK BUTTIGIEG: In relation to my colleague's contribution, what do you think should be the threshold of standard that we apply to our communities in terms of providing a bus service? Should we go to the lowest common denominator? How would your residents react to that proposition being put to them?

DYLAN PARKER: I think the most considered way I could answer that question is to not degrade the quality of service which was provided. I can objectively say that, prior to these changes, we actually had an excellent bus service. It did have its challenges, but it did work. Subsequent to these changes, it is worse off. I am not going to give a threshold answer. But you do not make things worse.

The Hon. MARK BUTTIGIEG: Mr Woodbury, you mentioned in your opening statement the removal of bus stops that you have experienced. Could you just outline to the Committee the process of how that works and to what degree council gets involved in that sort of decision-making, if any?

KIM WOODBURY: Yes. It depends on whether it is done as part of a major change, like the south-east bus plan that you were just talking about, or it is a one-off thing as reviewed by Transport for NSW. Normally there is contact with council. Council may provide its views, but at the end of the day Transport will make a decision, taking into account stakeholders, we assume. My point was basically, in inner Sydney, to mount an argument that a bus stop is not being used is highly unlikely because of the densities involved. However, we do appreciate that at certain times it is better to relocate a bus stop to a more accessible location, to actually increase patronage and provide better access for the community. So our comments are really about improving rather than taking away.

The Hon. MARK BUTTIGIEG: Has the experience of the City of Sydney been that bus stops have actually been cut without being replaced elsewhere? Or is it usually a case that they are replaced somewhere else?

KIM WOODBURY: There have been instances where there has been a request to reduce bus stops because of the distance between stops. Basically it is a running time versus convenience for getting on and off. In other cases, again in the south-east bus plan, where certain routes were rerouted, it might mean walking one or two blocks to the next street to access the new route.

The Hon. MARK BUTTIGIEG: The practical outcome of that is, if you are an elderly person or a bit infirm or perhaps disabled, you are going to come off second-best with this. If you do not mind walking an extra five minutes or waiting a bit longer, it is no problem. But if you are in that situation where convenience of stops and multiplicity of stops is important, you actually come off second-best under this regime. Would that be a fair statement?

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KIM WOODBURY: Some people will have to walk longer to get to the bus stop. Some will have to walk less. It is a judgement call. Any government policy does have positives and negatives. Our point is basically you need to undertake extensive community consultation so you get all views and understand the issues, the positives and the negatives before making a decision.

The Hon. MARK BUTTIGIEG: On that extensive community consultation, what was the Sydney city council's impression? Was it extensive?

KIM WOODBURY: For the south-east bus plan, there was a full consultation undertaken. There are a lot of submissions, in the thousands, many thousands. Certainly there were a lot of residents who were disappointed that their existing routes were rerouted or amended in some way, shape or form.

The Hon. DANIEL MOOKHEY: Or cancelled.

The Hon. MARK BUTTIGIEG: Or cancelled, yes.

The Hon. DANIEL MOOKHEY: I presume you had complaints about routes being cancelled?

KIM WOODBURY: Depends on how you phrase it. In the inner city, there were less cancellations of routes with no alternative provided. The further you go out, like in the southern parts of Randwick, that may be different. Generally there were alternative routes provided. Again, whether an alternative route is suitable for an individual is really up to them. We certainly had quite a number of submissions saying they did not agree with some of the reroutings.

The Hon. MARK BUTTIGIEG: Did council make representations to Transport for NSW on the negative feedback you were getting?

KIM WOODBURY: We did. We included that in our submission for the south-east bus plan. But the thing is there were many. It was in the thousands—8,000 or thereabouts submissions on the south-east bus plan, is my understanding. But they went directly to Transport for NSW. But we received many of those where members of the community sent us their submissions.

The Hon. DANIEL MOOKHEY: Mr Woodbury, from your opening statement did I infer correctly that there is a preference, firstly, to minimise bus access to the Sydney CBD?

KIM WOODBURY: No. My opening statement said we should be prioritising walking, cycling and public transport over other forms in inner-city areas.

The Hon. DANIEL MOOKHEY: But in respect to public transport, does the council have a preference as to which mode it prefers?

KIM WOODBURY: All modes are necessary, including all forms of transport. Heavy rail takes more people, but obviously it cannot get everywhere. So we support heavy rail, light rail and buses.

The Hon. DANIEL MOOKHEY: In that hierarchy?

KIM WOODBURY: That is the hierarchy of number of people moved per hour. But that is not necessarily the importance to any particular area or any particular individual. People need opportunities to catch public transport.

The Hon. DANIEL MOOKHEY: Did the council favour and/or support policies that were designed to shift people from using buses to light rail?

KIM WOODBURY: Council has not any resolution or resolved any position on that. But council has been a supporter of light rail and—

The Hon. DANIEL MOOKHEY: And a funder of light rail.

KIM WOODBURY: A funder of the public domain that goes along with light rail.

The Hon. DANIEL MOOKHEY: No. City of Sydney made a financial contribution to the light rail, did you not?

KIM WOODBURY: To the light rail project, which included pedestrianisation of George Street and upgrades to the public domain.

The Hon. DANIEL MOOKHEY: That was to the tune of—

KIM WOODBURY: Two hundred and twenty million.

The Hon. DANIEL MOOKHEY: Was it \$220 million cash transfer?

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KIM WOODBURY: Yes, \$220 million. In return we received upgrades to public domain to allow for pedestrianisation. That was part of the project.

The Hon. DANIEL MOOKHEY: It is fair to say, therefore, that the council supports policies that make the light rail a success. That is correct?

KIM WOODBURY: That is correct.

The Hon. DANIEL MOOKHEY: Insofar as there were ancillary parts to the bus network, particularly in the city of Randwick, that were affected by the choice of City of Sydney, was the City of Sydney aware that that was a likely consequence?

KIM WOODBURY: Transport for NSW has always said that they were looking to interchange once light rail was completed and in operation. I think that if you go back on the public record, they mentioned that very early in the project.

The Hon. DANIEL MOOKHEY: But that was not my question. My question was, was that a policy that your council supported?

KIM WOODBURY: We do not control public transport.

The Hon. DANIEL MOOKHEY: Yes, but you have views. You are the biggest city in our State. Your views are serious. That is why we want to hear them. The policy of the interchange, as you have described it—I think they were your words, not mine—was a policy that was supported by the City of Sydney, was it not?

KIM WOODBURY: The City supported light rail, initially proposing light rail along George Street, from Circular Quay through to Central. Transport for NSW proposed and the State Government proposed taking that right through to Kingsford and Randwick. That was a decision made by the State.

The Hon. DANIEL MOOKHEY: Yes, of course, the State made the decision about the route but you are not seriously pretending that you did not have a big say in that, are you, given that your council made a \$220 million contribution to it?

KIM WOODBURY: We made a contribution to allow light rail, or to get light rail up, and to upgrade public domain, including the pedestrianisation of George Street and other public domain upgrades that are required as part of the light rail, so to improve access.

The Hon. DANIEL MOOKHEY: What I am trying to understand here is that you have said that you supported public transport; you said that you support the three modes. You gave us good evidence about how each mode is frequented but it was never your intent, or the City's intent to reduce public transport access by reducing bus access to the city, was it?

KIM WOODBURY: Your question is asking the City's intention when the City was not responsible for something. So the City cannot have an intention outside of our council boundaries.

The Hon. DANIEL MOOKHEY: Mr Woodbury, the City was the biggest proponent of the light rail. The city has been campaigning for light rail for 20-odd years. You can like the light rail, you can hate the light rail. We are not here to have an inquiry into the light rail. What I am trying to understand, we have Transport for NSW telling us part of the reason Mayor Parker's community has had 30-odd bus services reduced was that additional public transport is being provided via light rail. That is, they put one mode in and withdrew another. I am trying to understand that was never the approach of the City of Sydney, was it? It was never your intent for the 20-odd years that you have been campaigning for this to see buses replaced by light rail; it was to see light rail in addition to the other forms of public transport to have access to the city, correct?

KIM WOODBURY: Perhaps I can put it this way: The city's intention for support of light rail was to improve public transport in the inner city and beyond.

The Hon. DANIEL MOOKHEY: Sure. Mayor Parker, was your community told that if you get the light rail you are getting fewer buses?

DYLAN PARKER: In the environmental impact statement there was a canvassing of some changing of routes. I think it was to the tune of 10 to 13 bus routes, nowhere near to the extent of the changes which were proposed. Even once the light rail was actually in operation the full extent of the bus cuts was not apparent and there was actually a period of time when the full network was able to operate simultaneous to the light rail and you could actually do the two. However, the subsequent outcome was that they cut them. To answer your question, our community was never advised of a substitution to the extent which was envisaged. In fact in the light rail's planning documents it was dramatically less.

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The Hon. DANIEL MOOKHEY: In fact, I have established this through other inquiries that I have sat on relating to the light rail. We have reduced the amount of public transport because the capacity on the light rail was less than the capacity that was previously provided by buses. That is fact. Was that something your community was ever apprised of?

DYLAN PARKER: From day one our community was not informed of the fact that there would be bus cuts to such an extent. That was clear. It came as quite a significant shock once it was first made public in, I believe April of 2021.

The Hon. DANIEL MOOKHEY: Mayor Parker, if we are being diplomatic you could say that your community was misled. But if we are being truthful is it the case that your community was lied to?

The Hon. WES FANG: I am not sure that the first instance was a situation where you were being diplomatic, Mr Mookhey.

The Hon. DANIEL MOOKHEY: I may not have been diplomatic, but I was direct. Mayor, was your community misled or was it lied to?

DYLAN PARKER: I think that the presentation of the bus network prior to the operation of the light rail was definitely not what was presented after the operation of the light rail. I think someone could very reasonably conclude that it was untruthful. However, I will leave that for the Committee. It is definitely the case that the extent of the cuts originally proposed were much, much smaller and the outcome has been a reduction of the order of 20-something bus routes. It is a very bad outcome for our community. I think anyone could take that conclusion, yes.

The CHAIR: Thank you. That brings us to the end of this session. Thank you very much for your submissions and for attending here today. To the extent that there were questions on notice there will be 21 days to return them but the Committee secretariat will be in touch.

(The witnesses withdrew.)

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Mr MICHAEL DALEY, Member for Maroubra, sworn and examined

Mr MATT THISTLETHWAITE, Member for Kingsford Smith, sworn and examined

Dr MARJORIE O'NEILL, Member for Coogee, sworn and examined

The CHAIR: I invite you to make a short opening statement. Now is your chance. Ms O'Neill?

Dr MARJORIE O'NEILL: Thank you very much. Firstly, I thank the Committee for the opportunity to represent a community that runs through my DNA and who I am very proud and honoured to be representing here today and every single day. Since privatisation has come into effect my office has been and continues to be inundated with people of all ages, demographic and socio-economic who have been adversely impacted by the cuts and changes that have happened since and as a result of privatisation. People are no longer able to access healthcare services, go to their libraries, do shopping, get to work, get home from work and visit friends and family. Everything that we feared about privatisation has come into effect and in some cases is even worse than we imagined.

Just last night members of my community walked out of the Swans, me included, greeted by great big signs that said, "No buses. Use light rail." People along here would not be surprised to also find out that those people travelling to Randwick were then forced off the light rail at the TAFE stop, three stops early, because the light rail had broken down and was not able to do the full work that it was meant to do. People are being forced to use the light rail, a subpath piece of infrastructure, a vanity project from the former Premier of this State. This is what privatisation of public transport in our area looks like, people abandoned, isolated, no longer able to get where they need to go, forced to use a mediocre piece of light rail infrastructure. Public transport in the eastern suburbs today is worse than what it was a decade ago. I would probably argue that it is worse than what it was 50 years ago. Our community is not better off because of the privatisation of our buses.

The CHAIR: Thank you very much. Mr Thistlethwaite?

Mr MATT THISTLETHWAITE: Thank you. Ordinarily, these are issues that are dealt with by the State representatives. I have got Marjorie O'Neill, Michael Daley and Ron Hoenig that represent the area that I am in—that do an excellent job. But with the Federal election on, I have been doing quite a bit of doorknocking. Every second house I knock on the door and someone complains about the bus cuts and the privatisation in our community. So I felt it was incumbent upon me to make those representations to this Committee when the invitation was made available. How are people being affected? Firstly, there has been a large increase in commute times. The city buses from our area used to go directly to the city. Now people have to change at either Kingsford, Redfern or Mascot and it is increasing commute times. I can give you an example. Here is an email from Ian Jankelowitz:

I'm writing to ask for help regarding bus routes. My wife and I live at ... Torrington Rd and I work in Surry Hills ... We've started going back into the office since the bus route changes and getting to and from work via public transport is an absolute nightmare.

I can no longer take one bus to work, it now requires 2 busses or a bus and tram. Getting home is the same ... My wife can get to work on one bus but if she comes home before 3 has to take 2 busses ... We have 2 young kids and using public transport has become completely impossible due to the route changes ... We are now required to pay for parking (which is expensive) and increasing environmental impacts

Another email here is from Tuyet Nguyen, who talks about her kids. She lives in Botany. Her kids go to school in Waverley. It now takes them two hours to get home to travel 10 kilometres. That is ridiculous. The second point is that there are no longer services to the destination that people want to go to. Anyone that now lives in Mascot, Botany, Pagewood or Eastgardens, they cannot get to the Prince of Wales Hospital. The 400 bus used to run from the airport, go through Eastgardens and then up to the Prince of Wales Hospital. I ask the Committee, how is a pensioner that does not drive, that lives in Mascot, Botany, Pagewood or Eastgardens, supposed to get to the Prince of Wales Hospital on public transport? They cannot use the light rail; it does not go there. The ironic thing about this is that they are building the new acute services hospital in the Prince of Wales Hospital precinct on Botany Street. But the thing about it is there is no underground parking as part of that development.

Now, when we found out about this, myself, Marjorie and Michael had a meeting with NSW Health and asked them, "Why aren't you building parking underneath a major hospital development?" They said, "Because we want to encourage people to use public transport." But now the New South Wales Government is taking that public transport away. So those people cannot get from that area to the hospital. It sounds like an episode of *Utopia*—you are going to encourage people to use public transport by not providing any parking and then taking the public transport away. The second point is changes that have made it difficult for people to get to work. A classic example is the 400 bus. That used to go to the domestic and international terminals at the airport. But the

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350 bus from our community now only goes to the domestic terminal. I have got an email here from Leonie Lamb, who says:

I am very upset not only with the cutting of Bus Services, but also the closure of a number of Bus Stops, which is making life much more difficult for the Disabled and the Elderly Residents ... I'm sure you are aware that the 350 Bus from Maroubra Junction only goes to the Domestic Terminal at Sydney Airport, where 400 Bus use to go to both the Domestic and International Terminals, which makes it more difficult for both workers and travellers.

You are making it more difficult for people to get to work. So what people are doing is they are driving instead. That is going to increase carbon pollution at a time when we should be trying to reduce carbon emissions in Australia. The fourth point—and this is my last point—is it has made it much more difficult for pensioners and disabled people to get around. I use the example of Beverly Triantafeledes, who came to see me at a mobile office in Pagewood. She is an 83-year-old widow that lives on her own. She used to catch the 310 into the city once a week. It was her outing. With some friends, she would go to the library or go down to Circular Quay or something like that. She no longer does that because of the changes to the bus services. I just think that if you are going to improve public transport, it should make people's lives easier, not making it harder as these bus cuts have done.

Mr MICHAEL DALEY: Thank you, Madam Chair. The terms of reference for this inquiry relate, of course, to the privatisation of bus services and we have and will be talking about things like the light rail which in strict terms do not go towards the privatisation. But what is important is to keep in mind that what you have got in the Eastern Suburbs now is a transport system that was deliberately designed to be the way it was and privatisation is one of the last pieces. The light rail has been a disaster from day one. It was never about improving public transport outcomes in our neck of the woods, it was just about getting buses out of the CBD. That is what it was about. Too many buses in the CBD—they needed to get them out.

Paul Broad and Nick Greiner in the 2012 *NSW State Infrastructure Strategy Report* said, "Whatever you do, don't build a light rail. It will be a disaster." Everything they said has come true. They said, "Do what happened in Brisbane. Spend a billion dollars, put a tunnel in the city for the buses to lay up in." I bet the Government wish now that they spent a billion instead of three on the light rail. What we have got now—and I have spoken about this in Parliament on several occasions, as have my colleagues the member for Heffron and the member for Coogee—is a public transport system in the Eastern Suburbs that is worse now than it was last century. I have been catching buses since I was five. I still catch the bus into Parliament on occasions. It is worse now than it has ever been in 50 years. That is not how a government is supposed to run a society in this supposedly modern age. We loved our buses. We still do. We rely on them because we live out there on a peninsula.

It was instructive to see that during the pandemic, when people were worried about getting sick, they still would rather have taken the risk of getting sick—they caught the bus which was packed and the light rail was empty. People voted then when the two services were running next to each other on what they preferred and the buses were what they preferred. Now we have got a public transport system which is worse. It is slower. It forces interchanges. It is more expensive for many. Contrary to the promises that Premiers and transport Ministers of yesteryear in this Government made, it is less safe, particularly for older people, particularly for schoolchildren. It is more aggravating. It is harder to access. Stops have disappeared. Interchanges have been forced. It is less helpful. It is less customer friendly. The light rail started it. It was a disaster for the environment. Eight hundred trees on Anzac Parade went. Dedicated bus lanes, red lanes—which gave buses an express pass into the city—were ripped up. They are no longer there.

Privatisation was rumoured. I spoke about this on 4 March 2020 in the House, when some brave whistleblower in the public service leaked a document called the *South East Sydney Integrated Service Plan*. It was a sensitive New South Wales Government draft plan, which outlined a number of services that were going to be wiped out. And then two years later, what happened? Those exact services were wiped out. What does that mean? Well, it means that the consultation was a farce. The Government had already made their mind up about what was going to happen in the Eastern Suburbs, and the consultations were a farce. No-one was sitting at this table—not the member for Heffron. I have always said and I have said this in the House, MPs are experts in their local area. They do not know everything but they are the conduits through which a lot of information flows. But this Government, this Transport for NSW department did not see fit to come and ask us what we thought.

When we were last in government, we used to have regional bus reviews every five or so years. They were ugly. There was a town hall meeting. Transport boffins sat up the front. Residents gave them their two bobs' worth. That has not happened in the 12 years or 11 years that this Government has been in place. All is not lost. If there is one message we could deliver from our constituents today, it would be, "Please sit down and listen to us so we can help you, Government, improve our bus services because they are not working. They are not working. They are making life more difficult." If there is one overarching theme that people pass on to us through various emails and the like, it is that they thought government's role was to make life better. This Government is making life worse for people in our area, young and old.

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The Hon. WES FANG: Chair, before we start questioning, I seek a point of clarification, if that is okay, from the opening statements. It actually goes on from what Mr Daley was talking about, about local MPs knowing their area. Mr Thistlethwaite, you were talking about then the destination that most people want to get to, which is Prince of Wales Hospital. I think you said—and I would have to check the transcript—that the light rail does not go to Prince of Wales Hospital.

Mr MICHAEL DALEY: No, he did not say that.

The Hon. WES FANG: No, Mr Thistlethwaite did.

Mr MICHAEL DALEY: No, he did not.

The Hon. WES FANG: There is a stop right out the front of Prince of Wales Hospital. I am the Nat from Wagga, and even I know that. So I fail to understand. The light rail goes to the very point that you have just indicated people want to go to.

Mr MATT THISTLETHWAITE: I said that you cannot get there on public transport from Botany, Mascot, Pagewood or Eastgardens. The 400—

The Hon. WES FANG: I think you then said that the light rail does not go there. You said the light rail does not go there.

Mr MATT THISTLETHWAITE: No, no—

The Hon. DANIEL MOOKHEY: Point of order—

The Hon. WES FANG: We will check the *Hansard* later, but you said the light rail does not go there.

Mr MATT THISTLETHWAITE: The light rail does not go to Mascot, Botany, Pagewood or Eastgardens.

The Hon. WES FANG: It goes to Prince of Wales Hospital, with the stop right out the front. That is all the point I wanted to make, Deputy Chair.

The Hon. DANIEL MOOKHEY: Let me follow that point up.

Mr MATT THISTLETHWAITE: Yes, but it does not go to—

Dr MARJORIE O'NEILL: No, it does not. Your line does not.

Mr MATT THISTLETHWAITE: It does not go to Mascot, Botany, Pagewood or Eastgardens, where people previously could get the 400 bus to Prince of Wales Hospital.

The Hon. WES FANG: That is not the statement that was made.

The Hon. MARK BUTTIGIEG: Mr Mookhey has a point of order. We will hear the point of order.

The Hon. DANIEL MOOKHEY: It is actually not a point of order. I think the Hon. Wes Fang had ceased questioning, so I was going to take the questioning up, Deputy Chair, if that is okay.

The Hon. MARK BUTTIGIEG: Go ahead.

The Hon. DANIEL MOOKHEY: Mr Thistlethwaite, it is the case, is it not, that the light rail does not go to Pagewood?

Mr MATT THISTLETHWAITE: No.

The Hon. DANIEL MOOKHEY: And nor does it go to Botany?

Mr MATT THISTLETHWAITE: No.

The Hon. DANIEL MOOKHEY: Nor does it go to Maroubra?

Mr MATT THISTLETHWAITE: No.

The Hon. DANIEL MOOKHEY: So in order to access Prince of Wales directly, a person from Pagewood would have to get a bus to, where, Central and then get a train back out?

Mr MATT THISTLETHWAITE: Yes, that is right.

The Hon. DANIEL MOOKHEY: In your view, a person trying to access Prince of Wales to access acute services might not have the time to make that journey?

Mr MATT THISTLETHWAITE: Well, no. You would be talking about hours—hour-long journey.

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The Hon. DANIEL MOOKHEY: Previously there was a bus that went directly from those communities to the Prince of Wales?

Mr MATT THISTLETHWAITE: It did, yes: the 400.

The Hon. DANIEL MOOKHEY: When that bus was cancelled, the residents of Pagewood, amongst others, I imagine, were a little bit disappointed that they could no longer access directly the Prince of Wales using that bus route?

Mr MATT THISTLETHWAITE: Extremely disappointed.

The Hon. DANIEL MOOKHEY: That was the point you were making, was it not?

Mr MATT THISTLETHWAITE: Exactly.

The Hon. DANIEL MOOKHEY: Thank you, Mr Thistlethwaite. Dr O'Neill, 372 I think is the bus that went to your community. Correct?

Dr MARJORIE O'NEILL: Yes.

The Hon. DANIEL MOOKHEY: Was that a poorly patronised bus service?

Dr MARJORIE O'NEILL: No, it was not. It was very widely used, particularly by commuters trying to get in and out of the city. That is one of the ones that has been removed. The other bus that travelled a similar route is the 373.

The Hon. DANIEL MOOKHEY: I was just about to ask you about the 373.

Dr MARJORIE O'NEILL: Yes.

The Hon. DANIEL MOOKHEY: Was that a ghost bus?

Dr MARJORIE O'NEILL: Was that a ghost bus? Not at all. It was probably one of the most chock-a-block ones as well. I want to make the note that this Government made a commitment that it would remain but it has removed two of the most fundamental stops for it, so people are now struggling to access healthcare services at the Eye Hospital as a result of the last two stops being removed.

The Hon. DANIEL MOOKHEY: Which Eye Hospital can the people not access?

Dr MARJORIE O'NEILL: The Eye Hospital right next door to here. Now the 373 stops at Museum station. It is over a one-kilometre walk from Museum station to the Eye Hospital.

The Hon. DANIEL MOOKHEY: How many people contacted your office, asking the Government to cancel the 372 or the 373?

Dr MARJORIE O'NEILL: Zero people. Over 80,000 people from our community have signed petitions against bus cuts and the privatisation. In total, in the last 2½ years I have had over 6,000 in just email interactions, and they have all been against these cuts.

The Hon. DANIEL MOOKHEY: Have you received equal volume of people who have welcomed the removal of that service?

Dr MARJORIE O'NEILL: Not at all.

The Hon. DANIEL MOOKHEY: Your community was not told that the 372 and the 373 were likely to be cut in either the privatisation or the light rail. Is that fair?

Dr MARJORIE O'NEILL: No. Our first indication that the 373 and the 372 were going to be removed was when a very brave public servant leaked us a document, which the Government was trying to keep secret, but they leaked it to us. We then had to go and GIPAA it, and the Government at that point even still refused to make that document public.

Mr MICHAEL DALEY: It was early 2020.

Dr MARJORIE O'NEILL: That was early 2020. It was our first indication.

The Hon. MARK BUTTIGIEG: This is the precursor one where they slashed all of—yes.

Dr MARJORIE O'NEILL: Yes. But I will just make it very clear: The New South Wales Government or Transport for NSW did not release that. It was a very brave public servant who knew that this was coming who leaked us that document.

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The Hon. DANIEL MOOKHEY: Can I ask, firstly, do you have a copy of that document?

Dr MARJORIE O'NEILL: I do. I do not have it on me right now, but I will be able to—

The Hon. DANIEL MOOKHEY: On notice, would you able to provide that document?

Dr MARJORIE O'NEILL: Absolutely.

The Hon. DANIEL MOOKHEY: Of course, with any appropriate redactions that you think are necessary that you would like to attach.

Dr MARJORIE O'NEILL: Absolutely. What I will also attach with that is—following receiving that document, we then tried to GIPAA that. As part of the GIPAA, there is a line that says in there that the New South Wales Government did not want to engage in community consultation because they knew how upset our community would be, knowing that 24 bus routes were about to be ripped from them.

The Hon. DANIEL MOOKHEY: Dr O'Neill, that document, you obtained it—and, Mr Daley, you obtained it—in March 2020, I think you said.

Mr MICHAEL DALEY: It was earlier than that. It was dated January 2020, so some short time after that.

Dr MARJORIE O'NEILL: Yes.

The Hon. DANIEL MOOKHEY: So the plan effectively, we can infer, was at least in the transport system somewhere before 2020?

Dr MARJORIE O'NEILL: Yes, correct.

Mr MICHAEL DALEY: Correct.

The Hon. DANIEL MOOKHEY: And the first your community heard about it was when a brave public servant provided it to you collectively, using the plural. Correct?

Dr MARJORIE O'NEILL: Yes, correct.

Mr MICHAEL DALEY: Correct.

The Hon. DANIEL MOOKHEY: Thereafter receiving it, Mr Daley and/or Dr O'Neill, did you seek to have a meeting with the Minister or with Transport for NSW?

Dr MARJORIE O'NEILL: Yes.

The Hon. DANIEL MOOKHEY: Did you have that meeting?

Mr MICHAEL DALEY: No.

Dr MARJORIE O'NEILL: No.

Mr MICHAEL DALEY: No-one, not the three of us—Mr Thistlethwaite can speak for himself—nor Mr Hoenig, as I understand, have been sought out by either the Minister's office or Transport for NSW to sit down and have a proper discussion with us about planned bus services.

The Hon. MARK BUTTIGIEG: This is despite it being raised in the House?

Mr MICHAEL DALEY: It has been raised in the House for years. We have twice tabled 10,000-signature petitions and have spoken about it for years. No-one has spoken to us about it.

The Hon. DANIEL MOOKHEY: What reasons, if any, were you given by the Government in any forum as to why they removed those particular bus routes?

Dr MARJORIE O'NEILL: Part of it is around duplication with the light rail. They have removed what they say is duplication of the light rail, so they do not want additional bus routes going through. With other routes as well—for example, the 378, which used to be a bus route that ran from Bronte directly into the CBD, they had said it was around ceasing that and stopping it now, which has now become the 379. It was around getting rid of that last leg. They have said that that is around patronage. What they have removed is the public service element of our bus routes and put profits above that of people.

The Hon. DANIEL MOOKHEY: And they achieved that via the privatisation or prior to—

Dr MARJORIE O'NEILL: And by streamlining services as well. What they have done is if you have a look at the—so 25 routes in total plus another seven for me, because I have had additional routes removed on

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top of the ones well prior to this. You see routes like the 373. I have asked questions around why the last two stops have been removed, and they have said they were the least patronised of it. Now you still have people that want to use them and go through, but they have just said, "Look, we've done the cost of this, and so we're cutting those last two. This is the most cost-efficient way for us to do it."

The Hon. DANIEL MOOKHEY: Mr Daley and/or Mr Thistlethwaite and Dr O'Neill—but, to be fair, I think Mr Thistlethwaite and Mr Daley have been members of Parliament a bit longer.

Dr MARJORIE O'NEILL: Yes. I think that is fair to say.

The Hon. DANIEL MOOKHEY: No disrespect to you. I am sure you will be there for a long time. Mr Daley, when your constituents were told about the construction of the light rail, were they told that they would lose bus services?

Mr MICHAEL DALEY: They were told nothing. The light rail just raised its ugly head. Randwick council would talk to City of Sydney and the Government early on in the early days of this Government. What happened then was the Government launched a plan and refused to countenance any changes. Even where there were farcical outcomes at the University of New South Wales or at Randwick racecourse, the Government just refused to make any changes. They dropped this light rail on our community, and it has been a disaster. I do not think, Mr Mookhey, you can underestimate just how life-changing these changes have been.

The simple example of a mother who works in the city and has kids in school that have to be picked up by six o'clock, otherwise their after-school care closes: one bus to the suburb previously, now two, or one or more and the light rail, and unless they all arrive on time and it is a seamless transfer, she does not get there on time. There are examples like that all over the eastern suburbs. People now cannot take the risk of using public transport so they just drive or they do not go. We were campaigning out the front of Pacific Square one day at Maroubra Junction and a nurse came up and said, "I live in Maroubra and I work at St Vincent's. I used to catch the bus, get out at Taylor Square, grab a coffee and walk to work. Now I can't. I can't get there on the bus, the light rail takes me to Surry Hills." So now he drives. That is just a failure of public policy and public transport delivery—a total failure.

The Hon. DANIEL MOOKHEY: When you say that this has been worse for public transport in the eastern suburbs, are you referring to the fact that the amount of capacity that has been withdrawn via buses exceeds that which has been provided via light rail, which means on net terms there are fewer seats to get people into the city than there were before?

Dr MARJORIE O'NEILL: There is that; there has also been the removal of bus stops. I asked for a list of the bus stops that have been removed. The list that I was sent by Transport for NSW is incomplete because it only has one in Randwick. There have been four bus stops removed just near my office. So even people's capacity to access buses has been reduced. What was a 400-metre walk is now a one-kilometre walk. For all of us who have been living in Sydney with this weather, that is not an easy feat if you are disabled, if you have small children. So not only do we have a reduction in services but also people's capacity to access bus stops has been diminished. We have estimated close to 50 bus stops have been removed from the calculations on what people have sent us.

Mr MICHAEL DALEY: I remember when I was a new MP, Transport for NSW—or its predecessor, Sydney Buses—used to brag that in Sydney 90 per cent of residents live no further than 400 metres from the bus stop. They bragged about that because it was about service delivery. Now you can see in Transport for NSW's submission on page 8:

Region Nine

The key benefits derived from this region's contract, due to commence in April 2022 include:

- Over \$200 million in operational savings

That is it there—the cat's bell. This is what it is all about. It is just about saving money to government. It is not about making things better for people.

The Hon. MARK BUTTIGIEG: I was going to quote that to you. There is the \$200 million, but then it goes on to state:

Region Nine

On 5 December 2021, bus network changes to Sydney's South East were introduced as part of an integrated transport network.

Mr MICHAEL DALEY: What page are you on, Mr Buttigieg?

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The Hon. MARK BUTTIGIEG: I think my page numbering is out, but I have page 20. "Region Nine" is under the subheading "Bus stops" in the Transport for NSW's submission.

Mr MICHAEL DALEY: Yes, page 11, I think we have. Sorry, what was the question?

The Hon. MARK BUTTIGIEG: It states:

On 5 December 2021, bus network changes to Sydney's South East were introduced as part of an integrated transport network. As a result of these changes, a total of 28 bus stops are no longer served by regular route services, accounting for around 1.6 per cent of all bus stops in this region. Dedicated school services will continue to serve ... about nine of these bus stops.

These changes were implemented in advance of the transition to the incoming private bus operator, Transdev John Holland.

What they are saying is "Look, we've saved \$200 million. It's only 1.6 per cent of bus stops that have been cut, and it was implemented before the contract—the new operator—came in, so what are you complaining about?" That is essentially the substance of that. What is your response to that?

Mr MICHAEL DALEY: It is called "fattening the lamb". If there is one thing that this Government is good at, it is that. You can see that they have done that with privatisations, and you need to look no further than—

The Hon. WES FANG: That is because we have farmers on this side of the House.

Mr MICHAEL DALEY: You need to look no further than the privatisation of the ports, where you have scandalous outcomes hanging off that contract all over the place. The common denominator is that ordinary people pay more and services are not enhanced. But I have said enough.

The Hon. MARK BUTTIGIEG: Essentially that document underwrites what you are saying, does it not? Because the preordained rationalisation of the routes was setting up the privatisation model so that there was a comparison of cuts, cut for cut, instead of what it used to be like to now. But you are giving evidence here today about residents who have come back to you and said, "This is the reality. We are actually missing out on getting viable public transport from the eastern suburbs into the city and back." But the stats do not show it because they have, essentially, prepped it to look good.

Mr MICHAEL DALEY: Yes, I would bet London to a brick, Mr Buttigieg, that the private operators found out about this in the data room before the MPs or the passengers in the eastern suburbs.

The Hon. DANIEL MOOKHEY: Mr Thistlethwaite, Kingsford Smith encompasses the Sydney airport or is close to the Sydney airport, is it not?

Mr MATT THISTLETHWAITE: Yes, Kingsford Smith has Sydney airport within it.

The Hon. DANIEL MOOKHEY: That is a pretty big employer in your area?

Mr MATT THISTLETHWAITE: The largest.

The Hon. DANIEL MOOKHEY: And lots of people who are residents in your constituency work there?

Mr MATT THISTLETHWAITE: It would be the largest employer of residents within my community, yes.

The Hon. DANIEL MOOKHEY: It is close to a 24-hour-a-day facility, is it not?

Mr MATT THISTLETHWAITE: It is.

The Hon. DANIEL MOOKHEY: People are needing to access that airport at all times?

Mr MATT THISTLETHWAITE: Definitely.

The Hon. DANIEL MOOKHEY: Part of the reason that there were direct bus services or services that at least went through it beforehand was in order to facilitate 24-hour access for the people who work at that airport. Is that correct?

Mr MATT THISTLETHWAITE: Yes, that is right, particularly in the context of the fact that it is quite expensive to park at Sydney airport. The car parks are operated by a private operator. For the average worker, particularly someone who is working as a baggage handler, grounds staff, it is prohibitive for them to drive to work three or four days a week and park in the car park and pay for parking. So they relied on that 400 bus service to take them from a place like Eastgardens or Pagewood or Maroubra to the airport to get to work. That service, particularly onwards to the international airport, has now been cut. It has put those workers in a very difficult position.

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The Hon. DANIEL MOOKHEY: That bus service was relatively affordable, was it not? It was on the Opal network?

Mr MATT THISTLETHWAITE: Yes, it certainly was on the Opal network.

The Hon. DANIEL MOOKHEY: Its fares were regulated, correct?

Mr MATT THISTLETHWAITE: Yes, it was always well attended, always well patronised at all hours of the day. It is the only bus service to the airport, believe it or not. The only public transport to the airport from our community has been cut.

The Hon. DANIEL MOOKHEY: That is by bus, yes. So any other person who now wishes to access public transport would have to get a train due to the airport link, would they not, if they decided to?

Mr MATT THISTLETHWAITE: From our area, you cannot do that. You would have to get either a bus or a tram into the city—into Central or Redfern—then get off and then come back to Mascot or get off at the airport.

The Hon. DANIEL MOOKHEY: Switch platforms, indeed, and pay \$15 for the privilege. When the Government decided to withdraw the 400 and 400N, were you told?

Mr MATT THISTLETHWAITE: No.

The Hon. DANIEL MOOKHEY: Were the workers at Sydney airport told, to the best of your knowledge?

Mr MATT THISTLETHWAITE: No, they were not. When the light rail was being planned, I got quite a few emails from constituents asking, "Can you tell us if this bus service is going to be remaining, if this bus stop is going to remain?" I would often write a representation to the transport Minister asking that question on behalf of that constituent. We would always get the same answer, and that is, "We are still negotiating and we are still determining what bus routes will be available after the light rail is installed, and we haven't made any decisions yet." Then one day after the light rail becomes operational, we just find out that they are cutting all of these bus services. There was no consultation with me on behalf of the constituents that I represent.

The Hon. DANIEL MOOKHEY: Has the decision to withdraw the 400 and 400N service been well received in your community?

Mr MATT THISTLETHWAITE: I would say that that is the service that I get the most complaints about—

Mr MICHAEL DALEY: I agree.

Mr MATT THISTLETHWAITE: —because it goes through my electorate from west to east and it services so many different important pieces of public infrastructure in our community. The airport is one of those, the Prince of Wales Hospital, Randwick racecourse, Eastgardens—

Mr MICHAEL DALEY: Maroubra Junction.

Mr MATT THISTLETHWAITE: —all the way through to Bondi Junction. A lot of people use that bus service. It was well patronised by students and by workers and pensioners alike, and it is now gone.

The Hon. DANIEL MOOKHEY: Dr O'Neill, you have also had to cope with the privatisation of services in your area, have you not?

Dr MARJORIE O'NEILL: Yes.

The Hon. DANIEL MOOKHEY: Were you region nine?

Dr MARJORIE O'NEILL: We are. We were all region nine.

The Hon. DANIEL MOOKHEY: Pray tell, how have you found your interactions with the new operator?

Dr MARJORIE O'NEILL: Since 5 December, when the private operator has come into effect, I have to say there is a whole new plethora of community members who are engaging with our community who have previously not been engaged around public transport. It is uncommon for my office to not have a day of someone contacting us as they are now no longer able to get where they need to go—in particular, people just being abandoned and stranded. So it has been pretty—

The Hon. DANIEL MOOKHEY: Who is the operator?

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Dr MARJORIE O'NEILL: It is Transdev.

The Hon. DANIEL MOOKHEY: And they took control of your region on 5 December last year?

Dr MARJORIE O'NEILL: Yes.

The Hon. DANIEL MOOKHEY: And they have now been operating it for close to 6 months?

Dr MARJORIE O'NEILL: Sorry. The private operator came in on 3 April this year. The cuts came in on 5 December. The private operator came in on 3 April.

The Hon. MARK BUTTIGIEG: If there is such a plethora of uproar about this, and presumably Transport for NSW is hearing about this—when you read their submission, it is all okay because they still control the routes and the bus stops and the timetables. Presumably the inference from that is that they have the power to change it. What has been the representation from you, as a local member, to them? What has been the response, if any?

Dr MARJORIE O'NEILL: We have been having ongoing conversations with the Minister. The most recent meeting I had with Minister Elliott was regarding the 373 and getting the last two remaining stops in; he has made a commitment to undertake that. I had a similar meeting with the previous Minister, Minister Stokes. That fell on deaf ears. He said that, no, they would not bring in the last two remaining stops on the 373 because of patronage. It was not worth the money running it down there and they did not want a duplication of the light rail—which, again, people do not want to use. I am waiting to hear back from the new Minister, particularly regarding the 373.

The Hon. MARK BUTTIGIEG: He has given an undertaking to look into it, has he?

Dr MARJORIE O'NEILL: Yes, to look into getting the last two remaining stops back in.

The Hon. MARK BUTTIGIEG: What about the light rail patronage? Has that increased since they have forced everyone onto it, or tried to?

Dr MARJORIE O'NEILL: It depends if it is working or not. I give you the example of last night, when people were forced to use the light rail because no buses were included after the game, but the light rail could only travel two stops because the system had broken down. People were then required to walk the remaining distance to Coogee Beach, which is over two kilometres up and down hills. What is the patronage? I do not know if you are actually able to measure that, because people are continuously being booted off the light rail when it breaks down.

The Hon. MARK BUTTIGIEG: I know from my own experience with my son, who gets on the Transport for NSW app and figures it all out relatively quickly, although sometimes I have seen him make the odd mistake. What is your feedback from constituents in terms of—they now have to be quite sophisticated in coordinating trips and interchanging and planning their trips more, rather than getting one bus from point A to point B.

Dr MARJORIE O'NEILL: From three days ago, I have a message from someone who said, "It used to take me 40 minutes to get to the city. It now takes me over an hour and a half." That is one of the big messages, and what we have said here: Travel times have substantially increased. That is making people's lives much more difficult, but we also know that a lot of people are now turning to private transport and towards their cars, which is costing them more money as they then have to pay for parking in the city.

The Hon. DANIEL MOOKHEY: Dr O'Neill, you were saying that you have been flooded with people wanting to talk to you about transport in the last month as a result of Transdev taking over the operations and going back to the precursor changes prior to them being handed over. What is the scale we are talking about?

Dr MARJORIE O'NEILL: We are talking, in the last month, over 3,000 emails.

The Hon. DANIEL MOOKHEY: Is that similar to you, Mr Thistlethwaite?

Mr MATT THISTLETHWAITE: I can tell you that I have had 5,315 interactions with constituents regarding the bus cuts, either through phone calls, emails, people telling me when I am out doorknocking, or writing letters.

The Hon. DANIEL MOOKHEY: Mr Daley?

Mr MICHAEL DALEY: I haven't tallied mine up, because you also have to include messages on Facebook, Instagram, Messenger and people text messaging.

The Hon. DANIEL MOOKHEY: But it is fair to say that there are a lot?

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Mr MICHAEL DALEY: Every day you get some.

The Hon. DANIEL MOOKHEY: We went through Region 6 privatisation, and now your region is going through the same process. In your view, is Transport for NSW candid with your community about the changes that are meant to be taking place or not?

Dr MARJORIE O'NEILL: No. I think it has been incredibly opaque.

The Hon. DANIEL MOOKHEY: Are they responsive to the community? I presume the same people raising concerns with you in the last month have been raising concerns with them. Are you detecting that Transport for NSW or the Minister have a strategy to handle such inquiries or complaints?

Dr MARJORIE O'NEILL: I will give one example about how things have changed. There used to be a direct phone number, 131 500. You could call that directly and you would speak to someone on the phone and you could log your complaints with them. I tried this morning to call 131 500. There is now no longer a person on the end of that phone, and you are redirected towards a webpage. So even the way in which Transport for NSW is interacting with transport users has completely shifted in the last month.

The Hon. MARK BUTTIGIEG: So you have a situation where there is less frequency of service, there are missing bus stops and people do not even have any recourse. They are directed to a webpage instead of a real person.

Dr MARJORIE O'NEILL: Yes. Six weeks ago, if you called 131 500 to talk and provide a complaint, you were talking to someone on the other end of the phone and they would log your complaint. That is now no longer happening.

The Hon. WES FANG: Deputy Chair, do you mind if I ask a few questions?

The Hon. MARK BUTTIGIEG: No, you should go ahead, Mr Fang.

The Hon. WES FANG: Thank you for coming today. You have made some comments about the transport Minister himself, former transport Ministers, and the engagement that has happened between your offices, the department and the ministry, for example. I am curious as to what representations you might have made to the shadow Minister on the issue and what commitments the shadow Minister might have given you about addressing the concerns that you have.

Mr MICHAEL DALEY: The shadow Minister does not run a transport service in my area, Mr Fang.

The Hon. WES FANG: No, no. I appreciate that. But I would say that the shadow Minister would be hopeful that in less than 12 months a situation might arise where they are part of a party—or a group, if you require some crossbench support—that might be in a position to do something. I am sure the shadow Minister has a view on it. Have you raised it with the shadow Minister? What has the shadow Minister made by way of commitment to you to resolve these issues?

Mr MICHAEL DALEY: I have not raised it with the shadow Minister because the shadow Minister is not responsible for what has happened in our area. You have to remember, even if you want to flippantly say that they might be able to do something in 12 months' time, that we have people who are really hurting right now. Let me take you to two of the areas in my electorate that have traditionally been worst served by buses: the suburbs of Botany and Banksmeadow. I brought the metro bus to Botany and this Government took it away. We had a standing joke in our area. Whenever we wrote to Andrew Constance about bus services in Botany, we would get a letter in identical terms back. We remember the day—we called it "The Bradman"—we got the 100th letter back in identical terms about a serious situation.

The Hon. MARK BUTTIGIEG: You hit the ton.

Mr MICHAEL DALEY: It was a waste of time.

The Hon. WES FANG: I have history of writing to Mr Constance. You got a response; I tend to get responses in the House, but that is by the by. The point is that you say that the shadow Minister does not run the services. Point taken. However, in the lead-up to the election, I would suspect that the shadow Minister would be in a position to make commitments and announcements of what an alternative government might do by way of resolving some of the concerns you have. Therefore, I would have thought that, as local members, you would have raised these issues with the shadow Minister and had some commitments about what they would do and what their leadership might do in a situation where, in less than 12 months, they are in a position to do something about it, yet you have not.

Dr MARJORIE O'NEILL: I have ongoing discussions with the shadow Minister.

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The Hon. WES FANG: On this issue?

Dr MARJORIE O'NEILL: On this issue, with this shadow Minister and the previous shadow Minister as well. I will reiterate what the member for Maroubra has just said. We are 12 months away from the next State election. We will be making commitments, and we have undertakings from the shadow Minister. We will be making commitments closer to the election, but these changes today are impacting people. People today are going to be abandoned in the city. They are not going to be able to get home. People today have not been able to access hospitals and doctors, do grocery shopping.

The Hon. WES FANG: The light rail does go to POW.

Dr MARJORIE O'NEILL: I have had conversations with seniors associations where they have told me that members of their seniors group are no longer turning up because the bus route does not take them where they need to go. That is today, and the shadow Minister cannot solve that problem. We have ongoing discussions, and closer to the election we will be coming out with our commitments around that and around returning key routes and what our commitments are around that, but none of those commitments make any difference to the people today who are abandoned and who cannot get anywhere they need to go. They are isolated and they are not going to address the long-term mental health and health issues that are caused by these cuts.

The Hon. WES FANG: Is it fair then, do you think, to say in a circumstance where in less than 12 months there is a change in government, and the shadow Minister or a new ministry from Labor is elected, where every single one of the issues that you have raised here in this inquiry today are not addressed—is that a failure of yours or of that potential future government to have addressed them? As Mr Daley said in his opening statement, you are the local members and you know your local area very well. I am seeking some clarity about what it is, given that you have raised all of these issues, and quite specific issues, that you want addressed. Is it a reasonable expectation of the community that if you do not have these addressed when your shadow Minister or your side of politics is elected—if they are—that you have failed in your job?

Mr MICHAEL DALEY: Let me take you to what I also said in my opening statement at the end of it when I said, "All is not lost." It is bad, but it is not lost. If we formed government tomorrow, I would be asking the new transport Minister for what I am asking the present transport Minister, which is to sit down with us and with a serious cohort of the community and hear firsthand the drama that is happening in our area and to give serious and proper consideration to changing them to make things better—a review.

The Hon. MARK BUTTIGIEG: Can I just ask you a quick follow-up on that point. As experienced local members plugged into your community, what would be the reaction of a constituent if you just said, "Look, just wait until we are elected and we will fix it."?

Mr MICHAEL DALEY: Only a member of the upper House could ask a question like that, with the greatest of respect. They would not be happy.

Mr MATT THISTLETHWAITE: If you are a pensioner who cannot get to hospital from Botany or Mascot now, speculating on what happens in 12 months' time does not help you tomorrow, and this is happening now to people as a result of this decision. The one thing we can say for certain in our area is that the public transport network has got worse. It has not improved; it has got worse because of those bus cuts that have affected deeply the lives of students right through to pensioners.

The Hon. WES FANG: That allows me, Mr Thistlethwaite, to pose a similar question to you. However, of course, the time frames in this circumstance are going to be completely different because we are in the middle of an election campaign as you have well highlighted. What conversations have you had with your shadows in Infrastructure, Transport et cetera around these issues given that you have obviously felt passionate enough to come here today? And what commitments do you think your shadows might be able to make to resolve some of these issues or at least perhaps to make a contribution or a resolution to some of these concerns of yours?

Mr MATT THISTLETHWAITE: The Commonwealth does not run the buses.

The Hon. WES FANG: I know.

Mr MATT THISTLETHWAITE: We do not have the constitutional power to run the bus services under our Constitution.

The Hon. WES FANG: I am not suggesting that you do.

Mr MATT THISTLETHWAITE: It is dealt with by the States.

The Hon. WES FANG: But certainly there is scope for the Federal Government—

Dr MARJORIE O'NEILL: Through a referendum?

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The Hon. WES FANG: If you would allow me to finish my question. There is scope for the Federal Government to provide assistance in securing or developing large infrastructure projects that may perhaps alleviate some of the problems that you have highlighted, given that you have been very—I will say—uncomplimentary of some of the projects of the State. While it has been dismissed by Ms O'Neill—

The Hon. DANIEL MOOKHEY: Dr O'Neill.

The Hon. WES FANG: Dr O'Neill—apologies. I barely know the people on my side of the Chamber half the time, given that I am in the upper House, let alone your side.

The Hon. DANIEL MOOKHEY: It is on the sheet.

The Hon. WES FANG: Dr O'Neill might scoff at the commentary and talk about the Constitution and the like; however, the point is that there are mechanisms that the Federal Government can do. Given that you have taken the time to come here today to make these points, I imagine that you feel quite strongly about it. What representations have you made to your Federal shadow colleagues to have some commitments delivered to your area?

Mr MATT THISTLETHWAITE: I am here representing the community because this is such a huge issue.

The Hon. WES FANG: I understand that.

The Hon. DANIEL MOOKHEY: Point of order: The Deputy President, to be fair, took three minutes to ask the witness a question—

The Hon. WES FANG: I was interrupted.

The Hon. DANIEL MOOKHEY: The Deputy President can take four minutes to ask a question, but now that he has asked the question, Mr Thistlethwaite was 10 seconds in—

The Hon. WES FANG: That is fair. I would uphold your point of order.

The Hon. MARK BUTTIGIEG: We are wasting time. The witness should be allowed to answer the question in full. Go ahead, Mr Thistlethwaite.

Mr MATT THISTLETHWAITE: It is a huge issue in the area that I represent, which covers all three of the State electorates—two of them are represented here today and I understand that Mr Hoenig is appearing tomorrow. It is because it is such a big issue that I felt compelled to put on behalf of the community how disappointed people are in our area with the changes that have been made. In terms of the Commonwealth, the Commonwealth does not fund bus services. That is distinctly and always has been the remit of the States. It is related to our Constitution. In terms of the Labor Party federally, we are making commitments to improve infrastructure around a number of mainly road transport projects, but not directly running bus services because that is the remit of the States.

The Hon. DANIEL MOOKHEY: Dr O'Neill, Transdev's contract was entered into late last year. Is that correct?

Dr MARJORIE O'NEILL: Yes.

The Hon. DANIEL MOOKHEY: It is a contract that lasts for five years. Is that correct?

Dr MARJORIE O'NEILL: Yes, that is my understanding.

The Hon. DANIEL MOOKHEY: With an option for an additional extension for three years. That is correct?

Dr MARJORIE O'NEILL: Yes.

The Hon. DANIEL MOOKHEY: Which means that the next government will not be negotiating, renegotiating or have a position to renegotiate that for either five years or eight years? Correct?

Dr MARJORIE O'NEILL: Correct.

The Hon. DANIEL MOOKHEY: Has your community seen that contract?

Dr MARJORIE O'NEILL: No.

The Hon. DANIEL MOOKHEY: Is that contract currently secret?

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Dr MARJORIE O'NEILL: I can double-check this. We have gone to try to GIPAA this—actually I do not think we have GIPAA-ed this because when we GIPAA-ed the light rail contract the level of redaction made it absolutely useless.

The Hon. DANIEL MOOKHEY: Let me rephrase this. There is a standard form of contract that is public, but the specific service level amount of payments, is it your understanding that that is kept private for commercial-in-confidence reasons in general?

Dr MARJORIE O'NEILL: Yes, it has not been made public to us.

The Hon. DANIEL MOOKHEY: Your community has no idea what exactly it is the public is paying to provide bus services or the standards that Transdev is meant to meet to your community. Correct?

Dr MARJORIE O'NEILL: No.

The Hon. DANIEL MOOKHEY: That is relatively standard, is it not, Dr O'Neill?

Dr MARJORIE O'NEILL: Under this Government, yes.

The Hon. DANIEL MOOKHEY: To the extent to which you were asked about what you intend to do about it should you form a government, are you effectively being asked how you are going to fix a secret contract that lasts for at least five years or maybe eight?

Dr MARJORIE O'NEILL: Absolutely.

The Hon. DANIEL MOOKHEY: Do you think that your community should have a right to see that contract?

Dr MARJORIE O'NEILL: I think that the public has every single right to know where their taxpayer dollars are going.

The Hon. DANIEL MOOKHEY: Are you aware that Transdev is entitled to incentive-based payments if it meets certain KPIs, or key performance indicators?

Dr MARJORIE O'NEILL: From the contracts and my understanding with region 6, yes, I am.

The Hon. DANIEL MOOKHEY: BusNSW today told us that that is standard across all the regions, that all operators are on performance indicators, and that, to be fair, is not a bad thing to have. But has your community been told precisely what the key performance indicators are that Transdev is meant to meet?

Dr MARJORIE O'NEILL: No, they have not.

The Hon. DANIEL MOOKHEY: Did you have any opportunity to make suggestions as to what those KPIs should be?

Dr MARJORIE O'NEILL: No.

The Hon. DANIEL MOOKHEY: Did the rest of your community have any opportunity to make suggestions as to what the KPIs should be?

Dr MARJORIE O'NEILL: No. The only community consultation that was engaged in with our community happened only after we actually pushed for it. A survey went out, which was a bit of a farce of a survey, and the results of that survey were incredibly opaque and not clearly communicated back to us. When we GIPAA-ed that, it resulted in a whole bunch of individual items. So we were unable to even analyse it properly.

The Hon. DANIEL MOOKHEY: Mr Daley, I presume that is similar for your constituency and you as well. You were not shown the contract?

Mr MICHAEL DALEY: No.

The Hon. DANIEL MOOKHEY: You do not know what the KPIs are?

Mr MICHAEL DALEY: No.

The Hon. DANIEL MOOKHEY: Your community was not given an opportunity to have any input into what they should be?

Mr MICHAEL DALEY: No.

The Hon. DANIEL MOOKHEY: Would your community have suggestions as to the type of performance indicators you would like off the operators? On notice would you like to tell us what you think they should be around reliability, frequency, bus stops?

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Dr MARJORIE O'NEILL: Yes. I think for us it is one around direct routes into the city from our community and not having to change, not having to take multiple routes. In particular, ensuring routes that take people to key health areas has been incredibly important, whether it is Prince of Wales, St Vincent's hospitals or the eye hospital, as well as keeping our bus stops.

The Hon. DANIEL MOOKHEY: Mr Thistlethwaite, can I just move on to follow up some questions that the Deputy President was asking you? Are you aware of any proposal from any party that is standing in the Federal election to mount a constitutional takeover of the provision of bus services in Australia?

Mr MATT THISTLETHWAITE: No, I am not.

The Hon. DANIEL MOOKHEY: Is any party proposing to—

The Hon. WES FANG: I am being verbally again. Point of order, Chair: I am the sole member of the Government here. I think it has to be recognised that I am continually verbally by Mr Mookhey and, indeed, you, Deputy Chair, at points today.

The Hon. DANIEL MOOKHEY: To be fair, to the point of order—

Mr MATT THISTLETHWAITE: You are doing a good job, making a silk purse out of a sow's ear, though, I have to say, Wes.

The Hon. WES FANG: You need a bloke from Wagga to do these sorts of things.

The Hon. DANIEL MOOKHEY: I did not even mention the Deputy President in asking the question. I just asked the member whether he was aware of any proposal from any party to mount a constitutional takeover of bus services.

The Hon. MARK BUTTIGIEG: It is a valid question.

The Hon. WES FANG: It was. It is. I accept your ruling, Deputy Chair. I will allow the witnesses to—

The Hon. MARK BUTTIGIEG: Allow the member to answer.

The Hon. DANIEL MOOKHEY: The question was: Are you aware of any proposal to exercise—I presume—the commerce clause of the Constitution to mount a full takeover of the provision of contractual bus services in metropolitan Sydney or any other metropolitan area by the Commonwealth?"

Mr MATT THISTLETHWAITE: No.

The Hon. DANIEL MOOKHEY: Fair enough. My final question to you, Mr Thistlethwaite, before I pass back to the Deputy Chair, is: If your party is to form government on 21 May and you were to receive a list about all the opportunities you would have to spend Commonwealth money, repairing the mistakes the New South Wales Liberal Party made in New South Wales in the last 12 years, would you have any Commonwealth money left?"

Mr MATT THISTLETHWAITE: I cannot speculate on what would be left. All I know is that these decisions have left our community worse off in terms of access to public transport. I think that Australians pay taxes because they expect decent public services, particularly health, education and public transport services. They are the three basic human rights that people expect from a decent government. We can say, based on the interactions that we have had with our constituents, that people are worse off when it comes to public transport because of these decisions.

The Hon. MARK BUTTIGIEG: Can I ask quickly, before we wind up—and I notice the Chair is entering the room at a timely moment—I notice the member for Heffron is here and has not been admitted as a witness. But he makes a very valid point in his submission. As the Government pays contractors a flat fee—we have heard here that there is an incentive payment—there is an in-built encouragement for things like cutting routes because, if you are guaranteed a price and, in fact, you are guaranteed an incentive for on-time running and all the rest of it, then the implication is that, if you cut services and miss out bus stops to make the on-time running satisfied and funnel people into light rail, then what we have seen happen is a result of that sort of model. Is that an acceptable sort of summary of what has happened here—part of the problem?

The Hon. WES FANG: Did you raise that with the shadow Minister? Just checking.

Mr MICHAEL DALEY: That is part of the problem, Mr Buttigieg. But let us not forget that it is in black and white in the Transport for NSW submissions that over certain aspects of the performance and design of public transport, Transport for NSW maintain the right to determine routes and stops and things like that. So this Government ought not be blaming Transdev for what has happened here. This is all on them.

UNCORRECTED

The Hon. MARK BUTTIGIEG: They have step-in rights to fix it.

Mr MICHAEL DALEY: This is all on them.

The CHAIR: Thank you very much for coming today and for your submissions. To the extent there were questions taken on notice, there will be 21 days to return them. But the Committee team will be in touch. That concludes our hearing for today.

(The witnesses withdrew.)

The Committee adjourned at 15:46.