

REPORT ON PROCEEDINGS BEFORE

PORTFOLIO COMMITTEE NO. 6 - TRANSPORT

INQUIRY INTO PRIVATISATION OF BUS SERVICES

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At Macquarie Room, Parliament House, Sydney on Tuesday, 3 May 2022

The Committee met at 10:00 am

PRESENT

Ms Abigail Boyd (Chair)
The Hon. Mark Buttigieg (Acting Deputy Chair)
The Hon. Wes Fang
The Hon. Shayne Mallard
The Hon. Shaoquett Moselmane
The Hon. Chris Rath

PRESENT VIA VIDEOCONFERENCE

The Hon. Anthony D'Adam

* 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 second hearing of the inquiry into the privatisation of bus services. Before I commence, I acknowledge that we are meeting on the lands of the Gadigal people of the Eora nation, who are the traditional custodians of these lands. 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 Islanders joining us today or participating on the webcast.

Today we will be hearing from a range of stakeholders, including community and advocacy bodies, Inner West Council, members of Parliament for the electorates of Newcastle, Charlestown and Swansea, and also representatives from Transport for NSW and the State Transit Authority. I thank everyone for making the time to give evidence to this important inquiry. While we may have many witnesses with us in person, some will be appearing via videoconference today. I ask for everyone's patience through any technical difficulties that we may encounter. If participants lose their internet connection and are disconnected from the virtual 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 of today's hearing 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. Therefore, I urge witnesses to be careful about comments you may make to the media or to others after you complete your 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 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. In terms of the audibility of the hearing today, I remind both Committee members and witnesses to speak into the microphones. Finally, I ask that everyone please turn their mobile phones to silent for the duration of the hearing.

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Ms SERENA OVENS, Chief Executive Officer, Physical Disability Council of NSW, affirmed and examined

Ms HAYLEY STONE, Senior Policy Officer, Physical Disability Council of NSW, affirmed and examined

Ms JULIE WALTON, Convenor, Action for Public Transport (NSW), affirmed and examined

The CHAIR: I now welcome our first witnesses. Ms Stone, would you like to make a short opening statement?

HAYLEY STONE: Firstly, I would like to acknowledge that I am here on the lands of the Gadigal people of the Eora nation and pay my respects to Elders past, present and continuing. I am here today with my CEO, Ms Serena Ovens. I thank the Committee for giving us the opportunity to contribute to this inquiry. The Physical Disability Council of NSW is the peak body representing people with physical disabilities across the State. This includes people with a range of physical disability issues, from young children and their representatives to aged people from a wide range of socio-economic circumstances who live in metropolitan, rural and regional areas of New South Wales. Our core function is to influence and advocate for the achievement of systemic change to ensure that the rights of all people with physical disability are improved and upheld.

Public transport is an essential public infrastructure for our members. For some, it is their primary mode of transport. It is imperative to enabling social inclusion, both as citizens and members of the community. Accessible transport options are vital to realising employment and education; to being able to travel for recreation; to accessing services such as healthcare, and to connecting people with disabilities with their families and friends. Accessible public transport is a key systemic focus area for our organisation. PDCN represents the interests of our members on the Transport for NSW Accessible Transport Advisory Committee and has done so for several years. We have contributed to several reviews of the national Disability Standards for Accessible Public Transport and more recently provided a submission to the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability on this topic.

We are here today to ask that the Committee carefully considers the impact of privatisation on metropolitan bus services. Our interest is to ensure that the privatisation of metropolitan bus contracts does not impact on the broad accessibility of bus services currently provided under Transport for NSW's statutory commitment to disability inclusion. The progress that we have seen in the movement towards greater public transport accessibility have been incremental and hard won. If progress is lost, there is realistically little that can be done to gain back these losses under our current anti-discrimination law framework. It is vitally important that any private contractors that seek to enter the network can demonstrate compliance with the disability standards for accessible public transport, at a minimum, as a prerequisite for consideration in the awarding of contracts. This is necessary as we have seen private contractors in other public transport contexts seek rolling exemptions on meeting the standards, resulting in decades or more of noncompliance.

It is also important that the Committee recognises that accessibility in the context of the provision of public transport relates not only to the physical accessibility of buses and bus stops but also to the provision of assistive technology resources, accessible information, employment opportunities, concessions, consistency of bus routes and the training of staff. We stress the importance of ensuring that there are rigorous frameworks that hold private providers to matching current levels of bus accessibility and safeguards to ensure that people with physical disabilities can expect equal or greater levels of accessibility for any privately operated bus services across the State. Thank you.

JULIE WALTON: I will first of all declare that I am a former director of the State Transit Authority back in the 1990s. I will remind those of us who were following this issue back in 2003, when the Unsworth inquiry reported, of a submission that was made by the NSROC group, which is the Northern Sydney Regional Organisation of Councils. It stated:

Sydney Buses has services that cross Forest Coach Lines contract area but they are not able to pick up passengers in this area and vice-versa. This ultimately results in a reduced service for passengers.

Now that is what we would say were the bad old days and we do not think it is in anybody's interests for us to return to that kind of dysfunctional bus system. The gist of our submission is that when the Minister announced the privatisation of the remaining STA contract areas, he asserted that private ownership would, in and of itself, improve bus services. Any bus traveller at the time could have told you from their lived experience that bus services in the STA areas were much better than in the areas not covered by the STA. If they lived in the area formerly covered by the private North and Western Bus Lines, which was acquired by the State Transit Authority in 1999, they would tell you that the services got much better, not worse, after the State Transit Authority took them over. So it was pretty strange to hear that the way to make bus services better was going to be to forbid the State Transit Authority to bid for contracts and to eventually dismantle it.

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The evidence now is mounting that delivery by private operators did not achieve in real life what the Minister said he was aiming to achieve. The evidence from bus users is that services have deteriorated in the areas previously served by the State Transit Authority. You have heard a lot about what happened in the eastern Sydney area, but we have also got some examples of dysfunctional practices appearing now in the former Region 7, which was the Ryde bus depot area, and Region 6, the Leichhardt depot area. We would like to particularly highlight what happened to cross-regional routes, which were able to be run when the STA had 14 service contracts in Sydney—that was in 2003—spanning north to south from Palm Beach to Miranda and east to west from Bondi to Parramatta. That led to wonderful cross-regional routes like the 400 and the M50, which went from Drummoyne through to Coogee. You will know what those buses were because they were the M series and they were red, so we are talking about the red cross-regional bus services.

What was happening before was that the State Transit Authority covering that large area was, in fact, operating as four business units. It could and did share depots, and they could and did borrow one another's staff when they needed to. It was possible for a bus to start off at one depot and then go to sleep in a depot somewhere else, but that becomes much more difficult when you have what we call these Balkanised contract areas. I think you will find that that is what happens. We are now focusing, perhaps, a little on the inner city, but you will find that the flexibility was lost and the cross-regionals were lost along with it. It gets complicated when you are trying to negotiate and coordinate multiple operators, and we have seen the result.

The next thing we would like to talk about is the service cuts, and it appears that the contract regime that we have got in place allows operators to cut contracted services if they can get Transport for NSW to agree on the basis of a business case. A business case does not typically take into account the very thing that the Physical Disability Council is just mentioning: the question of social inclusion. Social inclusion is not a factor in any cost-benefit analysis, and if by "business case" is meant cost-benefit analysis then we are in real trouble. We will see a slide in services and a slide back to the bad old days.

So what do we want? Bus services need to be integrated with each other and with other modes to form an integrated public transport system. A better term, perhaps, is an integrated public transport network. The best resource on the subject is the book *Transport for Suburbia: Beyond the Automobile Age* by Paul Mees, which I am happy to circulate and which the Committee might already have. It talks about the need for a dense coverage in a pattern that is broadly a grid. If you have a pattern that is broadly a grid, you increase the ability of people using the system to get from any point to any other point on the system, and that is what was beginning to happen under the original 2003 reforms. If anybody remembers what was on the side of the red buses, it was a grid. That grid was a pictogram meant to describe the fact that that was the basic network-planning principle that was being applied, and now it is gone.

We have got too many black holes in the system where people are not being serviced, we have got too many missing links and, of course, we have not got enough bus stops. First and foremost, we do not have sufficiently frequent services. If passengers have to change vehicles then both of the services—the one they are leaving and the one they are joining—have to run at very high frequencies, by which I mean turn-up-and-go frequencies, which is exactly what the State Government has acknowledged is needed in its Greater Sydney *Future Transport 2056* documents.

What is happening is that those bus improvements are lagging, and it seems that focus is being lost and being diverted to this question of privatising these services. It would be good if the Committee could find out why the improvements are not happening. They are not happening not just in the area that has to do with privatisation right now, but they are not happening also in the areas outside Sydney—a place like Shellharbour, a place like Picton—where you will find that the services are still reflecting the very old, bad old days where they would wander around like drunken sailors trying to say that they are servicing every street. But, really, what they are doing is just going around in circles until they finally get to the destination, and that is a massive turn-off for passengers.

In New South Wales, we have got very strong lobby groups for the private operators. You have heard from one of them, and then the tourism and transport task force is another—often not recognised as such, but that is what it is—and those groups are given the status of stakeholders, as are the individual operators. They make sure they are well connected; they are not prohibited donors. They fund sections of academia, and their interests and passenger interests do not necessarily align. Passengers, on the other hand, have very little input. We are kept out of service planning. We do not have any input or visibility into what is in the contract requirements, and we would like a formal mechanism to overcome that if possible. Just to conclude, Transport for NSW says that it is committed to "always put the customer at the centre of everything we do", and that is all we ask. Thank you for your time.

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The CHAIR: Thank you very much. I want to ask a couple of questions before I hand over to the Opposition. Ms Walton, we heard a little bit yesterday about the difficulties with those regions being operated by different operators and what seems to now be the default of the short trip, as you said, over the cross-regional trip. Is your understanding that that is because, firstly, those contracts limit where a bus operator can go? Can they only pick up and drop off in their own zone?

JULIE WALTON: Do you know what? I cannot read the contract to find out. But in practice, because you have got to get back to your depot by a particular time and you have only got the one depot now in each of the areas, it may be just ingrained in the system or it may be in the contract. I think that is something that the Committee is in a position to find out.

The CHAIR: Thank you. So there is one depot for each area. Is that depot is owned by the operator, or is it just operated by the operator?

JULIE WALTON: Because most of the bus system has been private for many a year, there have always been some purely private depots owned by the private operators. The State Transit Authority had its own depots, and my understanding is that the incoming operator gets a lease on that depot. Thank the Lord that they do not actually get to own the land, as that was a big mistake made, I think, in Victoria. If the company goes belly up, gets itself into financial trouble, then the assets can be sold and you cannot ever buy back the depot space. So we did learn something.

The CHAIR: Okay, so another question for us to ask the Government is why they are not allowing the ability for bus drivers from one zone to use another depot or for those depots to be shared. Are you aware of if—

JULIE WALTON: It is more a question of if that is the case. There is nothing in theory to stop them reaching an arrangement but, in practice, it is just hard. One thing that Paul Mees pointed out in his book is that what nearly happened to the Olympics was that the bus system nearly fell over and we could not service the Olympics, and that is because it was thought that the private operators could get it all together and run the bus services for the Olympics. But as he says, and I know this to be true because I was on the State Transit board at the time:

The majority of these were provided by Bus 2000, a national consortium of private operators overseen by the Bus and Coach Association of New South Wales—

and they made a big deal of saying, "We do it; private's better; four legs good, two legs bad", or the other way around—

Shortly before the games commenced, it became apparent that a debacle was imminent: the logistical difficulties of rostering and scheduling such a large operation, and even parking buses in overcrowded depots, were beyond the private industry. At the last minute, the Games Organising Committee contacted Sydney's public bus operator, the State Transit Authority (STA), for assistance. STA sent a team of managers, supervisors, inspectors and dispatchers to take charge of operations. Disaster was averted, the games went ahead to international acclaim, and free-market advocates in the NSW Treasury and elsewhere resumed their campaign to privatise the allegedly inefficient STA.

The CHAIR: Thank you. Ms Stone, could I ask you about your opening statement in which you talked about the different types of accessibility that we are looking for in a transport system. You mentioned, obviously, physical disability access but also employment opportunities, access to timetables in an accessible way and the consistency of bus routes and schedules. One of the things we heard yesterday is also the difficulties people are facing with multiple short trips and having to get on and off a bus at different places and often travel quite a distance to connect to another bus or to light rail or whatever. Is that concept, I guess, included within the disability accessibility standards for transport, or is that something that is not quite covered? And should it be, I guess?

SERENA OVENS: It is more around whole of journey than what is in the disability accessible standards for transport. It is vitally important because, as you are aware, if someone has a physical disability, particularly if it is a mobility-related one, then the more times they need to get on and off, or change modes of transport—be it public transport or that last mile scenario—it makes it much more difficult for anyone to access. It is also then increased if some of those modes are privatised and they have less access than another mode of transport. So we want to be absolutely sure that when we are looking at privatising the rest of the bus services—and to be honest, buses in terms of public transport are the most accessible for people with disability, relatively speaking. We are starting to see new modes in terms of the metro trains and light rail that are designed more appropriately, but losing or watching that go backwards with privatisation if they do not have to meet the same standards, or if they are allowed to change routes, drop off stops, make greater distances; it becomes more of an issue for us.

The CHAIR: So those accessibility—sorry, I am trying to grasp at what they are called.

SERENA OVENS: The standards.

The CHAIR: The standards that were agreed nationally—

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SERENA OVENS: Yes.

The CHAIR: —do they only apply to government-operated or do they also apply to these privatised services?

SERENA OVENS: They should apply to everybody equally but it is not always the case. It is also unfortunately the fact that we are years behind in terms of the accessibility requirements of the disability accessible transport standards as well. The biggest issue that we have is that noncompliance is very, very difficult to deal with. The Human Rights Commission can address noncompliance but actually the ability for them to then enforce the requirement for contractors, et cetera, to comply is limited—incredibly limited.

The CHAIR: So when it comes to buses, I understand that under those standards, which were agreed in 2002, there were two deadlines: There was the 2022 deadline for most modes of transport and 2032 for others.

SERENA OVENS: It was technically 2018 initially.

The CHAIR: Oh, really? All right.

SERENA OVENS: It has been pushed out to 2032, so an additional 10 years.

The CHAIR: So they have had 20 years to prepare and 2022 was for buses, or was that—no, that is within the 2022 deadline?

SERENA OVENS: So it is mostly rail and some of the infrastructure, such as stops and access to stops for buses that is greater than 2022 and moving to 2032.

The CHAIR: Okay. So when you say that New South Wales is then behind, I understand. I have asked a couple of Ministers in budget estimates about this and they have said, "Oh, we're no more behind than everyone else. We're all behind."—which I do not personally take as much of an excuse.

SERENA OVENS: It is not an excuse if you are a person with disability and you cannot get onto your local railway station or your bus for the next 10 years and you either have to travel further every day or travel on a far more expensive mode of transport in order to get to your job or to your work or to your social activity, if at all.

The CHAIR: Well said. So do we know then how much or how far the Government has to go to meet the deadline this year?

HAYLEY STONE: The most recent reports around bus accessibility, in particular, is that we have met 88 per cent of buses being wheelchair accessible in the metropolitan area, so we do have a bit of a way to go. Not all services offer wheelchair accessibility and so people are in a position where they have to, you know, be very careful about which transport they choose. But we are not very far behind.

The CHAIR: So that is one aspect. What about all of the other requirements for accessibility of buses? Do we have any visibility over the work that is left to be done on that?

SERENA OVENS: So there is limited visibility. They do and are supposed to report and we have seen reports. The issue is that they get exemptions, so rolling exemptions happen five years after five years after five years across public transport infrastructure when they do not meet those deadlines.

The CHAIR: Who grants those exemptions?

HAYLEY STONE: The Human Rights Commission.

The CHAIR: Okay. Is there ever any push back from the commission?

HAYLEY STONE: Yes, from organisations like ourselves. We are able to contribute and provide submissions as to why we do not support the exemptions. However, it often does come down to a case where, really, if the entity is not compliant, what choice really does the Human Rights Commission have but to grant an exemption? It is a catch 22 here so often times, although what we say is persuasive and the entities are required to respond to what we say and they make representations about how they will address our concerns, ultimately I do not think that the Human Rights Commission is in much of a position to really do anything in regard to noncompliance.

The CHAIR: Are some of the operators of the bus zones in New South Wales better at this than others? Do you know? Are there some repeat offenders, or are they—

HAYLEY STONE: I do not know specifically of any repeat offenders. As part of my research for this, I actually did have a look and see if there were complaints that had been made to the Human Rights Commission in relation to private bus contractors. There were not any that were particularly recent. That is not say that there

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are not issues with those providers because many times people with disability do not actually make complaints because the complaints process is quite arduous.

SERENA OVENS: And usually results in bugger-all in terms of changing the system.

The CHAIR: This is my final question before I hand over to the Opposition. If you had a complaint about the operation of a bus service in your area that was run by a private company, is your only resort to go and complain to the Human Rights Commission, or is there—

SERENA OVENS: No. You would have to step through. You would initially take your complaint to the actual company itself. If that was not heard then you would follow a process of taking it further, with the Human Rights Commission being the ultimate place to go.

The CHAIR: Is Transport for NSW involved in that process? Are they one of the steps?

SERENA OVENS: I actually could not confirm whether, if it is a privatised bus service, that you could complain to Transport for NSW. I am unaware of whether that is part of that process.

The CHAIR: Okay. We might need to find that out. Finally, it would be easier, would it not, if the New South Wales Government and Transport for NSW took responsibility for ensuring that those private operators complied with the accessibility standards.

SERENA OVENS: Absolutely, and we would expect that that was part of any contract—that they were meeting, at the very least, exactly the same as any State Transit scenario would need to and preferably we would like everyone to be above and meeting the DSAPT requirements of the national disability standards for transport and more than, if at all possible.

The CHAIR: Thank you. We will look into that.

HAYLEY STONE: Chair, if I could just make one more comment, just picking up on your comments around the disability standards and how we talked about things like employment and such forth. I guess it is important to highlight that Transport for NSW is bound, obviously, by the standards, but also by its Disability Inclusion Action Plan. There is a whole framework of rights for people with disability that is embedded in Transport for NSW which we would not necessarily get under private management of these transport services. So I guess it all does come down to the terms of the franchise agreement as to whether Transport for NSW is looking to embed all of those requirements into the contracts, which is what we would be hoping for.

The Hon. MARK BUTTIGIEG: But we do not know whether they are embedded in those contracts because we cannot get a hold of them.

HAYLEY STONE: No.

The Hon. SHAOQUETT MOSELMANE: Can I just ask one question following up from the Chair's comments in relation to the Human Rights Commission as being the ultimate point of call for exemptions? Once companies know that they are going to get granted exemptions, then they are not going to be compliant in future because they know that they are going to be able to get away with it. My question here is: Do you have statistics as to the types of exemptions and how many? There is the Human Rights Commission granting those exemptions how many times a year, if there were complaints and so forth?

SERENA OVENS: I could not give you absolutes. I could certainly take it on record and provide you with what the Human Rights Commission are able to give us. But what we do see is rolling exemptions. Usually five years is the term that they would ask for an exemption for, and the requirement is usually that within those five years they meet the requirements of the Transport Standards. If that does not happen, they are entitled to ask for an additional exemption, and we have seen many rolling exemptions.

The Hon. SHAOQUETT MOSELMANE: And that could be another five years?

HAYLEY STONE: Yes.

SERENA OVENS: Correct.

The Hon. MARK BUTTIGIEG: Can you just elaborate on that and how it works structurally? When you say the standards, the standards are set by who?

SERENA OVENS: The Federal Government. They are the Federal disability standards for accessible public transport.

The Hon. MARK BUTTIGIEG: And the recourse or the oversight body is the Human Rights Commission.

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SERENA OVENS: The Human Rights Commission.

The Hon. MARK BUTTIGIEG: But they have got no enforcement powers. So they are almost forced into an exemption because there is no punitive—

SERENA OVENS: There is no punitive requirement, unfortunately.

The Hon. SHAOQUETT MOSELMANE: No teeth.

SERENA OVENS: Very unfortunately.

The Hon. MARK BUTTIGIEG: When we go back to the discussion we had before about the disability inclusion plan for Transport for NSW, is that a guide or are they obliged to—

SERENA OVENS: Again, they are supposed to be reporting against their plan. Most departments will do that in their annual reports and it can vary absolutely from a paragraph that says, "Yay, we have done great things with our Disability Inclusion Plan", or it can be more formal reporting. But, again, it is a self-reporting scenario in which they are supposed to be looking to the public and to people with disability to be part of that reporting process. Once again, if they fail to meet a requirement, there is no consequence. It is just that we did not do it; we need to do better.

The Hon. MARK BUTTIGIEG: Goodness me. So you have got the Human Rights Commission toothless, with guides from the Federal Government.

SERENA OVENS: Yes.

The Hon. MARK BUTTIGIEG: You have got the State authority, Transport for NSW, with a plan that does not really mean anything because it is not enforceable. So there is no legal recourse for any of this to be accountable.

SERENA OVENS: And our human rights Act—we do not actually have a human rights Act. Our Disability Discrimination Act is not, as well, capable of dealing with the noncompliance. So it is a pretty poor system for people with disability, and the one thing we need to see with any privatisation is it does not become worse. The classic example—

The Hon. MARK BUTTIGIEG: This is the point, isn't it, of some of the evidence? What I am hearing is that, because the provision of service is now arm's length from the Government via a contractual relationship, there is less—at least when the Government had it, even though there was technically no punitive enforcement, you could go direct to the Government and say, "This is a problem."

The Hon. WES FANG: Where is that evidence?

The CHAIR: You will get your turn, Mr Fang.

The Hon. MARK BUTTIGIEG: No, I am putting it to the witnesses that that is their evidence. That is the question.

The Hon. WES FANG: No, that is not what you said.

The CHAIR: Order!

The Hon. MARK BUTTIGIEG: That is what I am saying. You can twist my words however you want, but that is what I am saying.

The Hon. WES FANG: They were your words.

The CHAIR: Order! We cannot talk across member to member; it is member to witness. Mr Buttigieg, you had the call. Did you have a question?

The Hon. MARK BUTTIGIEG: Is that essentially what your evidence is here today?

HAYLEY STONE: Yes. What we would be saying is that it adds an extra level of complexity and a lack of transparency. Transport for NSW is committed and obligated under the State and Federal mechanisms around human rights to comply with certain provisions, and they have actually committed to that through their disability inclusion plan. But private entities are not bound by a disability inclusion plan. They do not have that same accountability in terms of transparency. What processes they do incorporate we would not necessarily be able to really have that same level of understanding of what they were.

The Hon. SHAOQUETT MOSELMANE: So you need transparency, accountability but, most importantly from what I hear, enforceability.

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SERENA OVENS: A consequence. Absolutely.

HAYLEY STONE: Yes, and one of the things that I do want to highlight is that we have very good relationships with Transport for NSW, and part of the disability inclusion plan involves them regularly consulting with the disability community. We sit on a lot of advisory panels. We participate in trials of new transport options. So we are constantly asked to provide contributions and input from our members. If it were to switch to a private company, we would not necessarily have those connections any more. We would have to rebuild those connections.

The Hon. MARK BUTTIGIEG: It is a twofold problem here, is what I am hearing. Let's assume that nothing is privatised and we are back to the old days with the STA and everything is not as good as it could be, but it is better. Even then if there is a breach of the inclusion plan or standards, there is no legal recourse. So there is a legislative defect there to start with.

SERENA OVENS: Correct.

The Hon. MARK BUTTIGIEG: Because if we are taking disability seriously, we should legislate to enforce penalties.

SERENA OVENS: And we should enforce when they do not meet compliance.

The Hon. MARK BUTTIGIEG: So that is one thing. The second thing is, on top of the lack of transmission of accountability, you have now got arm's length contractual relationships making it even worse.

SERENA OVENS: Correct.

The Hon. MARK BUTTIGIEG: And there is a question mark, I imagine, over—even if you did have legal recourse to the Government—whether or not a private operator via a contract could avoid that legal responsibility. So these are the things that the Committee has to consider, I think.

SERENA OVENS: Correct. We are not saying it absolutely happens, but we do know that there are examples where privatisation has occurred in areas such as Newcastle et cetera, where stops disappear and distances to walk between stops become greater and timetables—as Ms Walton was saying, because they have a requirement to meet a timing deadline et cetera stops can be missed as people are travelling. We want to ensure that there is no detriment to privatisation, particularly for people with disability who already have limited access to public transport and buses happen to be one of the better types.

The Hon. MARK BUTTIGIEG: Presumably the people you represent and advocate for and are a voice for come across the defects of this privatised system on a fairly regular basis because of the nature of their circumstances. They are obviously going to. In terms of accountability and recourse, what do you do? If I am at a bus stop with a wheelchair and a bus does not have wheelchair access or the bus does not turn up or whatever, what do I do? Who do I call? Can I call anyone?

SERENA OVENS: If it is a public transport bus, you can call or email your complaint to Transport for NSW. If it is a private service, there should also—because everybody has to have a complaints mechanism—be a complaints mechanism. I could not list what that would be for every single different private bus operator, but I would suggest it would be, again, a phone number and/or an email address that you could complain to.

The Hon. MARK BUTTIGIEG: The evidence we had yesterday from a witness, from one of our local members I think, was that people would call a number and then they would be diverted to a website and there was no human at the other end.

SERENA OVENS: That can be the case.

The CHAIR: If I could just ask one question on the back of that and then I will come to you, Mr Rath. We hear a lot from the Government about privatisation being important for competition. But that competition is really only at the tendering phase for the contract because, from a passenger perspective, you only have one choice.

SERENA OVENS: One option.

The CHAIR: That is right. So for people with a disability who are complaining to a particular operator, it is not like they can take their business elsewhere.

SERENA OVENS: Their service somewhere else? No.

The Hon. MARK BUTTIGIEG: It is not a real free market, is it?

The CHAIR: No.

The Hon. SHAOQUETT MOSELMANE: One question before you pass over.

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The Hon. WES FANG: We have been so—

The Hon. SHAOQUETT MOSELMANE: It is in relation to the transparency question.

The CHAIR: A really quick one.

The Hon. SHAOQUETT MOSELMANE: There is plenty of time.

The Hon. WES FANG: No, I know.

The CHAIR: Order!

The Hon. SHAOQUETT MOSELMANE: Just to follow up on this.

The Hon. WES FANG: Of course, they are all follow-ups. That is the point.

The Hon. SHAOQUETT MOSELMANE: I could have asked the question and it would have been done. In terms of transparency and the contractual agreements, are they not currently transparent? Are they not available? Is that what would be one of your suggestions—that the contractual agreements be made available for people to see so that when they ask a complaint about issues, they can sight those contracts?

SERENA OVENS: Everyone would like some transparency over what contract requirements are, absolutely.

The CHAIR: We have plenty of time. There are 20 minutes left. Members will cease interjecting.

The Hon. CHRIS RATH: Thank you for your evidence so far. Ms Walton, I want to ask you a couple of questions if that is okay.

JULIE WALTON: Sure.

The Hon. CHRIS RATH: You obviously seem to be across a lot of the detail about the history of privatisation of buses within New South Wales. What sort of time period would you say that privatisation has occurred? Is it in the past 30 years?

JULIE WALTON: The truth is that a lot of the bus system of New South Wales has never been anything but private. The broad sweep of history shows small private operators running small services that are mostly school runs or service the local railway station. They get to a point when the population grows, the demands are much greater, the systems would either fall over and the Government would take them over—which is what happened to the ferries, by the way. The ferries started off private, so did much of the rail system, but the private sector could not run it in a way that served community needs. Every time they fall over or they cease to do what the community and the Government expect, the Government steps in and takes them over. So, in the broad sweep of history, it was around the 1950s when most of even the Sydney metropolitan area were run by private contractors. Then, bit by bit, they became part of the State Transit Authority area.

Unfortunately, underlying the State Transit Authority area were the old contracts, which are the old, small contracts from the time when they were trying to just serve the local railway station or the local shopping centre. We did not actually combine the contract areas until it was pointed out in 2003 that they did not reflect modern travel patterns. And I think we are still in that position—that the underlying contract areas are still dysfunctional. There are too many of them. Sorry, to return to your question: How long has it been going on? Since about the 1950s, I suppose. But it is a bit like a concertina. If you look at the really long view: Private sector good, public sector bad, the concertina goes out; public sector good, private sector bad, back in again. And we are still in *Animal Farm*, with people asserting that the public system cannot do anything right until there is a pandemic or something really important happens—

The Hon. WES FANG: Or the Olympics—

JULIE WALTON: Or the Olympics, correct. And so I think one of the principal mistakes that was made was not to keep the capability in government hands because sometimes you do need to step in. I think I have wandered from your question, I am sorry.

The Hon. CHRIS RATH: I was just interested because obviously privatisation was not a concept invented in 2011; it has been going on for a long time.

JULIE WALTON: The best thing to look at is probably the 2003 Unsworth report because it has got the full history in it, and it is long and it is interesting.

The Hon. CHRIS RATH: Who was the Minister at the time during the Olympics?

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JULIE WALTON: Oh, goodness me. Who went to the Olympics? I think—in fact, I am sure—it was Scully.

The Hon. WES FANG: Honestly, I could sit here all day and talk to you about transport. I think it is fascinating, particularly the disability components. I am from Wagga. In this inquiry I have very much a focus on not just the metropolitan—which seems to be the predominant theme in this inquiry—but obviously there are private operators in regional areas, and that has not really been spoken about. Obviously within regional areas as well there are those people with disabilities for whom we are discussing bus stops that are missing so they have got to go further. For regional people, there are no bus stops. That transport concern is a different one because it just does not exist and so the reliance is on different areas. I am keen to know, from your experience, what you have found by way of regional bus companies that provide that transport and their engagement with the disability sector to find out how they engage with things like services, the standards that are required and even employment—the issues that you have raised, but more in a regional setting.

SERENA OVENS: Unfortunately, in a regional setting everything is worse, to be quite honest. There is less transport in the first place—virtually nil in some areas as we get obviously past regional into rural. It is not to say that any particular provider is not good at what they do; it is just that there is far less infrastructure, full stop—either the service or, as you say, literally the footpaths, let alone the bus stops or any protective cover et cetera for someone to actually access. We do know, of course, and we look to areas even outside of New South Wales. The disability royal commission round table that we sat on last week had people from Northern Territory talking about bus services there that are the one and only, of course, way of getting from Katherine to Darwin et cetera, where they are private, they are difficult and cost is a factor. This is the issue for us: If a private company decides that the cost is too great, they just stop the service and then we are left with no service. So whether you are disabled or not—but particularly when you are disabled—if there are limited services and it is stopped because it is just not viable, that is a huge concern.

HAYLEY STONE: I guess if I could just follow on from that, I think one of the things that we could say is that there would be inconsistency. There will be some providers who really do value inclusion who would be really trying to ensure that the needs of their passengers with disability were front and foremost in how they operate. But the concern for us is obviously it is around that consistency: For every provider that does that you will have another that will be going, "Well, it's not cost effective for us to operate like that."

The Hon. WES FANG: I know, Ms Walton, you want to make a contribution but just while I have Ms Stone talking about that topic, the reason I asked the question is—I am from Wagga—there are a lot of private companies that provide bus services, school bus routes, bus routes around town. Being a smaller community, not like a metropolitan area, the drivers tend to know their passengers. I think there is almost more of a sense of if there is somebody with a disability, they will go above and beyond because they form that bond. Is that what you have found? It is easier for these mum-and-dad private operators that operate these buses who are, in some ways, actually looking to go more out of their way to assist their disabled passengers? That is my experience, but you would have a much broader view on this than I would.

HAYLEY STONE: I think you are absolutely right. I think in regional and rural areas there is far more personal assistance and relationship between drivers and their passengers. However, the bottom line is, on the whole, there is less accessible transport in the first place—if at all. So if you are a wheelchair user, you are probably in most regional areas completely without public transport. If you need mobility assistance to get up and down steps then, yes, you are more likely probably to see a driver assist someone. It is the same with the taxi service; we see a far more personalised service with taxis because people get used to using the same driver, getting the same assistance and they will obviously gravitate to that.

One of the big issues you mentioned is school buses, and Julie mentioned it as well. School buses are a classic example of exemption after exemption after exemption in not having to provide accessible transport for students. So what is provided by the Government are WAT taxis—wheelchair-accessible taxis—to get a student to and from school, but you have a complete crazy scenario where the child who needs the wheelchair-accessible taxi is allowed to hop in that taxi and go to school but their brother or sister or friend that might live next door cannot travel with them. Equally, the brother or sister may need to get on public transport and travel to school and the parent is then left in limbo: Do they wait with one child to get on public transport or do they meet the other child at the door with the wheelchair-accessible taxi?

The Hon. WES FANG: That seems like a situation where common sense has been abandoned.

SERENA OVENS: Completely.

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The Hon. WES FANG: And it is something that maybe I will perhaps raise, if I can address that, because that does sound ludicrous. We will talk offline later because that is something that I think we can potentially apply some common sense to, if I can speak to the relevant Ministers at the time.

The CHAIR: Could I just ask one question on the back of your—

The Hon. WES FANG: Yes, but Ms Walton wanted to make a contribution.

The CHAIR: Go on.

The Hon. WES FANG: It is up to you, Chair. You are the Chair, you have all right. You can wield your power and cut me off.

The Hon. SHAOQUETT MOSELMANE: Come on, Wes, you are wasting your time.

The CHAIR: Or overpower. Ms Walton, please.

JULIE WALTON: I did partly want to contribute to the question that was raised by the member. I think what happens is that in areas where bus services are not commercially viable, and that originally was most of the area, it has got nothing to do with privatisation because it is most of the State, including the areas that you would call peri-urban. The ones that I know are around Wollondilly and around Shellharbour. What happens is that we have still got the ghost of the old minimum service level contracts, and they were given by the Department of Transport years ago. The trouble is that that division was well and truly captured by the private operators. So if the business was not going to make money, then they pretty much only had to say, "It isn't going to make money," and they say, "All right then." A little like the disability standards. They say, "We don't want to buy a bus that's got numbers on the back." They would say, "It's all right then," because the Government was not ever prepared to step in and provide services.

The point of the modern regime is supposed to be that the Transport ministry or transport—what is it called now?—Transport for NSW is the central agency that coordinates and provides services, and it is supposed to do it on the basis of proper service planning, which it could and should do for rural areas every bit as much as it can and should do it for the metropolitan area. The State Transit Authority historically was the repository of that level of skill. It is a question now of whether the contract division in the Transport agency has been similarly captured, and whether it is properly trying to deliver what is shown in this plan and the ones for the regions or whether it is still too close to the operators and still responding in a way that is not sufficiently mindful of the interests of the consumer or the customer. I think the answer might be yes.

The CHAIR: I think some of the comments that Mr Fang has raised around the difference between the regional small-scale, family-operated bus services and what we are currently seeing with this sort of rather large operator model being used in Sydney ties in with some of the evidence that we heard yesterday around bus drivers working in these Sydney zones having their roster changed at the last minute and a lot of chopping and changing of schedules et cetera. I know that we are focussed on physical disability, because you are from the Physical Disability Council of NSW, but I know that you also have a lot of experience with intellectual disability as well. How does that impact of a much less personal service—where you do not know who the driver is going to be and it is all a bit unclear, as opposed to the situation in places like Wagga—impact on people with an intellectual disability?

SERENA OVENS: Far greater than it probably impacts on most people with physical disability. People with intellectual disability—and, again, the CID, the Council for Intellectual Disability, would be the authority on this—they take a lot more for most people to learn. They have to spend time with others learning how to actually use public transport. They rely on people. So people are their touchpoint. If someone is not personable and if they are not used to dealing with someone with an intellectual disability and they see an aggression or a behaviour from them that they do not see or understand as being because of their intellectual disability and they are concerned about something being different to their usual trip, it becomes far more problematic. For someone with an intellectual disability, they really need to know that the service is going to be predictable, that things will always be the same and that it will always turn up at the right time in the same place. And if things change, they need human assistance to be able to cater for that change, to get their questions asked and to find out the way to deal with that change.

The CHAIR: Ms Walton?

JULIE WALTON: I wanted to mention something that one of our members sent me before the hearing. I think this would be terrible for a person with an intellectual disability. A Ryde depot bus one of our members was on recently did not stop to pick up passengers at some bus stops because he was running late due to a lack of sufficient recovery time at his previous terminus. This did not happen in State Transit days. Remember that poor

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young boy in Queensland who was murdered; the bus did not turn up and he took a lift. That reliability really matters not just for people with disabilities but for young people and vulnerable people, so that was my point.

The Hon. MARK BUTTIGIEG: Presumably this is exacerbated by—you have got these multiple interchanges now that you have to plan out. You might have to change the bus twice and get onto a light rail or whatever, and it requires a certain savviness with technology now because it is all based on an app. I cannot imagine even my elderly parents working this stuff out, let alone someone—

The Hon. SHAOQUETT MOSELMANE: I cannot either.

SERENA OVENS: I will put my hand up too. My bus services to get from work to home used to be two connecting buses. So I hopped off on one and then literally stood in the same place and waited for that second bus. It is now broken down into more than three buses, and it is complex to work out how you link between those three to get a journey home that is not under an hour and a half for a 15-minute drive.

The Hon. MARK BUTTIGIEG: Isn't the crux of all this that if you are going to outsource something and subject it to the private profit motive, then you are going to have to legislate for a legal recourse, otherwise they will not provide the service because it is not profitable. Isn't that the bottom line here?

HAYLEY STONE: Yes, I would say that is the bottom line. The Government has to really safeguard the structures, as minimal as they are, that exist in place currently under State-operated transport services within any private contracts. That might look like requiring the vehicles to be compliant with the disability standards at the get-go as minimum to even being able to tender, accessibility audits, and the commitment to co-design and engage with the disability community. Those are all the sorts of things that we would hope would be embedded within those contracts, and that those private contractors would be obligated to comply with those.

The Hon. MARK BUTTIGIEG: That Disability Inclusion Plan, which is for 2018-2022—that is the one in place now—if you were to do an audit now, they would not be complying with that, or would they?

SERENA OVENS: With what in particular?

The Hon. MARK BUTTIGIEG: With the parameters that are contained in that plan for disability access.

HAYLEY STONE: A Disability Inclusion Plan is aspirational. It is something the department set as the standards that it wants to meet in compliance with Australia's Disability Strategy. In terms of the disability standards, those relate to the anti-discrimination laws. So the anti-discrimination laws have the standards embedded within them, and one of those is transport. Yes, you are right, they are not 100 per cent compliant with what the standards are. The standards only prescribe minimums, by the way. We would want to see much greater accessibility.

The Hon. MARK BUTTIGIEG: Are there any jurisdictions that we can look to, either within Australia or overseas, where they are cutting edge and they would be ideal to live up to?

The Hon. SHAOQUETT MOSELMANE: Read the book.

The Hon. MARK BUTTIGIEG: Read the book?

SERENA OVENS: Zurich.

The Hon. MARK BUTTIGIEG: Zurich, is it?

HAYLEY STONE: A comment that I might make is that Transport for NSW has committed to—it has said to us that it aspires to be the second most accessible transport service in the world.

The Hon. MARK BUTTIGIEG: The second most?

HAYLEY STONE: Yes.

The CHAIR: After Zurich.

HAYLEY STONE: Maybe it is Zurich.

The Hon. MARK BUTTIGIEG: Fair enough.

The Hon. SHAOQUETT MOSELMANE: Ms Walton, in your introductory comments—you might take this on notice—you mentioned that there is dysfunction at regions 6 and 7 depot. Can you elaborate on what those dysfunctions are? You said there are too many black holes in the system. Can elaborate on those black holes?

JULIE WALTON: Sure. What I was referring to is that the system generally of public transport has too many black holes, but specifically now I am told that a black hole is being created in Denistone, which used

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to have a service and now it is 2½ kilometres for people to get to the nearest bus route. It is Denistone West, and that is the cancellation of the route 543. What was the rest of your question, sorry?

The Hon. SHAOQUETT MOSELMANE: You mentioned about the dysfunction at regions 6 and 7 depot.

JULIE WALTON: That was Region 7 or 6, so that was the one I was thinking of. The other is the loss of the cross-regionals. That is Region 6 that was affected by that.

The CHAIR: Thank you so much for your submissions, and for coming and sharing your expertise with us. It has been an incredibly useful session and an opportunity to shine a light on disability issues, which seem to always be at the bottom of government's lists. To the extent there were questions taken on notice, the Committee team will be in touch, and there will be 21 days to respond.

(The witnesses withdrew.)

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Mr KEN WELSH, Team Leader, Strategic Transport Planning, Inner West Council, before the Committee via videoconference, sworn and examined

The CHAIR: We now welcome our next witness. Mr Welsh, would you like to make a short opening statement?

KEN WELSH: Just a very brief one. It is basically the submission presented by council. Council is not privy to the detailed negotiations and arrangements within the contracts themselves. They are commercial-in-confidence and so forth. The submission we prepared is that council is generally opposed, in principle, to privatising public transport. It is based on our experience with the privatisation of buses in Region 6 back in July 2018 and the ferries back in 2011. Our primary concerns are outlined in that submission, so I am not going to go into that but to say that there are two key categories. One is what is real, and two is what is perceived. Often we find that the perception is under-valued, whereas the reality of public perception in terms of achieving that shift is extremely important. If the public perceives there is a problem, even if in reality there may not be, then it will influence the ability for people to convert from private car travel to public transport. I am all yours.

The CHAIR: Thank you very much. Could I just ask you the same question I asked our council witnesses yesterday? The submission that you have made, what process does that go through in terms of being signed off by the councillors? Do the councillors sign off on this, or is it based on their previous statements?

KEN WELSH: It is a combination of factors. I prepare it based on previous resolutions of council and previous statements they have made. We then compile the draft. Because the timing did not fit with the council meeting and this one was not debated at council, it was then referred to all of the councillors. The councillors were then given a week to give us feedback on it, and that feedback was then incorporated in it prior to being sent to the Committee.

The CHAIR: That is very useful. I will start with questions from the Opposition.

The Hon. MARK BUTTIGIEG: I notice in your submission, Mr Welsh, you are saying that council is concerned with the privatisation model as the population of the inner west grows and that bus services might not increase as operators may prefer to run fewer services at capacity rather than more services at lower capacity. Is that because there is basically no incentive for them, given the increased services based on input data, which only measures patronage? In other words, if you are going to measure patronage by data like Opal tap-on and tap-offs—it seems to me, from the evidence we have heard to date, there might be a twofold problem there. Even if you accept that that is an acceptable criteria, the data is probably understating the amount of patronage because not everyone taps on and off. That is the first issue. The second issue is even if you got 100 per cent accurate data, you would still have routes that the public would deem to be necessary to service—for example, someone who lives down at the end of a peninsula or whatever and wants to go as close to home as possible. Then they would not be serviced either because there is obviously a set payment that the operators get paid and as long as they get paid that, in order to maintain a profit, they are going to have to cut those services. Is that kind of the essence of the submission?

KEN WELSH: I think that you have summed it up really nicely. The other factor there is it is much more economic to run a bus that is full than to run two buses that are partially full. So the actual number of services for the number of people is the other factor in there. But, yes, you have summed it up nicely.

The Hon. MARK BUTTIGIEG: I would say, if I were to play devil's advocate, Mr Welsh, and I was the transport Minister here, I would say, "Yes, but we have saved \$200 million on this route. Sure, someone might have to walk an extra 10 or 15 minutes, but at the end of the day that is \$200 million we have saved to the taxpayer." What would be the response of a resident of Inner West Council to those sorts of claims? That is essentially what Transport for NSW is saying in its submission.

KEN WELSH: I think that several factors come into there. You may save the \$200 million, as you are saying, but what are the other costs? The person who does not walk that extra distance is going to use a car. Immediately we have environmental costs because they are using a car. We have health costs, the public health cost, because people are not getting on buses; they are not walking to the stop. We have a series of costs induced in relation to the slowdown scale. For instance, when the ferries were privatised we saw that Birkenhead Wharf was closed because it was not economic. Then suddenly Balmain West wharf became uneconomic because a lot of the people from Balmain West were catching ferries to Birkenhead to go shopping.

No longer did we have a service to Birkenhead, nor did we have a service to Balmain West. Now at the bottom of the hill at Balmain West we have a very large vulnerable population who are not capable of climbing the hill to get to the buses on Darling Street. A whole population there now is no longer getting those social

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services, so there is a social consequence there as well. I think, yes, you may save specific dollars based on reducing the costs of that route but there is a series of other consequences that are costly themselves. I do apologise.

The Hon. MARK BUTTIGIEG: You have got some flies there.

KEN WELSH: No, I am in Central Queensland and I am covered in mosquitoes.

The Hon. MARK BUTTIGIEG: Ah, I understand. That is an interesting piece of evidence because that is a narrow sort of accounting type cost-benefit analysis which the Government has undertaken. Have you seen anything broader which accounts for all those other issues that you outline there—social inclusion, environmental benefits and all those what economists would term externalities, I guess? Has the department done anything like that, to your knowledge?

KEN WELSH: I have not seen anything, no. There have been papers produced overseas, mainly academic papers, looking at it. But I have not seen anything definitive from Transport for NSW or produced in Australia in the last 10 years or so.

The Hon. MARK BUTTIGIEG: When that inner west region was privatised in 2018, what was the level of consultation with the Inner West Council?

KEN WELSH: There was quite a bit of consultation with us, in that—I will put it this way: It started as information. We were simply being informed, "This is going to happen." Once we got through that phase there was consultation with our traffic engineers and transport planners about how the buses were going to be changed and how they would be managed. However, I did not genuinely feel that the consultation was consultation. I felt most of it was information. We did speak to them a lot, particularly in terms of loss of bus stops. We had a lot of concerns there. We still lost between 20 per cent and 30 per cent of our bus stops on some of the routes, but there was enough consultation that there were two critical ones near aged-care facilities that they did eventually agree to retain. They had simply missed the fact that they were near aged-care facilities. Look, there was information and consultation over a period of about six months.

The Hon. MARK BUTTIGIEG: Were any of the routes rationalised prior to the formal privatisation?

KEN WELSH: Yes, they were rationalised. I do not know, though, if it was because privatisation was going to happen. It was basically part of the ongoing rationalisation of routes that happens. Routes are continually reviewed. It is a question of whether it was because of the privatisation or not. I do not know.

The Hon. MARK BUTTIGIEG: I guess another way of asking that is, was there a flurry of activity regarding rationalisation of routes prior to the formal franchising?

KEN WELSH: No, I would not say there was more activity than there normally was.

The CHAIR: I just remind members that when someone is on the webcast it is very difficult if there is background noise because it picks up on every microphone. Essentially I did not want your whole conversation being broadcast.

The Hon. SHAYNE MALLARD: I think they would know my voice already.

The CHAIR: Mr Welsh, when we look at the inner west—I do not know if you know off the top of your head, but what is the percentage of people who actually have the ability to have a vehicle? I understand that there are quite a lot of properties that do not have driveways or places to park. What does vehicle ownership look like in the inner west?

KEN WELSH: It is hard to get a handle on that, because even if you do not have a driveway you still have the kerbside that you park in. I could find out more accurately if I went back to ABS and dug out the ownership per household. My best guess would be probably about 60 per cent to 70 per cent of households have a car.

The CHAIR: Would it be fair to say that the average person living in the inner west would prefer to catch public transport, though, if they had the choice to commute or whatever?

KEN WELSH: For the commute, I think yes. We have found that a large proportion of our travel is actually outside the commute if it is by private car. Generally, because a large portion are within the inner west, the city or North Sydney, they prefer to travel by public transport for the commute. External trips—recreational trips on the weekend and things like that—not so much so.

The CHAIR: Would you expect that demand then to increase over time for public transport?

KEN WELSH: Absolutely, particularly when you look at the policies that we are putting in place where we are encouraging lower rates of parking in residential flat buildings, putting maximums rather than minimums

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on. Our whole ethos of our integrated transport strategy is to encourage a shift from private car travel to public transport travel.

The CHAIR: The average Inner West Council resident would be very focused, then, on the quality of their public transport services, would that be fair to say?

KEN WELSH: Definitely. My phone rings hot whenever something changes. They are very active in terms of their involvement and they are very focused on what is happening with public transport on a daily or weekly basis.

The CHAIR: Do Government members have any questions?

The Hon. WES FANG: Yes.

The CHAIR: Go ahead, Mr Fang.

The Hon. WES FANG: Thank you, Chair. Thank you for making yourself available today, Mr Welsh, from North Queensland or Queensland in particular. It is very accommodating of you. In relation to the privatisation of bus services that you have seen and the engagement—I am going to go back to where you elucidated on this earlier. There were a number of stops, you said, that were retained in that engagement process. Is there a review process that is built in there? Is there a continual engagement? Do you have the opportunity to have input into the routes and the frequency, for example? Is that a continual-basis engagement that happens with you and the organisations?

KEN WELSH: No, there is no ongoing process. When Sydney Buses decides to change a route they do advertise it, and we get an opportunity to submit, just as everyone else out there does. If we get complaints from residents we have the opportunity to send in those complaints and ask for action to be taken, but there is no ongoing consultation.

The Hon. WES FANG: I think that was the bit that I was about to get to. In the instance where you have that issue raised with you, either through a complaint process or through monitoring that you might do around movements et cetera around the inner west area, you have the opportunity, do you not, to actually go back and present that evidence to perhaps have that area looked at?

KEN WELSH: Yes, we do. It is a question of whether Transport for NSW has the resources and we have the resources to enter into that, given the number of complaints that come in on all sorts of things, not just public transport. But yes, we do have the opportunity to approach Transport for NSW and say, "Look, we are experiencing an issue here."

The Hon. WES FANG: And has that happened as yet? Have you had the occasion to actually approach them and have something looked at?

KEN WELSH: Yes, we have on several instances. We have been successful with a couple and unsuccessful with a few others.

The Hon. WES FANG: So it is not so much a blanket "no". Where there is a case and the case can be demonstrated, there is an acceptance that there will be a change from Transport, is that correct?

KEN WELSH: Yes. There are occasions where we get success, for sure.

The Hon. WES FANG: Deputy Chair, it looks like you are the Acting Chair for the moment so I will pass back to you.

The Hon. MARK BUTTIGIEG: Thank you.

The Hon. SHAOQUETT MOSELMANE: I have a question following up from the Hon. Wes Fang. Mr Welsh, do you have statistics about the number of complaints, the form of complaints, the follow-up and the resolution of those complaints as a council?

KEN WELSH: No, I doubt that we would have statistics on that. Council probably deals with several thousand complaints a day; they come through a system. There may be some system within our customer resource management that you could dig it out, but it is not something that is readily available.

The Hon. MARK BUTTIGIEG: Mr Welsh, what about cross-connectivity? I do not think we have covered that; other witnesses have. There seems to be a clear theme coming through in the evidence that because you contract out those services and there are set routes, there is no cooperation between the companies and the contractors. They tend to silo themselves, and there is no cross-connectivity to get across regions. Is that the experience from the inner west?

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KEN WELSH: Yes, it is. We framed that in the submission, that you tend to have silos operating. Some of the worst examples are overseas, obviously, where I have seen a competitive situation where one operator intentionally does not want this connectivity with the other operation so that they do not get benefit from it. I have not experienced that here, but just getting that connectivity and coordination has been an issue for us. We experience it mainly because we have a lot of routes that run through us that are not just Region 6 routes; there are privatised and non-privatised routes. So yes, absolutely, I was muttering along there in total agreement with you.

The Hon. MARK BUTTIGIEG: One of your recommendations was to set strict performance targets in contracts, with penalties. Is there any awareness of what the targets are at the moment, from your perspective?

KEN WELSH: No, not quantitatively. But I think what we were getting at there was that we felt there should be targets for connectivity—for the level of service, the quality of service—rather than just simply the number of people running and the on-time running. As we flagged, we have had experience with on-time running performance dropping as well, but we did not drill down. We are not bus-scheduling experts, so we did not put numbers with it.

The Hon. MARK BUTTIGIEG: What is your knowledge of the penalty regime in those contracts?

KEN WELSH: That was sort of that precursor I said when I did the introduction. We are not involved in the contractual arrangements or negotiations. There does not seem to be any transparency, so we do not know what penalties are in there, if there are penalties.

The Hon. MARK BUTTIGIEG: The other recommendation you have made here is to include customer experience targets in the contracts. What is the methodology for gauging customer experience at the moment? The evidence we have heard to date is that the operator goes back to Transport for NSW and completes a BSAR form. They say, "We don't need routes X, Y or Z or bus stops A, B or C because they are not patronised enough", and then Transport goes back and says, "Yes, we agree" or "We don't agree". To my understanding, that was about the only metric of customer satisfaction. Is there any other way that the customer can communicate that they are not satisfied?

KEN WELSH: Yes, there is. Initially, though, I do think there are onboard surveys that are done at certain times to gauge customer satisfaction. But there is a complete science in customer experience. There are university degrees for all of the psychology behind customers' experiences, and none of that really seems to be explored other than looking at the patronage, the on-time running and occasional surveys for satisfaction. I think there is a lot more to it than that.

The Hon. MARK BUTTIGIEG: What is your experience of how often they would do a survey?

KEN WELSH: Really, this is just my own anecdotal experience. There was a period when they were done every 12 months, but I have no idea nowadays. That was prior to privatisation.

The Hon. MARK BUTTIGIEG: Have there been any surveys since 2018?

KEN WELSH: I have no recollection of any surveys that I have been made aware of.

The Hon. MARK BUTTIGIEG: The other thing you have recommended here is to provide opportunity for the revision of contracts. What is your understanding of the flexibility for revision of contracts at the moment?

KEN WELSH: As I said, we are not privy to the contracts themselves. As I understand it, there are opportunities for renegotiation. The concern is that once you put a contract in and you have both sides sign it off, it is always challenging and there are always extra demands on what is required, both in terms of finance and time, to get it implemented. I think having a more flexible contract arrangement, where the provider can be reactive and be encouraged to be reactive, is the critical thing. If you could get the right KPIs in then that would start encouraging them, rather than locking them into just performance in terms of on-time and patronage.

The Hon. MARK BUTTIGIEG: You recommend assurance of fully inclusive services. Do you mean things like disability access for the elderly?

KEN WELSH: Yes, we are heading in that direction. I believe that all the contracts would include inclusion, and the fleet is being converted to more inclusive vehicles. That was included because we had a specific request that inclusion be part of the submission.

The Hon. MARK BUTTIGIEG: You also recommend improved communication with the travelling public. I guess that goes to our previous point about the surveys and whatnot. Does the Inner West Council have a mechanism for gathering feedback on those services and then collating it and passing that data on to Transport, or is it all sort of anecdotal?

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KEN WELSH: No, we do not. My strategic transport planning team is three people and we are dealing with 28 State Government projects at the moment, plus our own policies. We just do not have the resourcing to do that. If they want to throw us more staff, I will happily do it.

The Hon. SHAOQUETT MOSELMANE: When you have, as you said, a few thousand complaints sometimes, it makes it very hard to convey those complaints to the various authorities or the bus service providers for them to follow up on certain repetitive issues for a council like that.

The Hon. WES FANG: I do not think he said a couple of thousand.

KEN WELSH: Yes, absolutely, and we do not want to just pass on every inquiry. We want to make sure that it is a valid concern before we pass it on, so we do need to do some research on each one.

The CHAIR: Thank you very much for making yourself available, Mr Welsh, and for your detailed submission. To the extent there were questions taken on notice, you will have 21 days to respond. The Committee secretariat will be in touch in relation to that. That concludes our session for now.

(The witness withdrew.)

(Short adjournment)

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YASMIN CATLEY, Member for Swansea, sworn and examined

TIM CRAKANTHORP, Member for Newcastle, before the Committee via videoconference, affirmed and examined

JODIE HARRISON, Member for Charlestown, before the Committee via videoconference, affirmed and examined

The Hon. MARK BUTTIGIEG: Would any of you like to make an opening statement?

Ms YASMIN CATLEY: Yes. I think all of us would like to do that, if that is okay with the Committee. First and foremost, I thank the Committee for inviting me to appear before what is a very important matter to the electorate of Swansea. When then Minister Andrew Constance announced in November 2015 the Government's plan to privatise the Newcastle Transport network, I state for the record that Labor members very clearly expressed its opposition to this plan. It was very clear that the Government was deadset on going down this privatisation route. Given that, I implored the Minister to engage with the community to ensure that their voice was heard and listened to and, if the Minister was to deliver his promised world-class public transport network, then the network would need to re-evaluate service levels to isolated communities that were receiving limited bus services and in some instances—four suburbs—that received no bus services.

Unfortunately, the Minister stubbornly refused to engage with the community, and the minimal communication efforts by the Government were, quite frankly, pathetic. They did nothing more than inflame the communities' frustration. The Minister never sought to address community concerns about the privatisation of the Newcastle Transport network and in fact he rejected an invitation to a community rally to listen to those concerns firsthand. I will say, though, that the upper House member, Scot MacDonald, did attend that meeting and I was very thankful to him for doing that. The communities' concerns were vindicated, unfortunately, when the contract was handed to an overseas company that worked with Sydney Transport bureaucrats to redesign Newcastle Transport's network. It was no great surprise that we ended up with a transport network that removed services, removed bus stops and increased travel times.

Since these changes have been implemented, I have been contacted over and over again by community members about a range of problems right across that network. Firstly, the removal of the direct service between Swansea Heads and Newcastle caused significant problems. It was the longest route across the network and the most used at the time. This service supported students of schools such as St Mary's Catholic College at Gateshead, Hunter Sports High School at Gateshead, Hunter Performing Arts at Broadmeadow, Merewether High School—which, I wish the Committee to know, is the only academic high school in the lower Hunter—St Francis Xavier Senior College at Hamilton, along with the University of Newcastle campuses and local TAFE campuses. Now these students not only face longer travel times but multiple bus changes. I have heard stories over and over again of many classes being missed, of exams being missed and of students being unable to perform their day-to-day academic business.

The loss of the former 350 bus service has impacted more than just students attempting to get the school, university or TAFE. I have consistently heard from constituents who, without this direct route, now have to rely on friends and family to transport them to work or to medical appointments—even to Centrelink, which is at Charlestown, quite some distance from Swansea, for their appointments. I have had the galling experience of having to ring officers there when buses have not turned up and my constituents have not been able to make it to their appointments, and are then financially and deliberately attacked for that. I have had to get them out of trouble. It has been so disappointing. The stories of people being late for work or missing medical appointments are a damning indictment of the failed privatisation model.

Without the direct bus services linking Swansea Heads to Newcastle, passengers have had to transfer buses at both Belmont and Charlestown. This has not only created traffic congestion on the Pacific Highway at Belmont—which they refer to as a terminus; it is a joke—but often passengers are waiting up to an hour for the next connection. One of the most hardest hit by these changes have been people with a disability. The many challenges that have been created for those living with a disability to navigate the transport system are, quite frankly, shameful. The challenges range from people having to give up their job because they cannot actually get to their place of work anymore, having to move out of independent living and move back in with their elderly parents because they cannot navigate all the changes that the buses have created, reducing their pay, but, most importantly, losing their dignity.

One of those hit hardest by these changes is Access Industries. I know that my colleague Mr Crakanthorp will speak of this as well because it is based in his electorate. Many of the workers there live in the Swansea and the Charlestown electorates and right across the Hunter for that matter. Access Industries is a disability employer,

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which has faced significant challenges in its workers being able to actually get to work with travel times blowing out. I say to this Committee: You have an opportunity to help restore critical bus services within communities just like mine. I urge this Committee to recommend that a direct service between Swansea Heads and Newcastle be reinstated.

The Hon. MARK BUTTIGIEG: Thank you, Ms Catley. Mr Crakanthorp, do you have an opening statement?

Mr TIM CRAKANTHORP: Yes, I do. Thank you.

The Hon. MARK BUTTIGIEG: Go ahead.

Mr TIM CRAKANTHORP: Thank you to the Committee. I want to start by thanking you for inviting me here today. I also thank the hardworking bus drivers, who actually do their best under difficult circumstances within our network. If ever there was a place in this State that knows what an absolute failure the privatisation of bus services was, it is Newcastle and the Hunter. This goes back to 2015 for us. We had over 300 people turn out for our very first protest, and at that time I might just note that the then Premier, Mike Baird, promised that our services would not be privatised if a better service would not be provided. Unfortunately, that was actually a flat out lie, because that deal was done and the new system commenced on 1 July 2017. We suddenly had services cut, bus drivers being underpaid and buses that simply did not show up at all.

To say that I was inundated with correspondence from unhappy people really is an understatement. I had hundreds of stories of kids who had to walk to school after their bus simply never came and people whose bus trips went for half an hour long to an hour and a half long, as Yasmin has described. People lost their direct service and instead had to change two or three times. Elderly people suddenly had to walk 20 minutes because their nearby bus stop was not being serviced anymore. I could go on and on.

People actually bought houses on bus routes where bus stops were and then the bus stop was removed, which is incredibly distressing to elderly people who want to see out their days with access to the community and that sort of amenity, which is then cut. In terms of our protests, we went from 300 at the first protest to a thousand people rallying against those changes in early 2018. At the end of 2018, a report from the Auditor-General found that punctuality was worse under the private provider than it was under the State Transit Authority. One in 11 buses was not showing up on time.

This all sounds like old news. It was some time ago, but it is 2022 and the problems are still continuing. As an example, on Wednesdays, Thursdays and Fridays, the bus that takes students from Hamilton East and Hamilton South to their school actually arrives after school starts. The only other option is for the kids to walk to school, a significant walk. I have been contacted by a woman who is legally blind this week. She spends \$100 each week on taxis to visit her husband in hospital because the bus service simply is not reliable. She is blind and she needs that reliability.

I have heard from a teenager this week who has got a casual job just five kilometres from home, but getting a bus there takes an hour and getting the bus home takes an hour. That is a two-hour round trip for a five kilometres trip, which is just ludicrous. The justification for the lack of services is poor patronage. That is what we are continually told. But of course that is going to happen when you create a service that is simply not efficient, it is not reliable and, ultimately, it does not suit the needs of the community. In conclusion, privatising the bus service in Newcastle absolutely failed and now, unfortunately, its reputation is mud.

The Hon. MARK BUTTIGIEG: Thank you, Mr Crakanthorp. Ms Harrison, do you have an opening statement?

Ms JODIE HARRISON: I do have a short opening statement, thank you. I certainly welcome the opportunity to give evidence to the Committee today on behalf of the hundreds and thousands of people who have contacted my office over the past five years in relation to the privatisation of the bus service and the reduction in service they have received. My office has certainly been inundated with complaints, both before they were implemented and in the aftermath, from people concerned about how they were going to get to work, particularly people with disabilities, but generally people who just want to get to work and provide for their family, parents worried about how their kids are going to get to school, and elderly people and people with disabilities, as the member for Swansea and the member for Newcastle have suggested.

Certainly the public transport was not without need of change at the time, but it should have been a well-thought-out, well-calibrated review and that certainly did not happen. That is why there are a number of people who have just walked away from being able to use public transport in the area. Certainly it is evidenced by the more than 20,000 people from across the Newcastle and Lake Macquarie areas that have signed the petition calling on the Government to fix the buses in the Newcastle area. To be honest, it is clear that a private provider

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being given control of a service like public transport actually creates perverse incentive. The provider needs to attract more customers in order to improve their profits, but they also need to keep costs low. They can, and they have, achieved that here by sacrificing services to a smaller but more vulnerable contingent of people travelling on public transport, in order to cut their costs but also to appeal to a wider base.

In the lead-up to this inquiry I reached out to the constituents who contacted me back in 2017, 2018 and 2019 about how they were going. For some, their experience had moved on. For some of the school students who were at school at the time and families who had school students, the students are no longer at school. But I heard at the time about 25 families who signed a petition in the suburbs of Redhead, Dudley and Whitebridge to reinstate a school bus service to St Philip's Christian College. Fifty students in three suburbs were worse off with the changes to the bus service. Those problems are still being experienced now. Driving back to my electorate office last week, about 10 to four in the afternoon, St Mary's Catholic College is on the Pacific Highway and there would have been at least 50 students waiting outside that school for the school buses to arrive more than half an hour after school had finished. I am still getting complaints from parents about the loss of that school bus service.

Then we have, as the member for Newcastle and Swansea have mentioned, people who have lost bus stops outside their home. A Mount Hutton resident told me that, when they first moved there eight years ago, one of the reasons they bought that house was because there was a bus stop only a short distance away and as they aged they were hoping to be able to use public transport in case they lost their licence. Now they just have to use their car. As they age, they are either going to have to move or rely on family.

Another resident who lives in Charlestown, which is not very far away from the main street, said that he has to travel from Newcastle city and it previously took a maximum of 90 minutes and now, occasionally when he wants to leave that city precinct in Newcastle after 5.30 p.m., according to the trip planner it will take 17 hours because there are no buses after 6.30 into his residential area. There are a number of examples that I can provide and I am happy to go into more with questions. I think basically, at the heart of it, by putting public transport into private hands, this Government has taken what is a community resource away from the community. By putting profit ahead of public service, the privatisation of public transport in my electorate has certainly left a large proportion of the vulnerable community worse off.

The Hon. MARK BUTTIGIEG: Thank you for those opening statements. These privatisations in the Hunter all seem to have happened around about the same time—2016 and 2017. You mentioned that the Premier at the time promised there would be no cuts to services and service levels would remain the same. What was the level of consultation on this privatisation? Was there any rationalisation of bus stops and services prior to the privatisation or did it just sort of happen and then the cuts happened?

Ms YASMIN CATLEY: I am happy to go first, if you guys are okay with that. Thank you, Mr Buttigieg. There was no consultation, in actual fact. As I said in my opening statement, I did try to encourage the then Minister to consult with the community broadly because, as the member for Charlestown said, there was need for an upgrade. We tried to embrace this from the perspective of an opportunity to have a better service. But we got exactly the opposite. Certainly in the electorate of Swansea, which had dramatic changes, like, incredibly significant changes to the network, we had a couple of pop-ups appear outside Coles at Swansea, a couple at Belmont, that was it. I am sorry, I just do not consider that to be proper consultation with the community, particularly a community that is ageing. The schoolchildren and the parents were not available at those times. The reality is all of those schools that I mentioned were not consulted before the network changes were made.

After day one, when I brought to their attention that "these children actually cannot get to their schools because you have removed their bus", they said, "Oh, no, we've reinstated all of the school bus services." I said, "These kids do not have a direct school bus. They use the public bus to get to school." I used it myself 40 years ago. Like, it has been the same service for decade upon decade. They had no idea. So they did not even consult. They did not consult with the disability services. I spoke to all the disability services and the bus route deliberately went through Hamilton and Broadmeadow because that is where the majority of disability service providers are in the Hunter region. There is a reason for that, because the bus went there. They removed the service. Buses no longer go there. I have got correspondence here from the university—

The Hon. MARK BUTTIGIEG: In that particular situation, you are essentially substituting need for quantity?

Ms YASMIN CATLEY: Absolutely, yes. Sorry, I could go on forever, I do not wish to take all the time from my colleagues.

Mr TIM CRAKANTHROP: I will make a submission as well, Mr Chair. An example of the consultation goes directly to the bus drivers who actually found out about the change of ownership from the media. Now, if you cannot tell your own employees that their jobs are going to go and a private company will come in

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and run the show, then, you know, it leaves an enormous amount to be desired. In terms of consultation, there was not enough but it was superficial. I mean, the pushback and the communication back to the government of the day was in August. We had massive rallies. We got over 20,000 signatures, we had a debate in Parliament. We absolutely represented it as well as we could. It was a white hot issue. The Government did not listen. The Government cut so many services. As Yasmin indicated, in terms of disability services and the vulnerable people in our communities, they are absolutely devastated. Their pleas were totally ignored. It might have been a one-way consultation from them to us and there was no actual communication in terms of listening and making change to that effect that would benefit the community. I will leave it at that.

The Hon. MARK BUTTIGIEG: Ms Harrison, unless you have anything to add different in that respect and to consultation, I might just go to accountability. Did you want to add something, Ms Harrison?

Ms JODIE HARRISON: Yes. I just want to add, I am not aware of any consultation that happened before the change of timetables. Certainly bus drivers had views about what could change and any views that they had were not taken into account. Certainly my constituents who complained about changes were told that they could attend one of the pop-ups to have their voice heard. But what happened at those pop-up sessions in major shopping centres was just they were told how to get from one place to another with the new buses and if it did not work for them it is bad luck—"sorry, we can't help you anymore". That was basically the consultation that happened. The consultation was, "This is how the system works" and "Sorry, we can't help you anymore."

The Hon. SHAOQUETT MOSELMANE: So for the last five, seven years, as a result of all these protests, rallies, letter writing, and supposed consultation, there have been no responses from the Government and the company to improve the circumstances for the three areas that you mentioned? My question is to all members.

Ms JODIE HARRISON: There has been introduction of an express bus from Charlestown to Newcastle, the 10X which runs in the morning and the afternoon. It is aimed at people working in town. So that is new. But it is not dealing with the people who were actually relying on the public transport system. A large proportion of people who are using public transport were people with schoolchildren and people with disabilities and aged people. Those times just do not work for them. On-demand buses are very limited in range. They are good, to be honest. My electorate has probably the best coverage of on-demand buses, but as far as Newcastle and Swansea goes, my understanding is it is pretty poor and they do not get great pick-up because the Opal card system does not swap over to the on-demand system; they are two totally different ticketing systems. There have been changes but they are not actually dealing with what the issues are that people are experiencing.

Ms YASMIN CATLEY: My experience has been that they have continued to diminish the services, Mr Moselmane. As Jodie has just eluded to, the on-demand buses are very limited in the Swansea electorate. What they did was actually remove six services and replace them with on-demand. My understanding is there are four on-demand buses in the network, and if bus drivers are absent from the fixed bus network routes, they use the on-demand bus drivers. Often there are not any on-demand buses or limited services available, so it has really limited services further. As recently as February, it might have been January, Keolis Downer wrote to me to say that they were going to remove yet another fixed service at Belmont. This is a service that goes directly past a very large retirement village complex. People use this service and I could not believe that they are still, today, in 2022, removing fixed networks from the network. It is so limited. I mean, if they do not want to provide services, then maybe they should tell the Government that that is what they do not want to do, because it is shocking what is happening in the electorate of Swansea as we speak today. I will add, due to community uproar over that, that did not happen. They reversed that decision. But why are we having to be outraged all the time and having to stand up for a service that the Government should provide: public transport?

The Hon. MARK BUTTIGIEG: Can I ask on that point, because a couple of themes have come out here and people would look at this and say, "Usual suspects, Labor MPs having a whinge over the Government."

The Hon. SHAYNE MALLARD: Yes, absolutely.

The Hon. MARK BUTTIGIEG: That is exactly what they think, because I can see the facial expressions. But we have had a range of witnesses appear from disability services and councils as well as local members and the evidence is all very similar in terms of thematic: no consultation. Then we have a system where you put the contractual arrangements at arm's length, so the Government no longer has direct responsibility. My question is: In terms of all these problems post-privatisation, what has been the level of accountability? So if a person with a disability misses a bus or cannot get on a bus because it has no wheelchair access, or a kid cannot get on a bus to get to school on time because the bus did not come on time, or trips have been delayed, therefore you cannot get to a doctor's appointment on time, to whom do you go to get recourse? Is there a mechanism?

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Ms YASMIN CATLEY: No. Well, they come to us. We continuously write to the Minister of the day in relation to this. And you just get the same old response with no accountability in actual fact, Mr Buttigieg. That is the raw truth of it; there is no accountability.

The Hon. MARK BUTTIGIEG: Is there a telephone number anyone can ring to make a complaint about the service? Nothing?

Ms JODIE HARRISON: People can complain to Keolis Downer about the service but the response is, "Sorry, we can't change it." The response is, "We will take information into account and we will change the timetables every once in a while," but that does not help the people who are facing the problems at the moment. There is a woman with disability in my electorate and the only way she gets out these days is for her weekly shopping trip with her carer. She used to actually live with a house with no steps and have a good social life. Now she gets out one day a week for shopping. They have just given up.

Mr TIM CRAKANTHORP: We write and we communicate. We write to the Minister. We get a general line back that many people do from various Ministers. It is fairly similar in terms of Transport. A lot of needs are unmet. There is a review that they do of the timetabling on a periodic basis, which does tweak the edges. We fight really hard to try to get our changes into that.

The Hon. MARK BUTTIGIEG: Mr Crakanthorp, is that based on surveys or anything that go out to customers, or is it just what they think might work?

Mr TIM CRAKANTHORP: It is based on feedback that comes through from our offices and from the general public, who write to them generally, and also their patronage statistics as well, which, during COVID over the past 2 ½-odd years has been very difficult to ascertain.

The Hon. WES FANG: Thank you for coming today. Did you happen to watch yesterday's proceedings at all?

Ms YASMIN CATLEY: No. I was doing a lot of school presentations in my electorate yesterday, and other constituent—

The Hon. WES FANG: Apparently Mr Minns was, so that was good. G'day, Chris, if you are watching. I touched on some issues yesterday, and I am prepared to look at this issue not through the critical lens that has been discussed. I understand that you are MPs of one side of politics, and we had a number yesterday—you would almost call them a conga line, but I will not do that.

The Hon. SHAOQUETT MOSELMANE: Point of order—

The Hon. WES FANG: No, I am asking a question.

The Hon. SHAOQUETT MOSELMANE: He does not want to ask political questions but he is making political statements.

The Hon. WES FANG: No, it is not a political—Mr Moselmane, that has been happening throughout this inquiry.

The Hon. MARK BUTTIGIEG: Mr Fang, a point of order has been taken and I will rule on the point of order. It goes to the relevance of the question. Keep your question to the topic rather than make pejorative comments on the nature of the witnesses.

The Hon. WES FANG: The point I was trying to make, Chair, was that, unlike some other comments that have been made today, I am prepared to set that aside and look at the members here as local members. Regardless of whether they are Liberal, National, Labor, they are local members. So I am going to address the questions as such. I think we can leave politics out of this part.

The Hon. SHAOQUETT MOSELMANE: But they are here as local members, anyway.

The Hon. WES FANG: Yes, I think that is apparent, Mr Moselmane.

The Hon. MARK BUTTIGIEG: Let us move on and stick to the question. Do you have a question, Mr Fang?

The Hon. WES FANG: I am saying there were some comments from my side. I am saying that I am prepared to let it go. I am going to ask the questions that I asked yesterday, actually. That is why I asked whether you had seen the hearing yesterday. Given that you have all raised a number of issues, and given that you have raised them with quite a level of detail, I imagine that in that instance you have raised them with the shadow Minister as well and with the Labor leadership. What commitment have you secured from the shadow Minister

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and your leader that if, in 2023, you are elected these issues are going to be addressed and in what time frame has that commitment happened?

Ms YASMIN CATLEY: I am happy to go first. As I said in my statement, asking for the 350 service to be reinstated; that is what I will be pushing for. In addition to that, I will be seeking for further services to go to areas that have no bus services at the moment. In fact, I would like to share with you, Mr Fang, just how uneconomical this situation is presently. In the suburb of Catherine Hill Bay, where we have, I think, about 57 students now who have no access to school bus—none—the assisted transport that the Government pays for in 2018 was \$2,630. In 2019 the Government spent \$5,259. In 2020 it was just short of \$7,000. In the first semester of 2021 it was \$3,525, so you can multiply that by four. This is costing the Government more money by not putting in fixed services to service the communities that we represent. I just want to make that point very clear. This is economic madness.

The Hon. WES FANG: So along with—

The Hon. SHAOQUETT MOSELMANE: I think Mr Crakanthorp wanted to answer as well.

The Hon. WES FANG: I appreciate that. I will come to the other members shortly. Trust me, I am very well aware that the screen is there. Given that I have started with you, Ms Catley, I will continue. We have got bus route 355, I think you said?

Ms YASMIN CATLEY: The 350.

The Hon. WES FANG: I was close. That is one route, but that is not the only issue that you have raised. What other commitments have been given by the shadow Minister and by the leadership to your area around this issue, given that you are such a strong local member and given that you would have raised these issues, I am guessing, for a number of years now, and that you would have secured commitments out of your team? What commitments have you secured if Labor is in power in 2023?

The Hon. SHAOQUETT MOSELMANE: Better services, more delivery.

Ms YASMIN CATLEY: Mr Fang, I do not live in fantasy land. You are the Government—you are in Government at the moment. Your predecessor, in actual fact—as I mentioned in my opening statement—Scot MacDonald, understood these issues, and he brought them back to the House and shared that information with your colleagues in The Nationals. As I said, I was very thankful for his contribution. Unfortunately, we do not have that same level of acknowledgement or, indeed, will at the moment. As I say, I do not live in fantasy land. I know that, unfortunately, the shadow Minister is just that—the shadow Minister. The Government needs to put the money on the table so that we can reinstate these services, and I will continue to fight for that to happen. The reason that I raised the 350 is because it was the root core of all the problems. As I said to you, if you had have listened to me, it was the longest route on the network and the most used, and it was cut.

The Hon. WES FANG: I was listening; I was listening quite intently. That is not really a direct answer to my question. Yes, I am on the side of politics which is in government at the moment. However, there have now been six Labor MPs who have appeared before this inquiry obviously raising these issues, enough so that there is an inquiry on it and you have all come to give testimony. Surely you must have secured some commitments around these problems should Labor be elected in 2023. I am asking, what commitments have you secured if you win government in 2023?

Ms YASMIN CATLEY: The first commitment I got is when I had almost 1,300 people at a rally at Belmont 16-foot sailing club. I invited the transport Minister to that rally at the time. He refused to come. However, the Leader of the Opposition at the time did attend that. So there is an absolute commitment because those of us on this side know exactly what this is doing to our party. I will not be disclosing any commitments here in this Committee because that is not appropriate. You can ask me that question over and over again but I will not be disclosing any conversations that I have had with the shadow Minister. They are very aware of all of our concerns. They have been ongoing. They have disadvantaged our community enormously, and we will work hard to ensure that the people who we represent have a proper public transport system and that children and people with a disability can go about their day-to-day lives.

The Hon. SHAOQUETT MOSELMANE: Point of order—

The Hon. WES FANG: Which leader was—

The Hon. MARK BUTTIGIEG: A point of order has been taken. Mr Fang, I will hear the point of order.

The Hon. SHAOQUETT MOSELMANE: Mr Fang is asking hypothetical questions.

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Ms YASMIN CATLEY: Exactly.

The Hon. WES FANG: They are not.

The Hon. SHAOQUETT MOSELMANE: He is asking hypothetical questions, but the other two members on the panel would like to answer.

The Hon. WES FANG: I will come to them.

The Hon. SHAOQUETT MOSELMANE: You do not have all the time.

The Hon. WES FANG: I will come to them.

The Hon. SHAOQUETT MOSELMANE: They have the time; it is their time.

The Hon. WES FANG: I will come to them. I have the call.

The Hon. SHAOQUETT MOSELMANE: Chair, can I ask that the other witnesses have an opportunity to say their piece in response to that question.

The Hon. WES FANG: I have one more question for Ms Catley and then I will move to the other witnesses. But it is my time, Chair.

The Hon. MARK BUTTIGIEG: Just be conscious of your allotted time and proceed with the question.

The Hon. WES FANG: Ms Catley, can I ask which Labor leader visited that rally, in the first instance?

Ms YASMIN CATLEY: It was the Labor leader from 2018.

The Hon. WES FANG: What commitment did they make? So that would have been—we have Mr Minns at the moment, then before that was Ms McKay. Before that was Mr Daley, and '18 was Mr Foley. So we are talking four back, is that right—Mr Foley?

Ms YASMIN CATLEY: It was 2018.

The Hon. WES FANG: What commitments did Mr Foley make at that meeting?

Ms YASMIN CATLEY: To support my community.

The Hon. WES FANG: By?

Ms YASMIN CATLEY: Providing the support. He showed up to support our community and to support the wrongs that had been absolutely laid at the feet of those people in the community that came out. As I said to you, there was close to 1,300 of them.

The Hon. WES FANG: Thank you, Ms Catley. Mr Crakanthorp, because you are on the active screen, you get the guernsey next. I am prepared to basically just ask you the same questions.

Mr TIM CRAKANTHORP: Sure.

The Hon. WES FANG: What engagement have you had with the leadership and the shadow Minister? What have you been able to secure from them that you can actually hang your hat on to your community and say, "I'm not only advocating for you with the Government. I have advocated for you with my own side, and these are the commitments that we are going to make to you to see me re-elected"?

Mr TIM CRAKANTHORP: We are not being political here. We are simply representing our community. I welcome you to come to Newcastle any time and travel with the commuters that struggle every day with our network. Specifically with regard to elections, in the lead-up to the last election we committed to a review of the bus network in Newcastle and the Hunter. Now in conversations I have had with my shadow Minister and my colleagues, certainly we are putting forward very strongly, as we did last time, all our issues with regard to the current network. I am sure over the next period of time we will have further discussions, and we will make our position clear throughout that time.

The Hon. WES FANG: Mr Crakanthorp, noting that you raised some very specific issues to this inquiry, and you have certainly presented to us that you have been advocating about these issues for a number of years, is a review really the right course of action? Given that you are the local member and given that you are at the coalface of this and you are aware of the issues, should you not be in a position to advocate for outcomes that go beyond a review and actually say to the community, "In the event that my side is elected, these are the deliveries that we will commit to in this seat"?

Mr TIM CRAKANTHORP: We are always putting forward the community's views and changes that we think should be made to the Minister. It gets little bits of tinkering around the edges—for example, successfully

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getting the bus from Newcastle West to Marketown—advocating on behalf of the community. There are so many issues, and they are brought to our attention, and we progress them to the Minister. They need a lot of detail to look at all those sorts of issues.

The Hon. WES FANG: I understand that. But I have taken from the testimony not only today from the three local members we have on this panel now but certainly from the members that we had yesterday that there is a sense that the Minister of the day—the criticisms of the transport Minister have been consistent from the local members who have appeared. Given that it seems to me that the common theme is they are not listening and not acting, would you not then go to your leadership and your shadow Minister, secure commitments and then take those to your community? So far I have asked the question of five people—and I am about to get to six when I ask Ms Harrison—but not one of the local members has been able to actually say to me, "This is a commitment that we have secured from my side of politics." It has just been criticism of the Minister that—I will not say I represent but the Minister that is on "my side of politics".

The Hon. MARK BUTTIGIEG: Mr Fang, I will just make you aware that your colleague wants to ask a question. Can you just get to the question so we can move on?

The Hon. WES FANG: Ms Harrison, maybe I will just give you the opportunity to tell me what it is that you have been able to secure for your community, and then I will pass the questioning over.

Ms JODIE HARRISON: Mr Fang, I have continued to advocate for my community, both to the Government and within my own party, and I will continue to do that up until the election and hopefully beyond, if I am re-elected. However, right now these are real people with real issues, and they need their issues solved [audio malfunction]. If they are not solved then they will walk away from the public transport system, and that is what we are seeing—real people leaving the use of the public transport system, real people with disabilities who are unable to leave their homes unless they have a carer under NDIS with them. This is not politics. This is real people's lives. I have had them in my office in tears because they just cannot live the way that they used to. This is not an issue of politics at all. It is an issue of people's lives and the way that they live.

The Hon. WES FANG: That is why I think I said at the beginning that my view on this would be, as local members, that I would be discussing it with you and putting politics aside. I will pass over to one of my colleagues.

The Hon. CHRIS RATH: Just a question to all three of the MPs. Do you support the New South Wales Government taking back the ownership and management of the buses in the Hunter?

Ms YASMIN CATLEY: I have not probably given that any consideration, to be honest with you, Mr Rath.

The Hon. SHAYNE MALLARD: A year out from election.

Ms YASMIN CATLEY: Like my colleagues, I am trying to deal with people's concerns on a daily basis. I do not have a view on that.

Mr TIM CRAKANTHORP: The community should not have to wait for an election. The Government should be providing a decent service. They should be fixing things. Why should my community have to wait 10 months for their issues to be resolved and things to be fixed? We are advocating now. We are just flat out trying to fill all the holes in the bucket that is full of holes and leaking everywhere. As the member for Swansea indicated, that is not at the forefront of our minds. Our minds are focused on fixing problems that the Government is refusing to fix.

The Hon. CHRIS RATH: Maybe expressed another way, Ms Harrison, if privatisation was the cause of the problem, will you commit to the Government taking back control of the management and ownership of the buses in the Hunter? Is that something you are pushing for?

Ms JODIE HARRISON: My understanding is that there are 10-year contracts in place with Keolis Downer. Without understanding exactly what is in those contracts—and only the Government and Keolis Downer know the detail of what is in those contracts—I do not think that I am in a position where I am able to speak about whether the Government taking back control is the right thing to do. But 10-year contracts is a long time. Ultimately, the Government needs to make sure—we need to make sure that people can get in and out of their homes and get to the places they need to.

The Hon. CHRIS RATH: This is an inquiry into the privatisation of bus services. The evidence you have given so far is that the privatisation of the services in the Hunter has caused the problem. The question is: Should the Government reverse that privatisation? Is that what you are pushing for?

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Ms JODIE HARRISON: My evidence is that the privatisation of buses in the Newcastle area has left the commuters in my area worse off, particularly vulnerable people. That is my evidence.

The Hon. MARK BUTTIGIEG: Can I just ask a follow-up question to that set of questioning? If you were dealing with a local constituent, whether it is someone with a disability or someone with school-aged children or elderly parents who has missed out on these services, what would be their response if you were to say to them, "Look, just wait and elect us in 12 months time and everything will be fixed"? What would be the typical response of a constituent to that?

Ms JODIE HARRISON: "We cannot wait. We will find some other way of doing it. We will walk away from the system, or just stay in our homes."

The Hon. MARK BUTTIGIEG: Are any of you currently appointed shadow transport Minister or shadow Treasurer?

Ms YASMIN CATLEY: Not me.

The Hon. WES FANG: You do not know your own shadow transport Minister?

The Hon. MARK BUTTIGIEG: Do any of you have—

The Hon. WES FANG: I can tell you it is Jo Haylen. But it is okay, you are the Opposition Whip—

The Hon. MARK BUTTIGIEG: Mr Fang! Do any of you have carriage over Labor Party policy in that respect at this point in time?

The Hon. SHAYNE MALLARD: They are in caucus. Do not try to tell us they are not talking about it in caucus. This is a whole caucus rehearsal.

The Hon. MARK BUTTIGIEG: I will not take interjections. I have got the questioning, thank you very much.

The Hon. SHAYNE MALLARD: Yes, Deputy Chair. Of course.

The Hon. MARK BUTTIGIEG: I gave you your time.

The Hon. SHAYNE MALLARD: I have not asked a question yet.

The Hon. MARK BUTTIGIEG: Be courteous.

The Hon. SHAOQUETT MOSELMANE: You had plenty of time.

The Hon. MARK BUTTIGIEG: Ms Catley, I might just go to the issue of Access Industries. Since the word "privatisation" seems to be so sensitive in the Committee, how have the changes affected Access Industries in terms of their challenges for workers to get to work? Could you expand on that a bit?

Ms YASMIN CATLEY: Because I was appearing, Mr Chair, I did contact Access Industries and asked them for an update. I speak to them quite regularly—

The Hon. WES FANG: That was a dixer.

Ms YASMIN CATLEY: With respect, Mr Fang, this is the largest disability employer provider in the Hunter. They employ 300 disabled workers. These are people who probably would not have a job in any other environment. We are very proud of this organisation, my colleagues and I. It provides, as I say, people with an income. It provides them to be able to live independently and it gives them dignity. Unfortunately in many instances, because of the lack of public transport or the changes that were made, that has been stripped away from people. They just reminded me that the service is still unreliable. As the member for Newcastle has said, buses are still just not turning up. This creates incredible anxiety for people who have an intellectual impairment, for instance. They become disorientated. They cannot find their way to work. They are very used to routine and it has created a lot of stress and anxiety for those people who work at Access Industries.

Let us not make any mistake here: Travelling from the likes of Caves Beach to Broadmeadow is a long distance. In a car that would take probably between 30 and 40 minutes, depending on the traffic. It is a long distance. These people's travel times have blown out to double what they were in the past and that is disappointing. But when buses do not turn up at all and they have to use their initiative to improvise that can be very challenging for those people. Mr Crakanthorp might care to expand on that, if that is appropriate, Mr Chair?

The Hon. MARK BUTTIGIEG: Sure. Mr Crakanthorp?

Mr TIM CRAKANTHROP: I would welcome Mr Fang to come to Access Industries to meet with the workers, as we all have, and hear their concerns firsthand. What really troubles me, from my conversations and

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meeting a lot of those workers firsthand, is that many of them actually left their employment because they simply could not cope with the stress of buses not turning up and the lateness in terms of the additional connections they have to make. For a bus from the southern end of the lake, it was quicker to hop in the car and drive to Sydney than get to work.

For people with intellectual impairment or other disabilities, it was too much. I have been told that many people left their jobs. As the member for Swansea indicated, it is a wonderful organisation that provides dignity. It provides an income and it provides independence. If you take that job away from them, their lives are significantly diminished. It really is devastating for the people that we have brought to your attention today. As I said, I do welcome you up, Mr Fang, to meet with some of these people and see what wonderful people they are, the great jobs they do and their frustrations.

The Hon. WES FANG: Thank you, Mr Crakanthorp. I guess I have, I will say, a personal stake in disability and inclusion for a number of reasons that you may not be aware of. But the reason I ask the question is that, given that that has been an issue—and Ms Catley and you obviously have a shared connection through that organisation—

Ms YASMIN CATLEY: We all do, actually.

The Hon. WES FANG: No, that is what I am saying. I am guessing that you have got a pool of people that come from both your electorates who travel there for work.

Mr TIM CRAKANTHORP: That is correct.

Ms JODIE HARRISON: And in my electorate.

Ms YASMIN CATLEY: Yes, and Jodie's.

The Hon. WES FANG: There we go, we have got all three. What have you done with each other and with other service industries through transport services to actually assist these people? Has there been any work done? Have you made those representations to the Minister, not only Transport but obviously through FACS or the inclusion Minister and the Minister for Disability Services to actually have those issues addressed? To me, it sounds like, while it is being raised in a bus privatisation inquiry, you have got an organisation that is employing 300 people—

The Hon. MARK BUTTIGIEG: Mr Fang, I am sorry to interrupt—

The Hon. SHAOQUETT MOSELMANE: Just come to the question.

The Hon. MARK BUTTIGIEG: Your colleague wants to ask a question. Can you get to the question?

Ms YASMIN CATLEY: I am very happy to answer that question, Mr Fang. In the early days, Lisa and Lauren who work there—and we are all familiar with them—we sat down with them with the bus timetables, the train timetables and other transport mechanisms and we went through and did some individual work for those people in our electorates that were having significant problems. It goes back to, Mr Chair, one of your original questions, which is accountability. There is none, so they had to make do themselves. I just want to applaud those women that work there and the work that they have done to individually work out transport plans for those people who work there.

As the member for Newcastle has said, for some, that could not be done and they have left their employ or many have had reduced hours. Certainly one person who lives in my electorate, whom I am very fond of and have become a friend, Mr Willoughby, I have actually driven to destinations when he has not been able to get to places. That is just the truth. We have worked very hard with that organisation to make sure that those individuals have travel plans and we have all participated in that. But it is really their work; we just provide them with the materials, if you like.

The Hon. MARK BUTTIGIEG: In the interests of time, I might just hand over to Mr Mallard because he has not had a question yet.

The Hon. SHAYNE MALLARD: Thank you, Mr Chair. In just the last few minutes, I thank all three of you for making your submissions. I acknowledge that you have made representations on behalf of community members. I preface this by saying I am the Parliamentary Secretary for Western Sydney. I live in western Sydney and was born in western Sydney. In western Sydney we have never had, by and large, government-provided government bus services. I have this contradiction that I am trying to wrestle with at the moment. We had submissions yesterday from three Labor MPs in the Eastern Suburbs and now three submissions today from three Labor MPs in the Newcastle region, where there are government bus services.

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But we have had no submissions about the franchise model or the model that is being applied, the same principles that are being applied to the regions in the west. We have not had a submission from Pru Car, Trish Doyle, Paul Lynch, Edmond Atalla, Greg Warren or any other Labor members in western Sydney about the same problems that you have outlined in detail here today and also in your submissions—and those yesterday.

The Hon. SHAOQUETT MOSELMANE: But were the members invited to make submissions?

The Hon. SHAYNE MALLARD: I would like to finish my question without interference, Mr Moselmane.

The Hon. SHAOQUETT MOSELMANE: Yes, but if they were not invited—

The Hon. MARK BUTTIGIEG: Go ahead, Mr Mallard.

The Hon. SHAYNE MALLARD: The issue for me is, if these problems are manifest in your area, why are they not manifest in the private sector run bus regions across greater western Sydney, down to Campbelltown and into the Blue Mountains? We would have got submissions and would have heard from the Labor members if that was the case. Explain to me why that borderline has occurred?

Ms YASMIN CATLEY: I do not know what the service provision is like in western Sydney.

The Hon. SHAYNE MALLARD: It is the same companies.

Ms YASMIN CATLEY: Again, I do not know that at all, Mr Mallard. What I can say to you is that I also represent an area where there is a private bus operator—because I cross into the Central Coast as well—in Busways. I have a very good relationship with Busways.

The Hon. SHAYNE MALLARD: They do Blacktown, yes.

Ms YASMIN CATLEY: I work very well with them. However, the provider for the Hunter is not like working with the provider on the Central Coast. It is a much different experience. It goes back to the beginning—for me, anyway, and I think my colleagues would probably agree. The proper consultation was not done in the first instance. There was no discussion with the university. There was no discussion with schools or with education. There was no discussion with key stakeholders about the best service—

The Hon. SHAYNE MALLARD: So your issue is the transition from a government-run service to a franchise model, but you acknowledge that the private sector can do it.

Ms YASMIN CATLEY: My issues are that we had a service that provided reliable services and got people to where they needed to go; now we do not.

The Hon. SHAYNE MALLARD: But you acknowledge, as I outlined in terms of greater western Sydney and south-west Sydney, that the private sector can provide the service. You said that Busways provides a good service on the Central Coast.

Ms YASMIN CATLEY: I said that the contact that I have with them and the communication I have with them is a lot more productive than it is with the provider in the Hunter. I said this to the Minister at the time as well. It is my view that, at the end of the day, the government of the day put the contract out and pay for that service, so it is therefore the Government's responsibility to ensure that that service is being provided. That service is not being provided in the electorate of Swansea to that expectation, in my view, and that is what we have been trying to change. It may be they need more money; it may be a whole host of things. It certainly needs to be reviewed, as the member for Newcastle said. We need to find out what the problems are there, and one of the problems is that the communication with this organisation is extremely difficult.

The Hon. SHAOQUETT MOSELMANE: Are the service providers overseas companies? I thought I heard that that is the case.

The Hon. SHAYNE MALLARD: No, they are all local.

Ms YASMIN CATLEY: Yes, it is a French-based company.

The Hon. SHAYNE MALLARD: Local based.

Ms YASMIN CATLEY: No, it is French based.

The Hon. SHAYNE MALLARD: Yes, but at local offices.

Ms YASMIN CATLEY: Yes.

The Hon. SHAOQUETT MOSELMANE: But they are overseas companies.

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The Hon. MARK BUTTIGIEG: Unfortunately, we are out of time. I thank all the witnesses for attending today. I do not think we had any questions taken on notice but, if we did, they are required to be returned within 21 days. The secretariat will contact you in relation to the questions you may have taken on notice. Thanks again for attending.

(The witnesses withdrew.)

(Luncheon adjournment)

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Mr HOWARD COLLINS, Chief Operations Officer, Transport for NSW, sworn and examined

Ms DANIELA FONTANA, Chief Executive, State Transit Authority, sworn and examined

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

HOWARD COLLINS: If that is possible; it will be short and sweet. I would just like to do this opening statement. I thank you for the opportunity to appear before the Committee today to discuss the contracting of private operators by Transport for NSW to provide bus services throughout metropolitan Sydney. I am the chief operating officer for Greater Sydney and I am joined today by Daniela Fontana, the current Chief Executive of State Transit Authority.

Over 130 million bus journeys are undertaken each year in metropolitan Sydney, and in the most recent customer satisfaction survey conducted on behalf of TfNSW, overall satisfaction across metropolitan Sydney was 93 per cent. It is worth noting the increase in the satisfaction from 89 per cent in November 2017 and 79 per cent in November 2012. It is important to be clear that, from the outset, Transport for NSW has not privatised its buses. The franchising model currently in place is very different to privatisation. Through the franchising model, Transport for NSW is able to leverage experience from private industry, both Australian and global operators, while maintaining important controls such as bus routes and timetables to ensure the outcomes for commuters are not compromised. Through franchising, Transport for NSW is able to ensure that ongoing safety and service standards of operations are maintained.

In addition, it is important to understand that existing assets are not sold. The existing bus fleet and depots in the regions previously operated by STA remain owned by New South Wales government and are provided under a lease agreement to the private operators for the duration of those service contracts. This means the fleet and depots remain well maintained. This model ensures that private operators cannot alter the timetable, remove bus services or change routes. Transport for NSW is responsible for the network design and any changes that occur in response to the pattern of demand or the broader changes to the public transport network. Fares and fare collection methods are also operated by Transport for NSW, including Opal and contactless payments to ensure consistency across the public transport network. This means the New South Wales Government retains the revenue from the operation of bus services.

In relation to disability access, contracting of bus services is a way in which Transport for NSW can ensure that bus operators continue to be compliant with accessibility standards. For example, the disability action plans are built into their key performance indicators. In relation to transferring employees under the franchise agreements, they are guaranteed. They have current wage arrangements under the award and this transfers with them to the new private bus operators. I thank you again for the opportunity to appear before this inquiry and answer your questions in relation to the bus services of metropolitan Sydney. Thank you very much.

The CHAIR: Thank you. I will ask a number of questions to get us started and then I will hand over to the Opposition. I note your comments in relation to privatisation and franchising, Mr Collins, and I am pretty sure you have been in a lot of the budget estimates where I have had this furious debate with various transport Ministers.

The Hon. WES FANG: You do not do anything furiously, Chair. You do everything with decorum.

The CHAIR: Thank you, Mr Fang, for that interjection. So although we say it is not privatisation because, as you say, there is control exercised by the Government over the schedules, the timetables; obviously there are KPIs in place, the depots and the buses, as I understand it, are still owned, there are some elements, though, of this that look very much like a privatisation. Is it the case that there are some buses, especially the electric buses, that at the end of the day will be owned by the operators, or is that not the case?

HOWARD COLLINS: It is a little bit more complicated than just buying, like, your car. There are all sorts of leaseback and long-term arrangements. There are arrangements, I think, when it comes to electrification of organising finance not only for the bus but also the supply of the equipment which is there for charging the vehicles. But at the end of the day the former STA areas will remain transferable and part of the Government asset. One of the reasons why we have done that is to ensure that, if contracts change for any reason and we need to renew it with another organisation, what we do not want to do is end up not having the bus depot or the vehicles to transfer to the next operator. That is really important. Of course we remind ourselves of the history of bus operation in Sydney. It is a mixture over the last hundred years of very successful Australian private operators running services as well as the State Transit Authority. We are all very proud of achieving 90 years of great service.

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The CHAIR: Sorry, could I just stop you there? The private operators you are talking about, though, what sort of size of operator are we talking about? Are we talking about the predominantly family-owned small businesses out in different regions? What are you talking about?

HOWARD COLLINS: I think you have got to really let me emphasise that some of these Australian-owned bus companies operate globally. I was very proud to be working along Tower Transit, for example, in London, which is an Australian organisation as part of Transit Systems. Busways, for example, have grown into big players in the global market as well as the great small business owners. But Interline, Punchbowl, Transit, Busways are all part of an Australian business which has been very successful under the franchising model.

The CHAIR: One of the criticisms of what I would view as privatisation but I understand the Government presents as franchising is that the end result is that the Government does not have the ability to readily substitute the services that are provided by the corporate sector because we no longer have public sector employees employed to drive buses. We sort of gut ourselves of the expertise to run that sort of operation. Is it not the case that with what we are doing here with privatisation of all these different zones we are leaving ourselves at the mercy of corporations to provide this service now for the foreseeable future?

HOWARD COLLINS: I mean, obviously it is Government policy to franchise. It is not Transport for NSW policy. But it would be interesting to note my visit recently to the Leichhardt bus depot. I think the majority of the management team, the operators and the people who run the depot are former STA employees. In fact, the industry contains a lot of people who still have that expertise, who have been in the business for 40 or 50 years and who have actually retained that. So, therefore, whether it is public or private I believe we do have the skill sets available to us across a number of franchises. If, let's say, one fell by the wayside for some unexplained reason, there is plenty of skill set within the industry, both global and within Australia, to support a change of that nature.

The CHAIR: But with privatisation of all of our zones, I guess we have lost the ability to have a competitive government-owned service that we can use as leverage in order to get the best sort of deal, I guess, with these private operators. We are at the mercy of the private market now that we do not have our own publicly run—

HOWARD COLLINS: I think it is true to say that over the last few years no doubt STA, which was once probably very inefficient and which had terms and conditions that were probably from the year dot, did improve its efficiency. There were certainly great things that my colleague Daniela Fontana introduced as part of trying to ensure that STA was as efficient as possible. But I think what we have seen is that the franchising of operators has enabled us to not only utilise some of the global experiences that certain companies had—for example, on-demand vehicles, the latest technology, electrification, which Australia is woefully behind most other countries around the world—

The CHAIR: Sorry, Mr Collins, if you could come back to the actual question, though. I understand the Government's stated benefits for privatisation. I understand the lines around, "This is how we get the best technology," et cetera. My question, though, to you is that by selling all of these services off and not leaving ourselves with a public service, we have basically put ourselves as a government at the mercy of the private sector when it comes to bus operations.

The Hon. SHAYNE MALLARD: There are 11 companies providing services—11 companies.

The CHAIR: That is the private sector.

The Hon. SHAYNE MALLARD: They compete against each other—11 companies.

The CHAIR: That is the private sector—the private sector.

HOWARD COLLINS: Right. May I answer the question? I certainly believe that Transport for NSW retains a very strong expertise within service provision, timetabling, a lot of the expertise we need to hold the private franchise operators to account. We are very lucky to retain Daniela Fontana in our team in Greater Sydney and there is a lot of expertise, which are the critical things to ensure that bus companies, whether they are private or public, operate for the customer. At the end of the day it is what the customer experience is that really counts.

The CHAIR: But, again, the question really is: If we have no public service to compete against the private market, what is to stop the private market as a whole from continuing to push up costs to Government?

HOWARD COLLINS: I think very good contracts; performance indicators, which not only hold them to account for reliability; and key KPIs; but also those contracts include employment, diversity, inclusion. They include a lot of aspects which, if they fail on a regular basis to achieve, we can take measures against that

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contract—deduct costs—but also, if necessary and as a very last resort, withdraw those contracts and start with a new organisation.

The CHAIR: Before I ask my next question I remind members not to interject in the middle of other members' time. That would be appreciated, particularly on things that clearly they do not have any expertise in. We have heard quite a bit from witnesses about when we have had the privatisation, franchising, or whatever you want to call it, of the private operation of these zones that the result has been a lot of shorter trips because people are going in through one zone, then they are getting off at one spot and then they are getting on another bus run by somebody else. Is that a product of the contracts? Is that something that has been baked in by the way that we have done this?

HOWARD COLLINS: I will start with a bit of an opening answer to that and then I might ask my colleague Ms Fontana to help me with this. I think in maybe the 40 years I have been involved in rail and bus operations the old stories of buses going from one side of Sydney, or one side of London, all the way across to the other have proved to be very unreliable. You get caught in traffic, you end up with long, long bus journeys of over two hours and it is very inefficient. So the main motivation for shorter bus routes has nothing to do with the franchising or regions but it actually provides services which are more reliable and also is getting people to journeys which they want. Most people either go on radial routes or go in and out of the CBD. They do not get on a bus at Maroubra and end up at Chatswood generally because they are very long journeys. So that really is the strategy. I do not know if Daniela wants to talk a little bit about that?

DANIELA FONTANA: Yes, absolutely. I can provide further clarification because I think I heard in previous witness statements that there was an assumption that operators within each contract region cannot cross over into another.

The CHAIR: Yes, if you can clarify that?

DANIELA FONTANA: That is not actually the case. So I can confirm that, for example, a route that operates out of Transit Systems in Region 6 does operate into Region 9 and does pick up and set down passengers from, for example, Glebe into the city, which is in another area. We also have many other examples of services run by now Keolis Downer coming into another contract region, and even areas like Hornsby crossing over into other contract regions in Parramatta. So that is not actually the case. As Mr Collins has stated, a lot of those changes have been brought about to do with efficiencies, and those long routes being really inefficient in terms of reliability. So the change to making routes shorter has been primarily focused on reliability for the customer because we have found that the old routes, the old 400, was definitely the most unreliable route in Sydney, or in New South Wales for that fact. And making the routes shorter enables more efficiency.

The CHAIR: Okay, so I understand that. I guess the flipside is people who do have to change from route to route are saying that it is quite disruptive because even for someone who does not have accessibility issues, maybe they are in the middle of something and they have to then get up and just having the chance of then missing their connection. We have heard about those frustrations. Is there perhaps some data that can track the number of multiple journeys people are having to take now versus, say, five years ago and seeing that over time? So some sort of data that shows us what used to be single trips becoming multi-trips against customer satisfaction. Do you have that kind of data? Although it is more efficient is it actually working the way it is designed?

DANIELA FONTANA: I am not aware of specific data. But we can certainly take that on notice and see what we can provide if our colleagues in our data area or customer journey area can provide that.

The CHAIR: Thank you. And when it comes to the customer service data that you were talking about before, Mr Collins, how is that gathered?

HOWARD COLLINS: It was done on a six-monthly basis, definitely done on an annual basis. This is using a very large sample size across all regions and all routes to get the customer satisfaction. There is an overall score: 79 in 2012 and 90-something in 2017-18. That consists of all sorts of things like safety and security, timeliness. They are used for each of the modes, Sydney Trains, buses, so it is very reliable. Those of you who know statistical analysis, plus or minus 5 per cent over 220 would give you a good size. These are thousands of people we ask.

The CHAIR: How is it gathered?

HOWARD COLLINS: People go around—our questionnaire goes around—they talk to customers actually on the route. Obviously very recently we have not been able to do that because of COVID restrictions. But I have seen that operating in practice and certainly it gets us a good customer sample size and it also helps us identify areas where we think we are not doing so well, and certainly State Transit, for example, utilise that data very regularly to understand that.

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The CHAIR: So people are going around transport locations?

HOWARD COLLINS: Yes.

The CHAIR: With some sort of a—

HOWARD COLLINS: Yes, it used to be a clipboard. Now it is a computer, but yes.

The CHAIR: Is there data on how many people they approach? I know that if someone approaches me with one of those things I am always too busy, unfortunately. I always say, "I'm sorry. I'm cranky because I am late".

The Hon. WES FANG: Maybe the Chair has herself to blame for the result of the survey.

The CHAIR: Maybe. I am not a statistician, but my understanding is that there is often a bit of a bias as to who responds to those sorts of things. It tends to be people who are, perhaps, already happy. How do you counter that?

HOWARD COLLINS: These are very respected organisations who do huge amounts of sampling for many, many organisations. And the presentations I have had talk about subconscious bias. They talk about making sure they do a representative sample across age groups, routes, all sorts of things. So these are professional, paid employees who carry out these surveys. Therefore I am very comfortable that the results, which have been going now for 12 or 13 years, are actually a true reflection.

The CHAIR: Is it the same company that you employed at the time to do the survey?

HOWARD COLLINS: I do not know. I would have to take that on notice.

The CHAIR: If you could let us know and then we can work out if we are comparing like with like.

HOWARD COLLINS: There is certainly very extensive information available because this is done over Sydney Trains, Sydney Metro, the Light Rail, the ferries. The ferries always do the best. Maybe it is the bar on the Manly ferry or maybe it is the weather, but they always get a 99 per cent satisfaction rating. But I think also bus services, a bit like trains, when I first came here there were issues about cleanliness, timeliness and operation. And we have seen newer buses, better staff operating and certainly an uplift in performance of 12 per cent to 13 per cent which is really good.

The CHAIR: And how is the complaints data tracking for buses?

HOWARD COLLINS: The bus complaints data, obviously we track that on a weekly basis. Obviously it has been quite unusual over this last two-year period because we have seen a dip right down to 20 per cent and we are up to 55 per cent or 60 per cent operation of the number of customers using our services. And, of course, when fares were free everyone was quite happy and complaints went down a lot. Generally speaking, the issues we used to see a lot of complaints about staff, and their attitudes, or buses which were old and no air conditioning. We have now seen a big improvement of that.

The CHAIR: The raw data on complaints, though, are you able to provide how many complaints there are now compared to 2012?

HOWARD COLLINS: Obviously we can take on notice information that we can provide. Like most things, it is a very, very small size of those people. There might be 50 or 100 complaints a day on the 500,000 people who have been using the bus service on one day. And I do not know—Daniela, you have obviously dealt with a few of those. I think sometimes they are normally about timeliness, "My bus didn't turn up" or sometimes about staff or something else happening. But it is a lot better than it used to be.

The CHAIR: I could continue but I will pause so the Opposition can ask questions.

The Hon. MARK BUTTIGIEG: Mr Collins, I understand a company called Transit Systems now operates Region 3 which is Liverpool and Fairfield, and Region 6 which is the inner west, CBD, Rockdale, Canterbury, Burwood, Kogarah and those sorts of areas. I also note on 14 February that the Minister for Transport, David Elliott, announced that Transport for NSW would be acquiring 79 electric buses in collaboration with the Region 6 operator partner Transit Systems West. Are you able to update the Committee on where that negotiation is regarding the acquisition of those buses?

HOWARD COLLINS: I will speak generally. I might have to refer to some of my notes, which I have got in front of me. At the top level there is no doubt that in 2018-19 the then Minister, Minister Constance, announced a very forward-thinking policy of electrification of the whole of the metropolitan and regional bus fleet. He was very ambitious and wanted to achieve this within 10 years. We have started that journey. Currently there are about 50-something electric vehicles in operation, and we have placed an order not only from Custom

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Denning, which is the Australian design-build company in western Sydney, but also testing out a number of other models which are available to us.

So we will end up with over 100 electric vehicles in operation. Our intention is to put forward to government, on its request, the final business case for the procurement of electrification of the bus services, certainly in Greater Sydney, followed by region. All of us believe that operating an electric fleet in a city like Sydney will be an advantage to everybody. It is really pleasing—

The Hon. MARK BUTTIGIEG: I appreciate the general context, but my question was very specifically about the acquisition of these 79 electric buses in collaboration with Transit Systems West.

The Hon. WES FANG: Point of order: It is obviously a complex issue, and Mr Collins was providing some context. Chair, I would ask that—

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

The Hon. WES FANG: I am making a—

The CHAIR: One at a time. Continue, Mr Fang.

The Hon. WES FANG: While I am taking a point of order, I seek that the other members allow me to make that point. Mr Collins was providing some background to the issue and was certainly providing us with some perspective before he was going to come to that. I think he should be allowed to do so, and do so without interruption.

The CHAIR: I probably do not need to hear the point of order. Mr Collins is endlessly fascinating on transport issues.

The Hon. SHAYNE MALLARD: Indeed.

The CHAIR: I personally could talk to him for hours and hours.

HOWARD COLLINS: But you have only got an hour.

The Hon. WES FANG: And not just on transport issues, Chair.

The CHAIR: But it is within the member's right to bring the witness back to the specific question.

HOWARD COLLINS: I have found the page, so I can get into more detail. Transit Systems West is obviously the holder of Contract 6, inner west. For example, I think on 5 August 2019 it started a three-month trial for full electric buses from four different bus companies. The trial was trying to ensure that we understood the system. Certainly I visited the Leichhardt depot, which is in Region 6. They are now moving forward with the installation of electric buses through a company called Nexport—I think it is—BYD. In June 2021, 10 buses were ordered, and the intention is to grow that bus fleet even further through the installation of equipment.

The Hon. MARK BUTTIGIEG: Mr Collins, again, my question was very specific. I included a date for that reason.

HOWARD COLLINS: Yes.

The Hon. MARK BUTTIGIEG: On 14 February the Minister announced that Transport for NSW will be acquiring 79 electric buses in collaboration with Region 6 operator Transit Systems West. My question is where is that up to?

HOWARD COLLINS: They are being manufactured as we speak. The Minister, myself and the Premier attended the manufacturing in St Marys. It may have been over a month ago. We saw the last of the STA—I think 10 or 12 Custom Denning vehicles—being rolled off the production line, and they are in manufacture now. Those 79 vehicles, I do not know whether they will all go to Region 6 but a good majority of them are being distributed around the network. This will bring us up to at least over 100 electric vehicles which are operating.

The Hon. MARK BUTTIGIEG: What would be the arrangement in terms of the New South Wales taxpayer? Do Transit Systems buy the vehicles and then lease them back to Transport for NSW? Is that the general idea?

HOWARD COLLINS: Again, if you wanted to get into specific vehicles or manufacturers, but I understand for a bus panel—just to explain what a bus panel is, it is a list of companies that bus operators can draw from in terms of manufacturing. We did add Custom Denning to that bus panel. Then obviously a number of bus companies can draw on that bus panel. We have certainly—

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The Hon. MARK BUTTIGIEG: The question is very simple in terms of the economic structure of the arrangement between the New South Wales taxpayer and these electric buses. Does Transport for NSW buy the buses or will the private operator buy the buses?

HOWARD COLLINS: It is a mixture.

The Hon. MARK BUTTIGIEG: Okay.

HOWARD COLLINS: Some get procured directly, almost on a procurement basis, others are part of a leased package of infrastructure build and working with an electricity supplier, for example, as well as a bus manufacturer. The important thing, though, to recognise is that at the end of that contract, or when the contract is terminated, those vehicles must be transferred across and be available for the next franchiser.

The Hon. MARK BUTTIGIEG: So essentially a business partnership with the private sector to design, construct, build and lease. Are you aware that only last month a Federal Court judge, Judge Rares, found that Transit Systems was guilty of wage theft and ordered it to pay \$181,000 in fines?

HOWARD COLLINS: I certainly was aware. I do not know whether the words "wage theft" are words that I would use, but certainly I was aware that the Federal Court required the payment of \$181,000.

The Hon. MARK BUTTIGIEG: For underpayment of wages.

HOWARD COLLINS: This is not connected with electric buses, I assume, or is this a different question?

The Hon. MARK BUTTIGIEG: You just confirmed that the Government was going into business with Transit Systems, and I put it to you that Transit Systems has been found guilty of chronic wage underpayments to their employees and it was fined \$181,000. Are we disputing those facts?

HOWARD COLLINS: I am not disputing the facts whatsoever, but there are occasions where organisations have a certain view about how they pay their employees under the terms and conditions of either a Federal or State award, and that both unions or organisations are entitled to ask the courts, the commission or whoever it is to decide on a ruling.

The Hon. SHAYNE MALLARD: Interpretation.

HOWARD COLLINS: I understand that ruling was in favour of the unions and the organisation had to pay \$181,000 for that ruling.

The Hon. MARK BUTTIGIEG: Are you aware of the amounts of underpayment that were involved?

HOWARD COLLINS: I am not aware of the detail. Of course, Transport for NSW contracts with these organisations. But in terms of the interpretation of awards, the detail of the employment contracts are between the employer and the employees and the unions who represent them.

The Hon. MARK BUTTIGIEG: So I put it to you that there was an underpayment, going forward from the financial year 2021 onwards, for four payment periods of some \$500,000 and historically an underpayment over the previous three financial years of \$3.5 million. My question is why is the New South Wales Government doing business with an employer who wantonly steals their workers' wages? You might want to use different language to make everyone feel better, but an underpayment of wages is a theft of wages.

The Hon. WES FANG: Point of order—

The CHAIR: I will hear the point of order.

The Hon. WES FANG: By all means Mr Buttigieg is entitled to ask his questions and be strong on matters that he feels deeply about, but for him to verbal the witness in that manner—

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

The Hon. WES FANG: Again, you are now doing it for the second time, Mr Buttigieg.

The CHAIR: Again, I do not think I need to hear it. Order! I have heard the point of order. I do not think I need to hear—

The Hon. WES FANG: You do not verbal the witness. The procedural fairness resolution is quite clear about this.

The CHAIR: I was listening quite closely. I did not believe that Mr Buttigieg was implying that this was something that Mr Collins had said. Mr Collins is a practised witness. If there is something that you feel you did not say that has been implied that you did, please do correct the record.

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The Hon. WES FANG: Chair, I understand that you have ruled but, for clarity, the issue that I had was the language about "you might use different language to make everybody feel better", et cetera. That is pre-empting the answer but it is also—

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

The Hon. WES FANG: No, it is not.

The Hon. MARK BUTTIGIEG: Madam Chair, am I going to be allowed to speak to it?

The CHAIR: Order! I have heard enough from both of you. I would caution members to not take up time with points of order. Let us make them as quick as possible. Please continue, Mr Buttigieg.

The Hon. MARK BUTTIGIEG: Mr Collins, my question, again, is, should the New South Wales Government be going into business with an employer who underpays and has found to have legally broken the law on payment of wages to the tune of \$3.5 million historically and \$500,000 over four payment periods?

HOWARD COLLINS: As I said before—and I do not think the words that I would be associated with is "stealing" because that is a criminal offence and I do not think any criminal offence has been mentioned, but I would say—

The Hon. MARK BUTTIGIEG: So you do not think the Federal Court finding was a criminal offence?

HOWARD COLLINS: No, I think what my view is, is that there have been occasions where, quite rightly, the courts have found in favour of one party or the other, and this decision was obviously in favour of the submission made by the unions for this particular subject. There are occasions—and there are still a number of items in discussion at the moment—

The Hon. MARK BUTTIGIEG: Sorry, is that—

The Hon. WES FANG: Point of order—

The Hon. MARK BUTTIGIEG: It is a follow-up question.

The Hon. WES FANG: Mr Collins is providing a response to Mr Buttigieg. Mr Buttigieg continues to interject because he does not seem to like the answer. That is not a reason—

The CHAIR: Thank you. Again, quick points of order. We have heard it. If we could let the witness finish the sentence and then Mr Buttigieg can continue.

HOWARD COLLINS: To clarify, I understand your point of view. I think the important thing is, from Transport for NSW's point of view, there are occasions when a dispute about entitlements or payments has occurred. Our view is that this was dealt with by the courts and the operators paid that fine or whatever the appropriate name is for that cost. Obviously, we work closely with these operators. But in terms of the employees, there are terms and conditions, and the fact that there is a complexity of both Federal awards and State awards from former STA employees—there has been a view that people take a position, and then sometimes it is tested in court.

The Hon. MARK BUTTIGIEG: So the fact that we have had a ruling from the Federal Court saying that this company has been involved in illegal behaviour does not necessarily concern either Transport for NSW or the Minister? That is of no concern, business as usual?

HOWARD COLLINS: Again, I think that is your words.

The Hon. MARK BUTTIGIEG: No, I am asking you.

The Hon. WES FANG: Point of order—

The Hon. MARK BUTTIGIEG: Keep taking them.

The Hon. WES FANG: I am going to remind Mr Buttigieg that we are all responsible for upholding the procedural fairness resolution of the House. I do not think Mr Buttigieg understands that. If he does, then perhaps he needs to re-understand it because at the moment what he is doing is talking over the witness, who is trying to provide detailed responses.

The CHAIR: In relation to the procedural fairness resolution, it does provide an opportunity for the witnesses to respond if they feel that something has been said that sheds them in an incorrect light. It does not stop the member from asking the question in the first place. Again, Mr Collins is a practised witness. We have had him many times in front of this Committee, so I am not as concerned as you about his rights at this point, but please, Mr Collins, let me know if you are.

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HOWARD COLLINS: I would love to answer the question because you asked me. I do, and I am sure Transport for NSW does, and I am sure the Minister does want to ensure that any operator does comply with the law. Obviously, following this and other rulings, we always review and understand what this means for Transport and also what it means for our relationship with those operators. But, as I said before, I believe that this decision and the circumstances around those decisions was between the employer, which is obviously Transit Systems, and the employees. Obviously, like some cases, the decision is made and, therefore, a ruling is made in one favour or the other.

The Hon. MARK BUTTIGIEG: Can I put it to you that this company—I am not sure if you are aware; I am asking you if you are—is actively refusing to pay that \$3.5 million in back pay?

HOWARD COLLINS: I am not aware of that.

The Hon. MARK BUTTIGIEG: You are not aware of that? There is an appeal in the Federal Court that that not be paid.

HOWARD COLLINS: I am not a lawyer, but I understand there are various levels of decision-making and appeals, and I am sure sometimes organisations from both parties, whether that is the unions or the employers, want to exercise the full use of those processes.

The Hon. MARK BUTTIGIEG: Your evidence essentially is that we have a legal process here that quarantines the Government's responsibility to exercise due diligence on behalf of the public. Is that essentially your evidence?

HOWARD COLLINS: Again, with the greatest respect—and I am a seasoned witness person—that is your words.

The Hon. MARK BUTTIGIEG: Well, I must have misinterpreted the answer. I am sorry.

HOWARD COLLINS: Yes. I would say that I have explained that I understand that obviously organisations, generally, sometimes would like to explore those options. Sometimes they realise that they needed to take it on the chin and move on, and other times people explore those because, obviously, for this organisation they may want to take it further. But it is not for Transport for NSW to either get involved in telling them what to do or having an opinion because that is between the employer and the employee.

The Hon. MARK BUTTIGIEG: No, but you do have discretion as to who gets awarded contracts based on due diligence on the probity of a company and their industrial relations policies and whatnot. Presumably you have a degree of power to exercise. You do not have to award those contracts to that particular employer, do you?

HOWARD COLLINS: I think the procurement process is pretty clear. We have a separate part of our organisation that deals with those matters.

The Hon. MARK BUTTIGIEG: Yes. Would part of that include due diligence on that company's credibility and industrial relations practices, or is it not of concern?

HOWARD COLLINS: I think obviously a lot of things are taken into account. I am sure part of that is understanding their history and track record.

The Hon. MARK BUTTIGIEG: I will take you to this other arrangement with this particular company, which is starting to get quite a reputation in this industry, in terms of the two-tier arrangement that they have engineered in order to create two different classes of employees. I just want to take you to the *Employee Information Kit*, which was given to Contract 6 Bus Services. This is on the transition arrangement in 2018. I think it is important that I quote it. It is only very brief:

Terms and conditions of employment (section 4)

The terms and conditions of the Award that applied to you as an employee of State Transit immediately before the Commencement Date will be maintained during the Employment Guarantee Period (unless varied by consent), or longer where provided by law.

If you have individual arrangements such as part-time working agreements and personal salaries, these will be recognised Transit Systems.

The Hon. WES FANG: Chair, for clarity, I am going to ask the document that Mr Buttigieg is reading from—

The Hon. MARK BUTTIGIEG: I will table it.

The Hon. WES FANG: Well, no. The issue is, does Mr Collins have access to it? You have made reference to it, and I am not sure whether we have a copy.

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The Hon. MARK BUTTIGIEG: I just said I would table it.

The Hon. WES FANG: I understand that, but you are about to ask him a question from it and he has not been provided the document.

The Hon. MARK BUTTIGIEG: If you think I am lying about it, I will table it.

The Hon. WES FANG: No, no. I mean, how do I know—

The CHAIR: Order!

The Hon. WES FANG: The point is—

The CHAIR: I have heard enough. Is there going to be a question based on the understanding of that document?

The Hon. MARK BUTTIGIEG: Yes.

The CHAIR: Do you think that Mr Collins needs to see that before he answers or are you going to read him the relevant bit?

The Hon. MARK BUTTIGIEG: It is up to Mr Collins whether he wants to read it or not.

HOWARD COLLINS: I think my detailed knowledge is reasonable, but I think that detail certainly predates my work within Transport for NSW. I do not know whether Daniela Fontana—

The Hon. MARK BUTTIGIEG: Would you like me to give it to you so you can read it, Mr Collins?

HOWARD COLLINS: I am very happy to look at that document. Whether I can answer your question following sight of that document may be difficult. I might have to take it on notice.

The Hon. WES FANG: Chair, I am going to take the next point of order. How do we know the veracity of the document? You have said it has come from—how can you identify—

The CHAIR: That is not—

The Hon. MARK BUTTIGIEG: It is a Transport for NSW document.

The Hon. WES FANG: No, no. You said it was—

The Hon. MARK BUTTIGIEG: You can read, can't you?

The CHAIR: Order!

The Hon. WES FANG: Yes, I can, actually.

The CHAIR: Order! That is not a point of order. It is commentary. Could we please desist from making a point of order, unless there is something that is heinously wrong. Mr Buttigieg, please continue.

The Hon. MARK BUTTIGIEG: I will just have that document brought over to you so you can read it for yourself, in case I was propagating some sort of fiction there.

HOWARD COLLINS: Thank you very much, Mr Buttigieg.

The Hon. MARK BUTTIGIEG: Do you see that paragraph that I have circled?

HOWARD COLLINS: This one? Yes.

The Hon. WES FANG: Give him some time to read it.

The CHAIR: Okay.

The Hon. MARK BUTTIGIEG: I am pointing him to the paragraph.

The Hon. WES FANG: I know, but he needs some time—

The CHAIR: Order! I have had enough. There will be no more of this talking across the room.

The Hon. WES FANG: Apologies, Chair. I will go through you.

The CHAIR: Thank you.

HOWARD COLLINS: Okay, yes, I have read it.

The Hon. MARK BUTTIGIEG: Okay. I am not sure if you were listening to the testimonials yesterday, Mr Collins, but we had two bus drivers here who work the same routes and drive the same buses. One was

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Mr Denis, who is a legacy driver from the State Transit Authority and was transferred into the Transit Systems West Services Pty Ltd corporate entity. The second was Mr Pagalis, who is a relatively new employee employed by another corporate entity owned by Transit called Transit (NSW) Services Pty Ltd. Essentially what has happened is that Mr Denis was the beneficiary of a copied State award which was quarantined across, but by virtue of this corporate structure Mr Pagalis was employed under another entity on a lower rate of pay.

We heard in evidence yesterday that Mr Pagalis was paid some \$3 an hour less than Mr Denis for driving the same routes and driving the same buses, which we equated, given their average hours worked per annum, was roughly \$10,000 per year. You have got this system where the New South Wales State Government has a contract and, as a result, two classes of employees—one on \$3 an hour less and the other one here, the legacy driver, on a higher rate of pay. Essentially what has happened is that Transit Systems, by virtue of a corporate structure, has been able to contract out of the obligations specified in that services transition arrangement. What is your response to that?

HOWARD COLLINS: I think we just need to go back—and I do not know whether Ms Fontana will be able to provide a bit more information. The history of Region 6 was the fact that at the time of transfer we were short of drivers. It was not some sort of scheme, I believe, that Transit Systems dreamt up; in fact, they were keen to have one award. But because they were short of drivers at the time—a significant shortage of drivers leaving the service commencement—a risk mitigation measure was put in place by Transit to ensure they could rapidly recruit people using the Federal award system. Therefore, they took on employees under different terms and conditions.

I think just to describe this, a lot of the bus organisations work under the Federal award system and there are different terms and conditions for that. Then State Transit, over many years, had a different award system. I will get Ms Fontana to explain. Whilst some of those things look like, obviously, State Transit had a better rate of pay, there are other things in the Federal award where leave flexibility and other things were a benefit. I think the situation at the moment is that Transit Systems are trying to get around the table and negotiate one award. I do not think that has come to a conclusion yet. That is still—

The Hon. MARK BUTTIGIEG: I will just finish up. I am just getting the wind-up here so I will ask a quick follow-up. On the contrary, the relevant unions—the RTBU and the TWU—are trying to get Transit Systems to sign a common instrument which would get everyone onto the same rates of pay and conditions, and Transit Systems is actively refusing.

The Hon. WES FANG: Well they cannot be very effective, can they, as unions?

The Hon. MARK BUTTIGIEG: You have a situation where the other companies are talking turkey and willing to sign this common instrument but the same people who stole these people's wages are refusing to sign that common instrument so that they—

The Hon. WES FANG: A good union might get them to do it.

The Hon. MARK BUTTIGIEG: —can keep that two-tiered system going. Are you not aware of this, Mr Collins?

HOWARD COLLINS: I am certainly am. I am aware—

The Hon. MARK BUTTIGIEG: You are?

HOWARD COLLINS: I am aware of the situation that has yet—

The Hon. MARK BUTTIGIEG: And you condone that behaviour?

HOWARD COLLINS: Hang on a second.

The Hon. WES FANG: Point of order—

The CHAIR: Order! We will let the witness finish.

HOWARD COLLINS: If I could finish—

The Hon. WES FANG: That is verballing the witness.

HOWARD COLLINS: I will finish. With the greatest respect, I know you are short of time and I will try and be as quick as possible. There are some awards which have been agreed, that is true, between the transfer. This one has not been agreed despite attempts on both sides. I understand there was a view that the unions want all of the benefits of both of the awards and none of the disbenefits. I understand you would go for that. But the business has got to work out whether that is able to be offered and afforded. I think that is the situation we are in at Region 6.

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The Hon. MARK BUTTIGIEG: A \$10,000 wage differential is pretty significant.

HOWARD COLLINS: Just to explain that, there are some real great terms and conditions at STA. It is not just about headline wage figures. There are other bonuses and other attendance figures. But there are also some benefits that the TWU has negotiated in the past. It is a case of understanding what that means in a one-agreement situation.

The Hon. WES FANG: Chair, I note there are only 10 minutes left of this hearing.

The CHAIR: Thank you. Please go ahead, Mr Mallard.

The Hon. SHAYNE MALLARD: Thank you, Madam Chair. Thank you for coming today, and thank you for your detailed submission and for addressing the terms of reference. We appreciate that. I want to drill down on the nub of this, and the questioning for the last period sort of points it out. There is a dispute—I do not think we will ever agree—between some members of Parliament and unions about a privatisation or franchising model. It is pretty much the nub of this debate that we are at. I raised this issue yesterday and again earlier today—the issue of metropolitan areas that have never had government-provided bus services. On page 4 of your submission you helpfully provided us with bus region operators for the 15 regions.

I am from Penrith. We have never, ever had government buses in Penrith; it was the old Bosnjak's and now it is Busways. I now live in the Blue Mountains, which I understand has also not had government buses. I see some government buses up there but they are apparently recycled. Could you point out which of those 15 regions are formerly STA regions? It is not clear to me which ones are.

HOWARD COLLINS: Sure.

The Hon. SHAYNE MALLARD: What I am getting at here is—and I made the point earlier to the Labor members of Parliament who gave evidence—that we had no submissions from any Labor members of Parliament in western Sydney about the services they are provided with. I am just trying to get to the bottom line of why there are issues, allegedly, from the services where the private sector has taken over government services and not in Penrith, Campbelltown or the Blue Mountains? We have not had complaints to our inquiry about private service providers. First of all, can you identify those regions that were government ones?

HOWARD COLLINS: I certainly will do that. I will hand over to Ms Fontana, who obviously works for STA and is aware of which regions were former State operated and which regions were not. Ms Fontana?

DANIELA FONTANA: It is basically regions 7, 8 and 9, which are the ones that have just been franchised, that were State Transit. Region 6, which we have just spoken about, was previously State Transit Authority. All of those other areas you have just described—out at Penrith and all of those outer areas—have never been State Transit.

The Hon. SHAYNE MALLARD: So only four out of the 11 regions?

DANIELA FONTANA: The Newcastle region also was previously State Transit Authority and Region 6, which is now—

The Hon. SHAYNE MALLARD: How do you explain then—and you might want to think carefully about your answer, I guess—that this inquiry has been presented with evidence of all these transitional problems or contract problems yet they are the same principal contracts, correct me if I am wrong?

HOWARD COLLINS: Yes.

The Hon. SHAYNE MALLARD: The same principal contracts, same service agreements, same controls over what is going on in terms of routes and bus stops in all the regions—that is generally consistent?

HOWARD COLLINS: Yes.

The Hon. SHAYNE MALLARD: Why are we getting this distorted situation that where the Government used to run it now it is a problem?

DANIELA FONTANA: That is a very good question because it is exactly the same principle. As I think we have heard throughout this inquiry, it is not new. The franchising model has been around for decades. In actual fact, I started my career with the Bosnjaks.

The Hon. SHAYNE MALLARD: Did you?

DANIELA FONTANA: Thirty years ago.

The Hon. SHAYNE MALLARD: What was his name? Rob Bosnjak?

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DANIELA FONTANA: I have in fact—

The Hon. WES FANG: Why were you working when you were five years old, Ms Fontana?

DANIELA FONTANA: Thank you! I have worked both in the private sector and have had the pleasure of working with State Transit Authority for many years also. Yes, the principles are exactly the same. As we have said previously, the Government does retain control of routes, retains control of fare structure and many other things.

The Hon. SHAYNE MALLARD: Even in Penrith, where you have never, ever had government buses?

DANIELA FONTANA: Correct. It is exactly the same.

The Hon. SHAYNE MALLARD: That goes to the next question I had to ask. Other areas of government are always having remix and change things—Education is a classic example—when we have inquiries. Some 2,000 schools have been closed in the history of the State Government. They are constantly moving the mix of where schools are. It must be the same with Transport. It must be a regular thing for all these different operators to come to you with new ideas for services, or to amalgamate or change bus stops. It is not uncommon. We are hearing it is only happening in the government franchise ones, these four, but it must be happening all the time?

DANIELA FONTANA: You are absolutely right. Operators in other regions do come forth with proposals to improve the customer experience. It is not just a State Transit thing. It is very common for private operators to put forward proposals and changes to Transport for NSW. It is no different to what I would have done as a State Transit employee, to put forward suggestions and changes to our colleagues at Transport for NSW. That exact thing happens with private operators so, yes, that is correct. It is the same principle.

The Hon. SHAYNE MALLARD: The Chair asked quite a lot of detailed questions around your customer satisfaction surveys. That applies across all of the 15 regions?

DANIELA FONTANA: Correct.

HOWARD COLLINS: Correct.

The Hon. SHAYNE MALLARD: Is it the same standard of testing?

HOWARD COLLINS: Yes.

DANIELA FONTANA: That is right.

The Hon. SHAYNE MALLARD: Would you like to comment on the customers' feedback surveys between the different regions, and particularly the former government ones and the lifelong private sector ones?

DANIELA FONTANA: I think the customer satisfaction score across all of the regions across metropolitan Sydney was 92 per cent. The State Transit Authority scored 94 per cent in the last survey.

The Hon. SHAYNE MALLARD: So 92 per cent across Sydney and 94 per cent in the government areas, so a little bit higher.

HOWARD COLLINS: Yes.

DANIELA FONTANA: Across the whole of metropolitan Sydney, with all operators included in those surveys, it was 92 per cent—so a very healthy score across the board and an excellent score from State Transit Authority of 94 per cent, which is the highest that we have ever had.

HOWARD COLLINS: And it is true to say that we are very proud of all the State Transit operators. To the very last day, they operated professionally. What is interesting in the industry is if you go amongst the management team, the supervisors, they are still former State Transit Authority members. They are working in the private sector in franchised operators as well as bringing on some new skills. I do have sympathy for drivers who feel they are on what some people call a two-speed salary. We worked hard to protect those State authority members and make sure that they did not suffer through the transition. That was very important. But I think there are things we want to modernise, like the EBAs. One of the ones which I find still under the STA was that your roster was awarded on seniority of service, which favoured men as opposed to women because most men started driving 30 years ago. New women were starting but got the crumbs of the rostering. That was the STA award, and I think both Daniela and myself felt that hurt. What we are certainly encouraging, as some of the private franchises have done, is to modernise those awards and offer them in a more fair and more consistent way.

The Hon. SHAYNE MALLARD: Good on you.

UNCORRECTED

The CHAIR: Take this question on notice if it is going to be too long, so that we can get the question from Mr Rath as well. There was a question earlier about the accessibility requirements and standards, and I know you addressed this in your opening statement. Under each of the contracts, my understanding is that the operator is required to come up with their own accessibility plan. Does Transport for NSW do anything to ensure that those plans are in line with what a government entity would have to do?

HOWARD COLLINS: Absolutely, and it is actually written in their KPIs. Obviously, government supports—one of the things which improves accessibility is the procurement of new vehicles, because new vehicles are designed with greater accessibility, rather than some of the older vehicles over 20 years old.

The CHAIR: I do not think there is a debate about the vehicle procurement; I think it is more about all the other aspects.

The Hon. WES FANG: I think there was.

HOWARD COLLINS: It is true to say both STA and the private operators have worked very hard to get past 90 per cent of fully accessible vehicles. Over the next few years, particularly, the advantage of electrification means that we will change out all those old vehicles and end up with a modern, fully accessible fleet.

The CHAIR: Again, that is very much focused on physical accessibility.

HOWARD COLLINS: Yes.

The CHAIR: But when we also come to things like making sure that—

The Hon. SHAYNE MALLARD: Routes go past facilities and that, you mean?

The CHAIR: Yes. People with disability have a greater need than many to have very consistent, reliable services—to ensure that the bus stops themselves are accessible, that there are connections between things when they are going on multi-trips and that they are not having to go for long distances between different buses. Is all of that caught within these private operators' KPIs as well?

HOWARD COLLINS: As I explained earlier, certainly in terms of the timetable, the route planning and the service provision, that is still retained very much within our planning team within Transport for NSW. As Daniela explained, we are often listening to operators which give us feedback on what they see and hear. But certainly that intention of ensuring reliability of services, high-frequency buses, good interchange, good lighting, bus stops and onboard features within the bus to assist people with hearing or vision needs are all part of that process. That is all built into these franchise contracts.

The Hon. CHRIS RATH: I want to go back to the table on page 4 that Mr Mallard pointed you to. Are all of the 15 different regions negotiating employment contracts between the trade unions and the Government?

HOWARD COLLINS: No, the contracts employment is through the employer, which is obviously these private bus operators or the bus operators listed here, and the employees. Traditionally, what has happened is the majority of those have been with the TWU under Federal. I do not know why but certainly historically, the STA has been under RTBU and part of, obviously, a different State award as opposed to Federal. That is really why you ended up where there was one union for the private sector and one for the public. Now there is a mixture of the two, obviously, where we have got State Transit employees protected under those conditions and new employees who have joined since the franchise operation which tend to be TWU members.

The Hon. CHRIS RATH: Would you say that the rate of union members as a percentage of the workforce in, say, Region 9 would be higher than in regions 1 and 2?

HOWARD COLLINS: I cannot tell you that; I have no idea. We know generally public sector organisations have a higher rate of employee union membership. There is nothing wrong with that; I think unions do a great job, in many respects, in supporting employees.

The Hon. SHAYNE MALLARD: It is a stepping stone to Parliament for them.

HOWARD COLLINS: But I do think I would be unable to provide that information.

The Hon. CHRIS RATH: Would you be able to take that on notice?

HOWARD COLLINS: I do not think that is available. It is important, I think, to recognise that employees have the right to privacy about their memberships and who they belong to, and I think both sides would respect that. But we understand that most, if not all, companies do have a collective bargaining arrangement and carry out annual awards and discussions about terms and conditions on a regular basis for most, if not all, of these companies.

UNCORRECTED

The Hon. CHRIS RATH: The zero-emissions buses are an excellent idea and, as you know, this Government is committed to net zero by 2050 and 50 per cent reductions by 2030, leading the Federation in that regard. I think they are going to be rolled out in regions 7, 8 and 9?

HOWARD COLLINS: Yes—6, 7, 8 and 9. We have, I think, 54 at the moment, heading to well over 100 by mid this year. We are obviously putting forward a strategic business case and a submission to government for the conversion of all vehicles in the metropolitan area over a 10- to 15-year period for Sydney Buses.

The Hon. SHAYNE MALLARD: That is replacement, not conversion.

HOWARD COLLINS: Replacement, yes. There was a real commitment to say that we do not want to buy a single new diesel bus. Whilst they operate under great Euro 6 conditions, I think we all benefit—not only the customers that ride them but also the local residents, who get a much quieter experience when the vehicles are going by or when the driver is having his or her meal break. We used to get lots of complaints about people leaving the diesel bus running to keep the air conditioning going. It is pretty silent nowadays.

The Hon. SHAYNE MALLARD: Excellent.

The Hon. CHRIS RATH: Very good.

The Hon. MARK BUTTIGIEG: Just a bit of context on some of that earlier questioning: Is it true to say that those three or four that recently got privatised accounted for the vast bulk of daily Sydney services? I think those routes were some 70 per cent, is that right?

DANIELA FONTANA: The majority of metropolitan, yes.

HOWARD COLLINS: They are the big areas—Eastern Suburbs, inner west. Yes, that is true.

The CHAIR: Did you have a final question, Mr Fang?

The Hon. WES FANG: I do but, given the time that Mr Collins and Ms Fontana have given up today, I will let it go and put it on notice if I need to.

The CHAIR: Thank you very much to both of you for coming along.

HOWARD COLLINS: It is a pleasure to be back.

The CHAIR: I was genuine when I said I enjoy listening to you speak, Mr Collins. Your knowledge on these topics is impressive. Thank you both. To the extent there were questions taken on notice, you will have 21 days in the usual manner. That concludes today's hearing.

(The witnesses withdrew.)

The Committee adjourned at 14:50.