

16 May 2002

Nick Hague  
Independent Pricing and Regulatory Tribunal  
PO Box Q290  
QVB Post Office NSW 1230

Dear Mr Hague

**SUBMISSION OF THE TRANSPORT WORKERS' UNION OF AUSTRALIA, NEW SOUTH WALES BRANCH IN RELATION TO THE IPART REVIEW OF PRIVATE BUS FARES**

The submission of the Bus and Coach Association of NSW (BCA) to the IPART in relation to its "Review of fares for taxis, private buses and private ferries in NSW" contains details of inequities that exist between the Government bus operator and the many private bus operators. These inequities and low profitability of the private bus industry directly affect our members.

The Cost Index approach to setting fares at least gives the industry the opportunity to negotiate award conditions (particularly pay rates) knowing that reasonable increases will be reflected in fares.

At present the TWU and the BCA are one year into a three year award with adjustments to wages and superannuation due each July. Any delay in fare increases or reduction below the Cost Index outcome is seen by the TWU as a direct threat to driver security and welfare.

The present system has delivered a relatively harmonious industrial environment but there is growing evidence that the lack of Government support for the private bus industry and its

passengers is having an adverse effect on drivers' wages and security. For example, funding inequities that exist between State Transit Authority (STA) Operators and private bus operators are reflected in the inequity between the rates paid to STA drivers and those paid to drivers employed by private bus operators. Since 14 July 2001 the base wage of a private bus driver has been \$561.60. An STA bus driver of equivalent status (a "bus operator level 2") in the same period has had a base wage of \$593.60 per week to which is added as a matter of right the "industry allowance" of \$27.81. This gives a total actual base wage of \$621.41, nearly \$60 per week, or \$1.57 per hour more than a private bus driver. Even when five lots of daily ticket allowance (which does not apply to all drivers) is added to the base wage of private drivers, the difference is still \$20 per week. In practice, this gap is even wider because the award for STA drivers provides that overtime on a four or five day shift begins after 8.5 hours work as opposed to after 10 hours in the award covering private drivers. In addition to this STA drivers enjoy more employee friendly conditions in a variety of areas including patterns of work and leave entitlements. Both groups of employees perform identical functions. There is no clear reason, based on any work value comparison, for such inequity.

The capacity of private Bus operators to fund reasonable wage increases, invest in new services, recruit drivers, participate in effective staff development and training is directly related to revenue from fares. A particular need for drivers in the private industry at present is access to the same violence prevention training as is provided to STA drivers. Lack of such training goes to the heart of driver standards and safety and is yet another gap, this time in service quality, between public and private bus sectors.

The Union seeks your support to grant the full rise sought by the BCA and for you to call upon the Government to remove the funding inequities that exist between the STA and private operators, thus paving the way for growth in public transport, which would benefit our members as well as the community as a whole.

**Transport Workers' Union of Australia, New South Wales Branch**