
Public Submission

***NSW Independent Pricing and Regulatory
Tribunal Review of Private Bus Fares 2003***

June 2003

The Transport Workers Union
NSW Branch

Mr Thomas Parry
Chairman
IPART - Level 2, 44 Market Street
PO Box Q 290
QVB Post Office
SYDNEY NSW 1230

Submission of the Transport Worker's Union of New South Wales in Relation to Private Bus Fare Review

1. This submission is made by the Transport Worker's Union, whose members are directly affected by the viability of the NSW private bus industry.
2. The private bus industry employs about 12,000 drivers, most of which are employed under the Motor Bus Drivers and Conductor's (State) Award. At present this award prescribes wage increases on the 1st of July 2003 and again in July 2004.
3. The wage rates negotiated in this award were on the understanding the industry would receive funding through fares or other means to meet contract requirements, and such funding included fare adjustments in July each year.
4. The private bus industry provides about 55% of the fleet for route and school services in the Greater Metropolitan areas, yet only receives about 15% of government funds allocated to support public passengers. As a result operators in the industry are heavily dependant on patronage and fare increases as a source of revenue.

5. Accordingly, with patronage under strain and the continued growth of personal transport at the expense of the public transport system (including the private operators) the TWU is concerned the viability of the industry is under pressure and the security and future of the industry's workforce is being put at risk.
6. In addition, the TWU believes these threats to the viability of the industry are also undermining the level and standard of passenger transport services being provided to tax paying NSW commuters and their families.
7. Increasingly, it is our experience that private operators are implementing cut backs and short cuts as they struggle to survive. Service levels are being reduced and attempts are being made to let working arrangements and conditions deteriorate. Some drivers, for example, are being denied basic facilities and others are fighting to ensure 100% of their legal entitlements (including superannuation) are being paid and protected.
8. Inevitably, these threats also has the potential to impact on industry safety and maintenance standards, both in terms of the quality and calibre of vehicles being put on the road and the level of skill, training and fatigue of the drivers being asked to drive them. The public consequences of these developments being allowed to happen are frighteningly obvious.
9. If left unchecked this decline in the level of industry standards and service will only serve to further erode the viability of the passenger transport industry, putting the future livelihood of our members and their families working in the industry at even more risk.

10. The TWU believes that the NSW Government cannot afford to let this happen. Private passenger transport operators provide a critical service to the people of NSW, particularly in regional and non-metropolitan areas like Western Sydney. This service cannot be left to fall into disrepair.

11. Nor can it be viably replaced, or left to be consumed by the current trends of increased in private car usage. Neither option has any long term viability in the interest of the public, the 12,000 workers and their families in the private bus industry, or NSW tax payers.

12. Accordingly, the TWU calls on IPART to intervene to ensure nothing is done to further jeopardise the future of the private bus industry and that it does everything within its power to ensure a viable future for the industry.

13. To this end, recognising the need to maintain contracted service levels, the TWU requests IPART to:-

a.) Approve the full increases sought by the BCA. We observe the industry is struggling to keep pace with cost increases at a time when patronage is weak.

b.) To recommend the private operators receive the same fares and concession arrangements as those available by the Government to other operators.

c.) As an interim measure to (2) above, introduce a change in the reimbursement for half-fare concessions whereby the Government would reimburse three quarter of the adult fare.

- d.) To recommend greater priority be given in the allocation of funds for bus priority projects to areas serviced by private operators.
- e.) Review the assessment criteria used to award contracts to ensure industry competition is conducted on a level playing field. In particular, ensure that the revenue risk from patronage is not treated differently.
- f.) Not to jeopardise employer/employee harmony by reducing the level of the fare increases applied for. An increase in the award is due to be paid from 1/7/03.
- g.) To note that the industry lags behind other areas as far as investment in training and welfare are concerned and that industry viability and limited revenue streams impact on TWU efforts to affect improvements in these critical areas.
- h.) To accelerate the introduction of the integrated ticketing project to pave the way for equity in concessions and remove the amount of cash handled by drivers.
- i.) Recommend the introduction of financial support to accelerate fleet replacement policies, similar to what exists in Queensland, for example.

14. In addition, the union also seeks recognition from the tribunal of the urgent need to address safety, training and occupational health and safety standards across the industry. To address this need we seek support of the annual allocation of specific Government funds to industry and workplace representatives to ensure best practice industry safety, training and OH&S standards are being met.

15. I hope you are in a position to support this submission and look forward to working with you to help improve the NSW passenger transport services.

Yours sincerely,

Tony Sheldon

State Secretary – NSW Transport Workers Union