

# Australia: NSW government privatises Sydney's inner-west bus services

Oscar Grenfell  
16 February 2018

The New South Wales (NSW) state Liberal-National government announced on Tuesday it has awarded the contract for the operation of bus services throughout inner-western Sydney to Transit Systems, a major private transport company.

The move is the latest stage in a decades-long privatisation of public transport across the country by Liberal-National and Labor governments alike, in collaboration with the Rail, Tram and Bus Union (RTBU) and other unions.

NSW Transport Minister Andrew Constance first announced last May that the government would privatise most inner-west Sydney bus services after the expiry of a contract held by the government's State Transit Authority.

Since then, the RTBU, working closely with the Labor Party, has done everything it can to suppress widespread opposition among bus drivers. The union called a token 24-hour strike on May 18 and sought to channel anger behind impotent appeals to the government, and calls to elect a Labor Party government.

The RTBU's actions directly facilitated the privatisation. From July, Transit Systems will operate Region 6 bus services, spanning from Sydney's central business district, to Strathfield and Olympic Park in the west, and Kensington in the southeast.

The government has not made public the price of the contract. However, as with previous privatisations, the deal turns over publicly-funded infrastructure to a major corporation, to enable the company to slash costs to pursue the highest rate of profit. Transit Systems will operate about 500 state-owned buses in the inner-west and run dozens of services, making use of existing infrastructure, including Opal payment machines and bus stops.

Some 1,200 of Sydney's 3,600 public bus drivers will be directly affected. While Transit Systems' contract spans eight years, the company has given workers an employment guarantee of just 18 months. In other words, mass sackings are on the agenda. The workers also face the prospect of wage reductions, the elimination of entitlements and other attacks on conditions.

The government and Transit Systems have declared that the new contract provides for the introduction of "on demand" bus services, making use of a mobile phone app. *Busnews.com.au* said on Tuesday the company would employ "routing, stopping and passenger clustering" to run services that were "more dynamic" than "traditional fixed route" buses.

No concrete details of these plans have been provided. However, stripped of the corporate buzzwords, "on demand" buses will inevitably result in a reduction of services, especially outside peak hours, and massive fare increases.

Constance indicated that "on demand" is code for transforming bus services into a private taxi-style operation. He declared this week that arranging a bus ride would be "like ordering a pizza" or an Uber.

The government's pretext for the sell-off, that publicly-operated services are unreliable and frequently late, is a sham. According to the Inner West Council, over 91 percent of Region 6 bus services were on time last year. As drivers have noted, delays are a product of Sydney's chronic traffic congestion and ailing public infrastructure, which has not kept pace with population growth.

The NSW Labor Party opposition and the RTBU have postured as opponents of the latest sell-off. RTBU NSW Bus Division secretary Chris Preston, made clear, however, that the union would continue to facilitate the

privatisation, calling only for Constance “to guarantee Sydney commuters that stops will not be closed and bus services not be cancelled under a private operator.”

In reality, the union has enforced round after round of privatisation, in every area of public transport. In 2012, the RTBU facilitated the sell-off of Sydney’s lucrative ferry operations to a private contractor. Last year, Preston bragged that the union previously enjoyed a “consultative” relationship with state Premier Gladys Berejiklian, when she spearheaded the ferry privatisation as transport minister. “She knew how to talk to the union,” Preston declared.

In 2016, the RTBU explicitly endorsed the transfer of all public transport operations in the regional city of Newcastle to Keolis Downer, a transport company. Preston issued a statement that “cautiously welcomed” the privatisation. “We welcome better integrated transport for the city of Newcastle,” Preston stated. He declared it was “a great step forward for Newcastle transport workers, who can now finally put a face to their future employer.”

In August 2017, a month after Keolis Downer began operations, the *Newcastle Herald* reported that around 70 bus drivers claimed to have been substantially underpaid by the company. Some said they were owed \$200 from the previous fortnight, while others said they were underpaid by \$600 in a month.

The RTBU, which has adopted a posture of opposition to Keolis Downer in order to head off anger among drivers, said this week that a number of workers are still not being paid correctly.

Labor’s demagogic claims to defend public transport are no less a fraud than those of the union. Last month, Labor’s shadow transport minister Jodi McKay declared that the bus privatisation was “another sad example of the Liberals’ obsession with selling off the state’s assets and Labor fears the beginning of a state-wide sell off of public transport.”

In reality, NSW Labor governments, in office from 1996 to 2011, spearheaded the privatisation of state assets, including the electricity distribution network and freight train operations. During Labor’s tenure, private contractors operated large portions of Sydney bus services, receiving substantial government funding and using public infrastructure to turn a profit.

In 2004, the Labor government of Bob Carr commissioned a review into Sydney’s bus network,

conducted by former Labor Premier Barrie Unsworth. It called for a “demand-driven approach,” as opposed to one based on “minimum service levels.” This meant slashing services during off-peak periods, especially in working class areas.

The Unsworth review also called for an expansion of services run by private contractors. Carr declared that, as a result, his government would “mesh private and public bus services for the first time.”

A 2010 auditor-general’s report into private bus companies with state contracts found that the Labor government was focused on “contract administration,” i.e., dispensing large sums of public funds to transport corporations, and that services were woeful, with chronic cancellations and delays.

The record underscores that Labor and the unions bear central responsibility for the gutting of public transport. No less than the Liberal-National government, they are committed to the subordination of transport, and every area of social life, to the insatiable profit demands of the financial elite.



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**