Australia: More than 1,500 Kinetic and CDC bus drivers strike in Victoria

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On Thursday July 10, more than 1,500 Victorian bus drivers held a 24-hour strike, protesting against declining real wages and attacks on their rosters and other working conditions. Drivers from ComfortDelGro (CDC), taking their fourth strike since May, were joined by Kinetic workers, walking off the job for the first time in this dispute.

Workers rallied outside Victorian Trades Hall, in central Melbourne, before marching to the state Parliament House. Drivers also held demonstrations in the regional cities of Ballarat, Geelong and Mildura.

Drivers at both companies—two of the four major bus lines contracted by the Victorian government—have been offered derisory pay “rises”: At Kinetic, a four-year deal with annual increases in line with the Consumer Price Index (CPI), and at CDC, a total of 7.5 percent over the first three years, followed by an increase in line with either CPI or Average Weekly Earnings (AWE), depending on location.

Both companies’ offers would mean bus drivers’ real purchasing power would continue to fall. The CPI is a substantial underestimate of the rising cost of living experienced by the working class, driven above all by the skyrocketing cost of housing.

Moreover, these CPI-linked deals have only been instituted after the inflationary surge in 2021, which saw the CPI rise to almost 8 percent. As a result, the effect of the most recent union-brokered agreements was to lock in the massive real wage cuts drivers were hit with at that time.

While a representative of Kinetic told *Bus News* the previous agreement “established our drivers as the industry leaders in compensation,” this only highlights the dire wages of bus drivers in general. Under the proposed agreement, Kinetic drivers would start on a base rate of $39.03 per hour, while the average weekly ordinary time earnings for full-time adult workers is $1975.80—equivalent to $52 per hour.

The Transport Workers Union (TWU) has called for a three-year deal containing an 18 percent pay rise at Kinetic. At CDC, the TWU initially advanced a demand for 21 percent over three years, but has since reduced this to 18 percent.

As well as pay, drivers are opposing attacks on their conditions. One Kinetic driver told the *World Socialist Web Site* the company had offered to pay above CPI, but only on the condition that the drivers accept changes to the rostering system. He also noted that drivers were frustrated that there was little opportunity to pick up overtime shifts, which was necessary because the base rate is not enough to live on.

The driver said that even the inadequate CPI-linked pay increases under the previous union-management enterprise agreement had come at a cost: The company demanded “productivity gains,” including that “time between runs has been significantly cut.” Workers also face six-hour split shifts with a long unpaid break in the middle.

In its proposed agreement, Kinetic is seeking to introduce new provisions relating to charter work, as the company moves to expand this side of its business. Under the proposed agreement, existing allowances, including overtime, would not apply to charter work done by full- and part-time drivers outside of their ordinary hours, and casual drivers performing charters would not receive their usual 30 percent loading. Instead, charter work would be paid an hourly wage just 10 percent higher than the regular rate.

Drivers at both companies should draw lessons from what happened at Dysons last month, another company contracted to provide public bus services for the Victorian government. Dysons workers were set to join those at CDC in a second strike on June 16, but at the eleventh hour the company announced that workers had voted—by the narrowest of margins, just 51 percent in favour—to accept a revised offer of a meagre 13 percent wage rise over three years.

TWU director of organising in Victoria and Tasmania, Sam Lynch, stated: "Although the Dysons agreement falls short of what we would have liked, members should be proud of the progress we made."

This endorsement, along with the union's readiness to unilaterally lower its wage demand at CDC, should be a stark warning for all drivers that the bureaucracy will not hesitate to push through a similar rotten deal.

To facilitate this, the TWU has sought to isolate drivers at the different companies as much as possible and minimise the effect of their industrial action. The joint Kinetic-CDC strike at Trades Hall was originally planned to take place on July 3, but the TWU cancelled the Kinetic strike in response to a revised offer from the company and relocated the CDC demonstrations to several of the company's depots. It is no accident that both these major strikes were organised to fall during the school holidays, limiting their impact on company operations.

In a message sent to drivers the day before the strike, Kinetic Executive General Manager Graham Smith threatened "strike action won't improve the offer—it will reduce it."

Kinetic is the largest bus operator in Australia. It is a multi-national bus and train company with operations in the United Kingdom, Singapore, Germany, Ireland and Norway, including 12,000 buses globally. Owned by Canadian pension fund OPTrust and London-listed Foresight Group, the company was last year estimated to be worth $4 billion as its owners sought to sell the company, with annual revenue of $2.75 billion and earnings before interest, taxes, depreciation and amortisation (EBITDA) of over $500 million.

Despite this, Smith cried poor, writing: "Strikes can work—in some environments. But this isn't one of them. The government isn't stepping in with extra funding and is in significant debt, and we're not holding anything back."

At the rally, TWU National Secretary Michael Kaine sought to cover over the Labor government's complicit role in the attack on bus drivers' wages and conditions. He claimed the bus company contracts with the state government were "not a commercial contract [but] a community contract, it's a contract to look after the people of Victoria … and they are breaching that trust by not treating you fairly."

This is a fraud. Driving down labour costs, while simultaneously funnelling vast sums into the coffers of private corporations is the very purpose of privatisation. The sell-off of Victoria's public transport, introduced in Victoria by the Liberal-National government in the 1990s, but supported and renewed by every Labor government since, is no exception.

The Labor government's ongoing endorsement of the private bus operators' squeezing of workers' wages and conditions is expressed in its recent signing of new 10-year contracts, worth over $4.1 billion, with the major bus companies.

The TWU bureaucracy tries to hide this from workers because it is tied by a thousand threads to the Labor Party. According to records lodged with the Australian Electoral Commission, the various state branches of the Transport Workers Union paid $248,472 in donations and affiliation fees to the Australian Labor Party in the 2023–2024 financial year.

To avoid another sell-out at the hands of the TWU bureaucracy, bus drivers in Victoria need a new perspective. Rank-and-file committees must be built in every depot, as the means through which workers can take matters into their own hands and link up with wider layers of the working class, throughout the transport sector and more broadly.

Bus drivers are not just up against the private companies that employ them, but the Labor government, the unions and the capitalist system itself, under which public transport is not viewed as a vital societal function, but a revenue stream.

This poses the need for a socialist perspective and a fight for workers' governments, to place essential public services, including transport, along with the corporations and banks, under public ownership and democratic workers' control, to be operated to serve the needs of working people and society, rather than the profit demands of the wealthy elite.

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