

SUMMARY OF THE REGION 7 TRANSITION ADVISORY DESK TOPICS (October – November 2020)

TENDER ANNOUNCEMENT AND TIMELINE

- The tender for Region 7 opened in August and closes on 18 December 2020.
- After this, the bids will be evaluated by way of a competitive tender process.
- Following the evaluation process, it is anticipated that the new operator for Region 7 will be announced in July 2021 with a handover to the new operator in January 2022.
- The new operator(s) for all three Regions will work with TfNSW and State Transit to ensure that the transition is as smooth as possible, and will be present at depots during the transition phase for each Region. The proposed timeline is outlined below.

<i>Region</i>	<i>Operator announced/ transition commences</i>	<i>Transition concludes/ New operator commences</i>
Region 8 (North)	May 2021	October 2021
Region 7 (West)	July 2021	January 2022
Region 9 (East)	November 2021	April 2022

- The Regions are not for sale — they remain under NSW Government control.
- The NSW Government will continue to own the existing buses as well as other assets such as depots/garages.
- The new operator(s) will be required to service and maintain the fleet and facilities along with operating all contracted services.
- As is the case today, timetables and service levels will need to be approved by Transport for NSW.
- Service levels are controlled by TfNSW and there is no intent to reduce services in the future and it is likely service levels will need to increase to meet demand.

For more information on the tender process, refer to the Transition Handbook.

SUPPORTING YOU THROUGH THIS CHANGE

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EMPLOYMENT GUARANTEE

- As an operational employee, you are guaranteed an offer of employment with the new operator(s) with the same job, at the same level and the same status.
- Your employment with the new operator(s) is guaranteed for two years.
- Your employment cannot be terminated during those two years, other than if you resign, for serious misconduct, or as a result of reasonable disciplinary procedures.
- Your Award conditions at the time of transition go over with you. They are also protected under the Award or until a new Enterprise Agreement is made.
- The new operator cannot vary your Award conditions without your agreement. during the employment guarantee period.
- It is anticipated that for the most part nothing will change for employees after the two-year employment guarantee has expired and that wage negotiations for a new Agreement will occur in the normal way when your Award nominally expires.

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TRANSITION PHASE

- Closer to the time of transition, all operational employees will be given an employee information pack by the new operator. This pack will include:
 - a letter of offer for employment with the new operator (this offer will be for the same position as your current State Transit position);
 - a form to nominate if you wish to cash out all or part of your annual and long service leave;
 - a tax declaration;
 - a bank details form; and
 - correspondence from the new operator.
- The letter of offer from the new operator will have a return date for your acceptance.
- Your contract of employment is with the new operator. Once you accept your employment offer and complete all the paperwork, your transition will happen automatically at the time the new operator commences services. You do not need to do anything further.
- Upon acceptance of your offer, your details will also be provided to the roster clerk, so that your line of work can be confirmed in the rosters post transition.
- It will be up to you as to whether you accept the offer of employment. You cannot be forced to sign it. Should you choose not to sign; you will no longer have a position after the transition.
- Under government regulations, you will not be paid a redundancy if you reject or do not return the offer of employment from the new private operator(s).
- As you no longer have a position post transition, you will become an excess NSW Government employee and have three months to find another position. Should you not secure another position, you will be exited.
- If you are clearing leave when the letters of offer are distributed, you can return the offer when you return from leave.
- Managers would treat approval of extended absences around the transition dates on a case-by-case basis, ensuring operational requirements are met.

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TRANSFER ARRANGEMENTS — EMPLOYEE ENTITLEMENTS

AWARD

- Your conditions of employment are covered by your Award.
- The Award in place at the time of transition will go with you to the new operator. The Award conditions will remain in place until a new agreement is negotiated and signed.
- The Award will continue to apply in the same way it does now, covering things such as your rates of pay, overtime rates and shift penalties. These will still apply to your work as they do now, depending on your shift.
- The rostering principles that are covered by your Award will also transfer with you to the new operator(s). They must comply with these conditions.
- There are provisions in your Award with respect to take-home pay and these will be preserved.
- Your actual take-home pay with a new operator cannot be guaranteed any more so than it can be guaranteed by State Transit, as it depends on your individual circumstances and the shifts you work each fortnight.
- The availability of overtime will vary depending on the needs of the new operator(s).

BUS OPERATOR TRAINEESHIPS

- Bus Operator Traineeships will transfer across to the new operator(s).
- Every effort will be made to ensure that current trainees have completed necessary units and that traineeships that are due for completion are processed prior to the transition, wherever applicable.

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TRANSFER ARRANGEMENTS — EMPLOYEE ENTITLEMENTS

EMPLOYMENT CONDITIONS

- Personnel files will not be transferred to the new private operator(s).
- Your seniority will transfer to the new operator(s).

GREENSLIPS

- Compulsory Third Party Greenslips are part of the cost of registration.
- Vehicles cannot be registered without them. They cover personal injury to passengers.
- Although the buses will be owned by the NSW Government (just as they are now), the operator is responsible for paying the costs of registering the buses, including Greenslips.

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TRANSFER ARRANGEMENTS — EMPLOYEE ENTITLEMENTS

LEAVE

Leave Balances

- Your Annual Leave, Long Service Leave and Sick Leave balances will transfer across to the new operator(s).
- The leave that you have accrued is carried across to the new operator(s) and cannot be taken off you at the end of the employment guarantee.
- Leave will continue to accrue as it does now.

Long Service Leave

- Your years of service carry across to the new operator(s). This service counts towards your Long Service Leave.
- Long Service Leave will continue to accrue as it does now.
- Applications for Long Service Leave for the period up to December 2022 will be approved by State Transit, in line with current practices.
- Cut-off dates for leave applications for State Transit approval will be communicated closer to transition.
- If you want to apply for Long Service Leave beyond December 2022, you will need to apply to the new operator(s), after transition.
- Long Service Leave approved by State Transit will carry over to the new operator(s).

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TRANSFER ARRANGEMENTS — EMPLOYEE ENTITLEMENTS

LEAVE (Cont.)

Sick leave

- Sick Leave is covered by your Award, which will transfer across to the new operator(s) and cannot be changed unless it is replaced by a new Agreement.
- You will continue to accrue sick leave based on the Award conditions and then, after it is replaced by a new Agreement, the conditions of the Agreement.

Purchased Leave

- The ability to take Purchased leave is part of your Award.
- Your Award transfers across to the new operator(s).
- The conditions cannot be changed unless it is replaced by a new Award.

PLEASE NOTE:

- All leave allocated or approved by State Transit, including for periods after transition, will be honoured by the new operator(s).
- Leave approvals by State Transit will cover any leave up until December 2022.
- Any leave required after this will need to be approved by the new operator/s.

For more information on Leave refer to the Transition Handbook or the Region 8 Advisory Desk Summary.

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TRANSFER ARRANGEMENTS — EMPLOYEE ENTITLEMENTS

PART-TIME EMPLOYMENT

- You are guaranteed an offer of employment with the new operator in the same job, at the same level and at same status (full-time, part-time or casual).
- From time-to-time the new operator(s) may review rosters in response to changes to business or customer needs. These changes may impact both full-time and part-time shifts.
- Should a part-time shift be changed, the new operator(s) will be bound by the Award conditions in regard to part-time shift alterations in the same way as State Transit is.
- Changes in status are personal decisions based on your individual circumstances. You should consider all of your options prior to requesting any changes.
- If you do want to change your status, you should request it as soon as possible, to allow time for a part-time shift that meets your needs to become available.
- You should note that some shifts may not become vacant prior to transition.

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TRANSFER ARRANGEMENTS — EMPLOYEE ENTITLEMENTS

PAY RATES

- Employees covered by the Maintenance Award will receive a 2.5% pay rise next year, in line with their current Award.
- Negotiations for a new Bus Operations Award and Senior and Salaried Officers Award are underway. Any wage outcome for these Awards will be in line with Government policy and must have regard to the recent Public Sector Salaries decision by the NSW Industrial Relations Commission which awarded a pay rise of 0.3% for twelve months to certain Awards covering public sector employees. Any future pay rises in your Award must be recognised by the new operator(s).
- Pay rates across different bus companies are similar, however conditions and allowances may differ.
- Operators generally factor in wage/salary increases in service costs over the life of the contract when putting together their bid.
- Future pay rises in your award at the time you transfer will still apply following transfer. After that, pay increases are likely to be part of negotiations with the new operator(s) for a new enterprise agreement.
- The contracts contain provisions to fund annual increases to wages in line with the Wage Price Index (6345.0 Table 5b) issued by the Australian Bureau of Statistics.
- The issue of funding under the Contract is separate from wage increases you may negotiate with your new employer as part of the enterprise agreement negotiations in the future in return for productivity increases.

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TRANSFER ARRANGEMENTS — EMPLOYEE ENTITLEMENTS

ROSTERS

- The block holiday roster will be built and published up to the end of 2022.
- The new operator(s) are required to honour any leave that State Transit has approved.
- The new operator may wish to change this system, but it would need to consult with you to make any changes.

ROUTES AND OPERATIONS

- Just as it does now, the NSW Government will continue to regulate routes and bus stop locations, to ensure our services meet customer requirements.
- Whilst contracts have a nominal contract boundary service, they often extend into adjacent contract areas.
- Transport for NSW will require that strict safety and operational standards are adhered to after transition.
- It is up to the new operator(s) as to how they manage the day-to-day operations of the depots. It is anticipated that initially, things will mostly stay the same, such as how changes to bus stops are managed. Over time, the new operator(s) may make changes to how things are done.

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TRANSFER ARRANGEMENTS — EMPLOYEE ENTITLEMENTS

SHIFTS

- At times, rosters can change as a result of service review changes.
- The conditions on roster changes — including income protection, conditions during school holidays and part-time shifts — are in your Award.
- Your Award transfers over to the new operator(s), who will need to comply with all Award provisions.

STATE TRANSIT POLICIES AND PROCEDURES

- A list of the State Transit policies and procedures that will transfer across to the new operator(s) are listed on page 24 of the Transition Handbook for Operational Employees.
- The new operator(s) must honour these policies and procedures for either three or six months without trying to change anything. After that time, the new operator(s) will have to consult with you and your union if they want to make changes, just as State Transit must do now.

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TRANSFER ARRANGEMENTS — EMPLOYEE ENTITLEMENTS

SPV (SPECIAL PURPOSE VEHICLE)

- The draft contracts for Regions 7, 8 and 9 state that the new operator(s) must be a company that is specifically established to operate services in the relevant region. This is known as a Special Purpose Vehicle (SPV).
- The SPV must be the employer for all Dedicated / Operational Staff (including those employed under a traineeship or apprenticeship), regardless of whether they are former State Transit employees or employees hired after transition. This has been made clear to all tenderers.
- It is Transport for NSW's view that having one employer should help address any concerns you and your unions had with previous arrangements and that it should lead to having the same enterprise agreement cover staff who are performing the same work within the same region.
- The Secretary of Transport has given his assurance that the provisions concerning the SPV will be closely monitored and enforced. Any breaches / non compliance will be pursued.
- There are reporting, monitoring and enforcement mechanisms in the draft Contract allowing Transport for NSW to treat any non-compliance as a material breach of the Contract.
- In the event of a material breach, Transport for NSW would be able to take immediate corrective action which may involve termination of the Contract, suspension of payments, or to require that a Cure Plan be implemented.
- When it comes to negotiating a new agreement to replace your current Award, Transport for NSW expectation is that the new operator should involve all employees in the bargaining for the next agreement — regardless of whether they came from State Transit or are new — and that any new agreement should cover everyone.
- No new operational staff can be employed under the SPV before the new operator commences services (i.e. before the transition date when State Transit staff transfer across).
- At the point of transition, any new operational staff will be employed under the SPV.

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SUPERANNUATION

- Membership of current superannuation schemes (including SASS), contributions and retirement benefits remain unchanged when you start work with the new operator(s).
- Members of SASS may have seen an article in the *superVIEWS* publication (October 2020 edition) on privatisation and the impact on your super. The article talks about the requirement for a new employer to be listed under the State Authorities Superannuation Scheme Act to allow you to continue to be a contributing member of SASS.
- Once the new operator(s) are known, Transport for NSW will ensure that the operator(s) are included in the Act, ensuring that there is no impact to your super.
- Legislation governs the frequency by which an employer must pay superannuation entitlements into the relevant funds. State Transit contributes more regularly than is required by law. The new operator(s) may decide to continue as things are now or to change the frequency.

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TRANSFERS

Transfers between State Transit Depots

- Requests for transfers within State Transit will be considered in line with current policy until the commencement of transition for your Region.
- Transfers are permitted once an employee has worked in his/her current location for 12 months. The transition of Region 7 is planned to take place in January 2022.
- There is no freeze on transfers. Depots that are understaffed may not be in a position to allow transfers out.

Movements within Contract Regions after transition

- State Transit's *Transfer & Voluntary Regression* procedure will go across to the new operator for three months. The new operator must comply with the procedure during this period.
- When it comes to transferring between depots in the one Region, it is likely that this arrangement will continue — although this would be up to the new operator(s) to determine.

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TRANSFERS (cont.) Movements between contract regions after transition

- The new operator(s) won't be able to move you between the Region you are currently employed in to one of the other contract regions (if they operate more than one) without your consent.
- The operators of each region will be separate, stand-alone companies, with their own Awards/Enterprise Agreements, policies and procedures and ways of doing business. Because the operators of each region will be different companies – and, therefore, different employers – you will not be able to transfer or move between them in the same way you can transfer between regions within State Transit.
- Should you want to move to another contract Region, in the event that the new operator(s) operate more than one region, this may be possible, but the new operator(s) would need to agree.
- The Fair Work Act will determine whether your existing service will be recognised or not if you move between employers of different contract Regions after transition.
- From an employment perspective, this would be treated as a change in employer. You would take on the conditions of the new company including its Enterprise Agreement, pay, penalty rates and policies and procedures.
- Therefore, if you move between a contract Region or another private entity, your State Transit transfer provisions in relation to:
 - your employment guarantee
 - your Award
 - recognition of the State Transit policies and procedures
 - your Employee Opal Card; and
 - recognition of service for Gold Pass purposes

are unlikely to go across with you to another company.

- Should you wish to move between contract Regions, we recommend that you speak with them first to determine your entitlements following any movement and to seek independent advice on your specific circumstances at the time.

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TRAVEL PASSES (OPERATIONAL EMPLOYEES)

Employee Opal Cards

- Your current entitlement to an Employee Opal Card will remain unchanged for three years after transition, including travel on the following services:
 - Sydney Trains and NSW TrainLink Intercity services, including AirportLink stations;
 - NSW TrainLink Regional services;
 - Sydney Ferries services;
 - Regions 6, 7, 8 and 9 bus services;
 - Newcastle bus, light rail and ferry services;
 - Sydney Light Rail Services; and
 - Sydney Metro North West services.

Gold Pass

- When you transition to the new operator(s) your service will count towards a Gold Pass for three years. For example, if you have 28 years service when Region 7 transitions in January 2022, you will have reached 30 years service prior to the end of the three year period and would be entitled to a Gold Pass.
- Broken or discontinuous service is recognised for Gold Pass purposes.

Interstate Travel Vouchers and Holiday Passes

- Your current entitlements to interstate travel vouchers (including travel on The Ghan, for example) and holiday passes remain unchanged for three years after transition.
- Interstate travel vouchers are used when you clear annual leave, long service leave or purchased leave.
- This entitlement will only apply if you book and travel prior to the end of the three years from transition.

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UNIONS

- Union representation after transfer to the new operator(s) will be determined by union rules and workplace laws.
- The RTBU is able to continue to represent former State Transit staff in Region 6.
- In Region 6 there was early engagement with staff and unions, including face-to-face briefings at depots and the provision of regular information bulletins. The RTBU was able to access the sites and continues to do so.
- You have an employment guarantee for two years, regardless of which union you are represented by.
- Enterprise Agreements will need to be negotiated with all employees to be covered by them regardless of their union representation.
- Both the RTBU and the TWU will have coverage of the Regions once you transition.

Do you have further questions or need clarification on any of the above?

Please speak with your Depot Director or Service Manager, submit an enquiry in the Transition Feedback box at your depot/garage, or email stayinformed@sta.nsw.gov.au and the People and Culture team will get back to you.

This document can be downloaded at: www.stayinformed.com.au/statetransit or via the BLINK Transition Hub.