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SENATE

RURAL AND REGIONAL AFFAIRS AND TRANSPORT
REFERENCES COMMITTEE

**Reference: Investment of Commonwealth and state funds in public passenger
transport**

MONDAY, 20 JULY 2009

BALLARAT

BY AUTHORITY OF THE SENATE

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SENATE RURAL AND REGIONAL AFFAIRS AND TRANSPORT

REFERENCES COMMITTEE

Monday, 20 July 2009

Members: Senator Nash (*Chair*), Senator Sterle (*Deputy Chair*), Senators Heffernan, McGauran, Milne and O'Brien

Participating members: Senators Abetz, Adams, Back, Barnett, Bernardi, Bilyk, Birmingham, Mark Bishop, Boswell, Boyce, Brandis, Bob Brown, Carol Brown, Bushby, Cameron, Cash, Colbeck, Jacinta Collins, Coonan, Cormann, Crossin, Eggleston, Farrell, Feeney, Ferguson, Fielding, Fierravanti-Wells, Fifield, Fisher, Forshaw, Furner, Hanson-Young, Humphries, Hurley, Hutchins, Johnston, Joyce, Kroger, Ludlam, Lundy, Ian Macdonald, McEwen, McLucas, Marshall, Mason, Milne, Minchin, Moore, Parry, Payne, Polley, Pratt, Ronaldson, Ryan, Scullion, Siewert, Troeth, Trood, Williams, Wortley and Xenophon

Senators in attendance: Senators Back, McGauran, Nash, O'Brien and Sterle

Terms of reference for the inquiry:

To inquire into and report on:

The investment of Commonwealth and State funds in public passenger transport infrastructure and services, with reference to the August 2005 report of the House of Representatives Standing Committee on Environment and Heritage, Sustainable Cities, and the February 2007 report of the Senate Standing Committee on Rural and Regional Affairs and Transport Committee, Australia's future oil supply and alternative transport fuels, including:

- a. an audit of the state of public passenger transport in Australia;
- b. current and historical levels of public investment in private vehicle and public passenger transport services and infrastructure;
- c. an assessment of the benefits of public passenger transport, including integration with bicycle and pedestrian initiatives;
- d. measures by which the Commonwealth Government could facilitate improvement in public passenger transport services and infrastructure;
- e. the role of Commonwealth Government legislation, taxation, subsidies, policies and other mechanisms that either discourage or encourage public passenger transport; and
- f. best practice international examples of public passenger transport services and infrastructure.

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Committee met at 10.59 am

CHAIR (Senator Nash)—I declare open this public hearing of the Senate Rural and Regional Affairs and Transport References Committee. The committee is hearing evidence on the inquiry into the investment of Commonwealth and state funds in public passenger transport infrastructure and services. I welcome you all here today.

This is a public hearing, and a Hansard transcript of the proceedings is being made. Before the committee starts taking evidence, I remind all witnesses that in giving evidence to the committee they are protected by parliamentary privilege. It is unlawful for anyone to threaten or disadvantage a witness on account of evidence given to a committee, and such action may be treated by the Senate as a contempt. It is also a contempt to give false or misleading evidence to a committee. The committee prefers all evidence to be given in public, but under the Senate's resolutions witnesses have the right to request to be heard in private session. It is important that witnesses give the committee notice if they intend to ask to give evidence in camera. If a witness objects to answering a question the witness should state the ground upon which the objection is taken and the committee will determine whether it will insist on an answer, having regard to the ground which is claimed. If the committee determines to insist on an answer, a witness may request that the answer be given in camera. Such a request may, of course, also be made at any other time. On behalf of the committee, I would like to thank all those who have made submissions and sent representatives here today for their cooperation in this inquiry.

[11.00 am]

HOLCOMBE, Ms Skye, Policy Adviser, Municipal Association of Victoria

OWEN, Ms Kaye, Director, Research and Policy, Municipal Association of Victoria

CHAIR—I welcome Ms Kaye Owen and Ms Skye Holcombe from the Municipal Association of Victoria. The Municipal Association of Victoria has lodged submission No. 155 with the committee. Do you wish to make any amendments or alterations to that submission?

Ms Owen—No.

CHAIR—Do you wish to make an opening statement before the committee asks questions?

Ms Owen—Thank you. I think it would be appropriate if we were to make a few comments. We particularly wish to emphasise the extent of the issue for regional councils in Victoria, of which there are 31. We have a copy of a map which we might leave with you.

One of the things I would like to draw attention to is the global economic crisis. This has brought home quite significantly the extent of the issue which is facing the people who live in those areas covered by the 31 councils, particularly with the changing demographic in regional Victoria. We now see an ageing population. We see young people who find it extremely difficult to travel between areas in the state. We have seen very positive moves through the Victorian Transport Plan, which we would say has been a good start. But the things which really need to be picked up on are the opportunities to move between locations. In terms of population growth in regional Victoria, regional centres—there are 10 regional centres—have been areas where population has increased because people who live in the surrounding areas have tended to move into the regional centres. So there has been quite significant change in the economic development of those areas. There is a desire and a need to travel between the outer lying areas and the centres and also between some of the towns which are located across the state. There are a number of opportunities to travel from Melbourne, say, into regional Victoria and there is good service, but the opportunity to move between regional locations is simply not available.

In terms of the Victorian Transport Plan, as I said we see that as a very good start. We welcome the injection of funds through the Commonwealth government in recent times: the \$3.2 billion for the Regional Rail Link, the \$40 million for the preconstruction works on the east-west rail tunnel and the moneys which came through the fiscal stimulus package. We would naturally like to see the pick-up of the particular needs of rural Victoria where there is that recognition of the need for community transport. This is one of the areas where local government has taken quite a lead, and the capacity to develop further community transport is one of the significant things we would wish to focus upon, and also the recognition of the needs of people with disabilities. We would be happy to take any questions.

Senator BACK—When did the amalgamation of local governments happen in Victoria?

Ms Owen—1999.

Senator BACK—So you have had a decade of it. Could you tell me the impact of the amalgamation on public transport infrastructure?

Ms Owen—Skye, do you wish to comment on that?

Ms Holcombe—Unfortunately the amalgamation was prior to the commencement of my employment with the Municipal Association of Victoria.

Ms Owen—And it is the same for me, so it is quite a tricky one to answer. I saw the advantage of amalgamations as being a greater opportunity for councils and their budgets to be in a position to support more transport infrastructure and sustainability of transport in the local areas. And I also think the growth of regional centres such as Ballarat has been enhanced with the amalgamations.

Ms Holcombe—But amalgamation obviously has not assisted the transport disadvantage that is still felt by the small towns. That is the key issue at the moment: access for people from small towns to other neighbouring towns. As Kaye pointed out, transport between regional centres, and obviously the conductivity to Melbourne, is excellent. We travelled up on the V/Line this morning, and it took us about 1½ hours. There is an excellent service for people wanting to connect to Melbourne, but between towns it is a lot more difficult. I am not aware how amalgamation would have assisted people in small towns by improving transport options.

Senator BACK—I asked that question because you would hope that with amalgamation you would see efficiencies. I guess that is what I am interested in knowing, because other states are considering the same. Do you see this as a local government issue? Where do you see the role of the federal government, if at all, in this whole sphere? I agree with you on the experience from other states on transport from small town to small town. Where, if at all, is there a role for the federal government to play in this?

Ms Holcombe—The federal government has been particularly generous over the decades in providing funding for road transportation, which has greatly facilitated the Victorian freight industry and is obviously vital for the safe passage of private vehicles, which is the main mode of transportation for rural and regional communities. Heading into the future—and this is certainly the view of Victorian councils—we are aware that with the imminent introduction of a Carbon Pollution Reduction Scheme, in whatever form that happens to occur, there will be increasing pressure on household budgets in terms of the purchase of fuel and the running of sometimes two or three cars per household. It is certainly the view of councils that public transport options need to be increased for people who live in these areas, because they are going to be disproportionately impacted on by future challenges. In my introductory comment I spoke about the generosity of the federal government in providing funding for roads. I think it would be very prudent for the federal government to explore greater investment in public transport options for communities around Australia. I think we need to move away from the culture of the car, which is endemic to all Australian communities, because it is really unsustainable in the future. Obviously some towns have little option—when they are 300 kilometres to the nearest town—but there is certainly a lot more that both federal and state governments could be doing to promote the benefits of public transport.

Ms Owen—As I indicated initially, a lot of the load has fallen to local government to cover community transport. With changing economic circumstances and the changing nature of expectations for sustainability and sustainable transport, local government simply cannot cover the load unless there is greater recognition from both Commonwealth and state governments.

Senator BACK—On the point you made about vehicle transport, this committee has heard that more bicycles have been purchased in Australia each year for the last however many years than motor cars, yet we do not see much evidence of bicycles being used to replace cars. Is there a scope for local government? Years ago, we all rode pushbikes to school. Today, probably fewer than two per cent of kids in the cities would ride a bike to school. I do not know about what it is for country towns—hopefully the number is greater. Somebody has to drive the actual use of bikes for commuting to train lines, to school and to work. Is local government really best equipped to drive the agenda? Do you believe it is in fact achievable and desirable? If it is, is local government the best catalyst to provide that?

Ms Owen—Local government is obviously at the forefront of the relationship with the community and is indeed well placed to encourage greater use of cycling and to look for more innovative solutions. That is very much easier in the metropolitan area, however. The distances involved in commuting between regional locations make it very much more of a challenge.

Senator BACK—Within a town, I would have thought bicycle use would perhaps be a better option. It is safer et cetera. I can understand parents being reluctant to allow kids to ride bikes on open highways these days. It worries me that we are hearing all this about bicycles, but we are not seeing any evidence yet that it is really encouraging people to cycle. We are probably the worst examples of all, I suppose.

Ms Holcombe—All councils are very focused on increasing bicycle travel, particularly in the metropolitan area. Councils are responsible for approximately 85 per cent of Victoria's road infrastructure—maintenance and upgrade and that includes bicycle paths. Councils are always seeking funds to improve bicycle paths. The state has recently jumped on board with quite an excellent cycling strategy. In terms of regional areas, some of the big towns with their road upgrades are seeking to put designated bike paths on the roads which is crucial for encouraging cycling so that cyclists actually feel safe and that there is a separation from road traffic.

In terms of start of journey and end of journey bicycle trips, one of the biggest problems we have for people commuting between regional centres is that the trains, particularly coming into Melbourne, are very congested. There has been something like a 60 per cent growth in V/Line patronage with the purchase of new VLocity carriages. But Victoria has a particular problem with a lack of rolling stock in both freight and passenger. That has made it quite difficult for passengers to take their bikes on trains, and I think it is probably a design issue for Australia. A lot of the trains around the world, particularly in Europe, have somewhere to put bicycles. That has impeded people from taking their bikes on trains.

I think local government is certainly well placed to drive that message, as you were saying. I think it is certainly something that all governments need to focus on as we try and move away from this car culture and encourage more sustainable modes of transport. I think it is difficult in regional areas with the tyranny of distance. I do not know how you overcome that.

Ms Owen—In regard to the point you were making about smaller towns, I think there is certainly capacity to encourage the use of bicycles. I think that there are various locations where there is the opportunity to have bicycle paths at a local level, because often some roads go through the centre of town and it is obviously not attractive. But it is most certainly something where I think councils can play a stronger role.

Senator STERLE—In terms of local government's role in promoting public transport, would you like to tell us a bit more about your views on the full role that local government should play?

Ms Holcombe—The state government is responsible for the provision of public transport infrastructure and the role of local government in that space is one of advocacy and that is a role that we seek to assist them with. The MAV, the Municipal Association of Victoria, acts as a conduit between those levels of government. Being the closest level of government to the people, councils are very in touch with the transport needs of their communities. I think that is probably a good segue into discussing community transport and the rural and regional disadvantage.

The lack of investment for regional transport, both train and coach services, has resulted in councils and not-for-profit organisations providing buses or trying to utilise whatever transport infrastructure is within these towns to move people around. This is now a service that is costing local government. We have done some preliminary investigation about how much it costs local government. Including the cost of vehicles, fuel and what have you it costs about \$21 million for councils in Victoria to provide these unofficial transport services. That gives you an indication. It is about \$7 million annually that councils are spending and these services are completely dependent on volunteers within the community to assist with the driving or to assist people in accessing these services.

Councils have really stepped up to the plate to fulfil a gap in transport that is unfortunately not being provided by the state. That is not intended as a slight on the state. The Victorian Transport Plan is \$38 billion worth of investment and that is a very considerable investment in the state's infrastructure. I think it also represents a lack of investment over the decades, particularly in rail infrastructure. As I said, councils are the level of government closest to the people. They are very aware of what their communities need and they are continually advocating for improved transport services, particularly for heavy rail and buses where possible. But in these rural and regional areas, where that is a very significant investment, community transport has filled the gap but that is not a sustainable service.

The MAV is currently in discussion with the state to try to come up with a way that those services can be better funded because the demand for community transport services in rural and regional areas is rising particularly due to the ageing population. People are no longer driving their cars or for health reasons they are unable to drive their cars. People are ageing in place, so they are not moving. There is population moving towards the regional centres but there are a lot of people ageing in place and they are dependent on those informal transport services.

Senator STERLE—Okay, so we have two levels of public transport conversation here. We have one that is about heavy rail. That is not around the city of Ballarat; that is between here and the capital city—would that be right?

Ms Holcombe—Yes.

Senator STERLE—Taking on board what you said this morning, there is an efficient rail service between Melbourne and Ballarat and return.

Ms Holcombe—Yes.

Senator STERLE—That is fine. What about the hurdles that are faced for rural and regional Australia? I am talking about public transport around Ballarat and towns similar. We know cost is one.

Ms Holcombe—The hurdles are obviously encouraging people to use to public transport so that the service is viable. Some of the regional centres, like Ballarat, Bendigo and Traralgon, have interregional bus services, but it is really up to state government and the regional offices. I believe you are hearing from someone from the Department of Transport regional office later on today. It is really dependent on the councils and also the state government to encourage usage of that service so that it can be viable and you can attract an operator to run that service.

Ms Owen—It is also about the fact that there has not been such a focus on the need for infrastructure for public transport because of the use of cars. There is reliance upon cars. Now we have a situation where usage of cars will drop. There does need to be a stronger role played by all levels of government to encourage the use of public transport. But it is urgent that they concentrate on some of the infrastructure. There is an education campaign, but the education campaign is besides the point if the fundamental service is not available.

Senator STERLE—We have been travelling the country on this inquiry now for some months. We have visited just about all the capital cities and the ones we have not we will cover by the end of the week. The same story is coming out everywhere. To pick up on Senator Back's line of questioning, when we were kids we all rode to school. Things were different then. It was a lot safer for kids to ride to school and parents had no problem. What I am trying to get at is that with the infrastructure issues—dollars will fix infrastructure; there is no problem about that—how, and this is a line that has come up everywhere we have been, do you encourage commuters to get out of their cars and onto the public transport system?

Ms Holcombe—You could provide monetary incentives.

Senator STERLE—Could you tell us a bit more about what they would be in the municipal association's view?

Ms Holcombe—Subsidised public transport tickets. There are various creative ways of doing it. You could make all taxpayers pay \$5 for public transport and then make it free. Some economists would say that that would be one way of doing it. Others would say that that is absolutely absurd. I am not really in a position to be able to advise what the best monetary approach would be. But people are aware of the health disincentives of continuing to drive cars. You need to focus on those health aspects. There needs to be a lot of awareness about obesity among children particularly. It is a myth that public transport is unsafe for children. It is probably unsafe for children to walk and ride to school because of the speed of cars that are travelling on the roads. That is a very valid concern for parents. But in terms of children getting

abducted and what have you, there have been copious studies done on this and it is not that unsafe for children. There are a lot of ways that we can encourage people to use public transport, but unless the services are there people will not come. The increase in patronage of the V-Line services when the state government invested in these fast regional trains is a perfect example. If you provide the service, people will use it. Demand for these regional services is through the roof now. But the lack of investment over the decades has encouraged further this car culture, and we need to reverse it. It is not sustainable.

Ms Owen—One of the other things that could be done in terms of encouraging public transport use—and unfortunately we often do come back to the dollars—is making a greater investment in local roads. There is a real opportunity there.

Senator STERLE—That is interesting. Everywhere we have gone around the country there has been a lot of opposition to doing up roads, because if we do up roads cars and trucks and buses will use them. I think that that is a good thing. Personally, I like anything with rubber wheels. It is fantastic, because of the flexibility. But in terms of a major regional centre like Ballarat, how could the public transport system be overhauled or improved in the association's view?

Ms Owen—One could use the changing nature of the population. Ballarat is a regional centre. Think about Dalesford, which is about 40 kilometres from Ballarat. It is a good example of a location where people have chosen to live while working in Ballarat—or vice versa. How do people get from Dalesford to Ballarat to start work at nine o'clock in the morning? What is the capacity to meet the expected needs of a working day or if one wants to come to Ballarat for services, shopping or whatever? The availability of transport is very limited. That is replicated in other towns around Ballarat and in other regional centres. There is not that opportunity to go into the centre.

So, again, it is an investment in the roads around that area. It is an encouragement to see buses, with flexibility, knowing that people are wanting to come and go at different times of the day. There are a number of examples. I cannot reel them off. I think that we did give some examples in our submission of where you might be able to get a bus into town but you cannot leave again until the end of the day and you may be only want to spend half the day in town.

Senator STERLE—So frequency of service?

Ms Owen—Frequency of service, yes

Ms Holcombe—Interconnectivity between the services as well.

Ms Owen—Absolutely.

Ms Holcombe—If people need to change buses, those buses need to be a convenient for whatever activity they are undertaking. It appears that throughout all the regional and rural areas the local governments need to conduct a big examination of exactly where people are going and what they are doing because there is a particular group of disadvantaged young people who perhaps have not decided to head on to university education or who do not want to stay within the town but are wanting to do some form of TAFE, training or employment opportunities that

start wherever at nine o'clock but have not got transport such that they are able to fulfil those opportunities. In terms of making transport accessible for people within Ballarat, it needs to be easy, it needs to be connected and people need to know about it. People need to know that there is a service that can actually take them to fulfil all of the errands that they could do in a car. But if there is a bus running only every half an hour that does not go directly where everyone wants to go then people will not use it.

Ms Owen—There certainly also has to be a change in culture. People feel comfortable in a car. When you have always had a car you feel that is the way you should travel. It is more about education and selling of the fact that it is a good thing to travel on public transport. It is easy, it is accessible and it gives you an opportunity to think. It is a whole different culture from what we have been used to in Australia, including Victoria. The normal thing has been to get in a car and go. It is not going to be quite like that, so we need to be ready for it.

Senator STERLE—Just as a last thing—and it is more of a statement than a question really—a couple of months ago we had the hearing in Melbourne. I certainly praise Melbourne's public transport system because I cannot believe that you can have 100,000 people screaming at the MCG and in two hours it is a ghost town. They do it well in Melbourne, but what was alerted to us was continuity of service and service availability. We found out in Melbourne that you can come from any part of the suburbs into the city frequently and with no dramas but trying to get from Carlton to Collingwood it is a completely different story. So it is a problem we have everywhere. It has popped up in Sydney and Brisbane.

Ms Owen—Yes, that is right.

Senator O'BRIEN—I wanted to ask about the transport connections program.

Ms Holcombe—I believe there was \$80 million included for the Transport Connections program in the Victorian transport plan released in December 2008. I must say that I do not have vast knowledge of the program. I could take any questions that you have on notice. I know the bare bones of it.

Senator O'BRIEN—I am looking at the department of transport's submission. They list some Grampians regional services. Local intratown services are nominated in their submission between Blackwood, Bacchus Marsh, Ballarat and Ararat, and it lists a number of others. How does that fit in with your submission about the role of local government in the local and intratown services?

Ms Holcombe—Transport Connections officers work very closely with the councils and I think some of them might even work at the council offices. The Transport Connections program seeks to utilise existing infrastructure in the towns—perhaps community buses or whatever other transport there is—to fill some of the gaps. They use a lot of taxis as well. So there has been a very close working relationship between the councils and the Transport Connections officers. Unfortunately, I think it is quite an under-resourced program. For example, I am aware that for three local government areas there will be one Transport Connections officer. That is quite a lot of travel for one person, and a lot of transport demand for one person to get their head around.

Senator O'BRIEN—What does the one person do? You are talking about the officers. What is their role?

Ms Holcombe—Their role would be to assess what the transport demand is and what the available transport infrastructure is that could be utilised. They look at the gap in services and try to come up with some solutions to connect the transport. I think it has been a successful program, and the government is obviously committed to its continuation. There are a few problems with it, I think. There is an interest to use school buses within rural and regional areas for community transport type services. Currently I think only school children are allowed to travel on those buses, so those buses could travel almost half empty or more when they could be taking TAFE or various other students. At the moment, anybody external who wants to travel on buses with school children needs to have prior approval from the school principal and they need to have Working With Children checks and all that sort of thing. That is something that we are currently trying to work through at the moment, and Transport Connections looks at those sorts of solutions—how we can utilise the infrastructure that is there—and they work closely with the councils.

Senator O'BRIEN—In terms of that resource—I think you said \$80 million over how many years?

Ms Holcombe—I think it is 10 or 12. I am not sure if some of that was pre-existing funding.

Ms Owen—You could say it is a good start. There are obviously some very positive signals with that program. It is something that there could be a greater investment in. One of the other things that is quite positive about it has been the cooperative nature of the program, the involvement of state and local government and, indeed, private sector operators as well.

Senator O'BRIEN—What can you tell us, if anything, about the role of local or state government with developing services and encouraging the private sector buses to provide additional services?

Ms Holcombe—Currently the contractual arrangements for the bus operators do not have as much flexibility as they could to provide alternative services. Currently there are not as many incentives to provide services beyond the school run; they do not exist within these contracts. That is my limited understanding of that issue.

Senator O'BRIEN—I do not want you to feel obliged to answer a question that you do not think you have enough information to answer.

Ms Holcombe—No. That is really all the information I have about that.

Senator O'BRIEN—In terms of the various regions in the map, setting out the departmental regional boundaries that you supplied us, which is a Victorian government document, would it be fair to say that either all or some or a minority of the councils have a role in providing transport facilities to their residents?

Ms Owen—I would say that all councils have a role. The extent to which is possible will vary quite dramatically.

Senator O'BRIEN—Would the majority not find it possible, or would the majority find it possible to actually play a role?

Ms Owen—I think the majority, yes, would play a role.

Senator O'BRIEN—When you calculated a \$7 million spend per annum on transport by councils across Victoria, is the bulk of that in the metropolitan area.

Ms Owen—That is a regional thing.

Ms Holcombe—It is right across the state.

Senator O'BRIEN—So it would not take into account any spending, if any, in metropolitan areas.

Ms Holcombe—No, I do not think so. Most of the community transport services are concentrated in the rural and regional areas. Also, that \$7 million is exclusive of vehicles, fuel, accreditation of vehicles and insurance. If we include all those on-costs it is \$21 million in rough figures.

Senator O'BRIEN—Is that paid for by the councils?

Ms Holcombe—The councils pay for it.

Senator O'BRIEN—Are any of those funds provided by state or federal governments and administered by council or are they entirely ratepayer funds.

Ms Holcombe—They are ratepayers' funds.

Senator O'BRIEN—So they are not drawn from other financial sources, such as grant sources, that councils have?

Ms Holcombe—I believe that some of the health and home and community care funding is used.

Ms Owen—It is one of those things we would need to come back to you on.

Senator O'BRIEN—It would be good to have some clear understanding of how much as actual ratepayers' funds and how much was funded by state or Commonwealth programs from whatever department.

Ms Owen—Sure.

Senator McGAURAN—From your submission I could not quite gauge how you graded the main regional transport corridors—Traralgon, Ballarat, Bendigo and Geelong. Are they adequate; are they good or not?

Ms Holcombe—I think they are very good.

Senator McGAURAN—I too think they are very good.

Ms Holcombe—I think the reliability is hovering within 85 to 90 per cent most of the times, if not higher, and that seems to be improving. The regional rail link will soon solve quite a lot of problems on the Ballarat-Bendigo-Geelong lines with the separation of the suburban and V/Line trains, which is fantastic. But on the whole I would say that the V/Line train services are excellent.

Senator McGAURAN—You mentioned that there are large pockets of Victoria that are not part of the line, or the bus lines for that matter. What areas specifically were you saying had to rely on private transport? And when you say private transport, do you mean private bus services.

Ms Holcombe—Just people driving their own cars.

Senator McGAURAN—Where specifically?

Ms Holcombe—I would probably say some of the pockets of Gippsland, the Hindmarsh-Horsham type area in the north-west of the state. There is a high reliance on private motor vehicles there. In the south-west along the Corangamite-Colac sort of region I think it is probably trickier for people to access public transport.

Senator McGAURAN—The Mallee regions?

Ms Holcombe—Yes, that is right.

Senator McGAURAN—I suspect you are talking about beyond Gippsland and deep in the Mallee and Rainbow and places like that. Realistically, how can they be catered for with public transport? Are you suggesting that we start running bus services there?

Ms Holcombe—I acknowledge that it is a very big challenge indeed.

Senator McGAURAN—Of course it is ideal, but is it realistic for the number you would get?

Ms Holcombe—It would not be possible to sustain a bus route with five people using that bus route daily.

Ms Owen—I guess the answer is ‘not necessarily’. We are not the best place to provide the answer on that.

Senator McGAURAN—It is not that I am here to praise too much the public transport system, but Victoria has an advantage over everywhere else—Queensland, New South Wales—because it is a small state. So it is not a bad system. There is room for improvement in the city, if anywhere, quite frankly, and maybe the comfort of the trains and buses could be improved. But, for instance, there is a very good V/Line bus service outside the train system that runs from Portland to Warrnambool and then you can catch a train into Melbourne from Warrnambool. You say there should be a greater frequency of buses. That would be nice, but, realistically, haven’t

they shaped those bus services around what is viable and sensible? If someone has to wait eight hours for the next bus—which, by the way, was me once—that is the reality of it. I do not want to get my self into too much trouble and deny anyone better services, but as an example take the route of Portland to Warrnambool by bus and Warrnambool to Melbourne by train—it is a darn good service, I would suggest, and you could not make it any more frequent. When you said, ‘Let’s make it more frequent,’ were you referring specifically to any particular area or town?

Ms Holcombe—No, the submission is really a summation of all of the views of our 79 members, but for quite some time in Victoria a review of most of the bus services has been underway, so improved frequency of services can always be achieved. I think there are always improvements that can be made. I agree absolutely with your point that it is not realistic to expect that when people choose to live in far-flung communities they should have a bus arrive at their doorstep.

Senator McGAURAN—I do not want to cut my own throat, but I know that the people themselves know that they have a good service. There is always room for improvement, but Victoria is in a very happy position of being a small, well-serviced state.

Ms Owen—We do pretty well.

Ms Holcombe—We do well.

Senator McGAURAN—We do pretty well, but that does not mean we should not have a closer look at it.

Ms Owen—It is a general principle.

CHAIR—I have a couple of quick questions before we finish. There does seem to be a sliding scale out to the more remote areas, particularly in the other states, as Senator McGauran points out. But there really seems to be this issue of the financial viability versus the public good and where the decisions are made along that spectrum. On that, do you think that the local councils get recognition for what they do by way of financial contribution? They are on the ground at the grassroots level, so they recognise the need. Do they get the recognition? Is financial assistance to provide those services really the responsibility of local government or should it be just an extension of state government responsibility?

Ms Owen—I do not believe that local government does get the recognition for the investment it makes in local area transport, but I think, to be realistic, the bulk of the dollars for the infrastructure should be coming from state and federal governments.

CHAIR—In your discussions with the state government, is there any recognition on their part that they should be doing more?

Ms Holcombe—Yes, certainly.

Ms Owen—I think so, yes.

CHAIR—I guess what I am trying to get to is this: is there any intimation from the government that they will be moving to play a greater role in providing those services that the local governments currently supply? This is getting back to that public good end of the spectrum.

Ms Owen—Going back to Senator McGauran's comments, as a principle I think there is recognition that you can always extend services or do a bit better, but it is a question of recognising that there are limits to what can be done. As we said, the Victorian Transport Plan is a very good strategy and always can be built upon.

CHAIR—An issue coupled with the issue of the increasing importance of the environment is that public transport will ramp up in the eyes of the public as something that we need to address. Do you think as that happens—and I guess I am asking you to look into a crystal ball—higher levels of state and federal government will start looking more closely at their responsibility to provide better financial support for providing no services? I am talking particularly about the regional areas, because obviously they have the local governments, which have the least cost base to be able to provide the services where the need is the greatest. Do you have any confidence that as the public transport debate increases the state and federal governments will perhaps see a greater role—and should they have it?

Ms Owen—There is recognition from the levels of government about the importance of increased investment. There is take-up on some of the issues we have talked about today. But it is about how we plan. It is about what is possible in that investment in infrastructure in the medium term. The signals that we have had and the things where we have seen quite significant investment from both state and Commonwealth in recent times are quite positive.

CHAIR—Are there any further questions?

Senator BACK—We did not really get into disabled access.

Ms Holcombe—No, and I did want to make a comment about that.

Senator BACK—I am anxious to hear one.

Ms Holcombe—In a lot of the transport infrastructure that we have spoken about today—the fabulous V/Line network—people with disabilities can access those services but they cannot access the coach services because they are not low-floor buses. That is something that we are constantly trying to come up with solutions for. I know the state government is focused on improving the Disability Discrimination Act compliance, but in rural and regional areas where you have these V/Line coaches it is a very big challenge and it means that a lot of people with disabilities are disadvantaged and cannot get around.

Senator BACK—A lady made this point to me at a meeting the other night in a small town called Boyup Brook. She was saying that because there are no alternatives—there are no maxitaxis—and the buses cannot be dropped to the ground as they can be in the city effectively she is precluded from going anywhere. It really came home, and she is no doubt not alone. I wondered whether you were conscious of the same thing.

Ms Owen—It is a significant issue.

Senator BACK—And going to become more so, I think.

Ms Owen—Yes, that is right. Community transport is a very big issue indeed, and it is one of the things where some of the responsibility again falls to local government in looking at its aged-care services.

Senator BACK—It is not the sort of transport that a volunteer can offer very often, is it?

Ms Owen—No.

Senator BACK—Volunteers do not feel comfortable or competent to assist a person, for example, out of a wheelchair into a vehicle—or indeed a vehicle is not available or needs modification.

Ms Holcombe—That is right. That is one of the biggest problems, actually—the availability of modified vehicles for rural and regional areas. There are a lot of communities that provide those services, particularly for people with disabilities to get to health appointments. The Rural Ambulance service was at one stage providing a service but they have been unable to continue that, I think, so it has fallen to the councils and the community transport sector to assist with that.

Senator BACK—It is an increasing problem.

CHAIR—Finally, Senator Back has raised the issue of volunteering. It is obviously more and more difficult over the years to get volunteers, and people's participation in volunteer work is declining. Has the association done any work on the difficulties that some of the shires are facing in getting volunteers to provide those committee services? I am very happy for you to take that on notice.

Ms Owen—Yes, I think that is one we should take away. The answer is a bit of a yes and a bit of a no. We do have some information and the state has done some work in this area, where the number of volunteer drop-ins are linked also to the ageing population. So, yes, we would like to come back to you on that.

CHAIR—That would be great. Ms Holcombe and Ms Owen, thank you very much for appearing today.

Ms Owen—Thank you.

[11.49 am]

GROSS, Mr Peter, Grampians Regional Officer, Department of Transport

WARD, Mr David R, Grampians Regional Manager, Department of Transport

CHAIR—I remind senators that the Senate has resolved that an officer of the department of the Commonwealth or of a state shall not be asked to give opinions on matters of policy and should be given reasonable opportunity to refer questions asked of the officer to superior officers or to a minister. This resolution prohibits only questions asking for opinions on matters of policy and does not preclude questions asking for explanations of policies or factual questions about when and how policies were adopted. Officers of the department are also reminded that any claim that it would be contrary to the public interest to answer a question must be made by a minister and should be accompanied by a statement setting out the basis for the claim. Mr Ward, do you wish to make an opening statement before the committee asks questions?

Mr Ward—Yes. I will just briefly refer to the information that I forwarded to your Senate inquiry. I think it is important to say that what I am about is social justice, the environment and health and wellbeing. I do not just deliver public transport. I think it is also important for you to note that I have been a senior executive officer in local government both in New South Wales and Victoria for over 30 years. I also worked for the Roads and Traffic Authority in New South Wales and managed a regional airport and I am currently a regional manager for the Department of Transport in Victoria, so I have a fairly clear perspective of how public transport functions interstate, within Victoria and federally, under the federal legislation to do with aviation. I also believe that there were some myths in some of the answers to the questions directed to our local government colleagues previously, and I think I could give clarification. I think that is very important.

As a regional office, we have a complete handle on the dynamics of our Grampians region. I think that is important, because my opening remarks set the scene. It is all about social justice, it is all about health and wellbeing and it is all about the environment. Whatever we deliver, we are acutely aware of those elements of what we do within our communities. We have all of our public transport network plotted on Google Earth, and we will show you the extent of the public transport network in the Grampians region. To pick up on what Senator McGauran said, it is quite amazing to have a look at public transport networks in Victoria compared with New South Wales. They are actually quite extensive. The frequency, the temporal coverage and the area penetration are quite extraordinary in the state of Victoria. If you have a look at the return services into regional centres, you will see they are actually quite amazing.

I will use a quick example. If you were living in Wagga, which has a population of 60,000 people, you would have one return train service to Sydney and one to Melbourne. Ballarat has 18 return services a day, Ararat has three, Warrnambool has three, Bendigo has about 19 and the list goes on. If you have a look at the frequency of just the rail services alone, it is quite extraordinary. All of our services are totally integrated and connected. Again, Senator McGauran referred to the V/Line long haul coach services. The state introduced a major overhaul to the services on 4 September 2006, and that was totally integrating and refurbishing—if you like—

the regional public transport network right throughout the state. It was the major significant event in 50 years. That introduced 440 new rail services across the network in regional Victoria. Along with that, every long haul coach service was totally integrated and connected to that rail service. You might ask: what am I talking about? If you catch a coach from Naracoorte, you can integrate with a long haul service that comes through Horsham and that connects with a train service at Ararat. When you arrive at Ballarat you can catch a long haul coach service to Bendigo, Geelong or Warrnambool or you can catch the train to Melbourne. That is how integrated it is. The transfers are anywhere between 15 and 20 minutes. Sometimes they are cut down to 10 minutes, depending on the reliability. Generally speaking, that was a major event and that integration occurred right across the state.

The other element that I need to talk about is the hierarchy of public transport. We administer rail services, which is delivered to us by franchise contract by way of V/Line, a state government corporation. We look after all of the long haul coach services—inter-region, intertown and interstate. We do all the transit services, the free school bus system, community transport, cycling and walking—it is all integrated. We run a whole range of programs in relation to all of those elements of public transport. For example, in Ballarat we have the TravelSmart program, which is delivered by the department through the City of Ballarat and the University of Ballarat. We deliver the Transport Connections program, about which you spoke extensively. We have six coordinators throughout our region who deliver community transport options under the TC program. They are procured and delivered by our department. We predominantly use school buses and we use community transport options. We have an enormous amount of flexibility in the way we can deliver public transport in the region, right down to the community transport level.

Community transport is delivered in the region by a whole range of organisations. In Ballarat it is delivered by Pinarc, the Red Cross, UnitingCare and other private service providers.

CHAIR—What was the first one you mentioned?

Mr Ward—Pinarc. It is a community based NGO which provides community transport for transport disadvantaged and socially disadvantaged people. The Red Cross is self-explanatory. UnitingCare is the Uniting Church, which provides a similar suite of services under a similar program. Ballarat has a totally complete transit service. It has 19 services across the city. It has complete spatial penetration and complete temporal coverage. It is on a half-hour frequency. It has 18 return train services to Melbourne, and that is supplemented with 56 taxis and 15 community transport service providers. For a city of 90,000 people, it is pretty well covered. I would compare that with the City of Wagga Wagga, where I lived for a short period of time, or even Albury-Wodonga, which is of a comparable size but has nowhere near as extensive a public transport network as Ballarat.

That is a grab of what our public transport is about, and I will physically show you exactly what it all does very shortly. I will leave it at that and take questions. But I know you are really interested in the limitations and obstacles to providing public transport. In the City of Ballarat, passenger transport trips are predominantly done in private motor cars—87 per cent of them. What are my obstacles? It is very simple. It will take you 15 minutes to drive from one end of the city to the other. Petrol is cheap and cars are cheap. When you get to your destination, there

is an overabundance of parking, which either costs you nothing or is cheap. So if the weather is not the best, why would you catch a bus?

It is very simple. I believe we should go back to the future. I grew up here in the fifties, when households were lucky to have one car, petrol was relatively expensive, people were not affluent and you relied heavily on the tram and bus networks to get around. If you live in the estate where I live at the moment, you will see six cars parked out the front. Mum and dad each have a car, and all the teenage kids have a car. There is no way in the world they are going to use public transport network, because it is not cool to do that. Our lifestyles are so busy and complex that public transport is not flexible enough for what we do. Most couples go to work. One of them drops kids off to the childcare centre and the other one drops kids off at school. They buy groceries on the way home. The public transport network is not flexible enough to take in that complex lifestyle.

The other figure that I referred to—and I picked up on what the senator said about cycling—was that, in 1974, 75 per cent of children's passenger trips were done on a bicycle, 15 per cent were done on public transport and 10 per cent were done in a private motor car. Do you know what the statistic is today? It is completely reversed—75 per cent of children's passenger trips are done in a private motor car. It is called 'the little prince and princess syndrome'.

Senator STERLE—It is probably a four-wheel drive, too.

Mr Ward—Absolutely. In China it is called the 'little emperor syndrome'. In Australia, I deal with TravelSmart and get people to ride bicycles. People just will not let their kids ride their bikes to school. The neighbourhood is full of paedophiles and paediatrists! The traffic is too intense, it is wet and they say, 'I don't want little Johnny to get a cold,' and all the rest of it. That is the reason why kids do not ride bikes to school. If you go around all of the major schools in Ballarat, they have actually removed their bike sheds. I went to the Ballarat Junior Technical School here. There were 420 students and 380 of us rode a bike to school. Today, if you went to any of the major secondary schools in town, you would be lucky to see 15 per cent of them ride a bike to school.

Similarly, they tend to use the free school bus system, they tend to use the transit service, but most of these kids are dropped off by their parents. When you talk about obstacles to using public transport—and I am about to show you what the network is like—it is all about behaviour. It is about changing behaviour. One thing I can proudly say about our region is that we have been very creative and innovative in doing a whole range of initiatives to try and change that behaviour. One is the TravelSmart program. We offered free travel Tuesdays when we changed the Ballarat transit network last year. We had the Ballarat challenge, which is run like a treasure hunt, and that got people involved in public transport. We have the Ride to Work program and Walk to Work program. There is a lot of behavioural stuff that we have been doing out there to encourage people to use public transport.

As the previous speaker said, on the rail network we have enjoyed an increase in patronage of 63 per cent since 2006. On the long-haul coach services, surprisingly enough, we have had a 27 per cent increase in patronage. Remember what I talked about: it was totally integrated and connected. A transformation occurred in 2006 and, along with that, the state government reduced fares by 20 per cent. On top of that they introduced two other initiatives. If you have a V-Line

ticket you can use Ballarat transit for nothing. When you travel to Melbourne you can use the whole network for nothing—that is, trams, trains and buses—as part of your V-Line ticket. That is worth about 30 per cent of your ticket if you travel around Melbourne all day. If you live in Ararat and you come to Ararat by bus on a V-Line ticket you can actually use Ballarat transit all day for nothing as well.

What I am saying is that a whole raft of initiatives were implemented. There was the increasing level of services, the connectivity and integration, the reduction in fare levels and, on top of that, the integration of fares. The other initiative that was introduced was free travel on Sundays for anybody who is a senior. You get a seniors travel pass and you can travel on Ballarat transit and Melbourne transit for nothing all day on Sunday. With the federal government's two free rail trips that you get with your seniors pass, you can have two days in Melbourne from a regional centre as far away as Mildura for nothing, twice a year. So you get your free V-Line pass and, when you get down there, you get free travel on the network in any case.

I tried to do a grab so you can understand where we are coming from, totally, within the region. We will show you a spatial of what actually exists. There is a network out there that is hidden—people do not realise it. We run the free school bus system. We look after 217 free school bus contracts within our region. Contrary to what you were told, it is very flexible. You can ride on it if you are a public passenger. That has always been the case. You have never been denied access. The only restriction or requirement is that the school community, the school council and the school principal will have to give approval for that passage to occur. We have, right across the region, a lot of non-state, private and secondary school students who ride on the public school bus network. They are TAFE students, adult students who are attending TAFE courses et cetera. I could cite hundreds of examples throughout the Grampians region where that is actually occurring. We use school buses as part of our community transport connections solutions. Woomelang to Swan Hill is a classic example of that. It is actually a school bus and all the people pile on at Woomelang to catch the bus over to Swan Hill.

Senator STERLE—What is the distance between Swan Hill and Woomelang?

Mr Ward—About 70 kilometres.

Senator STERLE—So the school bus will do its run—

Mr Ward—No, it does it with the passengers on it. It does both.

Senator STERLE—So the school is in Swan Hill and anyone can jump on it. I am confused.

Mr Ward—What I am saying is that we have the free school bus system—

Senator STERLE—So we do not waste your valuable time, I have got that. You correct the myth from the previous witnesses that people can and do use the school bus system, but then you talked about using school buses to do Woomelang to Swan Hill.

Mr Ward—Yes, I used that as an example.

Senator STERLE—But that is a school bus run?

Mr Ward—Yes.

Senator STERLE—Okay. I thought they did their school bus run and then they provided some other service.

Mr Ward—We have situations where the school bus does its school run and then delivers a transport connections service and we have situations where they pick up public passengers as part of the school run.

Senator STERLE—I got that very clear.

Mr Ward—And we do that right throughout the region. There are many hundreds of examples of that.

Senator STERLE—Can you clarify for me one last thing. Do you have situations where school buses do their school run and then are used for public transport?

Mr Ward—Absolutely.

Senator STERLE—That was what I was leading to on the first bit. That is great; that is fantastic.

Mr Ward—I have a pack here for you which shows a lot of the intertown regional bus services which are delivered by school bus.

Senator STERLE—I think that is wonderful. I am not ambushing you. I had a lot to do with school buses in Western Australia. If the flexibility you have just told us about were in Western Australia, it would be a far greater system.

CHAIR—Would you like to table that for the committee?

Mr Ward—Yes. I will give you an example. The Wimmera Southern Mallee Transit Service is three services—Birchip to Horsham, Hopetoun to Horsham and Kaniva to Horsham—using school buses to deliver public passengers and VET and VCAL students to Horsham and Longerenong to do courses. That is a classic example.

Senator STERLE—Good.

Mr Ward—We have lots of examples in this pack. I also want to highlight the fact that the state is actually delivering these public transport information packs right around the state. This is one for the Stawell region and I have another one here for Horsham. In my region we have delivered a lot of these. These talk about rail, long-haul coaches, community transport, taxis, school buses—the whole works and jerks. They go to every resident in the state of Victoria.

CHAIR—Would you like to make your PowerPoint presentation now?

Mr Ward—Yes.

A PowerPoint presentation was then given—

Mr Ward—We are the only region in the state of Victoria that has all of its public transport plotted on Google Earth. I will show you the intertown bus network for the Grampians region. I will fly in you from the moon.

CHAIR—Forty years later.

Mr Ward—These are the intertown services in the Grampians region. The Mildura to Horsham service is one way Monday to Thursday, and Friday return. ‘One way’ means that it comes down Monday and goes back on Tuesday, comes down Wednesday and goes back Thursday, and then goes down and back on a Friday. The frequency on that corridor is not bad for that service. The Yea-Hopetoun to Ballarat service is a Monday to Friday and Sunday return service, so six days a week. The Naracoorte to Horsham is a Monday to Friday return service. We just have got approval to put in a Friday early morning and late evening return service to enable people on that corridor to go to Melbourne and back for the day.

We have Warrnambool to Ararat; that is interregional. In other words, that links both the rail services from Melbourne to Warrnambool. You can catch the coach service up to Ararat and catch the train back to Melbourne. So we have some interregional services: we have Bendigo to Ballarat, we have Geelong to Ballarat—

Mr Gross—Basically, that is the Grampians region.

Mr Ward—That is the Grampians region. So we have a lot of interregional and intertown services. This slide shows the rail network as it currently exists; now we will put the inter-regionals on. Can you see how it all links up?

CHAIR—And this is all accessible to Joe Public through Google Earth?

Mr Ward—We can give you the files.

CHAIR—Okay. If you could do that for the committee, that would be really helpful.

Mr Ward—What I wanted to point out is the day link, which goes from Melbourne to Bendigo, through my area to Horsham and on to Adelaide. When you talk about public transport, even just in our corridor you have the Great Southern Rail service that goes Melbourne-Geelong, up through Ararat and Horsham to Adelaide; you have Greyhound; you have Firefly; you have the day link service; and then you have the V/Line services that come through Horsham to connect with the train services in Ararat. So a town like Horsham has about 10 return services a day to Melbourne. It is pretty good compared with Wagga, the example I used before; Wagga has two return services a day to Melbourne and two to Sydney.

CHAIR—Can I just interrupt and ask: why the differences between a town like that and Wagga? Why is Wagga so deficient?

Mr Ward—I was going to give you a copy of the rail network in Victoria in 1939, which was the envy of any other developed nation in the world. That is one of the reasons why our public

transport is the way it is: a lot of the coach services that we offer are actually rail replacement coach services. I will not get into the history of it, but a lot of them were closed and they were replaced with coach services. Victoria, historically, is small, it is compact, but it has always enjoyed an extensive public transport network. This grand city that you are in had a tram network, basically, for nearly 120 years until it was closed in 1970. What I am saying is that because it was a very wealthy community—there was a lot of gold wealth that was generated in the state—they put in infrastructure like that over the period from the 1800s to—

CHAIR—They were just on the ball.

Mr Ward—On the ball.

CHAIR—Okay.

Mr Ward—So I think it is important for you to realise there is a historical context to it: the reason we have a good public transport system is that it has been going basically for 150 years—and it has not changed. I grew up here, and Davis Bus Lines have been providing a bus service to Ballarat for 79 years. That just says it all, doesn't it?

CHAIR—They will be appearing this afternoon, so we will be able to ask them all about it. Do go on.

Mr Ward—The other thing I think it is important to show you is the free school bus system. But, first, what we are showing on the slide are the taxis.

Mr Gross—Yes. So you can click on the Horsham link; it has got three standard vehicles and five wheelchair-accessible taxis.

Mr Ward—Show them the smaller towns. This myth about there being no DDA transport is just a myth. You have even got DDA compliant taxis in Stawell and Ararat.

Mr Gross—Yes. Dimboola has got two standard cabs. Stawell has got four standard and two wheelchair-accessible cabs.

Mr Ward—What I am saying is that our information drills down to the number of taxis that are in each town, and we can provide that information. Could you show them the free school bus system, Peter?

Senator STERLE—Are those orange buses over there school ones?

Mr Ward—No. I will explain how it works. All of our services are delivered by private enterprise under franchise contracts. This slide shows the free school bus network, keeping in mind that that operates in conjunction with the long-haul coach services, the transit services and the interstate, intertown and interregional services. If I put all of the public transport network up there in one hit, you would be staggered by how well covered the state is.

Senator BACK—And the free school bus service is funded by the state?

Mr Ward—Yes, absolutely. I have for you a copy of the profile. I will leave this summary with you. Basically, this shows you the information very succinctly. For example, in the state we have 341 school bus centres and 1,539 contracted services. Our patronage is 26.9 million passenger journeys per annum. We have 91 per cent loadings. Our vehicle capacities average 49. We have an average loading of 44.6 students per bus. It costs the state \$170 million a year to run it, and an average contract price of \$110,000. If you look at the Grampians region, we run 54 school bus centres, 217 contractors and we have 3.1 million passenger journeys per annum. Our capacity loading is 37.1 in our 49-seaters, and we are spending, in our region, \$24 million a year just on the free school bus system. Turning to Ballarat, just to give you an example, I transport 2,800 students morning and afternoon. I use 46 contracted buses and 42 school special buses. So, at the moment, I am operating 88 buses morning and afternoon to transport the children around in the city to get to and from school each day. That is supplemented with the nine private school buses and there are 15 special buses—like the ones for the special schools, Pinarc, Red Cross and Uniting Care—which are all wheelchair accessible. We will talk about DDA compliance shortly. I will leave you with these statistics.

CHAIR—We might move to questions fairly quickly, Mr Ward, if you want to just finish this up. But first Mr Sterle has a question.

Senator STERLE—How many non-student passenger transfers are there in that? If you do not have the answer, take it on notice; we are running out of time.

Mr Ward—No, I could not tell you.

Senator STERLE—Okay.

Mr Ward—I will just show you very quickly Ballarat Transit. That is what it looks like. The other impressive bit is that we have every bus stop and long-haul coach service stop in the region plotted on Google Earth. If you hover over a stop, we can actually tell you what its characteristics are. For example, there is a stop—it shows you that it has a flag and a shelter, is wheelchair accessible, has a seat, a timetable, tactiles, a bin and a light and is DDA compliant. The numbers relate to the route numbers of the buses that go there. We have that information for stops across the whole region, even for the long-haul coach services. We are under federal jurisdiction, so as a state agency that delivers public transport we have to be DDA compliant, and the state actually currently is compliant in excess of what the requirement was for 31 December 2007 when we had to be 25 per cent; we are about 45 per cent.

To give you an example: in our region, Horsham and Ararat are complete transit services. They are totally DDA compliant. All the stops are DDA compliant. They have all got Metlink branding on them. Every stop has a timetable on it. The bus is DDA compliant. It has total spatial coverage and total temporal coverage. Ballarat is satisfying all of those attributes. We have the temporal coverage and spatial coverage, and we have the timetabling in place, but we are only about 45 per cent DDA compliant at the moment. As you can appreciate, in a place like this, we have nearly 600 stops.

This is just another example of what we can do with Google Earth: we can just click onto the Loreto school bus interchange which we built and it will give you a visual of what it looks like. And we can pull that up and show you where our bits and pieces are anywhere in the state.

CHAIR—Modern technology! Mr Ward, we will have to move to questions because I am conscious that we might run out of time.

Senator STERLE—Let us talk about public transport around Ballarat itself. You said that Davis Bus Lines have been doing it for how many years?

Mr Ward—For 79 years.

Senator STERLE—Who owns the buses?

Mr Ward—If you have a look in my submission, public transport in the state is all delivered by the private sector. We undertake that by way of franchise contracts. Davis have now been bought out by another company. Davis deliver the transit network by way of a franchise contract to the City of Ballarat. What I mean by that is that it is no different from a McDonald's franchise. In other words, another operator cannot come in and operate in competition with them. It certainly would not be viable. The bottom line with any public transport is that it is heavily subsidised by the state. No public transport makes a profit; I think that goes without saying.

Senator STERLE—Okay, so the buses are all owned by Davis themselves.

Mr Ward—Absolutely.

Senator STERLE—How many buses do they have?

Mr Ward—Here in this city they have just on 50.

Senator STERLE—So it would be difficult, really, for someone to compete against them. Is there a regular tender process?

Mr Ward—Yes.

Senator STERLE—How often is that?

Mr Ward—We have to put it in perspective. It is a franchise contract, so no-one else can compete.

Senator STERLE—I understand that, but for best value for the taxpayer, the people of Ballarat—

Mr Ward—That is comparable with other regions. In other words—

Senator STERLE—I did not ask you that, Mr Ward. I am just asking you how it goes to a competitive tender. Is it up every five years or 10 years?

Mr Ward—No, it is done on a renewal basis. In this case is the state is doing a total bus review. That has been completed in the metropolitan area. It will be completed in regional

Victoria by 30 June next year. At that stage, all contracts will come to a conclusion. There will be some that will be competitively tendered. Others will be offered by way of a franchise contract to the current operator. As you can well appreciate, for another operator to compete, to start off with you have livery holdings, landholdings, depots, maintenance facilities, bus livery and all of that sort of stuff that has to be contended with. As I said, it just would not work going that way. There is an established routine and a relationship with the current contractor. But they are benchmarked, if you like, across other regional centres, so they are comparable in that regard.

Senator STERLE—I do understand that it would cost millions and millions of dollars for someone to come in with their own set-up. I get all that. But what is the benchmark?

Mr Ward—I suppose, from experience, what it is in other centres.

Senator STERLE—You said there are competitive tenders in other areas.

Mr Ward—If you like, I will use Bendigo as an example. There are two operators there. It is a historical situation. One operator had the northern part of the city and another operator had the southern part. Indirectly, they are competing. It was a bit like the Melbourne situation when they split the tram network.

Senator STERLE—It is similar in Perth. We have three companies that do it.

Mr Ward—If you go to Geelong, there are three companies operating down there. Ballarat is a historical set of circumstances. We had a tram network which closed in 1970. Davis were the predominant operator in the city at that time and they were offered the franchise contract to operate the tram replacement system. That is the reason we have ended up where we are.

Senator O'BRIEN—We had better get your version of the Transport Connections program.

Mr Ward—The state currently is delivering a Transport Connections program to the value of \$22 million.

Senator O'BRIEN—Per annum?

Mr Ward—No, across the four-year period. Under the Victorian Transport Plan there has been a commitment for a further \$80 million to the program over the term of the plan.

Senator O'BRIEN—Which is?

Mr Ward—It is 10 years. It started off as a trial and now there are 30 Transport Connections projects across the state. We have six in our region and we are currently delivering a whole raft of local transport solutions for transport disadvantaged people in our region. We are using existing livery that we have already paid the capital overheads on. It is really just additional bus hours and kilometres that we are paying for. There are a whole raft of those. I will leave them with you. The sorts of solutions that we have put in are listed in my submission.

I believe that program has been timely. It has been filling in gaps for communities. A lot of that is delivered through TCP project officers that are attached to NGOs. Very few of them are

attached to local government. But, having said all that, I cannot do what I do unless I have an exceptionally good relationship with my alliance partners in local government. Probably I have a distinct advantage. Having been a senior executive officer in local government over a number of years, I understand the importance of that entity of government and what it is to us—because, at the end of the day, it invariably delivers all of the infrastructure that I require.

All the DDA compliant bus stops are actually delivered by local government for me right throughout the region. If we look at the new railway station car park in Ballarat, for example, that was delivered by the City of Ballarat on our behalf as the program managers. So those are just a few examples but they do a lot of stuff—for example, the shelter replacement program, the DDA bus stops and installing all of the roadside school bus set downs and pick-ups and all that sort of stuff.

The TCP program is an excellent program. It is an alliance partnership between four state government agencies. The TCP coordinators are assigned to either NGOs or local government. What happens is that the program is administered by the Department of Planning and Community Development and we do the procuring and delivering on behalf of that department for the TCP people. There is a very good reason for that: as you could well appreciate, there is a lot of contractual sensitivities associated with it and the TCP people cannot just go out in the field and start doing this stuff; it has to comply with a whole raft of requirements.

Our agency is a bit like local government—we not only set rules and regulations, so we have that governance responsibility in regard to delivering that requirement, but also procure and deliver services. So we are no different to a council, which has building regulations that provide overview but also delivers a private garbage contract—or procures and delivers that using a private contractor. We do exactly the same sort of thing with public transport. So it is very important that we are involved with those initiatives so we do not contravene any of the franchise contract arrangements. We have an understanding of course, as you could well appreciate, of the best value for money and delivering services in the most cost-effective way, because we cannot negotiate with our contractors to do that.

Senator O'BRIEN—What proportion of bus services in this state are delivered by the private sector not on a franchise basis but on their own initiative?

Mr Ward—I would say probably five per cent as a guess. I will give you some examples. I have Sandlants, who operate out of Stawell. They provide services from Stawell to Ararat, Stawell to Horsham and Stawell to Ballarat. They do it out of a fare box. I have Gold Bus, which provides private school bus services from Avoca and Maryborough to Ballarat. I have Bacchus Marsh Coaches, which provides a private school bus from Bacchus Marsh to Ballarat, from Blackwood to Ballarat, from Buninyong to Ballarat. The reason I highlight those is that historically Ballarat has had seven private schools and it has always been a centre, if you like, for private school education. So we have a lot of people who attend the range of private schools here, both Catholic and non-denominational schools, from the hinterland. These folk make a decision to send their kids to a private school so a private operator comes along and offers a direct service in and out so the kids do not have to be borders. That is the reason why that occurs.

Senator BACK—How are they funded? Is it by the parents?

Mr Ward—Yes, absolutely. They have to get accreditation. Remember I said that we wear several hats. We also have that regulatory hat. If you are paying a fee for a public transport service then you expect to get there safely. So we regulate how the bus is managed, whether it is safe and whether they have those systems in place. It is an accredited service and an accredited operator. The driver has his DECISION. We do all that auditing. I have given you some statistics on the auditing that we do. We pull up as an authorised officer and have a look at the driver. Is he dressed appropriately? Are his tyres bald? Is his DC current? Has he had his recent health check? Is the bus compliant?

So even though they are private services we do have that regulatory responsibility to ensure that they are managed in such a way that you are being delivered safely. You are a paying passenger so you have that expectation. Coming from the aviation industry, I am acutely aware of that. When you board a plane, you expect to get there; and it is no different if you board a bus or a train.

Senator O'Brien—With the private operators who are contracted with the department, or state government, is there a mechanism where they can, for example, explore the expansion of services with the assistance of government?

Mr Ward—Absolutely.

Senator O'Brien—How does that work?

Mr Ward—Under the contract they are called operator initiative proposals. They have always been part of the franchise contract. Again, that is a myth. We had a very recent one. Our contractor in Ararat, which is Christians Bus Services, who run the transit service up there. He put a proposal in to us to provide a connecting service from the train out to Ararat prison on Saturday and Sunday for visitations. We have funded that. That was an operator initiative proposal under the franchise contract arrangements, which has always been in existence. We have a number of those proposals come before us from time to time. It depends on how the operator is placed, if you like; if they are keen to expand their business or not. They might be happy with what they are doing. There is that mechanism there. I might add that with the bus review it appears that that will remain as part of the contracting arrangements.

Senator BACK—I have some questions. Given the fact that we are looking at public transport as a national issue, I compliment you on your standard of excellence. There is no doubt at all that you would be benchmark, I would think.

Mr Ward—I certainly hope so.

Senator BACK—It makes me wonder as a non-Victorian whether there has not been a disproportionate of funding historically, but I will not get onto that particular question. How do we, from a national perspective, grab the best elements of what you are doing and present them and encourage their use in other local government or regional areas so that we can effectively encourage other areas of Australia to move in this direction?

Mr Ward—It is a fair call to say that the cross-pollination of ideas occurs across a whole range of groups. For example, I have been a member of the Institute of Engineers for 38 years.

We have our annual conferences and meetings. When I was involved with the aviation industry, the Australian Airports Association had regular conferences and the like. Ideas do get spread around the nation through those various avenues. It is a fair call to say that even this state came to the realisation about four or five years ago that it needed a service level standard to be set for various community sizes. We have fundamentally met that right around the state. That might be something worth while having as a national aspiration. If you have a community of 300 people, you would expect a certain standard of service.

To pick up on what Senator McGauran said, if you are living in a place like Hopetoun you cannot expect to have a half-hour bus service to Melbourne. If you get a return service a day, that is not unreasonable, considering that Hopetoun is a five-and-a-half hour drive to Melbourne and if you are going to Melbourne it is probably for health or commerce or to watch the footy of whatever, so you are going to be down there all day anyway. But if you get to a city the size of Ballarat, which has 90,000 people, you would expect a frequency past your door of about half hour. You have a series of service level standards that are aspirational. They will depend on funding and on the standards that you can meet.

There is one aspect to this that you need to be very mindful of. Having worked in New South Wales in the aviation industry, Victoria is very compact by comparison. The only RPT services that operate here are from Mildura and Portland. If you look at New South Wales, there are RPT services that operate out of Wagga, Albury—

Senator BACK—What does ‘RPT’ stand for?

Mr Ward—Regular public transport air services.

Senator BACK—Aviation services.

Mr Ward—Yes. You have Narrandera, Griffith, Wagga, Lismore, Albury-Wodonga and so on. You need to be very mindful that when you get into a place like Western Australia, Queensland or New South Wales that air services play a very big role in that particular mix. As I know from working there, Queensland and Western Australia subsidise air services for some of their isolated communities, such as Longreach. That is no different to subsidised long haul coach services from Naracoorte to Melbourne. When you look at benchmarks, it is often difficult. To do a comparison, Queensland and Western Australia are similar because of their size and the nature of their public transport mix. I suppose that you could throw the Northern Territory in there. It is very difficult to compare Victoria with another state because it does not have that mix of aviation services. We are so small and we are so compact that it is all road based. I would encourage you to continue to fund roads, because most of our public transport is delivered on roads. You need to be mindful of that. The steel based public transport solution is a fetish. It is very expensive and you cannot keep delivering that. The most flexible way of delivering public transport is by coaches and by buses, and you need good roads to do that.

Senator STERLE—We have problems with that—

Mr Ward—And I am just saying that we want to be mindful of that. The predominant source of public transport in our state is delivered on road, whether it is a transit service, a long-haul coach service, community transport or whatever. There are a limited number of rail services,

mostly metropolitan based. I have to say that that solution is very fitting for a place like Melbourne or Ballarat or the major provincial centres, but to run a rail service to Hopetoun, for example, really would not be cost-effective—

Senator BACK—Just staying, if I may, with the Grampians region and benchmarking, would the other regions of Victoria deliver a similar report to yours this morning?

Mr Ward—Absolutely. We are all very similar and about the same level. The only thing I can skate about is that we are the only ones who have it plotted on Google Earth for you so I am glad that you have chosen our region—

Senator BACK—Then I will ask you about your branch values. I compliment you on them, but how do you measure them and how do you report their effectiveness to the community each year?

Mr Ward—Absolutely. In my Grampians region we undertake a stakeholder satisfaction survey every year. That is widely sent out to a whole range of stakeholders—NGOs, service providers, local government, bus drivers, you name it. We just select anybody and everyone; it is a scattergun effect. We have that feedback and I have to say that we are rating at the moment at very good to excellent in what we do in our region. I can give you a copy of that, if you like. I can forward that.

CHAIR—That would be very useful. The information that you provided for us you have referred to a couple of times this morning as a submission. Would you like to table it as a formal submission?

Mr Ward—The only thing I am a bit conscious of—and I talked to your secretary—is that I did mark it as confidential. There are some elements of that which relate to me and my staff and I really do not believe that that is open for public—

CHAIR—We can just leave it as a confidential document; that is fine.

Mr Ward—I think that the other bits and pieces about what we deliver in the region is really open and that is on the public record.

Senator STERLE—We talk about myths and all that, and it is amazing what has been put out there to us as we have travelled around the country. There are certain elements of Australian society that have the belief that light rail is the way to go, that light rail is the future, because they do it in Antwerp or The Hague or somewhere like that. Would you like to go just a little bit more into why it is not feasible financially for an area like Victoria? I think it is important to get something on that on the *Hansard* record.

Mr Ward—I will give you some examples. This city in one of its grand plans for the central business district is currently going through a study and there is an element of the community that would like to see light rail up and down Sturt Street. It would cost \$15 million to install it and there would be a million-dollar deficit per annum to run it. Then you would still have the problem of how you would connect that to the transit network. To run a light rail from the city out to the University of Ballarat would cost \$34 million

Senator STERLE—How far is that?

Mr Ward—Ten kilometres, and it would probably have a deficit of \$3 million to \$4 million per annum. The biggest pitfall with it would be its lack of flexibility. If you have the critical mass like Melbourne, I would not have a problem with that, but if you have a look at our European neighbours—and I call them neighbours today because the world is such a small place—they have the critical mass. The cities are huge and the demand is there and people do not have private motor cars and they do not have other options. You cannot reintroduce light rail to places like Ballarat because it is just not viable. It is very simply that. The reason the light tram network was put in place was because people were still driving around in horse-drawn buggies. That is very simply the best way I can describe it. It is not financially viable in regional Victoria. You would be crazy to think that it is. Road based public transport is certainly the way to go and you do that with fuel efficient vehicles. You use alternative fuels—whether electric, or hybrid fuels or whatever. The beauty of it is that the bus can zap off the freeway, go into the town, come back onto the freeway and drop into the next place. If you use the example from Ballarat to Ararat, there were train stations at Buangor and Trawalla. They do not exist any longer. When train services were reintroduced just the cost of building a railway station was enormous. We have just finished Wendouree Station up here and it cost \$20 million—for two passengers a week! You just cannot justify that. So we run a bus service there to complement that. It is horses for courses. The steel rail fetish is great for large populations in congested areas where it is not an option to use your private motor car. I think that is the way to go.

I want to quickly say again that cycling and rail are totally integrated in all the work that we do. We have integration with cycle paths. We have cycle lockers. We have park aids at railway stations so that, if you are cycling to a station, you can leave your bike there. You can take your cycle on every region rail service; there is provision for it. I just want to make that very clear. It is a nonsense to say that you cannot; you can. And a lot of people do, I might add. We are now transporting about 1,200 people a day from Ballarat to Melbourne. Some of the passengers who work in Melbourne take their bikes with them. They can cycle from the Southern Cross Station to their place of work and then cycle back to the station. They come back to Ballarat in the train and then cycle home again.

Senator STERLE—So there is room on the train.

Mr Ward—Sure.

Senator STERLE—How many bikes would be on the train? Do you have that information?

Mr Ward—There are what I call the commuter services—they start at 5.30 am and run about every 45 minutes—and you can get anywhere up to six cycles on a twin set velocity train. You have to keep in mind that, with your V/Line ticket, you get the Melbourne transit network for nothing. I will put it all into perspective for you: if you are a regular commuter to Melbourne on a day-to-day ticket, a weekly ticket costs you \$60. For that \$60, which basically works out at \$12 a day, you can get on Ballarat transit to the station, which is totally connected to the train services. You get your train trip down to Melbourne, where you can catch the tram, train or bus out to zone 2. You can then come back to Melbourne, train back to Ballarat and transit home. That costs you 12 bucks. So why would you take your bike with you? Because of the inclement weather. And why would you drive your car? That is why rail services in Victoria have exploded.

It is cost effective. If you drive your car down to Melbourne, you are up for \$24 for your petrol. If you can get cheap parking, it is \$15 a day, and then you have four hours driving time.

Senator STERLE—I have been one of the supporters of Victoria's public transport system since we started this inquiry. I think I have made that very clear. One last thing: when we talk about road versus light rail for a city like Ballarat, let us not forget that those routes are not only public transport routes but also, as importantly, major freight routes.

CHAIR—Thank you very much Mr Ward and Mr Gross for appearing today.

Mr Ward—Chair, I will just very quickly show you one of our timetables. Do you see how it has the disabled sign on it?

CHAIR—Yes.

Mr Ward—That shows you that the system is completely DDA compliant. We have put a whole host of stuff together for you to have a look at.

CHAIR—Thank you, Mr Ward.

Proceedings suspended from 12.42 pm to 1.16 pm

DAVIS, Mr Graeme, General Manager, Davis Bus Lines, HA Davis Motor Service Pty Ltd

SMITH, Mr David, Manager, Davis Bus Lines, HA Davis Motor Service Pty Ltd

CHAIR—Welcome, gentlemen. I note that you have supplied the committee with a submission, which we will table. Do you wish to make an opening statement before the committee asks questions?

Mr Smith—Just briefly. Davis Bus Lines operate the urban service bus network in Ballarat. They have been operating buses in Ballarat since 1929 when the Davis family starting operating a bus service between Ballarat and Buninyong, replacing the old train service. The company grew for many years. In 1971 they took over the tram services and started operating on the tram routes. The company has recently been purchased by ComfortDelgro Cabcharge. We now operate 44 buses as peak service—all large buses including five articulated buses. We employ 75 people and carry over two million passenger journeys a year. We are a proud company with a lot of knowledge of Ballarat's transport services. Graeme has been with the company for over 30 years and I have been with them for 25 years.

CHAIR—New kids on the block.

Mr Smith—That is right. We feel we know the business. The business has always been growing. In the last couple of years we have had some good patronage increases and a lot of service increases. We now operate all of our services via the railway station, connecting with Melbourne trains and country intercity buses. We are looking now for growth in different areas. We have had an increase in services operating hours in the last couple of year. We see our biggest growth in providing better services to our peak routes. We have four main services going out to the university and to Buninyong, Wendouree West, Wendouree routes and the Sebastopol routes, which make up a big percentage of our patronage. These were still operating on 30 minute frequencies, and I think there is a lot of room for growth in these areas. Also, because these are peak routes, they have some travel time difficulties. I think there are opportunities now, here in Ballarat, to start looking at some bus priority lanes to get these services moving quicker. That is where the growth is for us in the future. We have had a lot of improvements in the last couple of years with bus stops, shelters, footpath access and BDA requirements so that people can now have the opportunity to use our services. We just need to look at improving frequencies—more weekend services and so on. The improvements that we made to weekend services last year have seen a tripling of patronage on a Sunday, so there are definitely some growth opportunities there. Graeme might want to add something to that.

CHAIR—Thank you, Mr Smith. Mr Davis, did you want to add anything?

Mr Davis—No, I think David has covered it pretty well. I am happy to answer questions.

Senator BACK—We have been sort of led to understand this morning that the provision of the bus service is more a nature of a franchise. Would that be correct?

Mr Davis—It is. We are contracted to the state government to provide the services.

Senator BACK—And you own the buses?

Mr Davis—Yes. We own the buses and run the service for the Department of Transport.

Senator BACK—Without breaking confidentiality, could you give us any idea what proportion of the overall cost is recovered from fares? If it is confidential do not tell us. It is not critical to my questioning.

Mr Davis—We would like to be able to answer that. We have just had the introduction of the myki ticketing system, which is another state government initiative. The statistics coming out of that myki ticketing system are wanting, to say the least. Prior to that, when we had control over our own fare box, it was approximately 35 or 40 per cent—that is off the top of my head—recovery of costs from the fare box.

Senator BACK—Has that changed over time?

Mr Davis—No, if anything it has gone the other way. Again, we do not control the ticketing policy. It used to be a section based ticket. It went from that to a two-hour ticket, where people would buy a dearer ticket for travelling five sections, six sections, et cetera. They then bought a standard two-hour ticket. The two-hour tickets virtually encompass three hours. People who were buying two tickets previously were buying one. Prior to that it was a lot higher. So it is ticketing policy that drives that.

Senator BACK—Can I ask you from a sceptical point of view, with regard to the arrangement that you have with the government: on what basis would poor performance put your contract at risk? I will come to another question later in terms of just how you improve. What if a franchisee purchased the business, which one recently has, and, for whatever reason, they took their eye off the ball—maybe they were not local to Ballarat, they did not have 79 years of proud service—and they simply ran the business down for whatever reason. What comeback do the community, the government, et cetera, have in those circumstances?

Mr Davis—Currently there is a very good incentive, because the contract goes until July next year—2010—when we would hope to renew that contract. So there is very good reason to continue operating the services as we have. Yes, the company has been sold. It was my family that started this back in 1929. The philosophy of this new company is also that service comes first, so it is the passengers we are looking after.

In relation to what is in the contract to make it an incentive, we believe that Metropolitan have just negotiated new contracts with the Department of Transport, and within those new contracts there are incentives—both patronage increases and performance incentives. I understand that the new contracts in 2010 for all urban centres will be the same.

Senator BACK—Right. Mr Smith, you made the comment about Sunday patronage going up. I am interested to know what the process is by which you identify what you believe to be a possible need for a new service. Can you explain to us how that goes from an idea through to fruition?

Mr Smith—I suppose there are a couple of things that drive it. As new residential areas develop, for that purpose we like to get in there very early in the piece so that people know there is a bus service right from the start. We push for that with any residential developments. With that we also want developers to provide for our buses when we get there. That gives the people that are buying in those areas an idea of what services are going to be available and we get in there early for that. A lot of it is, I suppose, driven by areas developing and we see demand. If we know that students are walking a kilometre to catch a bus then there is obviously the need for a bus to go out and get them. So that creates new services as well. I suppose people see us as the provider of the service, so the first contact is with us if they are looking for a bus service rather than going to the department. We monitor that as it goes and talk to the department about providing additional buses or services.

Senator BACK—You did mention both in your submission and in your presentation this question of bus priority lanes. In your submission you are talking about the fact that it is potentially causing delays in the time the kids might get school et cetera. I am interested from a performance point of view. You identify that need, and to whom would you go: to the Ballarat City Council to convince them of this need?

Mr Smith—We go to the Department of Transport.

Senator BACK—If they felt that your request was reasonable, they would coordinate it.

Mr Smith—They have people out in the field that monitor these things. I think you are talking to David Ward this morning, so I would talk to his department. We go out and have a look at the situation and see what the options are to fix it.

Senator BACK—You gave us the number and the mix of buses; I think you said five articulated buses. Obviously that is a huge capital expense to go and buy an articulated bus presumably over a non-articulated bus. Would that be your company's decision, would it be Mr Ward's decision? How would that process take place? If you made that capital investment, would there be an adjustment to your revenue in consideration of doing that? Or would you be expected to pick up the saving from less driver per passenger?

Mr Smith—That is what it does, I suppose. The articulated buses are used on services where it is point A to point B. transfer. We can fit 112 students in a bus rather than have two vehicles do the same trip. They are dearer to purchase and dearer to run, but the overall saving to the department I think is considerable.

Mr Davis—The Department of Transport does pick up that cost as part of the contract arrangement.

Senator O'BRIEN—The capital cost?

Mr Davis—The cost of the service, which therefore includes the capital cost.

Senator O'BRIEN—Could you elaborate so we can be very clear—should we call your operation a franchise?

Mr Davis—It is a contract with the government, of which we have a franchise area. Our franchise area virtually covers Greater Ballarat.

Senator O'BRIEN—So you have got exclusivity under your contract to a particular area.

Mr Davis—Yes, we do, for bus services.

Senator O'BRIEN—And the cost of those services presumably is negotiated between the company and the government.

Mr Davis—Certainly that has been the case in the past, yes.

Senator O'BRIEN—So the capital cost and operational costs would be two factors in that.

Mr Davis—Yes.

Senator O'BRIEN—And that would be the bill that was presented to the state government. Is there some reduction or do you bill the difference between what you receive in fares and that amount? How does it work?

Mr Davis—Currently fares are offset to the contract cost. We actually bank the fares we receive. That is audited by the Department of Transport and at the end of the financial year it is reduced and balancing takes place to either take money off us or give us extra money depending on the fare revenue.

Senator STERLE—They would not take it off you very often, would they?

Mr Davis—We are growing services, so we are actually growing revenue. It is working well.

Senator O'BRIEN—So there is a point at which the amount of fair income you receive reduces the cost to government?

Mr Davis—Yes.

Senator O'BRIEN—And how is that worked out?

Mr Davis—The contract is set at a fixed price, and that only varies when we vary indexation, so the contract is on an indexed basis. We know what we expect to get and it is paid to us on a monthly basis. The fare revenue is struck each year and is deducted from our contract payment. At the end of the year, if the fare revenue exceeds the amount they have deducted from us, we are required to pay them the extra money.

Senator O'BRIEN—How does this system with V/Line providing free transport in Melbourne and in Ballarat for users of the train from Ballarat to Melbourne work with your business?

Mr Davis—We carry the passengers free, get no revenue and record them as a passenger carried. So we do not get any recognition for the revenue, but, again, the contract is set at a figure.

Senator O'Brien—Presumably there is some factor in the V/Line fare that is compensating the government for that?

Mr Davis—I am not sure how they do that, to be honest. I do not know if there is a revenue clearing house type of situation that takes that into account—I do not think there is. I think that because V/Line is operated by the government it is fully separate.

Senator O'Brien—You say in your submission that there is a problem at the intersection of Geelong and Whitehorse roads. I am not familiar with the geography. I presume that is in Geelong somewhere?

Mr Davis—No, that is Ballarat.

Senator O'Brien—Ballarat, sorry—we are visiting Geelong tomorrow!

Mr Smith—There are a couple of points in Ballarat that are holding up our services, and that is one that has been an issue for many years. It is really only an issue during the morning peak period.

Senator O'Brien—At the school drop-off time?

Mr Smith—At school drop-off times. People are using Geelong Road and Whitehorse Road to go to Mount Clear Primary School, Mount Clear secondary school, Damascus College, which has doubled in size in the last two years—and they are now building another primary school there—and the university. At that peak time of the morning, that single-lane road just holds us up every day. For students that like to go off-peak, it is a 15-minute drive out to the schools; at peak period we are getting the students to school after nine o'clock. The schools accept that because everyone else is getting there at the same time whether they are travelling by bus or not.

Senator O'Brien—Presumably you are suggesting that they would have to put another lane in and make it exclusively a bus lane or stop cars from using that area of road.

Mr Smith—Just another lane would be good, but something for bus priority would be fantastic.

Senator O'Brien—At least at that time of day.

Mr Smith—Yes.

Senator O'Brien—And that would be a state government responsibility?

Mr Smith—Yes, it is a VicRoads road.

Senator O'BRIEN—In terms of your largest sector, route 10, which is, I take it, the university route—

Mr Smith—Which is on that service, yes.

Senator O'BRIEN—Is it affected by the same problem?

Mr Smith—Yes.

Senator O'BRIEN—You are talking about something approaching 400,000 passengers a year.

Mr Smith—On that service, yes.

Senator O'BRIEN—I presume that is concentrated at times when the schools are operating and the university is operating.

Mr Smith—It is concentrated between 8.15 and nine o'clock or 10 past nine in the morning.

Senator O'BRIEN—Only on school days.

Mr Smith—Yes.

Senator O'BRIEN—It is the sort of route you would operate with articulated vehicles.

Mr Smith—Yes, that is right.

Senator O'BRIEN—Are the roads suitable for that?

Mr Smith—Yes.

Senator O'BRIEN—Optimum or just suitable?

Mr Smith—Suitable.

Senator O'BRIEN—Would there be much usage of that route by people who are on the V/Line fare?

Mr Smith—It is growing but, no, they would not be a great proportion.

Senator O'BRIEN—So that is a specific students fare. What does the student pay to use that route?

Mr Smith—On a single journey, it is a dollar for a two-hour ticket.

Senator O'BRIEN—So it is a dollar in the morning and a dollar in the evening?

Mr Smith—Yes. For the university students that are not eligible for a concession, which is quite a few, on the new myki system that is \$3.20 a day but to do a single journey it is \$2.

Senator O'BRIEN—In terms of the processing of fares, do you have a card system or an electronic system? How does that work?

Mr Smith—It is the new myki system that we have had since 6 April. It has had a lot of teething problems.

Senator O'BRIEN—How does that work?

Mr Smith—It is a smart card.

Senator O'BRIEN—An individual has a card and they charge it up?

Mr Smith—Yes, that is right.

Senator O'BRIEN—Where do they do that?

Mr Smith—The only place that they can do it is on the bus with the driver.

Senator O'BRIEN—Is there any consideration of off-bus charging facilities?

Mr Smith—We do not have control over the ticketing system at all.

Mr Davis—If I may add, the TTA, the Transport Ticketing Authority, will be setting up machines at the railway station when V/Line comes on board with the myki ticketing because the myki ticketing will be a Victoria-wide system eventually. They have set it up in the regional areas at the moment extending that to metro Melbourne early next year and then V/Line. We are frustrated at the moment because people can only go to a post office to buy a myki card so, if you do not have one, it is difficult to get. The ones who have it can then top up on the bus to use that ticket.

Mr Smith—They can do it on the net.

Senator O'BRIEN—They can do it on the net?

Mr Davis—Yes, they can.

Senator O'BRIEN—I was going to say that would seem to be an obvious option that has been used in other parts of the world.

Senator BACK—Or by automatic bank transfer?

Mr Smith—I think they can set that up.

Senator O'BRIEN—If you did it by telephone, it would have to be bank account transaction I presume.

Senator BACK—The system that we use is that you set a minimum and the bank automatically tops it up. You do not have to consciously do anything yourself.

Mr Davis—I am not sure how that would work because I do not know how it would know when it got to a minimum.

Senator BACK—It is a passive RFID card with a decrementing amount on it. When it gets to \$15 dollars or whatever limit you set, the bank automatically deducts the amount from your account and puts it into the ticketing system.

CHAIR—Is the reliability being affected at all by this new ticketing system—is it slowing things down to the point where it is having an adverse impact? What are the negative impacts of the new system—teething problems if you like?

Mr Davis—There were teething problems. Like with any ticketing system we understand that there are teething problems. Our company is also involved with Benders in Geelong, so we have two companies with it. Initially, it held up the services considerably, but we must say that with every software upgrade the system is improving. Passengers had been a little bit concerned about some inaccuracies in what had been debited on their cards, but we believe that they are getting on top of that. We are being told that by September most of our issues will be fixed. We are keeping our fingers crossed.

CHAIR—Look forward to that!

Senator STERLE—You can appreciate an inquiry of this nature brings out a lot of passionate positions. If some people had their way, we would all be on push bikes and there would never be another bus allowed on the road. But this is your hour now. I was reading your submission at the same as I was trying to listen to your opening statement, Mr Smith, so forgive me if I have missed something. If you have already answered something, say you have answered it and I can always refer to the *Hansard*. You say in your submission that not many people realise today that buses actually produce less greenhouse gas emissions than trams that use electricity generated by brown coal. Have you got accompanying statistics you could supply for the committee for that statement?

Mr Davis—I do not, but I will get it for you.

Senator STERLE—That is all you need to do. Please take that on notice. I am very interested in pursuing that line. You also say that there is still more we should be doing. You talk about the odd road improvement here and there. Would you like to just tell the committee in very simple terms what more can be done so that you can improve, I gather, the public services around Ballarat. We have two standards here. From here to Melbourne is fantastic, we have been told. That is not a problem. Let us talk just about around the greater city of Ballarat. What can we do? If you had the purse strings, how would you fix it?

Mr Smith—On our main bus routes, say, going out along Geelong Road to the colleges, we might have 15 buses operating in the peak morning period on that particular service. There are still 500 or whatever cars. The majority are mothers taking their kids to school. They are doing two journeys: going there and back in the morning and there and back in the afternoon. I think if the quality of service was there—and do not get me wrong; I think we provide a really good service—and the frequency was there and mum knew that she could get her kids down to the corner in the morning and the bus would get them to school on time and safely we would get rid of those cars and we would get those kids on the buses.

Senator STERLE—So frequency would mean more buses and more bus drivers?

Mr Smith—Yes.

Senator STERLE—Have you have you done any sums on what providing that service would cost taxpayers?

Mr Davis—No, we have not.

Senator STERLE—Are we talking frequency just in the busy times or during the whole day and on weekends?

Mr Smith—We probably need to look at frequency of those heavily patronised services right throughout the day—I am not talking the early morning or late in the evenings—especially on route 10. University students and even high school students these days will go in at 10 o'clock to a couple of classes and then leave again at one o'clock in the afternoon on different days. They expect the bus to be there. So we need increasing frequency of those services right throughout the day, yes.

Senator STERLE—I ask this question in every hearing. We could have the best possible public transport system—whatever mode that might be—safe, secure, regular and sustainable, but how do we get people out of their cars and convince them that they should leave the car parked and jump on public transport?

Mr Smith—In urban and regional areas that is very hard to do.

Senator STERLE—Everyone looks at me as though I am trying to set them up for the front page of the local rag on this one, but I am dying to hear the answer.

Mr Smith—In Ballarat most people are the same as me: I know that I can jump in the car and drive into the centre of the city. This afternoon we drove down the street, and just opposite the town hall there are half-a-dozen parking spaces you can pull into. It costs you a dollar to park there for an hour. Most of our shopping centres around Ballarat have free parking. There is free parking in the centre of the city as well. It is very hard to get people out of their cars. If you can get them to see what the bus services do, I think you can bring people in, but it has to be there for starters.

Mr Davis—I would like to back up David. What he was saying earlier is that it comes back to frequency and convenience. A large percentage of our patronage are people that rely on public

transport. But we are slowly getting back the elderly, for example, who have a car but are now finding it just as easy to go by bus and leave their car at home. We operate skeleton services on Sundays and public holidays. We should be increasing that so that every service is covered. It has been proven in other areas that, where you provide a service that people can easily get to—that is, within 400 metres of their homes—and that comes every 10 or 15 minutes every day, you will get people back onto public transport.

Senator STERLE—According to the table you have supplied to us there has been—although it does not look this way—a great increase in the patronage of public transport over the last three years, except in one case. Why has there been an increase?

Mr Davis—We have changed services over that period and our services have extended into some of the new areas. We have also recently started running services via the station, so we are attracting a different market as well. It is really a service improvement. We have also extended our morning and afternoon hours as well. But there is some generic growth in it due to Ballarat growing. I have not noted this on my graph, but No. 18 should be on the top of No. 15. It was a service that was split, so route 18 and 15 go together, and that would also show an increase. We had a service that was running on Sturt Street West out the west of Ballarat. It was a half-hourly service and we split it to become an hourly service into some of those new areas. We are still concerned that those new areas are only getting an hourly service when they should be getting a half-hourly service.

Senator STERLE—Would it be fair to say those new areas will probably require more public transport than areas closer to the city centre?

Mr Davis—We believe so.

Senator STERLE—Are they new housing areas?

Mr Davis—Yes, so there are new families and eventually, of course, there will be students wanting to go to school et cetera. We have always made the point that we want to be there before people are forced to buy that second car.

Senator STERLE—We have seen different examples around the country—in fact, certain states do it very well and the odd state just does not do it full stop. How closely do the Department of Transport and the local council work with your company in planning integrated bus routes for new suburbs?

Mr Davis—We actually work very well with the Department of Transport. We have a very good working relationship. Because I do not live in the town anymore, I can say that the cooperation we have with council officers is fantastic, although sometimes we have difficulty organising bus stops within the city area. In the last lot of changes we implemented in conjunction with the Department of Transport and council, we actually had to turn services away from Lydiard Street due to some pressure from local members to get a bus stop in Lydiard Street. There is certainly recognition from council that we are important to them, but we sometimes have difficulty convincing them we want a little bit of space to pull up a bus and put a bus stop in.

Senator STERLE—In terms of organising bus stops, are you talking about new bus stops? For want of a better example, you get the local action groups saying, ‘Not in my back yard; we want everything else but we don’t want a bus stop here.’ Is that what you mean?

Mr Davis—Yes, that is the type of thing.

Senator STERLE—It is frustrating.

Mr Davis—It is very frustrating.

Senator STERLE—It is a bit like the people who move near the airport and then complain about airport noise.

Mr Davis—True.

Mr Smith—In the centre of the city we are trying to coordinate buses as they travel through the city so that people can transfer. We do not have a place in the city where all the buses meet. We have split terminuses. We are now at the stage where even the city terminus is not big enough to bring in all our buses—even a small number of buses. When we have 40 buses coming through the city in an afternoon and the biggest terminus can hold only six buses it becomes a problem. A major city terminus is something that we would love.

Senator STERLE—We were talking about the flexibility of rubber wheels, which I cannot stress enough—I think I make that clear every time I open my gob—

Mr Smith—That is why we took over from the trains and the trams.

Senator STERLE—You will not have an argument with me about the flexibility of buses and all that. Talking about integrating your services in new areas—and you work closely with the department of transport—is it a work in progress in that you are regularly reviewing and rediverting your buses, or is it done just once a year? How does that work?

Mr Smith—It is continuous—swapping bigger buses and smaller buses and shopping buses from one route to another. We are introducing new bus services all the time.

Senator STERLE—Flexibility—I love it. Thank you very much.

Senator McGAURAN—On the last point you made about a city terminus, a bus centre, that has been promised by the state government over the last two elections, if I recall correctly. It was a firm commitment. Where has it gone? Have they made a counterstatement? They spent the last eight years promising the same thing and not delivering.

Mr Davis—I think that is true. There was a plan that they would do something near the railway station, but that never eventuated. There have been quite a few plans, in fact. Our disappointment goes back to when the Big W shopping centre was constructed and we lost our terminus for the sake of the car park for the shopping centre in Curtis Street. They moved us to a position which goes up a hill, which for elderly people is not suitable. Nothing has happened

since then. There has been lots of talk about something happening, but nobody has come up with a plan that will be accepted.

Senator McGAURAN—Has the state government said, ‘We are now not doing it,’ or do they continue to string it along?

Mr Davis—We honestly do not know where it is at.

Senator McGAURAN—Do you have in your possession the last statement or press release by the minister on this issue? It is something that the local council ought to push, too. This has become a real farce.

Mr Davis—We do not believe that the council was very proactive in pushing it.

Senator McGAURAN—Which council? The previous—

Mr Davis—The Ballarat City Council—the previous one.

Senator McGAURAN—The new council is completely different—an enterprise based council, if you like. I think they would encourage it.

Mr Davis—Yes, but I am not sure whether there is any space at this stage.

Mr Smith—We would have to go back and start negotiations again.

Senator McGAURAN—I know that I am being a bit parochial here, gentlemen, but this has been a feature requirement for not just your industry but Ballarat as a transport hub. This was going to launch Ballarat as one of the transport hubs, along with the fast train, which they have got. So you do not know where it is at?

Mr Smith—No.

Senator McGAURAN—What do the local state members say?

Mr Smith—In the last couple of years, we have just got to the point where we work around it because we have shifted around—across the road from the town hall and back up to the other end of Curtis Street. Basically, we have been told: ‘This is it. This is the best you are going to get.’

Senator McGAURAN—How free enterprise are you or are you totally locked into the government contract or franchise? Do you have any free routes that you run yourself?

Mr Davis—No, we do not.

Senator McGAURAN—Why is that? Wouldn’t Buninyong be a profitable route?

Mr Davis—Yes, but you did hear it was \$1; in fact, under myki it is now 90c. If you look back in history, everything was done out of the fare box. It goes back to the early seventies when we as operators tried to get a threepence, I think—it might have been the sixties or it might have been 5c, I cannot remember. We tried to get an increase and we were not permitted by the transport board. From then on we were subsidised by the government and from the subsidy it became a contract situation.

Senator McGAURAN—So there is no route that the government does not control? Could you go out to a new estate, work with the developer and say, ‘This is going to be a profitable run for us, we will do it ourselves,’ and the developer might join with you and build the stops? Can you get the government out and run it yourself?

Mr Davis—No. Because of the fare structure, to make something a profitable service from scratch would be very difficult anyway. We do need a subsidy to run the service and charge the same fare that everybody else would be getting.

Senator McGAURAN—Is this the same as with the bus routes in Melbourne that are franchised out?

Mr Davis—Yes, it is similar.

Senator McGAURAN—What proportion of your buses have disabled access?

Mr Davis—All of them. No, sorry, all of our timetable services operate disabled services. Everything that is on the timetable are low-floor, wheelchair accessible buses. We are well in front of the requirements. But our buses that are dedicated route school services are not all done, but a percentage of those are done.

Senator McGAURAN—What percentage?

CHAIR—You could take that on notice.

Mr Davis—Do you know?

Mr Smith—Probably 20 per cent or 25 per cent of our school services are low-floor, wheelchair accessible.

Senator McGAURAN—What about seatbelts?

Mr Davis—No, they are all route service. Following on from an earlier question about providing better services, part of our problem is that we cannot get another bus until we have reached the capacity of that bus. The capacity would be 41 or 42 seated and another 30 standing. We can carry 70 or so people. Half the reason that people are taking their children to school is that they think that they have to stand on our buses; that they do not get a seat. The people are packed on.

Mr Smith—That was quite acceptable 20 years ago. People do not accept it now. If you come anywhere near your carrying capacity on your bus on a service, people will start finding alternative ways of getting to school or wherever.

Mr Davis—We cannot get extra services until we have buses where the standing capacity is full and people are hanging out the doors, so to speak.

Senator McGAURAN—Are all capital outlays in the government's hands—bus stops et cetera?

Mr Davis—Yes.

Senator McGAURAN—Not the buses?

Mr Davis—All the infrastructure on the road belongs to the council, with the Department of Transport assisting with the funding of that. Everything that we operate belongs to the company.

CHAIR—If there are no further questions, Mr Davis and Mr Smith, thank you very much for appearing today.

Mr Davis—Thank you for inviting us.

[2.00 pm]

COWIE, Mr Ross, Manager, Infrastructure Development, City of Ballarat

McCULLOUGH, Mr Trevor, Director, Development and Infrastructure, City of Ballarat

CHAIR—Welcome. I note you have now supplied a submission, so we will table that. Do you wish to make an opening statement before the committee members ask questions?

Mr McCullough—I do. First of all, on behalf of the mayor and councillors of the City of Ballarat, I welcome the committee to the Riviera of western Victoria.

Senator McGAURAN—Good sale!

Mr McCullough—I can assure you it is always this sunny in Ballarat!

CHAIR—Thank you.

Mr McCullough—Thank you for the opportunity to make a submission to the inquiry. Our submission is not technically detailed but is rather a collection of context statements and some reflections on future directions for public transport and on what we see as some of the key issues for public transport going forward. Ballarat is, like other regional centres, going to take on a new significance in the coming 20 or 30 years as Melbourne starts to hit the boundaries of urban sprawl and Ballarat plays its part in accommodating the additional population. The most recent population projections for Ballarat are of an increase from the current 88,500 population to by 2036 somewhere between 127,000 and 144,000, depending on how vigorously the population moves from Melbourne to regional centres. This presents some real issues in urban planning for Ballarat and, along with that, some real issues in taking forward public transport options. In our submission, we have set out some of those issues.

One key factor that governs the need for public transport in Ballarat is the strong role that Ballarat plays as a regional hub. There are the issues of local transport but, in particular, the links between Ballarat and Melbourne are important not only for the people of Ballarat but for people in surrounding towns and other regional centres who might use Ballarat as a hub. The reality in Ballarat is that road based public transport is by far our biggest contributor, so any investment in road improvements is of benefit to private transport but the maintenance of a good arterial road system is important to the success of a public transport system. Ballarat is growing, and I have included some figures in the submission to show that we are expecting an additional 45,000 residents in Ballarat west over the next 20 to 25 years. That is a fairly extensive expansion in any terms and comparable with some of the growth areas of Melbourne.

By far the most important public transport mode will be bus. To accommodate that increase in the bus network, we will need to target a number of arterial roads for improvement or in fact identify new arterial roads during that time. I have listed in the submission a number of the key roads. We are doing some planning at the moment for a western arterial road that will have the primary purpose of enabling development—both residential and industrial—in the Ballarat west

area but also acting as a western bypass for the city of Ballarat. That will also form the backbone of a public transport service for that area. We will over the next few months put together the final design and alignment plans for that link road, and we will make submissions for state and federal funding within the next six to 12 months to try to bring forward some stages of that project as a catalyst for development in that area.

I have included in the submission some commentary about rail services and the importance of the Ballarat to Melbourne rail service. I would like to highlight some numbers that I have included in there. The travel time from Ballarat Central station to Southern Cross is currently 64 minutes by train. With the planned improvements to the line between Sunshine and Melbourne that will reduce by at least another five or six minutes. Even at 64 minutes it compares very favourably with growth areas in Melbourne. Frankston, for example, is 57 minutes by train. Pakenham is 76 minutes. Sydenham and Epping are about 45 minutes. Belgrave is 69 minutes.

Senator STERLE—That is to Melbourne?

Mr McCullough—Yes. They are peak hour travel times from those locations to Flinders Street. When put in the context of those travel times, Ballarat looks very attractive as a commuter option. Hence the importance of maintaining that fast link.

The recently announced Regional Rail Link project to upgrade the line to provide an exclusive line for country trains through the metropolitan network will dramatically improve the reliability of trains. Talking to regular commuters from Ballarat to Melbourne we have found that their main frustration is not the travel time. They think it is very good when it works well. Their frustration is that sometimes the trip can be delayed by 20 or 30 minutes or even longer if there are delays on the suburban network and they get tangled up in those delays.

There is also a need in the longer term to look at whether there are other opportunities for either line duplication or passing loops between Ballarat and Bacchus Marsh or in further. The other frustration felt by Ballarat commuters is sitting out in the middle of paddocks on the one and only passing loop that exists near Ballan and waiting for the train to come through from the other direction. So there is a need to look at options for improving reliability.

Additional carriages are another issue that is raised by regular commuters. Already there are a number of peak hour trips where people cannot get a seat if they get on in Ballarat, which is quite surprising and reflects the dramatic increase in patronage that has been experienced in recent years. Again, the state government has recently announced an intention to purchase additional carriages, which, hopefully, will relieve that.

Wendouree station has recently opened and, by all accounts, appears to be providing a valuable service. There is a lower than expected take-up of that service at the moment. That reflects some concerns that have been raised by new patrons that not all services to Ballarat go to Wendouree. You can imagine the frustration that someone getting on at Wendouree in the morning feels if they get stranded at Ballarat and are not able to get out to Wendouree station at night. They have to find alternative ways to go and pick up their car. We need to look at promoting more services to terminate at Wendouree station.

CHAIR—Mr McCullough, in the interests of time, if your comments are actually in your opening statement I am sure my colleagues will go through them. Is there something else in addition to those comments that you would like to add? I know my colleagues have a number of questions they want to ask you. Perhaps you would like to keep that in mind as you finish up your statement.

Mr McCullough—I am almost finished. Thank you. I was just conscious of the fact that you have not had a chance to look through this.

CHAIR—I appreciate that. Thank you very much

Mr McCullough—I note that you have received submissions from some of the bus operators and the Department of Transport. We enjoy a very good relationship with the Department of Transport and we are very complimentary about the services they provide. Probably the main point that I would like to make in relation to bus services is the need to remove some of the bottlenecks in on some of our key bus routes. The one that I have highlighted in the submission is Geelong Road. Geelong Road is a major bus route between Ballarat CBD and the University of Ballarat and experiences significant delays due to some traffic bottlenecks along that road. We are preparing a submission that we will be making to state and federal government in the near future to bring the upgrade of Geelong Road forward as a major project. Thank you, Madam Chair. That concludes our comments.

CHAIR—Thank you, Mr McCullough.

Senator STERLE—There are two issues here. Obviously the City of Ballarat wants to do whatever it can to attract more people to Ballarat for the future because with population comes a lot of good stuff in terms of infrastructure and recognition within government services. But do you believe the ratepayers of Ballarat have a good public transport system in the city? We have been told that Ballarat has a very reliable bus service—they have been around for 80 years, so they have obviously been doing something right.

Mr McCullough—In general terms we would agree with that. We think the Department of Transport and the local bus operators do provide a very efficient and reliable service. I guess the word of caution in our submission is that we are going to be growing rapidly and we will need to keep up with that rate of growth. The strong preference is to provide services from day one when we open new subdivisions, particularly new residential developments, to overcome feelings of isolation or separation from services.

Senator STERLE—That has been a theme of the questions all the way through this inquiry: how well do the local officials work with the bus companies? For all intents and purposes, Victoria does it very well. That is what we have been told, and we do not doubt that. The previous witnesses told us that, too. But there is always room for improvement. Unfortunately inquiries of this nature get tied up in passionate views—and, of course, climate change is one thing that has been coming through quite clearly. How well have you integrated all modes of transport here in Ballarat?

Mr McCullough—I caught the end of the previous evidence about the need for the development of a transport hub in Ballarat. I think it is fair to say that there needs to be some

improvement around the transport interchange at the Ballarat station. Our preferred location for the major bus hub in Ballarat is at the station, although there is a need to recognise that there will always be major pick-up and drop-off points at other key locations. We have some work to do to plan those properly and make sure that the facilities that are provided at those locations are safe and clean. A particular issue for Ballarat is protection from the weather. Despite my comments earlier it does occasionally rain in Ballarat and it can get very cold and very hot.

Senator STERLE—Actually my colleague Senator O'Brien was going to correct the *Hansard*, because you misled the Senate with that opening statement about the Riviera!

Mr McCullough—So there is a need for weather protection at those locations as well, and the careful location of bus stops. The frustrating thing for council as well as the bus operators is that no shopkeeper wants a bus stop outside their premises, so we do run into some difficulties with the best locations for bus stops.

Senator McGAURAN—What is the status of the promised new central bus terminal?

Mr McCullough—There have been a number of plans prepared for the development of various bus terminal options at the railway station. Those proposals have not been realised. I think that is mainly because of the high cost of developing some of those options. The other consideration has been the unclear future of the Ballarat freight hub, which is on the northern side of the railway line, and whether that provided a better option for a modal interchange. We are in the process of working through those issues at the moment. There is a study to determine where best to relocate the freight hub. Given that it no longer has a strong connection to rail and is essentially a road based freight operation, the city believes that that land could be utilised for better things. So we would be looking at how the freight hub site and the area to the south of the railway station could be integrated into something that works a lot better than it does at the moment.

Senator McGAURAN—It has been a state election commitment for the last two elections, but from what you are saying it is in fact the council that is holding it up?

Mr McCullough—There is some council planning that is going on at the moment that will help us work through that. There were some Transit City funds that were allocated to improvements at the station, going back three or four years. There was a decision made at the time that the development of the Wendouree station was a better use of that funding, and that money was diverted into the construction costs of the Wendouree station. That has a number of benefits that I do not think are disputed, the main one being that, if we can take a lot of the parking demand out of central Ballarat and divert that to Wendouree, that is a good thing. Now what we need to do is go back and look at the functioning of that Ballarat central railway station and see whether its function has changed with the introduction of Wendouree station and how it integrates into other developments in the CBD.

Senator McGAURAN—So again I take it from what you have said that the funds have still been allocated in the state budget; there is a line item there?

Mr McCullough—My understanding is that the funds that were allocated as part of the Transit City program were reallocated to the Wendouree station. So my understanding is that there is not a current line item in the state budget.

Senator McGAURAN—But you are proceeding with your plans as if there is?

Mr McCullough—We are proceeding with a structure plan for the whole CBD area which will incorporate a review of that station area and we are also proceeding with a plan for the relocation of the freight hub, and our intention would be to go to the state government with both of those plans to put a case for significant infrastructure investment in developing a new hub around the rail station. Exactly what form that will take we are not clear on at this stage.

Senator McGAURAN—So I take it from what you have said that the hub is not the bus terminal, or may not be?

Mr McCullough—It would most likely include a bus terminal.

Senator McGAURAN—Why would you then need to go to the state government? If they have committed it twice and, to your understanding, it is still a commitment, why would you need to re-present a funding proposal to them?

Mr McCullough—I will just clarify: my understanding is that it is not still on the table.

Senator McGAURAN—Ah. Okay. Thank you; that is all.

Senator BACK—In terms of the revenue base for the city, what proportion would come from your own rates and charges et cetera and what proportion would come as a result of federal government grants; and are there also state government grants? Can you just give us some idea of where the city's revenue comes from. You can take it on notice if you wish.

Mr McCullough—I will have to take that question on notice. In approximate terms, about 50 per cent of council's revenue, I would anticipate, comes from rates, and the balance from fees and charges, and state and Commonwealth grants.

Senator BACK—And would Commonwealth grants be significant?

Mr McCullough—Again I would be guessing but, excluding Home and Community Care money, which comes via the state—so I am not in a position to comment on what proportion of that is Commonwealth money—my estimate would be that Commonwealth grants would be quite a lot less than five per cent of our income.

Senator BACK—Okay. My reason for asking is that obviously we are a Senate inquiry and we have heard a lot during the term of this inquiry and today about the role of local entities and state entities. I am trying to come to terms with where, if at all, you think the Commonwealth should or could be having a role in addressing some of the issues that you have outlined. Provision of roads presumably is a state responsibility. We have been told that 85 per cent of Victoria's roads are under the control of local government. Therefore I assume that maintenance

et cetera would be local government, yourselves in this case. Where is the role for the Commonwealth at all in this process?

Mr McCullough—Answering that question I think requires somewhat of a political stance in terms of who is responsible for funding infrastructure. My view is that there is a role for the Commonwealth government in funding key infrastructure that enables economic growth. In particular Ballarat, for example, in the next five to 10 years will be moving on the development of Ballarat West. In addition to providing 18,000 new dwellings for approximately 45,000 new residents, Ballarat West will also open up large areas of land for industrial development. To enable that development an arterial road network will need to be completed. The early components of that will fall to local government, and that is a very strong burden on local government. We would be hoping that further down the track we can convince VicRoads to pick up those roads as declared main roads or arterial roads—

Senator BACK—Which would then place it under their responsibility.

Mr McCullough—Yes. But in order to initiate that economic development there is a real hurdle there for local governments to be able to do that leading infrastructure. So we would be hopeful that the Commonwealth government, perhaps through the housing affordability fund, for example, would look at assisting us with some of that early infrastructure so that we can get some of those economic developments happening earlier.

Senator BACK—As everybody says, the challenge is to get people out of their motor cars and into public transport, and obviously we have addressed the question of making the public transport itself more attractive. Where would the Commonwealth best spend its dollars, if it had them and if it felt inclined to expend them, in terms of assisting the process of actually making public transport more attractive, accessible et cetera?

Mr McCullough—I think again it is a question of, if I can put it in these terms, where is the best bang for buck. I would be encouraging the senators to look at which areas are most in need of stimulus in terms of economic development and then look at what infrastructure they need. It will be different for different areas. In Ballarat's case, any investment in the arterial road network will also provide the backbone for a public transport network. In other areas it might be looking at ways in which current or future rail options might be able to be brought onto the table. But certainly in our case that investment in arterial road network, which may not be within the capabilities of the state to fund and certainly is not within the capability of local government to fund, in my view would be a good investment.

Senator BACK—On another unrelated topic, with an ageing population and less people working to support those who are not, we presumably are looking at a higher input by volunteers. We are already seeing, for example, volunteers driving different members of the community, particularly older members, to appointments. What attitude, if any, does your council have to this? I am well aware what is happening in cities around Australia, but with a large regional council like Ballarat I am interested in what programs, if any, you have in place, do you see them expanding and how do you fund them?

Mr McCullough—Unless Mr Cowie is able to answer that question—

Mr Cowie—I have nothing specific.

Mr McCullough—We may have to take that question on notice. I am aware that we provide a service for taking people to medical appointments, but I would need to get some specifics to provide to the inquiry on that one.

Senator BACK—I am interested to know whether the council sees this as its role and, if so, how it is stimulating it. If it does not, in a community such as this one how are elderly people accessing these sorts of services if they cannot afford or cannot avail themselves of public transport? Presumably, they are beyond the stage of having their own private vehicles. I am very interested to know what your status is.

CHAIR—Perhaps they can take it on notice and come back with some detail.

Mr McCullough—I can perhaps give a partial answer to that, if I may. Ballarat City Council sees that we have a role in coordinating volunteers. I cannot comment on the extent to which those programs exist at the moment. I can certainly provide that information on notice. We would have a responsibility as a coordinator and facilitator of volunteer services. Local government is certainly best positioned to be in touch with the local community and how to access those resources. We would be comfortable that that would be a role for the council.

Senator O'BRIEN—Just on that topic, we have some evidence before us today about the state government funded transport connections program. What role does Ballarat City Council have in that program?

Mr McCullough—Can you elaborate on which program you are talking about?

Senator O'BRIEN—It is the transport connections program, a local community transport services program run by the Victorian Department of Transport.

Mr McCullough—I am personally not familiar with that one.

Senator O'BRIEN—It may well have a role in providing services such as the ones that Senator Back was talking about for members of the community who need to travel to medical appointments or it may be to pick up other isolated communities. Could you take that on notice.

Mr McCullough—I am happy to do that.

Senator O'BRIEN—Perhaps you can come back and give us any detail that you can on the council's involvement. In terms of the delivery of transport services, would it be fair to say that essentially the council is not involved in the delivery of services?

Mr McCullough—Again, I will have to take that question on notice. We do provide some access to community buses, but it is very limited. I will need to get some detail on the extent of that program.

Senator O'BRIEN—And you will be able to tell us what sort of spend is involved?

Mr McCullough—Yes.

Senator O'BRIEN—And any support that you get from other arms of government for those particular programs?

Mr McCullough—We are happy to provide that.

Senator O'BRIEN—In terms of city planning, are there any provisions in the city's plan to make sure that newly developed areas have a streetscape that can accommodate a modern bus network?

Mr McCullough—The planning that we do for all of our subdivisions has a requirement for bus services to be incorporated in that. Integral to the planning of new residential precincts we do and will continue to consider bus routes through those precincts. If that creates any specific need to make some roads wider, to provide additional turning facilities for certain roads or to accommodate bus stops, then we will include those in the initial subdivision designs. The developers will be required to contribute to the provision of that infrastructure.

We are in the process of bringing a developer contribution scheme into our planning scheme, which will include direct financial contribution by developers to providing public transport infrastructure. That would include, for example, concrete bases for future bus shelters. It would also include the provision of bus lanes on some roads or at least on the approaches to major intersections. We are incorporating that into our development plans, particularly for Ballarat west, which will be a much more dramatic growth time for us than Ballarat has experienced in the past.

Senator O'BRIEN—What would you envisage that would add to the cost of land per suburban block, assuming it is passed on by the developer?

Mr McCullough—Bearing in mind that there are 18,000 lots, the cost is amortised across a fairly broad base, but I think Mr Cowie might have a number that we have worked out as part of the process.

Mr Cowie—We are only in the very preliminary stages of it, but we are perhaps looking at around \$900 per lot.

Senator O'BRIEN—That is not a big proportion of the value of a block of land here, I presume.

Mr Cowie—No, I do not think so. There is one new subdivision in the Ballarat west area or Alfredton area at the moment. It is probably not your common, run-of-the-mill subdivision, I suppose, but I think they are looking at perhaps \$250,000 to \$400,000 per allotment, so there it is a very small proportion. In the other general subdivisions it probably takes on greater significance but still not a large proportion of the cost of the block.

Senator O'BRIEN—You are saying that you need to get these services into those areas as they develop. What is happening with the area that is being developed now? Are services being provided from the start or is there a lag?

Mr Cowie—They will be there from the start. The one I just mentioned is already serviced by an arterial road, and we have been incorporating discussions with the Department of Transport right from the start to make sure it is fully serviced by bus stops and so on.

Senator O'BRIEN—And there is presumably a bus service to go with the stops.

Mr Cowie—Yes.

Senator STERLE—Gentlemen, were you around when the amalgamation of all the councils took place?

Mr McCullough—I was in another council at that time.

Senator STERLE—Have those amalgamations into these super-councils or bigger councils seen a marked improvement in the service of public transport that you are aware of?

Mr Cowie—There is no doubt that public transport has been improved in that period; whether it is an outcome of the restructuring of the councils would be a little hard to say. All I can say is that, as Mr McCullough has mentioned, we liaise very closely with the Department of Transport here and, from the Department of Transport's perspective, it is probably much easier to deal with one council rather than seven, which I think probably happened here in Ballarat—or parts of seven anyway. From that perspective, it would make it far simpler to coordinate the whole process, yes.

Senator STERLE—Okay. I was just following on from Senator Back's earlier questioning of the Municipal Association of Victoria. Unfortunately, our witnesses were not around when that happened, but it is of interest because in our home state there are some conversations going on—I just wanted to flag that. So, without putting words in your mouth, there have been some improvements but you could not put it all down to the abolition of smaller councils.

Mr Cowie—I could not say that categorically, no.

Mr McCullough—If I could add a comment to that, one of the things that I have observed during my time in local government that does directly relate to your question is that the management of council road infrastructure has dramatically improved in that time, partly due to the smaller number of councils managing bigger areas, which has given councils greater economies of scale, I think, to manage their assets. Whilst in that period there is an infrastructure gap, I think we are now getting on top of our asset management and we are able to manage key pieces of infrastructure better. What that has meant in terms of public transport, particularly bus transport, is that we have been able to concentrate our improvements on routes that are carrying buses and that are access routes to schools and other facilities. So, in that sense, I think the public transport network has benefited from amalgamations.

Senator STERLE—Good. Thank you.

CHAIR—Thank you very much for appearing today. That concludes today's hearing. I thank all the witnesses that have appeared and Hansard.

Committee adjourned at 2.35 pm