



EASTERN TRANSPORT COALITION

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30 May 2008

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Regarding: Metropolitan Train and Tram Refranchising Project (MRP) – ETC Suggestions

Dear Kirsten,

I write to you as Chairman of the Eastern Transport Coalition (ETC), in reference to your offer on 9 May to contribute to consultation pertaining to the (MRP or MR3) Review.

As you would be aware, the ETC represents approximately one million residents across seven municipalities in metropolitan Melbourne and advocates (to all levels of government) the provision of sustainable transport.



The ETC is a renowned and representative organisation that conducts its activities in a constructive manner by working with all levels of government and strategic partners to achieve its objectives.

It is within this spirit the ETC accepts your invitation to submit to the MRP consultation process, and looks forward to the response by the Victorian government.

Best regards,

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EASTERN TRANSPORT COALITION

METROPOLITAN REFRANCHISING PROJECT SUBMISSION

30 May 2008

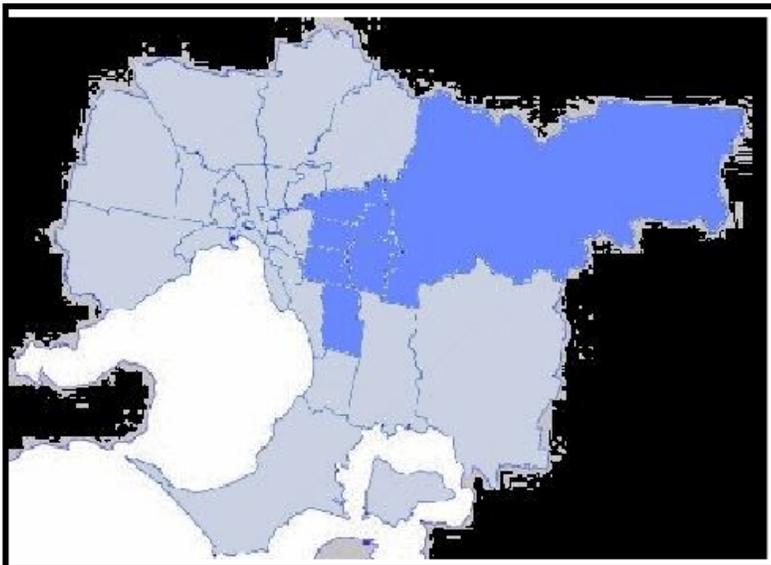
The Eastern Transport Coalition (ETC) provides this submission and suggestions herein to support the Victorian Government in determining appropriate mechanisms to judge the appropriateness of interested parties involving themselves in tendering for Victorian government procurement of their services, which will hopefully provide improved public transport that more appropriately align with the sustainability and community support provisions as currently defined within government policy. As always, this submission is made in good faith, and the ETC is more than happy to actively discuss its proposals with the Victorian government and any other interested parties.

1. INTRODUCTION

The Eastern Transport Coalition (ETC) is a grouping of seven metropolitan Councils, representing approximately one million residents in the outer eastern region of Melbourne.

The ETC advocates for the provision of sustainable and integrated transport services that meet the travel needs of the community and reduce the level of car dependency.

ETC member organisations are:



- The City of Greater Dandenong;
- Knox City Council;
- Manningham City Council;
- Maroondah City Council;
- Monash City Council;
- Whitehorse City Council; and
- The Shire of Yarra Ranges.



2. EXECUTIVE SUMMARY

The ETC believes the Objectives (as prescribed by the DOI) for the MRP (MR3) review process are well aligned with those sought by the ETC.

The ETC both notes the objectives of the review, and makes considered responses to each objective in an appropriate, researched and considered fashion.

Fundamentally important to each parliamentary officer and Minister involved in consideration of these matters, is the true and effective functionality of the public transport network.

In the past, the matter of public transport has been considered somewhat a service that 'should be provided' as opposed to being a 'substantial community need'.

Within the realities of increasing oil costs, an ageing population, a burgeoning crisis in the deficient economic capacity of the economy, the participation of all people in the community must be considered. Public transport is itself an institution that has and will continue to provide people with access to social, recreational, educational and employment opportunities.

Surely this is enough to make the Victorian government consider enhancements as a priority in order to achieve its broader social, economic and environmental objectives.

3. ALIGNMENT OF OBJECTIVES

The ETC believes the Objectives (as prescribed by the DOT) for the MRP (MR3) review process are well aligned with those sought by the ETC.

Objectives stated by the DOI are as follows:

Objectives

The Metropolitan Rail (Train and Tram) Franchising Project aims to provide a value-for-money outcome for the State by designing, procuring and implementing franchise arrangements that promote:

- **productive long-term relationships between the State, franchisees, employees and other public transport stakeholders**
- **services which are safe, reliable, punctual, clean and convenient as part of an integrated multimodal transport network**
- **financial and operational sustainability**
- **cost efficiency in service delivery**
- **major project delivery within the constraints and requirements of an operating transport network**
- **effective and efficient maintenance of rolling stock and infrastructure**
- **patronage growth and customer satisfaction.**



Without detailing each particular objective (as prescribed above), the ETC believes a fast, efficient, cost effective, well integrated and a competitive public transport network is required in Victoria.

Any potential franchisee should agree to establish this (with State government support) to maintain and enhance such a network. Anything less would equal a disservice to the community.

The ETC views that a commitment by any franchisee tenderer should agree to the set of principles outlined in the Recommendations below.

The ETC seriously believes adoption of the concepts outlined below will be (as a minimum) assist the state of Victoria to achieve both a more economically accountable and publicly efficient system for Victoria's public transport network.

4. RECOMMENDATIONS

The ETC recognises the substantial constraints confronting the Victorian community in coming years. Many of these challenges are centred around increased housing demand, the financial costs and lost productivity associated with road congestion, the severe costs associated with climate change and of foremost importance, the social and equity issues associated with having well connected and inclusive communities.

Each of these challenges require effective policy settings to ensure they are appropriately dealt with. The policy settings that form the framework of such response need to be well integrated and rather than inconsistently independent, they must stand together to perform the function of totality within an effective public policy framework.

The ETC agrees with both federal and state government policy that an effective public transport network represents an intrinsic component in alleviating many of the challenges confronting the Victorian community in future years.

Within the context of the current review, the ETC believes the Victorian government impose upon tenderers (amongst other things) key principles including (but not limited to):

- **That the public transport network needs to be under the control of a public body that ensures better coordination of services throughout both metropolitan Melbourne and regional areas – regardless of whether it is operated by the Victorian government or private bodies procured by the government;**

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- That more appropriate Departmental Separation within the DoT between public transport and roads using the application of greater testing of costs and benefits of public transport projects relative to road funding. This will serve to enhance the great work already being undertaken by the DOT, whilst achieving a greater sense of objectivity in determining matters specifically pertaining to total transport services across Victoria. An example of greater contestability is demonstrated by pre feasibility work undertaken by local government that a Rowville rail link would effectively remove one lane of freeway traffic at a fraction of the cost of building a new lane of freeway;
 - That any arrangement with a private operator must not exclude both the assessment of and investment in new extensions to the existing rail, light rail and bus networks; any new contract should in fact provide economic incentives for such robust investigations to be undertaken. Potential franchisees should effectively commit to timetable and infrastructure improvements;
 - That appropriate measurements, including, but not exclusive to: increased patronage levels and positive travel demand control mechanisms that align with current government policy, including (amongst other things) significant reductions in road congestion, a lower contribution from the transport sector to greenhouse emissions, and other benefits aligned with current public policy;
 - That above all, a requirement of any franchisee must be to report quarterly (as a minimum) demonstrating progress with achieving the abovementioned targets. Regardless of timeframes, any potential franchisee should know where the 'goal posts' are before tendering for government work. The institution of good governance is enhanced by the procurement of services by parties that understand both the rational and strategic objectives of their respective clients. This condition is paramount to the MR3 process.



5. CONCLUSION

The ETC strongly believes that constant assessment and appropriate review of the franchises operating the public transport network is not only appropriate – but essential.

The recommendations included in this submission predominantly discuss the mechanisms in which the ETC believes the Victorian community may gain better value from private operators of an essential public service.

In fact, the advocacy of the ETC may be viewed by any Minister or departmental official by visiting www.etc.org.au.

The advocacy efforts undertaken by the ETC are serious, reflective of community expectations and are realistic propositions for government.

Again, the ETC provides this submission in good faith and looks forward to a formal response by either the relevant minister or department official.

As a non profit and local government sponsored organisation, the ETC seeks an invitation, either from the DoT and / or the Victorian government to further be engaged in this process.