



Public Transport Corporation

STAFF BULLETIN

6.1.93

PUBLIC TRANSPORT REFORM PROGRAMME

The Minister for Public Transport, Mr Brown has today announced further detail regarding implementation of the Government's Public Transport reform programme.

The Corporation welcomes the opportunity to concentrate its energies on our core business activity of providing an efficient, clean and safe public transport service to the people of Victoria.

I am sure you will agree with an emphasis on the provision of a transport service not just the running of a transport system.

The major reform now being implemented is not a short sighted reaction to an annual budget deficit, but a long term reform programme. No longer will PTC employees have to explain to their friends and family why the Corporation's performance compares less favourably to all other Australian Public Transport Systems but will have pride in being an integral part of the best transport service in the country.

The following is an outline of reforms; these will be explained in further detail to you by your Manager.

1. Passenger Services Initiatives

- Contracting Government Metropolitan Bus Services

The cost of privately operated services is significantly lower than operating the PTC bus network. These services will be progressively contracted out to private operators. The contracting process, however, will take some time as the Corporation is determined to ensure contracts are negotiated on the best terms possible for the Corporation. Employees affected will be regularly consulted on progress.

- Contracting Country Rail Passenger Services

The tendering out of passenger services on 9 country routes. These services will be awarded to the most efficient train or bus service.

- Modal Substitution - on specified tram and train routes, buses will be substituted for the current services after 8:00pm each day and on weekends.

- New All Night Buses - tenders are to be called for the provision of all night bus services on weekends on 9 main metropolitan routes from the city. Telephones are to be installed on buses to allow customers to phone ahead.

2. **Automated Fare Collection (AFC) for the Met**

The Met's current ticket system has many weaknesses which adversely affect the ability of the PTC to operate properly. These include high levels of fare evasion, slow ticket issue especially on buses, limited ticketing and pricing flexibility, limited marketing and management information; the system is labour intensive and does not provide satisfying jobs.

Under a modern AFC system :

- Conductors will not be deployed on most trams.
- Major stations will be staffed but the use of AFC technology will minimise the need to employ staff to sell tickets.
- Revenue Protection will be increased significantly.
- Tickets will be sold at retail outlets.

While committed to the introduction of a state of the art automated fare collection system, its introduction will be phased in over an 18 month period. Further information will be made available on a progressive basis.

3. **Driver Only Operation of Suburban Trains**

Suburban trains will be converted to Driver Only Operation. Implementation will be phased in over an 18 month period. Detailed information will be given to affected staff to facilitate proper consultation on implementation.

4. **Rolling Stock Maintenance**

The Labour Government commissioned a consulting firm, Indec Pty Ltd, to review the total maintenance function. The recommendations of this report have been discussed with unions concerned. The Minister has now indicated that the Government has endorsed the major thrust of those recommendations. Annual maintenance savings of \$95M can be realised. A significant capital investment will be made including construction of a small central district suburban train depot.

Some of the most significant benefits are :

- Closure of Jolimont in favour of significant improved utilisation of the modern Epping depot and Newport, Spotswood, Bendigo and Ballarat facilities.

- The retention of Ballarat and Bendigo Workshops.
- Transfer of component overhaul, repair activities and manufacturing from running depots to existing dedicated facilities including relocation of Wagon Maintenance from North Melbourne to South Dynon and closure of the Preston Workshops Manufacturing Facility.
- Closure of the East Preston Tram Depot - current operations at East Preston will relocate to Preston.
- Freight Rollingstock Maintenance - closure of all freight rollingstock maintenance depots except South Dynon, Geelong and Portland.
- Establishment of industry standard maintenance policies, procedures and specifications.
- Establishment of performance monitoring against commercially acceptable criteria and benchmarks.

5. **Infrastructure - Construction and Maintenance**

The provision and maintenance of public transport infrastructure is a service industry. Like any other service industry, its long-term viability is dependent on the service being provided where adequate demands exist and on the service being performed efficiently.

The reforms proposed will improve the cost-efficiency and effectiveness of infrastructure provision in Victoria by opening up the industry to market forces allowing work practices to be improved through competition with the private sector.

General building maintenance such as painting, plumbing, gardening, engineering design, station maintenance, commercial and electrical installations, passenger shelter maintenance, cleaning and maintenance of plant and equipment will be contracted out. Construction activities will be publicly tendered.

Implementation of the above initiatives will be discussed in detail with staff affected and unions concerned.

6. **Cleaning Services**

The cleaning of trams, trains (including train washing) stations, tram depots, tram shelters and buildings is to be contracted out.

7. **Catering and Retail Trading Operations**

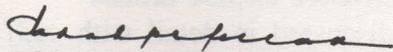
Catering and retail trading operations are not core business and generally make substantial losses.

- The PTC will hand over on-train catering to SRA and AN on the Sydney and Adelaide corridors respectively.
- Spencer Street, Flinders Street, Bendigo and Geelong retail outlets will be offered for commercial management.
- All staff canteens will be offered for commercial management.

8. **Rail Freight Reforms**

- FastTrack - will be retained but will be significantly overhauled including :
 - contracting out of road operations;
 - contracting out of data input functions;
 - amalgamation of the Parcels Office with Melbourne Freight Terminal;
 - contracting freight handling activities at country freight gates.
- Train Operations - will include closure of Melbourne Yard and continued implementation of driver only operations.
- Interstate Traffic - introduction of Container Handling Inventory Control System (CHICS).

The Corporation will immediately establish ongoing consultative processes on both a local basis and with your union. Regular staff bulletins such as this one will update you on progress.


JOHN McMILLAN
CHIEF EXECUTIVE