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**RE: Draft National Remote and Regional Transport Strategy
Feedback**

Thank you for the opportunity to provide feedback on the Draft National Remote and Regional Transport Strategy dated 22 May. The industry has reviewed the document and we have a number of comments to make.

In general terms, for a high level strategic document it covers all the “nice to haves” for the transport disciplines, but it is quite light on action items, particularly in relation to public transport. There is a clear and distinct focus on road and private transport, however we would like to see a greater focus on initiatives associated with public transport. We acknowledge the document is not an action plan, that it is a strategy, nonetheless in light of our earlier comment, more detail on public transport initiatives will enhance the document.

We will offer some commentary around the following 6 points and link them to your Framework as outlined on page 2, and to other implementation steps. Our main areas of interest are:

1. The Total Local Transport Model as an integrated local transport solution (Strategic Area 2 and Strategic Area 3)
2. Cross border regulation and red tape reduction (Strategic Area 3)
3. Partnering with industry bodies to deliver on government strategic objectives (Implementation 1.4)
4. Cost Benefit Analysis Methodology and measuring social values (Strategic Area 1)
5. Transport Infrastructure. (Strategic Area 1)
6. Tax Reform/Funding Models to support services. (Strategic Area 1)

Total Local Transport Model

The Total Local Transport Model is one that is gaining significant impetus across the globe and Australia, and we believe is directly applicable to the public transport task that forms part of the NRRT Strategy. At present there are various proposals and trials in place with State Governments (NSW, SA, Tas, Vic) to develop this in some form. The model creates a governance and management structure, often referred to as a Regional Access Committees (RACs), that enable local mobility outcomes.

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RACs are place based entities that provide tailored approaches to differences in demographics and asset availability according to that area. The broad work of Regional Access Committees is essentially the same, however each Committee will apply assets and deliver solutions based on their specific local needs.

A RAC would establish a central point to coordinate transport delivery and disseminate information about services available within its geographic region. It would also gather information about transport gaps from potential customers and use this to assess whether a particular demand can be met, perhaps from within existing services.

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The work of RACs would broadly include:

- Drawing together representatives of community transport, route bus operators, school bus operators, taxi services, local government, state government and other relevant transport stakeholders within an aggregated geographic area;
- Encouraging the sharing of assets within the region by the local asset owner;
- Collaborating with regulatory stakeholders to coalesce funding pots;
- Assessing local transport demand and supply – including met, unmet and future demand;
- Facilitating the establishment and on-going oversight of an integrated transport service to meet this demand.

To achieve desired outcomes, governments and other stakeholders will need to commit to pooling resources and funds from various sources to achieve an efficient model and facilitate further integration.

As well as pooling of resources RACs require assistance from government in unlocking transport infrastructure and services to ensure knock on benefits from assets. This can be achieved through both regulatory and policy changes. For example, in the South Australian context, a large number of school bus services, operated using State owned infrastructure, are run by the Department of Education and Child Development. To unlock their potential in regional and remote transport these operating arrangements will need to change to facilitate integrated transport through policy amendments within Education and through regulatory reform.

Cross Border Regulation and Red Tape Reduction

Industry representatives have been calling on state and federal governments for decades to minimise the regulatory burden on bus and coach operators with little impact. The opportunity for achieving this is as strong as it has ever been. For your reference we append the BIC's *Red and Green Tape for Australian Bus Operators and Manufacturers*, originally produced as a briefing note for the Minister for Small Business. This document highlights Administrative Burdens, Jurisdictional Inconsistencies and Government Procurement Practices that are currently faced bus and coach operators. Many of these could be tackled as a way for operators to reduce costs, and therefore pricing of coach services. We suggest that this could be resolved by the creation of an intergovernmental taskforce to reduce red tape.

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Partnering with industry bodies

In reference to page 4 of the Strategy, relating to working and collaborating with industry peak bodies on implementing this strategy, we advise the industry is well acquainted with partnering with government to achieve its strategic outcomes. Partnerships should be framed to enable the inclusion of a diverse set of stakeholders in structured processes to directly address inequities in regional and remote communities. Partnerships can bridge public, private and civil sectors and increase community engagement.

The Victorian state based voluntary professional association (SBVPA) has a perpetual agreement in place with the state government which sees the SBVPA act as an agent of government to assist it achieve its strategic objectives. These models have been proven to be very effective because the agreement rests on cooperation.

These partnerships are essentially an agreement between industry and the government to grow social capital (networks, trust, reciprocity) and partnering with non-profits is well established in Australia. Partnerships allow governments to provide services with fewer internal staff and lower transaction costs.

Industry representative bodies can mobilise their members to become involved, and take an active role in delivering on government strategic objectives. This will make it more likely that the objective will be achieved as they will be capitalising on the trust and reciprocity that exists between the association and its members. This outcome can often be difficult to achieve if government attempts to do this on its own.

We recommend that government consciously and determinedly seeks out these partnerships.

Cost Benefit Analysis Methodology and measuring social values

Pages 12 & 13 discuss the various challenges associated with measuring social values and including these in cost benefit analysis methodologies. This is a topic that the bus industry is attuned to. It is clear that there are different understandings of what constitutes value for money, both within and among Australian jurisdictions. Each jurisdiction has their own definition of value for money. Further, there is no mention of externalities or the potential costs or benefits that accrue to third parties, such as the community, as part of procurement value for money processes. Thus, it is likely that each Australia jurisdiction is evaluating value for money with different priorities and placing different weightings on the determinants associated with evaluation. It is also likely that the continued exclusion or ignoring of externalities and a reluctance to identify and value externalities in value for money analysis methods will see external social benefits foregone.

To correct this and realise a net benefit, a consistent national legislative framework that contracts for social values is necessary. Legislating for external social values would illustrate how social and economic considerations can be mutually reinforcing. Such legislation was introduced in the United Kingdom, with the *Localism Act (2011)* and the *Public Services Social Value Act (2012)*. If such measures were introduced in Australia we would overcome current inter-jurisdictional

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inconsistencies and constraints and maximise net benefit. This would also see a shift from government contracting on lowest price to contracting for societal net benefit.

We acknowledge the Strategic Merit Test attempts to compensate for feasibility studies with a low CBA. However, being obligated to identify and value external triple bottom line impacts may deliver better outcomes, and can be applied to all project assessments, regardless of geography.

If externalities remain overlooked as part of procurement regimes, the nature and extent of the social capital, including the level of civic welfare prevalent in many communities, may change for the worse because government would be inclined to treat the lowest price as the sole, or heavily weighted key determinant, for approving projects or services.

Transport Infrastructure

A national infrastructure planning and assessment guideline that reflects remote and regional transport needs is supported by BIC.

The BIC believes that this in line with a national rural and remote arterial road network development plan is critical for remote and regional Australia to improve its economic contribution and establish an agreed level of access “benchmark” for remote and regional communities in relation to standard of roads and transport services to socially connect these communities.

Tax Reform/Funding Models to support services

The BIC is of the view that any new taxation arrangements and funding models to support services can be better assessed after agreeing the National Infrastructure and Assessment guideline and Minimum Standard of access benchmark for remote and regional roads and services outlined above.

BIC is happy to discuss the content of this submission and be further involved in the development of the National Remote and Regional Transport Strategy and Action Plan

Kind Regards



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