

## Local operators concerned over changes to bus contracts

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Regional and rural bus operators are up in arms after the State Government proposed new contracts for their metropolitan counterparts, which they say will destroy businesses if the changes are passed on to country contracts.

With the Andrews Government earlier this month introducing changes to the metropolitan bus contracts to overhaul Melbourne's bus network and phase out exclusive bus contracts by offering five, seven and 10 year contracts, which have compulsory acquisition of assets at the end of their term, the executive director of the industry's peak body, Bus Association Victoria Chris Lowe has labelled the contracts as "death warrants".

"The biggest issue is the ownership of assets, it's the only issue dividing the industry and the state. All three of the contract packages include something they never have, and that is for the ownership of assets to be transferred over to the government or their nominee," Mr Lowe said. Darrin Fenton from local bus company Fenton's Coaches took part in a recent rally to protest the contracts in Melbourne and said the government should not be looking to compulsory acquire assets.

"This will be huge. Businesses will have to foreclose purely on the basis that the equity of their contract will be gone. If you have a \$500,000 contract that you owe \$400,000 on, the bank will call in the debt and it will shut the door of many small businesses," he said.

"All of the contracts in Maryborough started in the 1940s, so these businesses have been around for generations and they are part of the community.

"Victoria's school bus industry is second to none for safety and reliability and the parents in this town know the drivers. They know who they are sending their kid on the bus with, if the buses are acquired, who knows who will be doing the bus run."

A Labor Government spokes- woman said that while there has been a strong case for reform in the new Melbourne Metropolitan bus contracts, the government "recognises the different operating needs of regional areas and will seek to negotiate regional bus contracts in keeping with current arrangements".

For more on this story see the Front Page of The Advertiser, Tuesday, May 22