



Ventura Bus Lines owner Andrew Cornwall has agreed to sell his business into public hands. Photo: Josh Robenstone

Bus companies on collision course with Spring Street

Timna Jacks

Families who own many of Melbourne's bus services are refusing to give up their decades-old businesses, in the face of an Andrews government bid to buy them out.

A government plan to acquire these assets within a decade to create a state-owned public transport bus network has been rejected by nine bus consortiums.

They are refusing to sign new bus contracts, and are furious over what they describe as a plan to "rob" them of their future business.

Industry insiders estimate that the state government attempt to take over the operators' bus fleets, depots, staff and intellectual property rights within 10 years, will cost taxpayers hundreds of millions, if

not billions of dollars, as the state pushes to modernise and improve Melbourne's bus network.

Public Transport Minister Jacinta Allan said yesterday the state's biggest bus company, Ventura, and two more operators, Donric and CDC Victoria, signed new 10-year contracts, which will see their assets acquired by the state government when the contracts end.

Ms Allan said the government was "modernising, expanding and upgrading" the bus network to improve the quality of services.

But Bus Association of Victoria executive director Chris Lowe said that after acquiring the assets the government would try to tender out bus contracts to "cheap and nasty transport services" to cut costs.

Speaking on behalf of the bus companies, Dr Lowe said: "Bureau-

crats have been angling for decades at kicking the operators out. They just want a situation where three big multi-enterprises are operating the entire Melbourne bus network."

Dr Lowe said the operators supported tougher punctuality targets, penalties for late running, and a removal of exclusive rights to operate routes in the new contracts, but would not under any circumstances agree to sell their assets.

"Prior to the 2014 election, Labor promised bus owners that they would not change the current system of awarding bus contracts which has stood the test of time and been beneficial to passengers," he said. "Labor has broken its promise."

Metropolitan bus patronage has flatlined at 122.5 million trips over the 2016/17 financial year, following a decline on previous years.

Over the past three years, punctuality fell from 91 per cent to 80 per cent - below a target of 82 per cent.

Heated negotiations over the new contracts have resulted in a public stand-off, with some operators withdrawing their bus replacement services during rail upgrades in Ballarat in early March.

One bus operator, who did not want to be named, said he was not willing to give up assets owned by his family for decades, even if he stood to make a profit in the sale.

"Every bus owner in Melbourne pays between \$450,000 to \$500,000 for a new bus, we put our houses, our mortgages, and our reputations on the line to fund this ... we are the ones taking on all the risk," he said.

But Andrew Cornwall, managing director of Ventura, which runs 950 buses, employs 1600 people and has

12 depots across Victoria, said he agreed to sign the new contract last week because it was "commercially feasible" for his company.

A government spokeswoman said performance targets were linked to financial incentives under the new contracts, which start on July 1.

Opposition public transport spokesman David Davis accused the government of pushing a "socialist agenda" through the new contracts.

"Every Victorian wants to see a properly functioning bus system that coordinates with other modes effectively and to see value for taxpayers, however this can best be achieved by proper management and negotiation," he said.

The Andrews government would not release the new bus contracts until negotiations with all operators had ended.