

19 February 2008

Committee Secretary
Senate Standing Committee on Rural and Regional Affairs and Transport
Department of the Senate
PO Box 6100
PARLIAMENT HOUSE
CANBERRA ACT 2600

Dear Madam/Sir

Inquiry into the investment of Commonwealth and State funds in public passenger transport infrastructure and services (“the Inquiry”)

I am writing to provide a brief submission to the Inquiry. I provide information about the Victorian Public Transport Ombudsman as an example of good practice, which can improve outcomes for individual commuters and across the public transport system. This can play a key role in maximising the utility of investments and expenditure in public passenger transport services.

Some public transport facts

As the Committee is aware, public transport has a direct impact on the everyday lives of millions of Australians. Commuters often spend many hours each week on public transport. Public transport infrastructure can significantly affect the accessibility and amenity of communities. Effective public transport promotes access to jobs; to health, community and other services; and to families and friends. A lack of accessible and convenient public transport can place individuals and communities at economic, social and other disadvantage.

All of this is common knowledge. As is the fact that passenger numbers on public transport in Australian capital cities have expanded significantly in the recent past. In Victoria, for example, metropolitan rail patronage has increased of 30 per cent in three years. Bus patronage is up 7.4 per cent in one year and trams have recorded steady growth, including 5.3 per cent increase in the year to September 2007¹. Regional train numbers have increased more than 20 per cent in each of the past 2 years².

The impact of this increased demand has included stress on current public transport systems. For example, in the past 4 years the PTO has seen an increase in complaints about overcrowding of more than 100%, and 50% for complaints about cancellations and service reliability. In complaints we receive, commuters point out the real effect of disrupted public transport services, including:

¹ See, e.g. *Investing in Transport – East West Link Needs Assessment*, Sir Rod Eddington, Mar 2008.

² V/Line Annual Report 2007-08

- lateness for work and a possible effect on employment
- missing important family events
- reduced safety and amenity because of crowded public transport.

Governments have announced a range of plans and investments to manage present and projected increases in demand for public transport services, and address the impacts of increased demand. For example:

- the Victorian government has announced a \$38 billion transport plan, including short term (for example, new trains and trams and extensions to the existing network) and longer term (a regional rail link to Southern Cross Station, a Melbourne Metro) public transport projects to increase capacity and improve services
- the New South Wales government has announced investment in a Sydney Metro system, and additional trains and buses
- the Queensland government has committed \$7.3 billion to upgrade inner city rail services
- the ACT government has proposed a network of Transitways (exclusive bus roadways) around Canberra
- South Australia has announced the electrification of identified rail corridors, the purchase of additional buses and the extension of the tram service
- Western Australia has a new rail line – the Southern Suburbs Railway – recently commenced, with new rail stations and carriages.

It is widely acknowledged that information obtained through complaints handling can lead to improvements in services. For public transport, effective complaints processes will increase the value for commuters and communities of the investments made in infrastructure and rolling stock. A public transport ombudsman can play a key role in promoting complaint handling excellence.

The Public Transport Ombudsman scheme

The Victorian Public Transport Ombudsman (“PTO”) commenced operation in April 2004. The PTO can receive, investigate and resolve most complaints about the provision of public transport services in Victoria.

Industry based ombudsman

The PTO is an industry-based ombudsman scheme, similar to the Telecommunications Industry Ombudsman and Financial Ombudsman Service. Our services are free of charge, and we are independent of government, public transport operators and consumer representatives.

PTO scheme members include metropolitan and regional train operators, tram and bus companies, and other agencies involved in providing public transport services to Victorians, such as Metlink, the Transport Ticketing Authority and the Southern Cross Station Authority. A number of our members are required, under the terms of their franchise agreement, to be a part of the PTO scheme.

Complaints to the PTO

The PTO can deal with complaints about:

- the provision or supply of, or the failure to provide or supply, public passenger transport services, including about over-crowding, service reliability and cancellations

- ticketing, including ticket replacements and refunds, faulty tickets and ticket machines, and compensation requests
- infrastructure and rolling stock, including about the cleanliness and condition of vehicles, stations and stops, disability access and safety issues
- the conduct of staff including authorised officers (ticket inspectors), such as use of force, rudeness, and poor advice or service
- the use of public transport land, including car parks, fencing, and litter or rubbish on rail land.

We can only deal with complaints after public transport operators have had the first opportunity to solve the matter.

How the PTO deals with complaints

The focus of our work is to reach speedy and agreed outcomes to complaints, through independent investigation and dispute resolution. Outcomes we achieve include:

- explanations and apologies
- compensation – such as free tickets, reimbursements and monetary compensation
- training for staff, and other actions to redress conduct which causes complaints
- changes to the manner in which services are provided – including improved services for passengers, and tailored arrangements for passengers with special needs.

Where a complaint cannot be resolved, the Ombudsman can make a decision which binds the public transport operator, to the value of \$5 000.

Improving the public transport system

Importantly, the PTO plays an important role in raising the standards of complaint handling across the public transport industry, through:

- providing an incentive for good complaints handling by operators in the first instance
- giving advice, information and training on dealing with complaints
- making recommendations to improve complaint systems
- being an independent office of review for complainants and operators.

We also identify issues in a complaint which may impact on commuters other than the person making the complaint, and seek an outcome that will benefit all who might be affected.

Some advantages of a PTO scheme

The PTO is the only stand-alone public transport ombudsman scheme in Australia. My office receives in excess of 1000 cases a year, and has seen a substantial increase in complaints in 2008.

Our focus on public transport ensures a high level of industry knowledge, meaning complaints are expertly handled. Our focus on timely and independent resolution means that most who use our service are satisfied.

The PTO scheme has a number of unique and beneficial features:

- Many public transport services are provided by private operators, and commuters using these services should be able to have their concerns independently

reviewed. The PTO is able to deal with complaints about both private operators and statutory agencies providing public transport services to Victorians.

- The PTO's primary focus is on reaching outcomes acceptable to commuters and public transport operators. This means speedy and informal processes to receive, investigate and resolve complaints.
- The PTO can make decisions which bind public transport operators. Outside of Victoria, if an individual commuter cannot resolve their complaint with a public transport operator, the only other available remedy may be through the court system.

I note that New South Wales has proposed the establishment of a public transport or commuter ombudsman to handle complaints. Such a proposal reflects the adoption in recent years of ombudsman schemes for most public utilities – including energy, water and telecommunications. It also reflects the very direct impact of public transport on the lives of many Australians.

Investment of Commonwealth funds

I am aware that, on past occasions where the Commonwealth has committed substantial funds to states for investment in services, a condition has been that independent complaint mechanisms are also set up. Most notably, the Commonwealth Medicare (Australian Health Care) Agreements made with States and Territories since 1993 have in effect made Commonwealth funding conditional on the establishment of independent complaints mechanisms.

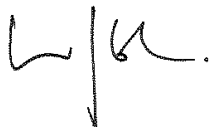
If the Committee sees value in such a requirement, it could also be considered for any agreements to provide funds to States and Territories for public transport. This in turn would benefit commuters and communities using or affected by public transport services.

Conclusion

I have included with this letter a copy of the PTO's most recent annual report, and some other information about my office. Full information on the PTO is available at our website: www.ptovic.com.au.

Thank you for the opportunity to make a submission to the Inquiry. I trust the above information is of assistance. If you require anything further from my office, please contact me on 8623 2111.

Yours sincerely



Simon Cohen
Public Transport Ombudsman