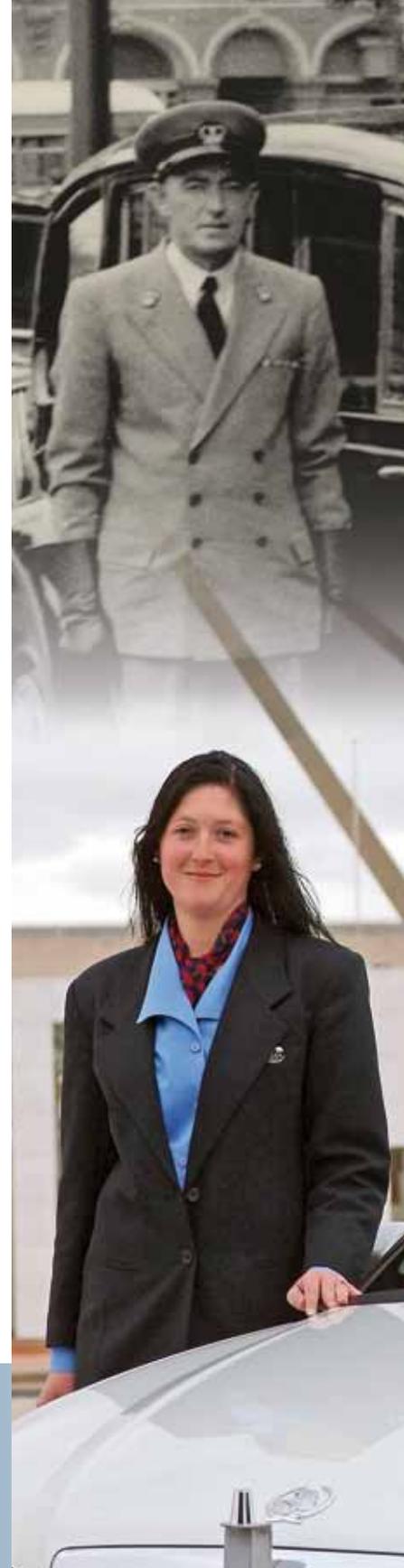




TEN

NEW ENTITY:

1996–2001



# NEW ENTITY: 1996–2001

The change of government following the March 1996 election saw the return of a Coalition government led by Prime Minister John Howard. By this time COMCAR had essentially returned to the type of service which had been envisaged at the time of its creation in 1910, namely, a VIP car-with-driver service for the Governor-General, the Prime Minister, ministers, other politicians and guests-of-government. The service had been restructured as a non-commercial government operation and was managed in accordance with business practices that had increased its efficiency greatly. Nevertheless, the change of government extended the period of uncertainty for many in COMCAR because of the Coalition's earlier criticisms of the cost of the service and the policy enunciated under its Fightback banner at the time of the previous election. At this time it promised to reduce the operation to a ministerial service only, with no service for ordinary parliamentarians or the judiciary.

Almost immediately after portfolios had been allocated, the new minister, David Jull, announced a review of commercial business units in his Department of Administrative Services. The review encompassed 13 business units employing nearly 5000 people and with a combined annual turnover in the order of \$825 million. In a memorandum to employees on 26 April 1996, Secretary John Mellors pointed to the new government's commitment to "maximise efficiency and effectiveness in the provision of services, to maximise contracting out opportunities, and to increase the return of dividends from the business units to the Government". The principles to be applied to the review reflected those established by the *National Competition Policy Review* (the Hilmer Principles) and the *Industry Commission Report on Competitive Tendering and Contracting Out*.

The review determined that the interests of several government businesses would be best served if these were sold as going concerns. Each was a viable business that could compete more effectively in the private sector once freed from the restrictions imposed on government instrumentalities. Moreover, there was little likelihood of a fundamental change in government policy.

There were other concerns for COMCAR flowing from the *Commonwealth Competitive Neutrality Policy Statement* of June 1996. This enunciated the policy that ensured that no government business should enjoy a net competitive advantage over potential private sector competitors. Complaints about alleged advantages had stymied the push for greater commercialisation in the early 1990s. Yet competitors – especially hire car businesses – remained envious of COMCAR's virtual monopoly of guest-of-government work and complained to the Commonwealth Competitive Neutrality Complaints Office about this from time to time. Tests of key competitive neutrality principles – full cost pricing and rate of return requirement – indicated that COMCAR was not subject to the policy.<sup>1</sup>

COMCAR had no discretion to refuse to supply transport requirements to its nominated clients, and had no discretion in varying the costs of its service that were set by the Government and could be varied only with its approval. Over succeeding years, COMCAR had already lost its business class and economy services to taxi and hire car companies. Moreover, there was no restriction on the use of hire cars in addition to the maximum of four vehicles for guest-of-government visits that the government funded, only that security dictated that any additional vehicles be placed after the COMCAR-supplied vehicles. Still, complaints continued to be made.

## Future in question

For a time, debate about whether or not COMCAR breached the competitive neutrality policy seemed almost irrelevant in the face of more immediate concerns. The new government questioned COMCAR's viability. In the context of consideration of a range of government businesses there was talk of possible plans to replace it with a ministerial service that would require only 50 drivers, with ministers currently entitled to a car-with-driver having to employ drivers on their own staffs.

However, in the budget that followed on 20 August 1996, Treasurer Peter Costello indicated that the government would privatise or sell seven of the government businesses within the Department of Administrative Services, but excluded COMCAR. It is possible that the decision to retain COMCAR was influenced by the forthcoming Australian and United States Ministerial Conference of July 1996 and the inability to meet delegate's expectations if COMCAR no longer existed.

The immediate future of COMCAR was settled, but the issue set back attempts to bridge the gap between management and drivers. Rather than being relieved that their jobs were preserved, many drivers criticised management for not having informed them of the situation earlier. Still, the die had been cast and initiatives continued to be taken to foster change and efficiencies.

COMCAR's future in government hands seemed to be safe, though the TWU in Canberra proceeded to muddy local waters by suggesting that the union take over the Canberra fleet and establish an executive taxi service. At that time COMCAR in Canberra operated 78 vehicles with 42 full-time drivers and 72 casuals. The proposal received short shrift from the Department of Administrative Services and went no further.<sup>2</sup> Nor did the proposal have any support from the Labor opposition, with the spokesman for Administrative Services, Laurie Ferguson, pointing out that members of parliament wanted drivers who were discreet, and claimed that women members felt safer with COMCAR drivers than taxi drivers.<sup>3</sup>





## Transparency

The issue of travel entitlements continued to exercise the government despite its best efforts. Breaches of guidelines for use of Commonwealth cars again received national attention in early 1997. The Age newspaper reported that, the son of former Labor – then independent – Senator Mal Colston was seen driving the self-drive car allocated to the Senator, who was Deputy President of the Senate, but who was continuing to use COMCAR services.<sup>4</sup>

Immediately afterwards, Administrative Services Minister David Jull announced that ministers were to lose the privilege of having their personal chauffeur-driven cars. This was not directly associated with the Colston affair, but formed part of the ongoing aim of achieving greater transparency in ministers' entitlements, reining in the ever-increasing costs of the service and deflecting criticism of its use by parliamentarians. The major economic saving was in driver payments, with the abolition of massive amounts of overtime, where a minister's driver could be asked to work 'as directed' from 6.00 am in the morning till midnight or later. Ministers remained entitled to a car-with-driver at any time for official business but were required to accept the car and driver allocated from the available pool.<sup>5</sup> The initiative provided for the more efficient use of drivers as well as eliminating potential abuse of the service, which had been a cause of criticism.

The government continued initiatives to prevent misuse of members of parliament travel entitlements and to increase transparency associated with such entitlements. Consequently, from 1 July 1997 there was a requirement for the twice yearly tabling in parliament of travel entitlement payments.

This public disclosure of payments led to an immediate decline in payments, though yet another travel scandal implicated two government ministers. In this later instance, the revelation of members' travel costs led Transport Minister John Sharp to repay almost \$9000 in travel allowances he had claimed for time away from his Goulburn home that could not be substantiated. Veteran's Affairs Minister Bruce Scott also repaid \$885.

Department of Administrative Affairs Minister David Jull was implicated for allegedly covering up these irregularities.<sup>6</sup> The fall-out from the so-called 'travel rorts affair' led to Jull and John Sharp resigning their portfolios, the abolition of the Department of Administrative Services, and formation of the Department of Finance and Administration on 9 October 1997. The new department was responsible to Secretary Peter Boxall and through him to the Minister, Senator Nick Minchin. Under the new arrangements, COMCAR formed the major part of what became known as the Travel and Transport Services Group within the Ministerial and Parliamentary Services Group under General Manager Oliver Winder. The new arrangement had no effect on the day-to-day operations of COMCAR, though Phil Gouldson assumed responsibility for all travel and transport responsibilities of the Ministerial and Parliamentary Services Group.



Advanced driver training at the Transport Industries Skill Centre, Sutton Road, Canberra.

## 1997 Budget

The government remained concerned about the cost of COMCAR despite economies already made, and in the 1997-98 budget insisted upon a \$3.1m reduction in operating costs.

To help meet this reduction, the government decided that COMCAR would operate in Canberra only between core hours between 7.00 am and 8.00 pm and from 6.00 am and 12 midnight when parliament was sitting. Elsewhere it insisted that more flexible working arrangements be introduced and form part of a new certified agreement with drivers. These objectives could only be implemented with a reduction of another 60 drivers and five administrative staff during the ensuing year; five drivers were to be lost in Adelaide.

Negotiations began with staff within the national allocations centre and arrangements were made to establish a merit selection panel. In the event, seven allocations staff indicated a willingness to transfer to the staff redeployment unit that meant there was no need to proceed further. Two state supervisory staff also agreed to transfer to the staff redeployment unit.

Reducing the number of full-time drivers was a more contentious issue. COMCAR management began extensive negotiations with drivers and unions to establish how reductions might be implemented and the certified agreement determined. Phil Gouldson, Assistant General Manager of VIP Transport and Chris Gabriel, Assistant Manager of National Operations, visited all state operations to explain the implications of the government's decision. Meetings followed with delegates of the TWU and CPSU to discuss these issues. The TWU remained strong and negotiations were stressful occasions.

Finally, agreement was reached for another round of voluntary redundancy packages in an attempt to reach the required driver numbers and obviate the need for forced redundancies. Voluntary redundancy packages were offered to all drivers on 23 July 1997, while management and the TWU continued to address the idea of implementing an appropriate merit selection process for choosing those drivers who wished to remain with the service. No drivers were exempted from the process on this occasion and management went to great lengths to ease pressures on drivers after having learned from the experiences of the process two years earlier. It provided a resume-writing training program for those hoping to remain with COMCAR and made available the use of computers and printers. It later provided interview training sessions. All drivers were required to submit formal job applications with resumes and undergo interviews.

Drivers at the advanced training course, 2000. Left to right, Terry Comb (VIC), Ted Moore (ACT), Gordon Kirchner (ACT), Gary Spears (ACT), Hank Jansen (ACT), Mario Bartolic (NSW), Ivan Sako (ACT), John McArthur (ACT), 'Bodgie' Lee (ACT), Claire Robinson (SA), Ken Moulin (VIC), Steve Smith (VIC), Mark Nicholls (NSW), Ian Cleland (NSW), Ian Bunting (VIC), Tony Vincent (ACT), Wayne Patterson (NSW).



On 22 August 1997 the TWU learned of the numbers of drivers required in each state. Letters to drivers followed on 19 September informing them of the agreed selection criteria and inviting them to apply for available positions. The selection panel comprised two independent members, one from the Public Service and Merit Protection Commission, as convener of the merit selection panel, and one from Purchasing Australia, Department of Finance and Administration, with COMCAR's representative, who addressed the resumes and conducted the interviews. The department protected the fairness and transparency of the system by including two independent panel members, and ensuring that no local managers were involved in selections.

These were undoubtedly anxious times for those wishing to remain with the service but were not confident in performing well at the interviews. Interviews in Melbourne, for instance, were held over several days, and another three days were spent informing drivers of their fate.

The commitment to fairness may have worked to the detriment of the organisation's future. Some known opponents of change survived because of their better writing and interviewing skill, while other drivers committed to the aims of the organisation failed to impress the panel and secure a position. As previously, the level of angst was greatest in the larger depots; the accommodation was easier in the smaller depots. In Perth, for instance, there was no contest even though there were nine full-time drivers and only five positions available. Two drivers opted to move to comparable positions in the state government while two others joined the Klub Car (hire car) franchise, then being established in Western Australia.



Advanced driver training at the Transport Industries Skill Centre, Sutton Road, Canberra.

Several full-time drivers took the opportunity to leave the service with the offered redundancy package rather than apply for their positions, though some were to return later as casual drivers. One of these was Don Scholefield of Western Australia. He had begun work with the Stores and Transport Division of the Department of Supply in 1964, but three months later had become a driver based at the depot, then located at 50 Murray Street Perth. He became a senior driver and a Driving Development Trainer and was involved in several Royal Visits and those of heads of state. He had received an Australia Day Medallion on 17 January 1990 from Noel Tanzer, Secretary of the Department of Administrative Services, in recognition of his services – he retired as a full-time driver in 1998.

Barbara Riley, the casual driver in Townsville in north Queensland since 3 October 1994, ceased working for the service in January 1999 when it was decided not to continue the service there.

Meanwhile, negotiations with the TWU continued on the certified agreement. A key element was a provision to eliminate the time-honoured tradition of overtime and penalty rates in exchange for an adjustment to wages based on the idea of drivers working a 38-hour week; a flexibility allowance was introduced for overtime in excess of 38 hours. Implementation of the agreement dated from 1 January 1998, though it could not be implemented formally until it had been before the Australian Industrial Relations Commission. The agreement was not listed for hearing until 4 March, but there was an arrangement to begin the more flexible working hours on Sunday 8 March, as a means of having drivers become familiar with the new practices. The agreement endorsed the practice of state supervisors selecting drivers for VIP visits in accordance with agreed arrangements and ensured that dedicated drivers would only work outside core hours when dealing with their principals.

Meanwhile the TWU continued to flex its muscle. The current drivers' pay agreement expired at the end of June 1999, prompting the union to seek better rosters and penalty pay among other claims. In August 1999, the union placed a 24-hour ban on drivers using the computer-booking equipment in their cars in an endeavour to hasten a resolution of discussions.<sup>7</sup> The action did nothing to hasten negotiations that dragged on for several years.

Mid-1999 also saw the introduction of new uniforms for all at COMCAR. A review of the current uniform in 1995 had suggested the need to update what had sufficed since 1988. A uniform committee was established and an appropriate design agreed upon. However, in early 1996 the plan was scuttled pending resolution of doubt about COMCAR's immediate future. Once this was resolved, plans were re-activated and, in May 1999, contractual arrangements were concluded with the supplier, Collections Design Group. A feature of the uniform was the obvious distinction between drivers who were given blue shirts and red and blue ties – or scarves for the women – and administrative staff who were issued with white shirts and blue and yellow ties or scarves. The distinction was considered necessary to ensure management staff were easily identified when there was a need to meet and negotiate with clients. Potential conflict associated with the regular issue of particular items was obviated under the arrangement that new items would be issued when required, but only when old items were returned.

## Review

COMCAR operations remained under constant review. On 8 November 1999 Special Minister of State Senator Chris Ellison announced another independent review of COMCAR operations. This began from the premise that COMCAR would persist, along with existing entitlements, and was concerned with improving its operations. This was the first external review since 1992.

Justice Alan Barblett AO was appointed to undertake the review. He had experience of COMCAR after having been appointed to the Family Law Council in 1976, appointed a senior judge of the Family Court of Australia in 1982 and its Deputy Chief Justice in 1988. He had retired in August 1998.

By November 1999, at the time of the review, COMCAR driver numbers were down to 74 full-time drivers, 135 casual drivers and 30 administrative staff. The number of full-time drivers had declined from about 300 in 1994.<sup>8</sup>

There were 72 COMCAR vehicles in Canberra at this time, when in a typical sitting week there was a maximum demand for 62 vehicles; during non-sitting weeks this reduced to six vehicles. There were 29 vehicles in Sydney, with 26 in Melbourne, nine in Brisbane, seven in Adelaide, six in Perth and two in Hobart. Canberra was most busy during parliamentary sitting days. The opposite was the case in the states, with the workload differences being greatest in Melbourne and Sydney.

There was a complementary financial review by Price Waterhouse Coopers. It found the cost of providing COMCAR services in 1998-99 to be \$14.5m. 670 of the 874 clients with an entitlement used the service during the year, with a total of 93,369 billable hours being provided resulting from 70,238 reservations; as much as 21 per cent of the billable hours were contracted to private hire companies.

### Driver numbers: November 1999

Depot	Full-time	Casual
Canberra	21	104
Sydney	15	12
Melbourne	18	8
Brisbane	6	1
Perth	5	6
Adelaide	5	3
Hobart	1	1

## Management

The government accepted most of Justice Barblett's major recommendations, in particular better work scheduling to increase workforce flexibility, and to change the mix of full-time and casual drivers by continuing to reduce full-time driver numbers through voluntary redundancies. The report had also recommended a reduction in administrative and management positions on a voluntary basis. COMCAR was no longer to have set core hours from 6.00 am to 9.00 pm, thereby allowing greater flexibility with work being allocated in the most cost-effective and practicable manner, with the Parliamentary Shuttle operating during different hours. Other proposed initiatives were aimed at improving management of hire car service standards and reducing the size of the fleet.<sup>9</sup>

The approved recommendations could be implemented only after a new round of negotiations with unions leading to a new certified agreement for drivers. This consumed a great deal of attention of management and continued throughout the period after Julia Burns became General Manager.

Julia Burns also had other immediate challenges, one of them being to ensure that all computer systems used by COMCAR were Y2K compliant. In the end, there was no way of knowing whether or not the systems would have operated in the new year, but the need to have them comply provided the opportunity to update COMCAR's computer systems. A related issue involved the introduction of new computer units in cars. In common with many new initiatives, this was achieved only after lengthy negotiations with unions, and only after crash tests were arranged to ensure the positioning of these units was safe.

Julia Burns was experienced in human resources issues and committed herself to improving relations between management and drivers. She visited depots and consulted widely with drivers about their concerns. For example, she instituted the idea of paying casual drivers for attendance at meetings that provided the opportunity to scotch ill-founded rumours that seemed to be endemic to the organisation. At depot meetings, some unhappy full-time drivers, who invariably stood or sat at the back of the room, remained more obdurate and routinely greeted suggestions she might make with dismissive comments. Liaison between drivers and management may have improved, but only marginally.



National Manager  
Mel Box.



National Manager  
Julia Burns.

## Royal Visit 2000

Still, none of the strains within the organisation were evident during the Royal Visit from 17 March to 1 April 2000 that included Sydney, Canberra, Melbourne, Hobart and Perth and was one of the most challenging for many years. It was the first time Queen Elizabeth had visited since 1992 and had logistical complexities not often encountered, particularly because of the length of the tour, which included visits to Wagga Wagga and Bourke in country New South Wales, Ballarat in Victoria, Launceston in Tasmania, Alice Springs in the Northern Territory and Busselton in Western Australia, where there was a need to arrange transport in these remote areas. The main reason for the tour was to meet people. It included a visit to the main Olympic site at Homebush on 21 March, where the Queen attended a reception for sportsmen and women and visited various event sites.

COMCAR was responsible for coordinating and delivering personal transport and baggage services for the visit along with coach transport for visiting British media. Apart from security vehicles, there was a requirement for five passenger vehicles in the Queen's Royal Progress and two vehicles for the Duke's Royal Progress when he was undertaking a separate program, such as the opportunity to present Duke of Edinburgh Awards in Sydney on 20 March.

Hire cars were required in Hobart, Launceston, Perth and Busselton. Two additional drivers were sent to Perth and two to Launceston to assist local drivers, while two COMCAR personnel travelled with the Royal party to ensure all transport services were delivered according to plan.

Roger Bagley of the Department of the Prime Minister and Cabinet acted as Commonwealth Royal Visit Director. The reconnaissance team of 15 included five officials from Buckingham Palace and was complemented by state and territory officials as required when they visited city and country centres from 27 January to 9 February.

The earlier rationalisation of the government's fleet of luxury cars created a new challenge. The black 1970 Rolls Royce Phantom 6 garaged at Government House, Canberra, was in excellent condition and was available for use in Sydney and Canberra. However, there was no government Rolls Royce in Melbourne and the Governor-General was reluctant to have the Government House vehicle used there. Fortunately, arrangements were made with Ian Tonkin of Victoria to use his 1967 Rolls-Royce Phantom V during the course of the Queen's visit to Melbourne; the vehicle had earlier belonged to the government. There was a 1981 Daimler Princess in Hobart, a blue 1972 Rolls Royce Phantom in Brisbane, and a 1975 Rolls Royce Phantom 6 in excellent condition in Perth. Unfortunately the Western Australian vehicle suffered mechanical trouble immediately prior to the visit and could not be repaired in time, necessitating alternative arrangements.

The Governor-General's driver, Colin Shearwood, drove the Queen in the Governor-General's Rolls Royce in Sydney and Canberra. A state government driver drove the Queen in borrowed Rolls Royce vehicles in Perth and Busselton. Bob Stenta (Vic) drove Ian Tonkin's Rolls Royce in Melbourne and drove the Queen while in a standard COMCAR vehicle in Ballarat and Launceston; Mick Elliot (NSW), Gary Spears (ACT), Murray Tringrove (Tas) and Jack Cawte (WA) drove the Queen in their states.<sup>10</sup>

The Royal Progress in Melbourne on 23 and 24 March comprised 14 vehicles. A police officer drove the pilot car followed by Bob Stenta driving the Rolls Royce. There followed Adam Barnes driving the second car, Bob Horricks and Dennis Jones driving Tarago vans with members of the Royal suite and household, Steve Smith in the alternate vehicle, Kim Simpson driving the third Tarago van, with Max Steeper and Colin Grech in standby vehicles, followed by the five media coaches driven by company drivers.

## Olympic Games

Later the same year, COMCAR became closely involved in the biggest event ever staged in Australia, namely the Sydney 2000 Olympic Games. The Olympic Games was essentially a New South Wales Government responsibility, but the Commonwealth Government and COMCAR were closely involved because of the need to provide transport and baggage handling services for visiting heads of state, heads of government and other dignitaries, as well as Commonwealth ministers and office holders. This element of the games was coordinated by the Olympics Taskforce in the Department of the Prime Minister and Cabinet, with COMCAR assisting with the movement of 75 visiting delegations through Sydney Airport. In addition, and at the request of the Sydney Organising Committee for the Olympic Games (SOCOG) in August 2000, COMCAR took on the transport of many celebrities, particularly those associated with the opening and closing ceremonies. All the while, COMCAR was expected to maintain its normal services during the games' period, in Canberra as well as Sydney.

Fallout from negotiations concerning the new certified agreement for drivers threatened to complicate preparations for the Olympic Games. However, the department and drivers accepted individual workplace agreements for the duration of the games that resolved many immediate issues. All games drivers volunteered to participate, but all had to undergo appropriate training before being accepted.

COMCAR used a pool of approximately 90 vehicles and 19 full-time drivers and 65 casual drivers, with additional services provided as required by hire car operators. Twenty-four additional casual drivers were recruited in Sydney in the months prior to the games to assist operations; John Chapman took the opportunity to return to the service as a casual driver. Forty drivers were relocated from Canberra on 11 September and remained in Sydney from one to three weeks, while an additional seven drivers were required for particularly busy periods. Maintaining operations during the nights of the opening (15 September) and closing ceremonies (1 October) was particularly challenging because of crowd numbers at the main venue.

There were also another 20 support staff based in Sydney with the Olympic Operations Centre located at the Little Bay Conference Centre. This centre provided facilities for as many as 60 staff and the 45 vehicles relocated from Canberra along with six hired mini-buses. Support staff included venue managers and reservations and allocation staff and others to assist with visiting dignitaries. Familiarisation commenced as early as November 1999 to accustom drivers to routes and venue locations, and operations continued until 3 October 2000, by which time COMCAR had logged more than 3000 movements. All COMCAR vehicles were accredited with the Olympic Roads and Transport Authority (ORTA) and had the highest level of access to venues and locations. COMCAR services were also required during the Paralympic Games that followed a month later, but the demand was met by the enhanced resources in Sydney.

As was usual in such situations, drivers rose to the occasion and delivered an excellent service for the Olympic Games.

The euphoria following the success of the work during the games soured a little when it was reported in the press that a potential security lapse occurred when as many as 13 government cars had been sold at auction by LeasePlan after the games with their global positioning systems still containing details of passengers' addresses.<sup>11</sup> However, there were no untoward repercussions.

COMCAR had once again been subject to a round of downsizing and additional reviews to ensure greater flexibility and ability to meet demands on the service. However, world events soon increased the awareness of the need for enhanced security for government and world leaders, and underscored the worth of COMCAR.



Sydney Olympic Park, 2000.