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PARLIAMENT OF TASMANIA

**LEGISLATIVE COUNCIL
GOVERNMENT ADMINISTRATION COMMITTEE 'B'**

**REPORT ON THE OPTIONS FOR AN
INTEGRATED SUSTAINABLE PUBLIC
TRANSPORT SYSTEM IN SOUTHERN
TASMANIA**

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Hon Tania Rattray MLC**

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INTRODUCTION

1. Government Administration Committee “B” (the Committee) was established by resolution of the Legislative Council and its operation is governed by Sessional Orders agreed to by the Council.
2. By resolution of 20 June 2012, the Committee resolved to establish an inquiry with the following terms of reference.

To inquire into and report upon options for an integrated sustainable public transport system in Southern Tasmania, with particular reference to –

- (1) the public bus transport system currently operated by Metro Tasmania; and*
- (2) Any other appropriate and innovative transport systems*

3. As the terms of reference focused on public transport options in Southern Tasmania only, the majority of the northern based Members of Committee B did not to participate in the inquiry and were substituted by southern based Members of the Legislative Council. The Committee substitutions were as follows.
 - The Hon. Craig Farrell MLC substituted for Hon Kerry Finch MLC;
 - Hon Rob Valentine MLC substituted for Hon Mike Gaffney MLC;
 - Hon Vanessa Goodwin MLC substituted for Hon Ivan Dean MLC.
4. The Hon Greg Hall MLC was granted leave from the Committee for the purposes of the inquiry.
5. Prior to the commencement of the inquiry, a range of concerns had been raised periodically with Committee Members in relation to the services provided by Metro Tasmania (Metro) in Southern Tasmania and with the broader public transport system.
6. The concerns included issues in relation to timetabling and passenger information, infrastructure, the network, frequency and integration between the different public transport operators and at times were made in comparative terms with the public transport services in other cities in Australia.

7. Also consistent amongst the concerns raised was the view that Metro's services were not necessarily operating in accordance the needs of its broad customer base, that the services were considered a barrier to usage for some potential patrons and that passenger growth was being impacted upon as a result of these and other factors.
8. There was also concern about whether the operating model of Metro Tasmania (operating as a Government Business Enterprise) was the most cost effective model available for the Tasmanian Government to operate public transport services whilst supporting additional public transport initiatives.
9. Members of the Committee had also noted the various community led proposals that had been put forward for the expansion of public transport services in Southern Tasmania. In general terms, the Committee had noted that advocates for public transport reform were generally unhappy with the level of engagement by Government.
10. Proposals had included a rail service using the existing and soon to be decommissioned rail corridor from the city through the northern suburbs of Hobart (known as the Hobart Northern Suburbs Railway) and a commuter ferry service to major points on the eastern and western shores of the River Derwent.
11. There was a general frustration amongst the proponents of public transport initiatives in that they believed there was a lack of Government interest, coordination or support for the expansion of the public transport network in Southern Tasmania and that consideration of new projects was generally limited to road and rail freight initiatives.
12. Most notable amongst the range of challenges cited was
 - I. the lack of subsidisation to support a sustainable trial of ferry services
 - the lack of a clear Government position on the future use of the northern suburbs rail corridor once freight operations ceased (including the use of the Bridgewater bridge as part of a future rail network);
 - II. the northern light rail business case assessment process;
 - III. the lack of coordination amongst key stakeholders in relation to public transport planning and decision making;

IV. the absence of strategic land use planning and the lack of current disincentives for commuter car use within the Greater Hobart region in comparison with other major population centres in Australia.

13. At the commencement of the inquiry, the Committee was concerned by what appeared to be the lack of a cohesive Tasmanian public transport policy that would help guide proponents in the first instance as to the Government's vision and priorities on public transport policy.
14. The Committee noted that public transport patronage rates were extremely low by Australian standards and increased patronage was desirable for a number of social, economic, environmental and community reasons.
15. Given the low level of public transport patronage, the population was therefore highly reliant on private vehicles for transportation (for both commuting and other uses).
16. The Committee had noted that public transport had predominantly been used by socially disadvantaged groups in the community and by students commuting to school and tertiary studies.
17. The bus network had not historically been based upon major transit corridors, but had instead, utilised a network that was slow and not attractive to many potential public transport users (most notably commuters).
18. In addition, unlike many cities in the world, there appeared to be a perception amongst elements of the community, that public transport was not a desirable means of transport, which may have accounted to some extent for the low patronage rate in Tasmania.
19. In response to declining patronage rates, Metro was noted to have initiated a review of its network and as part of the review outcomes, had started to change its strategic focus (in part) to the delivery of high frequency services along the major transport corridors. The Committee was therefore interested in gaining further information in relation to this and other strategies that Metro was implementing.
20. With this background in mind, the Committee considered the current operations of Metro Tasmania as the Government owned public bus operator in Southern Tasmania under the inquiry's first term of reference and how its operations in conjunction with other private bus operators were providing a network of scheduled services in Southern Tasmania.

21. A range of future options for an integrated public transport system using different modes of transport was central to the inquiry and considered under the second term of reference. The Committee was particularly interested under this reference to hear from proponents of public transport initiatives that might contribute to an expanded, more efficient public transport system that would support increased patronage rates. The Committee was also mindful that such initiatives might also take into account important issues such as social inclusion, climate change, urban renewal, economic, health and other factors of importance to local communities.
22. The Committee received a pleasing response to the invitation for public submissions and in total received 57 submissions - **Appendix B**. It was encouraged by the level of community interest in public transport throughout the inquiry process.
23. The Committee held 11 days of public hearings. The majority of the hearings were in Hobart. The Committee also undertook site inspections in Brisbane, Queensland and Wellington, New Zealand. The purpose of the visits was to investigate the public transport systems within those jurisdictions and to meet with major public transport stakeholders. A list of hearings and witnesses is attached to the report at **Appendix A**.
24. The decision to visit these particular jurisdictions was based upon evidence received by the Committee in relation to the comparative transport systems within those jurisdictions.
25. The Committee obtained a range of invaluable information from stakeholders through the submissions and hearings processes. The Committee received evidence from the following categories of witnesses.
- I. Government representatives;
 - II. Public transport operators;
 - III. Public transport users;
 - IV. Public transport and land use planning experts;
 - V. A public transport union;
 - VI. Proponents of public transport projects and initiatives;
 - VII. Community service providers;
 - VIII. Members of the community with an interest in public transport.

26. The Committee wishes to thank all of the interested parties who made submissions to the inquiry and the witnesses that appeared before the Committee. It was encouraged by the diverse range of opinions on the existing public transport network and the possibilities for an improved future public transport system in southern Tasmania.

27. The Committee wishes to thank the New Zealand and Queensland Governments for their assistance in coordinating the visits to Wellington and Brisbane. In particular, the Committee wishes to express its gratitude to the following organisations and individuals who coordinated the Committee's activities during the visits.

- The New Zealand Ministry of Transport. The Committee wishes to acknowledge the efforts of Mr Nick Brown, Manager People and Environment for facilitating the visit and the hearings.
- Auckland Transport. The Committee wishes to acknowledge the efforts of the organisation in facilitating the visit of Hon Vanessa Goodwin MLC.
- The Queensland Department of Transport, Translink Division. The Committee wishes to acknowledge the efforts of Mr Michael McGee, Executive Director Bus, Ferry, Coach and Air and Ms Tina Phelan, Senior Advisor (Contracts) for facilitating the visit and the hearings.

28. Although the Department of Infrastructure, Energy and Resources (DIER) was cooperative in providing information and attending hearings of the Committee, the Minister for Sustainable Transport Hon Nick McKim MHA and the Minister for Infrastructure Hon David O'Byrne MHA both declined separate invitations to appear before the Committee as the stakeholder Ministers.

29. The Committee was disappointed by the decision of the Ministers not to appear before the Committee as there were a number of strategic issues the Committee wished to discuss with the Ministers. The Department was not in a position to respond to these issues.

30. The report contains several key sections

- I. The current public transport system – including Metro Tasmania's operations and evidence from stakeholders about the current system;
- II. Public transport strategy;

- III. Comparative public transport systems in other jurisdictions; and
- IV. Future options for other modes of transport for Southern Tasmania to improve the public transport system.

- 31. The Hon Vanessa Goodwin MLC investigated the public transport system in Auckland, New Zealand whilst there for other business. A summary of her findings is attached to the report at **Appendix C**.
- 32. The report also contains a series of findings and recommendations which the Committee believes will assist the Government and community in the ongoing discussions on the public transport system in Southern Tasmania.
- 33. Throughout the report, references are made to the key strategic documents and other reports associated with public transport strategy in Southern Tasmania. The reader is encouraged to consider these documents in association with this report. The task of considering the strategic documents associated with public transport has been arduous due to the lack of a statewide public transport policy. Web links to the documents are included where available to assist the reader.

FINDINGS

The Committee has received a broad range of evidence in relation to the current public transport services in Southern Tasmania and the future options for an integrated public transport service for Southern Tasmania and makes the following findings based upon the evidence received.

The Current Public Transport System

1. Hobart public transport patronage is approximately 0.4 kilometres per capita and is the lowest reported figure in Australia. This low rate of patronage should be of significant concern to the Government on social, community, health, environmental and other grounds;
2. Metro has reported declining patronage figures in its recent public reporting after a spike in boardings following the introduction of the Greencard ticketing system;
3. Metro is currently lagging behind many other cities in relation to the services provided to its customers including -
 - i. Real time service information;
 - ii. Journey planners and interactive timetabling information;
 - iii. Integrated ticketing;
 - iv. Limited services at off peak times;
 - v. Bus stop and terminal infrastructure;
 - vi. Park and Ride infrastructure; and
 - vii. Accessibility
4. Evidence received by the Committee indicates that Metro's timetabling is difficult to understand and interpret and has created a barrier to some potential users of its services;
5. Metro has completed a review of its network (a network plan) in response to its low patronage rates and has started to move the focus of its network operations to principal high frequency transport corridors (northern, southern and eastern);
6. Metro has acknowledged that its current network is not efficient in that some areas of the network are over-served. Whilst the Committee acknowledges the importance of improving commuter patronage through the current changes

- to the network, it questions whether the shift in priorities will continue to provide ongoing and adequate services to the remaining customer base, many of whom are socially disadvantaged and reliant upon Metro services;
7. Metro has advised the Committee that it currently does not have sufficient Government funding to fully implement its network plan. This puts at risk the proposed improvements to its infrastructure, timetabling, passenger information and customer service initiatives identified under the plan. It will also place in doubt the ability of Metro to achieve the goals contained in its 2012-14 Corporate Plan (particularly goals 1, 2, 4 and 5);
 8. The Government supports a full cost recovery model for full fare passengers (primarily commuter patrons) which may be creating a disincentive to use Metro services for some potential users given the current cost advantage associated with motor vehicle usage;
 9. The Southern Tasmanian population prefers motor vehicles for convenience and as such is reluctant to utilise public transport;
 10. The significant volume of cheap, free and/or unrestricted parking around the Hobart CBD perimeter is unique amongst capital cities in Australia and has led to a significant disincentive to use of the public transport system in Southern Tasmania;
 11. Metro does not provide public bus services to the Sorell municipality despite it being a growing population catchment within Southern Tasmania;
 12. Metro's services are not currently integrated for ticketing, terminal and timetabling with the majority of private bus operators running scheduled services in Southern Tasmania as part of the public transport network. This has created ongoing difficulties for customers intending to transfer between bus operators and does not support the goals of improving patronage levels;
 13. Metro is currently restricted under its legislation to operating road based transport services, which may be impacting upon its support and thinking in relation to an intermodal transport system (as additional modes of public transport may be viewed as competition);
 14. Metro operates the metropolitan bus services under a non-competitive contract. The Committee is concerned that the non-competitive nature of the contract is unlikely to support the best value for money for the Tasmanian Government. This contrasts strongly with the experience of other Australian

cities where contracts are subject to competitive tendering which has realised significant savings (10-30 per cent);

15. Metro is a State Owned Company, which may not be the most cost effective model to operate the public transport network in Tasmania in comparison with other models of operation in Australia involving partnership arrangements with the private sector. The Government has advised it has never reviewed the operating model to confirm its cost effectiveness;
16. Public transport is generally not prioritised on Tasmanian roads which is likely to be impacting upon service reliability and patronage levels and act as a disincentive to use public transport services. The Committee does however acknowledge that this is a challenging issue to resolve given the limitations associated with the road network in greater Hobart;
17. There is a lack of strategic coordination between Metro and the private bus operators in relation to public transport;
18. There has been a notable improvement in the services operated to some regional centres by private operators following the most recent review of these service contracts. This has included improvements to timetables and the bus fleets. Concern has however been raised in relation to the restrictions on the public transport services provided to areas of the Huon Valley and to the Sorell municipality, which is impacting upon community participation in employment, education, sporting and social activities;
19. The Hobart CBD does not have a common bus terminus which is a major concern and difficulty for many patrons seeking to transfer between operators.

Public Transport Policy

20. The overwhelming consensus of witnesses was that the basic benchmark for a successful public transport system should be based upon a frequent, reliable and integrated public transport system;
21. Although there are a number of strategic planning documents (referred to later in the report), that take into account aspects of public transport policy for Southern Tasmania, the Committee is concerned by the absence of a statewide public transport policy to guide cohesive strategic thinking;
22. Although the Southern Integrated Transport Plan has been a joint initiative between State and Local Government, the Committee is concerned by the lack

- of evidence of ongoing engagement, coordination and strategic cooperation between the spheres of Government in relation to public transport policy, which has led to ad hoc decision making;
23. The evidence suggests a lack of engagement and coordination between the Minister for Sustainable Transport, Minister for Planning and Minister for Infrastructure in relation to public transport strategy which is of major concern to the Committee;
24. The Passenger Transport Unit within DIER is operating in a Department where the clear priorities and culture are based on road and rail freight infrastructure. The Committee believes the organisational design of the Department impedes the development of best practice public transport policy given the competing priorities and objectives that exist within the Department;
25. To date DIER's funding bids for public transport initiatives have been limited to Infrastructure Australia rather than considering broader funding opportunities that may be available to fund public transport initiatives on a number of other grounds.
26. DIER has acknowledged it may need to broaden the scope of funding applications to sources other than Infrastructure Australia. However, it intends to continue to rely upon the economic cost benefit analysis rather than broader social, health, urban renewal and other factors;
27. It has been extremely challenging for proponents of public transport initiatives to engage in meaningful dialogue with Government and there is evidence of considered proposals being rejected by the Government without entering meaningful dialogue with proponents;
28. The community transport sector can potentially play a significant role as part of an integrated transport network but is not currently included in strategic transport planning or thinking;
29. Decisions in relation to the location of support, educational and other services (such as the Trade Training Centre at Bridgewater) are being made in the absence of due consideration of the public transport linkages to the facilities in question. The Committee believes this highlights a failure in strategic transport and urban planning.

Future Options for an Integrated Public Transport Model

- 30. The Committee believes there is a general reluctance by Government to support and encourage initiatives for the development of the public transport network in Southern Tasmania through intermodal transport initiatives.
- 31. Assessments completed for particular initiatives have tended to be reactionary to community demands for action;
- 32. Other States and Territories operate intermodal public transport systems. Tasmania is lagging significantly behind the majority of other major Australian population centres in relation to new public transport initiatives.

Light Rail

- 33. Whilst one of the main criticisms of the light rail business case has been that Hobart is a small city and therefore does not have the population to support a passenger rail service, the Committee does not believe this is comparing like with like. None of the schemes currently being introduced, such as in Canberra, Copenhagen or anywhere else that the Committee is aware of, serve the whole city. The lines in question serve only a corridor, which may or may not have the same population or potential population as the northern suburbs corridor.
- 34. DIER has indicated to the Committee that, given the point in the Federal election cycle, infrastructure funding in the short term is likely to be problematic and may therefore require political intervention to move the project forward;
- 35. The Government has limited its options by pursuing funding through Infrastructure Australia that uses only economic cost-benefit analyses;
- 36. The decision to continue to pursue this funding source is to the detriment of a range of other potential funding streams that may appropriately take into account the socio-economic, tourism, health, land use planning and other positive community benefits the rail service may bring to Hobart over the long term;
- 37. There appears to be a lack of strategic vision for the project that would consider the project as a major long term community urban renewal strategy rather than simply an infrastructure initiative;
- 38. The project has not been managed at an inter-agency level to enable expertise from across Government to contribute to a broader range of funding bids. As

- DIER has been the lead agency for the project, it has therefore pursued funding through the organisation it is familiar with (Infrastructure Australia);
39. The project is at the lower threshold of funding for Infrastructure Australia bids and in its latest iteration is below the usual entry point for funding of \$100 million;
 40. Despite views expressed to the contrary, Infrastructure Australia is not the decision maker in relation to infrastructure projects but advises Government and Agencies on bids;
 41. In order to fit with the parameters of Infrastructure Australia funding processes, the latest business case is a very restricted service with limited stops (in comparison with previous proposals) and does not take the best advantage of the corridor;
 42. DIER has confirmed that although a business case is required for funding of road infrastructure projects, the parameters of the business case are different for funding applications for public transport initiatives;
 43. The latest business case proposal to change to standard gauge rail would be cost-prohibitive for future extensions of the passenger service and all other rail uses;
 44. Contrary to DIER's view that standard gauge rail is essential, narrow gauge passenger rail services successfully operate in Wellington, New Zealand and Perth, Western Australia;
 45. The revised stage 1 business case for the project does not propose to service MONA to take advantage of the significant volume of potential patrons that are likely to contribute non-subsidised fares to the operational costs of the line. The Committee believes this is a major oversight in the thinking behind the project. This view is supported at a Government level by other stakeholders, including the Minister for Tourism;
 46. The potential for school usage has not been adequately considered given the number of schools in proximity to the line;
 47. A rail service could be complementary to the Metro network and should not be viewed as acting in competition with public bus services.

Ferry Services

- 48. There have been various ferry proposals over the last few years for the introduction of commuter ferry services on the River Derwent;
- 49. The proposals range from a very limited operation between Hobart and Bellerive to a more extensive service operating a network along the river;
- 50. There would need to be integration with existing Metro services for a new ferry service to be attractive to potential patrons;
- 51. The capital and operating costs of substantial volume ferry services compare favourably to existing and other public transport proposals;
- 52. The River Derwent is suitable for passenger ferry services and the Committee does not agree with the criticism that the waterway may be too rough;
- 53. Pier infrastructure would need to be factored into the cost of establishing a service. The cost of pier infrastructure is variable dependent upon the type of pier facilities to be utilised and is offset by the reduction in the cost of road maintenance;
- 54. A previous trial was not provided with any form of Government ticketing subsidy in the same way as Metro's services are subsidised and as a result, inevitably failed;
- 55. The University of Tasmania is supportive of ferry services that would feed its Sandy Bay campus. The Committee understands that Hutchins School is also supportive of a service and is currently using a private unsubsidised operator.

Cycling and Walkways

- 56. The Minister for Sustainable Transport has prioritised funding from the Sustainable Transport budget for a limited range of cycling initiatives;
- 57. In addition to cycleways, it was noted that cities with efficient integrated public transport systems have other cycling infrastructure such as showers, lockers and bike storage facilities to attract a greater number of patrons;
- 58. The University of Tasmania is supportive of initiatives to improve cycling infrastructure for its students, particularly in relation to students attending its Sandy Bay campus;
- 59. Cycling infrastructure projects are complex to negotiate as has been evident in the circumstances surrounding the proposals for a cycleway on Sandy Bay Road.

60. Whilst the intercity cycleway facilitates safer commuter cycling, road conditions in Southern Tasmania are currently a barrier to increasing commuter cycling;
61. Metro noted there were a range of operational challenges associated with carrying bikes. Ferries and trains more easily accommodate bikes, wheelchairs, and prams.

RECOMMENDATIONS

The Committee has concluded that a series of measures should be taken by Government to ensure the most efficient operating model for public transport is in place and that the existing public bus services deliver the required standard of services to the community.

The Committee has further concluded that a series of measures should be taken to support the development of an integrated intermodal public transport system for Southern Tasmania.

Public Transport Strategy

1. An intermodal statewide public transport strategy be developed as a priority;
2. The public transport operating model be broadened through legislative amendment to include multi-mode passenger services rather than Metro's sole focus on road transport services (buses);
3. Establish a dedicated public transport unit with direct reporting responsibility to the Minister for Sustainable Transport;
4. The Minister for Sustainable Transport endorse and promote the use of triple bottom line criteria for the assessment of all public transport projects;
5. Given there has never been a review of the State Owned Corporation model for Metro's operations, as a priority, it should be reviewed to assess whether it is the most cost competitive model for operating public transport services;
6. That all public passenger transport services be subject to a competitive tendering process;
7. Government develop an ongoing partnership agreement with Local and Australian Governments to address a range of funding, planning, social, environmental, health and other challenges associated with public transport;
8. The Government establish a permanent consultative committee with a membership that represents the key stakeholders within the public transport sector (including operators, community groups etc);
9. The Government work with the community transport sector to evaluate its future role as part of an integrated public transport network;
10. The Government ensure that major education and social services eg. Trade Training Centres, are supported by appropriate public transport links;

11. The Committee supports the focus on high frequency public transport corridors for commuters but believes there needs to be an extension of services that link to the hubs;
12. Engage with Hobart City Council to remove disincentives to use by commuters of public transport including further removal of unrestricted free long term parking around the Hobart city perimeter.

Buses

13. To increase commuter patronage and to support social inclusion, Government address the following deficiencies with the existing bus network, infrastructure and services:
 - Integrated ticketing and timetabling with other bus operators;
 - Bus priority lanes;
 - The disincentive of free and low cost parking adjacent to the Hobart CBD;
 - Bus shelter infrastructure;
 - Park-and-Ride facilities in key population centres;
 - Off-peak services;
 - A single Hobart CBD bus interchange for all public bus services;
 - Real-time service information;
 - Journey planning; and
 - Plain language and user-friendly timetable information.
14. Engage with regional Councils (particularly Sorell and Huon Valley) to address their concerns with the current schedule of bus services to their municipalities.

Light Rail

15. The 2013 Hobart to Northern Suburbs Light Rail business case should be withdrawn as, similar to its predecessors, it is too narrow in scope;
16. A new business case should be developed using a triple bottom line approach and submitted to more suitable funding sources;
17. The business case should be developed through an ongoing partnership with Local Government and other major stakeholders and reconsider the options of extending the line to Claremont, Granton and Brighton;
18. A rail corridor across the River Derwent be maintained;

19. Should the Government continue to pursue the existing 2013 Business Case to Glenorchy, the service at a minimum should be extended as part of stage 1 to include MONA;
20. The Government support the current narrow gauge line being retained;
21. Government engage with schools situated along the corridor to maximise their support for the use of a light rail service for school commuter use.

Ferry Services

22. The Government trial a passenger ferry service for a minimum of 12 months to major points on the River Derwent;
23. The Minister for Sustainable Transport engage with the private sector in relation to the trial, whilst ensuring the current commuter ferry service operator is not disadvantaged by a subsidised alternative service provider;
24. The Government actively engage with potential major users of a service including UTAS, to confirm their needs and level of support;
25. Any trial ferry service include integrated ticketing and timetabling with Metro and additional incentives to encourage the increased use of public transport;
26. The Government facilitate provision of appropriate waterside infrastructure for the trial.

Cycling and Walking

27. The Government continue to develop cycling infrastructure such as cycleways and facilities such as showers and bike storage;
28. The Government take into account facilities for cyclists in the planning and development of all integrated transport infrastructure;
29. For the safety of cyclists, where there are feasible alternatives, cycleways not be constructed on arterial roads and highways.

THE PUBLIC TRANSPORT SYSTEM IN SOUTHERN TASMANIA

34. At the commencement of the inquiry, the Committee met with Metro to discuss its current operations and strategic direction. The Committee also discussed issues associated with its network integration with private bus operators currently providing scheduled public services in Southern Tasmania.

Metro Tasmania

35. Public transport services in Southern Tasmania are currently limited predominantly to a bus network. There is no passenger rail, ferry (with the exception of a very limited service currently operated by Hobart Water Taxis) or other services in operation as part of the public transport network.

36. The majority of public bus services are operated by Metro which is a State Owned Company. Metro operates the metropolitan Greater Hobart bus network under a funding arrangement with the State Government.

37. Scheduled services are provided by Metro under 3 regional networks in Southern Tasmania (which includes its urban and non-urban network).

- I. Hobart North (including Bridgewater, Brighton, and Glenorchy);
- II. Hobart East (Eastern Shore services from Risdon Vale through to South Arm region); and
- III. Hobart South (All suburbs south of the city to Kingborough). Services are also provided under contract to towns in the Huon Valley and Channel region.

38. Further information in relation to the Metro network is available at the following website - <http://www.metrotas.com.au/timetables/index/1>

39. For the 2011-12 financial year, Metro received \$32.758 million under its service contract with the DIER. Metro generates part of its revenue from passenger fares, which for the 2011-12 financial year was \$11.125 million.¹

40. Metro also receives funding to operate a number of school bus services under contract with the State Government.

41. The level of funding that Metro receives from Government and the fare structures that it adopts are influenced by a periodic report into its pricing

¹ Metro Tasmania Annual Report 2011-12, p.38

policies by the Tasmanian Economic Regulator. The last report was completed in 2009, with the next report due in 2014.

42. Over time, there has been a trend by Government to recommend Metro move some fare types to a full cost recovery basis. Chair of the Tasmanian Economic Regulator, Mr Glenn Appleyard, provided the Committee with advice on the periodic reports completed in relation to Metro's services and the move to full cost recovery for some ticket types.

Turning to the previous Metro inquiry of 2009, what usually happens is that the terms of reference ask to determine which level of fares would represent full cost-recovery. We go through the process looking at the costs and the revenues, most often involving benchmarking with other bus operators in other states which is a fairly fraught exercise because there's not a lot of data in this space which is publicly available. Obviously the private operators are fairly cautious in terms of the information they provide and it's difficult to compare like with like in terms of urban Melbourne or Sydney transport operations compared with those in Tasmania.

Nonetheless, the regulator does its best to come up with an appropriate reflection of full cost-recovery of the fares. That's an aggregate amount so we end up with a total revenue cap. We go about allocating those across the various fare categories for time of day, distance of route and so forth and come up with two measures. One is a peak-hour cost and the other is an average cost over the full range of services operated.

That's pretty much where the regulator's role ends. We then provide that report back to the minister. It's then a policy decision of government as to how much it chooses to provide by way of a subsidy to Metro to enable it to remain financially viable.²

43. Mr Dean Burgess from the Office of the Economic Regulator also explained the cost recovery modelling that was imposed on Metro by Government as a result of the previous pricing determination.

It's interesting to note that the pricing order adopted in response to this report effectively transitioned fares to full cost recovery for full adult-paying

² Hansard Transcript 10 October 2012, Mr Glenn Appleyard, p.3

*fares at the peak-hour rate. During those times full adult fares are reflective of costs. All the other fares, including concession fares set by government, are set based on the subsidy provided to Metro to meet the difference between cost and revenue. From my perspective there's a dual focus there. They're not specifically subsidising commuter traffic during those peak hours for full adult-paying fares but for all other services they are through those concessional arrangements.*³

44. Metro's obligations as a State Owned Company are set out under Section 5 of the *Metro Tasmania Act 1997*. Importantly, section 5 of the Act currently limits the scope of the services that Metro can provide to its bus network:

The principal objective of the Company is to provide road passenger transport services in Tasmania and to operate those services in a manner consistent with sound commercial practice.

45. For the 2012-13 financial year the DIER received \$38.869 million for the provision of 'Metropolitan General Access Regular Passenger Transport Services' in revenue from appropriation (Output Group 6, line item 6.4).⁴

46. Metro's urban network is operated as a non-competitive contract with Government. DIER officers were questioned on the non-competitive nature of the urban contract and confirmed that it was a political decision by Government:

*We would only do that if asked by government. This is a policy position of government. I would liken it to the policy decision government has recently to consider selling the Aurora retail business. It is a significant political decision. The departments are asked to investigate how best to make that happen. It would be a significant political decision to open the Metro network to private competition. That would be something you may ask my minister, as to his position on it.*⁵

47. Metro Tasmania operates its services using the Greencard ticketing system. The system is a tag on system only (passenger exits are not recorded). The ticketing system is currently not integrated with other private bus operators

³ Op.Cit. Mr Dean Burgess, p.8

⁴ Tasmanian Budget 2013-14 - Budget Paper No.2, Government Services Volume 1, 6.25

⁵ Hansard Transcript 11 June 2013, Mr Norm McIlfratrick, p.12

(with the exception of the O'Driscoll's service to Bothwell, which was recently taken over from Metro).⁶

48. Metro officers were questioned about its service contracts during a hearing. Chief Executive Officer of Metro, Ms Heather Haselgrove advised the Committee that:

Metro has a contract to deliver passenger transport services with the Transport Commission. We have several contracts with them. We have one contract which covers the metropolitan areas of Hobart, Launceston and Burnie and then we have several what we call non-urban contracts which are route-specific, and we have several around Hobart and one in Burnie. There is none of those type of contracts in Launceston. We get a payment from the government under those contracts to deliver services. The services are not route-specific, they have a series of conditions that we have to meet. For instance, on Main Road, we have to provide services at a specific level, and it is determined by things like the socioeconomic status of the area and population, so some areas get a much higher level of service than others. There are terms and conditions in there that relate to how far from any residence we have to operate. I don't have those details with me but I'm sure the Transport Commission can provide that later⁷

49. Ms Haselgrove confirmed that for the 2011-12 financial year, Metro carried 8.029 million passengers, which was a decline over the previous reporting year (8.13 million). Note: the passenger boarding figures include fares in which a passenger transits from one service to another and therefore only pays upon first boarding.⁸

50. The decline in passenger boardings followed a significant spike in passenger activity, which Metro attributed in large part to the introduction of the Greencard system.⁹

51. The decline in Metro's passenger boardings was later confirmed on a comparative level in evidence from Professor Peter Newman from Curtin

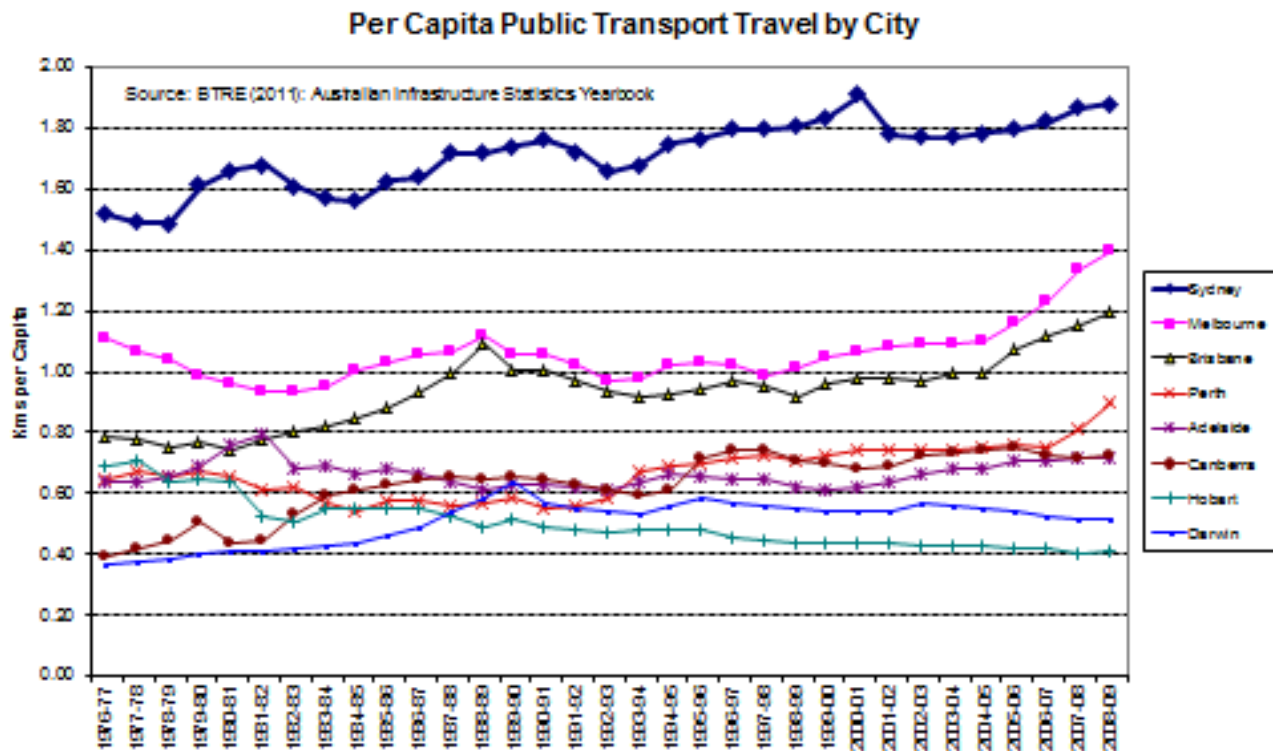
⁶ Hansard Transcript 18 July 2012, Ms Heather Haselgrove, p.8

⁷ Op.Cit. Ms Heather Haselgrove, p.1

⁸ Op.Cit. p.9

⁹ Op.Cit. p.8

University. Of greatest concern, was that Hobart had by far the lowest per capita public transport usage.¹⁰



52. The Committee noted from the statistics that the average of all other capital cities is approximately 1.45 kilometres per capita compared to Hobart which was approximately 0.4 kilometres per capita.

53. Metro officers were questioned about the strategic direction of the business in light of the range of concerns raised in relation to its operations covering issues such as timetabling, infrastructure, networking and integration with other public transport providers and the decline in boardings.

54. In May 2011, Metro commissioned Parson Brinckerhoff Australia Pty Ltd to prepare the Hobart Passenger Transport Network Plan. The plan outlines the future network structure for Metro, including the principal, link and local components of the network, the infrastructure requirements (including park and ride facilities) and a 10 year implementation plan for the strategy.

¹⁰ Written Submission, Professor Peter Newman, 10 August 2012

55. Key to the plan was the prioritisation of routes into a 'hierarchy' that created what is commonly known as a transport spine. This required the development of principal high frequency routes including to Kingston, Hobart CBD, Rosny Park, Shoreline and Glenorchy.¹¹

56. Sitting under the principal network is the link, local and school networks.¹²

57. The major priorities identified under the 10-year Action Plan were noted to relate to the following three key areas (individually prioritised):

- I. Information and Communication (improving passenger information including real time information);
- II. Services (route, network and frequency improvements); and
- III. Infrastructure (bus shelters, park and ride, fleet, road prioritisation and depot improvements etc).

58. The plan also noted the significance of the relationship with other key transport plans including:

- I. Southern Tasmania Regional Planning Project (a land use planning strategy developed by the Greater Hobart Councils);
- II. Draft Southern Integrated Transport Plan (considered the issues associated with the southern transport system including the Brooker Highway, Tasman Highway, Domain Highway, Southern Outlet and Midland Highway); and
- III. Tasmanian Infrastructure Strategy (a Tasmanian Government strategy for the provision, development and maintenance of all of aspects of Tasmania's infrastructure).¹³

59. Ms Haselgrove was unable to confirm the extent to which the plan would be implemented as funding had not been committed by Government at the time of the hearing:

....what the board has done is commissioned me, asked me to have a network plan done for greater Hobart. We went to the market and Parsons Brinckerhoff were engaged, a world-class transport planning firm, and they came and did a piece of work. Their brief was: what would Metro have to provide in the way of public transport for it to be a world-class passenger

¹¹ Hobart Passenger Transport Network Plan, Parsons Brinckerhoff p.15

¹² Op.Cit. p.15-16

¹³ Op.Cit. p.4-7

transport network, and we kept it at bus. We didn't broaden it because our remit is to provide bus services. It was interesting that they came back and we now have a network plan. It is not funded, but it will be our framework for any changes we make to the system.

We will bid for the budget to increase our services and all the things I listed before were what has actually come out. To have some really high frequency routes on Main Road, Clarence Street, the Outlet, to some extent Sandy Bay Road - they would be really high frequency. Get bus priority, so if you get a bus coming up to a traffic light and it is running behind schedule the light either stays green or returns green and goes through; bus lanes - we have very few of those here in Hobart. We have one out at Glenorchy, a B light as they come along Main Road, and that is about it, I think. We have some bus priority on the Outlet and that is sensational in the mornings. If you are coming in from Kingston and you are just about to pull up behind all the traffic and the bus zips into the bus lane and off it goes. That is a real incentive for people sitting in their cars to see this bus zipping by and think¹⁴

60. Ms Haselgrove also spoke about the impact of the plan on the current Metro network, including the way it had historically provided many of its services and the importance of the plan in focusing its strategic decision making into the future:

Our contract with government says that we have to provide a service within 500 metres or a kilometre, depending on the time of day, of most houses. We are over-providing at the moment and we need to say where people have a service somewhere close by, where can we find money to invest in improving frequency and the span of hours. That's our commitment. The network plan is our template; it is not funded. We will use it to bid for funding in budget rounds but, more importantly, whenever we do anything, we ask: 'Is this in line with the network plan?'. Metro has been really good over many years saying, 'Yes'. The bus driver would be driving a bus and little Mrs Smith is sitting in it and she will say, 'Driver, can you go that way

¹⁴ Op.Cit. Ms Heather Haselgrove, p.12-13

today because I don't walk very well'. So the driver will radio in, 'Yes'. So on Tuesdays the bus goes that way and then on Thursdays it might be old Mr Jones, who wants to go that way, so on Thursdays the bus go there. Despite the fact that Mrs Smith and Mr Jones died five years ago, the buses still do this, and if you look at any of our timetables you will have all these variations.

We will be simplifying our network. If you pick up a timetable, they will have an 'A' or 'B', 'G', 'C' or something, and that is just a variation. Most days it will go this way, but then, there is an 'A' and that means it goes that way. It is just too hard. We have to give people certainty and there could be some angst when we start doing this so we have to make sure we get out and consult with people, let them know what we're doing and let them know what the big picture is.

This is their aim: in the longer term you will have a world-class passenger transport network. One of the councils said to me, 'Why do we want a world-class passenger transport network?' I looked at them and said, 'People who live and work in and visit Hobart are entitled to a world-class passenger transport service. It will be implemented over time and it might not be to the Londons or the Singapores, but we don't have their population'.¹⁵

Privately-Operated Public Bus Services

61. The peak body for the Tasmanian bus industry (TasBus) was also questioned in relation to public bus services in Southern Tasmania. The questioning was predominantly in relation to the private bus operators providing scheduled public services and their integration (if at all) with Metro services.
62. In questioning TasBus on the Southern Tasmanian operations, the Committee had noted that private buses operated the majority of scheduled bus services on the urban fringe and rural areas around Hobart and therefore provided an essential service.
63. Mr Shane Dewsbury from TasBus noted in his evidence that there was currently no integrated model operating in respect of ticketing and timetabling

¹⁵ Op.Cit. Ms Heather Haselgrove, p.35

and discussed some of the challenges associated with the lack of integration across bus services:

At the moment we know that several operators are working with Metro to look at putting the same type of ticketing system in as Metro to start with, then we will work out how we will do the integration of the ticketing - that is one. The other thing is the integration of infrastructure. We have tens of thousands of people coming into Clarence and also Hobart and one operator will drop all his passengers at one end of town and the other operator will drop them down the other end of town and then you have Metro that run out of the hub, so people have trouble transferring from the different providers. That is an issue in itself and the other thing is the information. How do we put the information out? Metro has just designed a travel planner. That is just Metro, so now we are in discussion to bring in the private operators into it. It is not rocket science, it is pretty easy and it is just about getting everybody together with the right information and someone to lead it.¹⁶

64. This position was supported by former Metro Tasmania employee Mr John Day during his evidence:

Obviously they have their particular areas that they do, and do well, but the ticketing system that O'Driscoll's has is different from Metro so people can't even get a through ticket from New Norfolk to Eastlands. So you have to look at the whole picture. Where do you draw the line, as in the metropolitan area? Do you call New Norfolk and Brighton the limit? How far do you go? The population is, as Peter just said, very dispersed and not very centralised.¹⁷

65. Mr Dewsbury from TasBus also highlighted the challenges for passengers where multiple bus operators were running timetables through the same areas:

I think that the services are already there, and that's what we forget about. Cambridge Park is a good example. I run 10 services a day to Cambridge Park, Redline comes through Cambridge Park and Metro goes through

¹⁶ Op.Cit. Mr Shane Dewsbury, p.63

¹⁷ Op.Cit. Mr John Day, p78

*Cambridge. All of a sudden there are three different timetables. If you put them altogether, it would be interesting to see the frequency, but then how does the passenger know, 'I can go out on this particular bus and come back at this particular time on another bus, and use the same ticket'. There is a lot out there, but we have different levels. I know that around Hobart there are three or four main urban-fringe operators. So all we have to do is get the information.*¹⁸

¹⁸ Op.Cit. Mr Shane Dewsbury, p66

STAKEHOLDER FEEDBACK ON THE CURRENT SYSTEM

66. The Committee spoke to a number of witnesses in relation to Metro's current services and the services of other bus operators providing scheduled services in Southern Tasmania to receive feedback on the public services currently provided.

67. In its written submission, the Council of the Ageing (COTA) highlighted a number of challenges with the current public transport system for its client group that included:

- Public transport is limited after hours and at weekends;
- Not all public transport is accessible;
- Public bus stops often lack appropriate facilities (including seating, signage, weather protection etc);
- The dispersed location of some Hobart bus facilities (terminus) away from major services is challenging for many passengers;
- A lack of integration between community transport services and public transport;
- Many bus services are scheduled with the needs of school and commuter patrons in mind rather than other patrons.

68. COTA also made several core recommendations in its submission for improvements to services and was supportive of any strategies that might increase the patronage amongst its clients including:

- Greater coordination between transport services;
- Greater education and promotion of the existing services;
- A shuttle bus service in the Hobart CBD between the major bus depots and other key services.

69. Colony 47 also provided the Committee with evidence of the barriers currently facing some students from continuing their further education because of restrictions with the public transport system. It used the example of the Bridgewater Trade Training Centre as an excellent training initiative that, in the planning stages, had not adequately taken into account the requirements for students commuting to the facility:

The Trade Training Centre in Bridgewater has an important role to play in providing opportunities for trade training and for enhancing engagement

options for young people. The BTTC has been established to cater for a broad cross section of student. Some students are motivated, articulate, and resilient and will succeed with little additional assistance. Other young people are on the verge of disengagement and seriously at risk of 'falling through the cracks' if not supported appropriately. This cohort of young people is most unlikely to enrol or continue at the facility unless there is appropriate transportation.¹⁹

70.Colony 47 made a number of recommendations in its submission, many of which were associated with the transport links to the Centre. It questioned whether education providers should be managing public transport services for their students or whether this responsibility should reside with the public transport providers. Some of the major recommendations included in their submission were:

- Establish a transport partnership to resolve education related issues;
- The establishment of a community car service;
- Ride sharing technology.
- Further consideration of student transport needs (including rerouting some services) for students from the following areas -
 - Brighton and Bridgewater;
 - Derwent Valley;
 - Collinsvale;
 - Eastern Shore; and
 - Oatlands.
- Improved timetabling, travel plans and real time information (including access and presentation).²⁰

71.Ms Sheryl Rainbird from the Derwent Valley Community House highlighted similar challenges with the transport links between New Norfolk and Bridgewater for clients of the House accessing community services based in Bridgewater. She noted the need to improve the transport links between the two centres, or for decisions about the locality of service providers into the future taking into account the public transport links:

¹⁹ Colony 47 written submission August 2012

²⁰ Ibid.

...For a number of months we have identified that bus travel from New Norfolk to Bridgewater is a real issue for many of the clients from that service provider group. There are a lot more services in Bridgewater that people should be able to access that they currently can't.

CHAIR - *Would most of them not go to Glenorchy?*

Ms RAINBIRD - *The problem is, it's a little bit more difficult than that. It's easier to get to Glenorchy, for sure, but some of the service providers are now based in Bridgewater to provide services to the Derwent Valley.*

CHAIR - *Yes, right.*

Ms RAINBIRD - *So they are actually funded to work from Bridgewater to provide services to the Derwent Valley yet their client base can't get to them. That's the difficulty. It's looking at the whole picture of some services based in Glenorchy to do around Glenorchy and then in the wisdom of some service providers, or the service agreements that they are actually now based in Bridgewater.²¹*

72. Ms Rainbird also highlighted the support within the community for the services being provided by Derwent Valley Link, but expressed concern at the lack of integration between the Metro and Derwent Valley link bus services:

The Derwent Valley link has increased its bus services and lots of people are really happy with what is happening with that bus service. They are doing a good job, but the linkages with Metro are not there. If we are really talking about integrated bus services, it makes you scratch your head and say, 'how come we cannot at least get timetables and get people smoothly from one service to the other?'. It seems pretty ridiculous. The compounding effort of basing services in Bridgewater that are to service the Derwent Valley.²²

73. The University of Tasmania (UTAS) also made a submission to the inquiry and presented verbal evidence. In its written submission, UTAS noted the following major points in relation to its public transport priorities and initiatives associated with the current public transport system:

²¹ Op.Cit. Ms Sheryl Rainbird, p.62-63

²² Ibid

- UTAS has recently ratified a Sustainable Transport Strategy;
- A growing percentage of the student population increasingly use Hobart city campuses (estimated at 40% by 2013). This will increase demand on the Greater Hobart transport network and in particular, increased density that will help make services viable in the inner urban areas;
- UTAS is increasing health and sustainable transport options to campuses;
- The need to improve public transport infrastructure and services including -
 - Bus shelters;
 - Service information and bus route planning;
 - Direct bus services between key suburbs and UTAS campuses;
 - Bike access on existing buses;
 - Better linkages between inter and intra-regional bus services (including co-located terminals);
 - Improved cycling linkages
 - Wi-fi;
 - Ticketing; and
 - The introduction of additional modes of public transport on some corridors.²³

74. The Environment Collective noted similar challenges with the current network and services in its written submission including:

- The lack of an integrated public transport system that incorporates ease of connectivity between transport modes;
- High frequency of services;
- Increased reliability of services (running to schedule);
- Quicker journey times (express services);
- Consistent wheelchair accessible services;
- Better route and timetabling information.²⁴

75. In its written submission to the inquiry, the Tasmanian Council of Social Services (TasCOSS) highlighted a number of challenges with the current public

²³ UTAS written submission, 9 August 2012

²⁴ The Environment Collective, written submission, 28 August 2012

transport system from the perspective of the client group it represented (low income, vulnerable and disadvantaged Tasmanians) including:

- Limited hours of frequency of operations;
- Limited geographic scope of the route network (only a limited number of Tasmanians live within the recommended 400-600 metres of a bus stop);
- Limited integration including -
 - Ticketing;
 - Physical location (private and public bus infrastructure are not always co-located);
 - Timetables.
- Limited affordability of fares;
- Limited eligibility for transport concessions and/or transport access schemes;
- The limitations of the current system in general discourages potential users from moving away from car usage.²⁵

76. Former Metro employee Mr John Day also raised concerns in relation to the timetabling information published by Metro and the fact that in his opinion, it was not user friendly or easy to understand:

*I think I've got reasonable intelligence, but it took a fair while to learn the timetables and routes with the information provided when I came here from South Australia in 1991. It is confusing both for the passenger and the person who is not normally a public transport passenger. They find it very confronting and hard to understand. It needs to be simplified a lot, both in the structure of the timetable, the layout and the information provided to make sure that it is as simple as possible and easy to read. For example, in Kingston they have introduced a new timetable format where you have a column that has the hour and you go to the next column for the minutes. That tells you that at 1 o'clock and 15 in the next column, the bus is due at 1.15. A lot of people have trouble reading that format. The timetables and information provided need to be improved a lot.*²⁶

²⁵ TasCoss written submission, p.2-3

²⁶ Op.Cit. Mr John Day, p81

Regionalised Issues by Local Government Area

77. The Committee also received a range of evidence from a local government perspective and from residents living within the municipalities in relation to the local public bus services that were being provided.

78. Sorell Council noted its concerns with the services operated to the Sorell, Midway Point, Primrose Sands and Dodges Ferry region and that the key issues were primarily in relation to scheduling and cost and the competing private operators within the region. General Manager, Mr Bill Costin highlighted the challenges for students living in the area by way of example:

If you look at the Rosny College example, we know that kids from Sorell are less likely to get part-time employment at Eastlands, for example, if their last bus leaves at 6 or 5.30 or whatever it might be. They can't get home after that so they're not going to get three hours work at Big W after school. Little issues that inter-relate with the scheduling in that sort of fashion probably need to be looked at.²⁷

79. Mr Costin also noted that the Council was intending to progress the development of a park-and-ride facility in Sorell to improve the transport links in the region, particularly for commuters to Hobart:

There are different schools of thought on this but we were very strongly advocating for a park-and-ride in Sorell and committed quite a bit of funding over three years in our budgeting to get it going. DIER initially said they had \$150 000 to throw at it but then that disappeared and they came back with a promise of \$100 000. We will take whatever contribution we can and we will do it gradually over time. Redline is happy with it because it is going to be a better bus facility than the one we currently have outside Holt's Hardware. We saw that the southern beaches people could drive their vehicle a short distance, 10 minutes, park, and jump on that feeder service you're talking about. Parking is free; we have plenty of space out there so it's not an issue. We are developing a new precinct there which eventually might have a private operator with a café. People can grab a coffee before they get on the bus and go to work. When they come back

²⁷ Op.Cit. Mr Bill Costin, p.29

*they might get in their car and go to Woolies and get all they need for tea and then go home, so we think it will work quite well. Some of the bus guys don't but we think it will work well.*²⁸

80. Sorell Council's views were also confirmed as part of the Southern Tasmanian Councils Authority (STCA) submission to the inquiry.

81. Huon Valley Council provided a regional perspective on the challenges associated with the bus services operating within its municipality and noted the region had recently lost a Metro service to Cygnet. In its written submission, it confirmed the importance of integrating timetabling, ticketing, marketing, promotion and information between bus operators.²⁹

82. Ms Simone Walker from the Huon Valley Council commented on the challenges of the timetabling for older people in the community:

*Metro obviously offers far fewer services than Tassielink does. They're not particularly integrated in the timetabling. What we're hearing from the older community is that the timetabling of them doesn't allow them to catch a bus, go into town, have sufficient time to maybe attend a medical appointment or do a little bit of shopping and then catch a bus home. It is either go into town and be in there all day or have to really rush around, and what has been conveyed to me is that rushing creates undue stress. The loss of a provision of service or being there all day has a detrimental effect on older people because they feel that they can no longer be independent, or if they are independent it makes them feel frail because they can't be in there all day, so it's really a double-edged sword.*³⁰

83. In similar circumstances to Sorell Council, the Huon Valley Council representatives also noted the barriers for younger people in participating in after school activities due to the restricted bus services:

Ms WALKER - *Similarly with work after school, if a young person wants to engage in part-time work or in sport after school or on the weekend, it's really up to the parents to transport them to and from.*

²⁸ Op.Cit. Mr Bill Costin, p.32

²⁹ Huon Valley Council written submission 25 July 2012, p4

³⁰ Op.Cit. Ms Simone Walker, p.72

CHAIR - *Because there is no bus service that will service them coming back. What is your latest bus in the day?*

Mr ARMSTRONG - *Into Cygnet the last one comes in just after six o'clock, I think, isn't it, Simone?*³¹

84. In his written submission, Longley resident Mr Andrew Heard supported the Huon Valley Council's evidence on the need for improvement in the ticketing system for Tassielink as a regular bus user, in that he recommended the ticketing system be integrated with Metro.³²

85. Ms Sharon Moore from Deep Bay also expressed concerns in her written submission in relation to the limitations of the bus timetable from Cygnet for non-commuter passengers:

*I live south of Cygnet and use both the Metro and Tassielink bus services. However the timetable is not particularly user-friendly for those who do not need to commute to work. Apart from Thursdays, if I wanted to go to Hobart for the day I would have to leave home before 7.00 am; then the only option for returning is 11.00 on Tassielink, or I have to wait until 5.10 pm. A very long day, not usually necessary to spend that much time hanging around in Hobart. Changing the 11.00 am Tassielink service until say 1.00 or 2.00 pm would be good, but even better would be an extra Metro service in and out, even a service like the Thursday one on one extra weekday would be good. I note that extra services have been provided for the Channel; why not Cygnet (the Oyster Cove route)? There are no Metro services on this route on weekends. More people would use the service if the timetable was better.*³³

86. Huon Valley Council's views were also confirmed as part of the STCA submission to the inquiry.

87. Glenorchy City Council provided the Committee with a perspective from an urban Council and noted there were challenges from the community's perspective with Metro's current timetabling and frequencies, particularly for

³¹ Op.Cit. Ms Simone Walker, p73

³² Ms Andrew Heard, written submission 27 July 2012

³³ Ms Sharon Moore, written submission, 9 August 2012

those residents living outside the Main Road transit corridor. In its written submission, it noted that

- Metro offers a high frequency/long travel time service between Glenorchy and Hobart along the Main Road Corridor;
- Elsewhere, the service is characterised by medium coverage, low frequency and lengthy times;
- Despite the fact that at its northern most border, Glenorchy is only 19 kilometres from the Hobart CBD, many of its bus services take an hour to traverse it and frequency of services are low particularly in non-peak times including evenings and weekends; and
- The lack of DDA compliant services means that patrons requiring these services must wait sometimes lengthy times for a service to become available.³⁴

88. Mayor Stuart Slade went on to note as part of the Glenorchy Council's verbal evidence to the inquiry that:

We appreciate that along Main Road, certainly Monday to Friday, you wouldn't wait any more than 10 minutes; it's a very good service. The reality is that people in various suburbs of Glenorchy who want to get into the city to have a medical procedure or a check-up or anything of that nature have to get from that awful point A to this wonderful corridor of point B. I just think in this day and age if we all put our heads together surely that challenge cannot be that hard, but that is what it is. These are people who haven't got cars, these are people who have low incomes, these are people who at the present moment are not only walking a great distance to get to that connecting point, but many times and particularly at the weekends, two or three hours is the distance between the actual buses not operating at all.

Madam Chair, I take what you are saying, it is great to get on the bus and I certainly used to catch the bus in my previous life and whatever. It is a great service for living in a nice, tight urban part of the city. Going out into the other areas where many of our good communities are, they are certainly really battling hard. They are feeling absolutely isolated, and

³⁴ Glenorchy City Council written submission, 30 July 2012

*there is no form of transport to get them out of there except for public transport.*³⁵

89. Mayor Slade also noted the challenges for passengers attempting to commute between Glenorchy and the Eastern Shore, due to the focus on services running through the Hobart CBD hub:

*The things that come out with shift workers is, again, some strategic thinking to Metro whereby a lot of people are now going from Eastlands to Northgate or to the Glenorchy mall for travelling and the frequency of those bus trips for employment. This is not for school, this is for employment. It is a very good point. It is either [inaudible] or doesn't start till two hours after they're meant to start work, does not work at weekends and, realistically, it's more just for shopping purposes, not for employment purposes. I do not know whether much thought has even gone into why they run such a good linkage like that because it's not effective for people like shift workers. That is a particular route that has come to our attention.*³⁶

90. Hobart City Council representatives also gave evidence to the Committee and provided a useful insight into the strategic planning work and the concerns the Hobart City Council had identified from community consultation. General Manager Mr Nick Heath provided the following background:

*... one of the key issues that the community told us that they wanted to have in our strategic plan, was a future direction around transportation. Without reading it into evidence, what it said is that the community wanted to see an integrated approach to transport, particularly transport planning. That has been a fairly common message in all these submissions - that it needs to be an integrated solution. We are here underlining, underscoring that on the basis that is what our community has told us. It is an evidence-based submission that we make and we talk to our community and that is what our community thinks.*³⁷

³⁵ Op.Cit. Mr Stuart Slade, p.87

³⁶ Op.Cit. Mr Stuart Slade, p.89

³⁷ Op.Cit. Mr Nick Heath, p.20-21

91. Mr Heath went on to outline one of the key Council initiatives arising from funding obtained as a result of the strategic work and noted the current challenges with the city bus terminus:

One of the most important projects is the funding we received for the national building program, the Liveable Cities program. We were lucky enough to secure \$250 000 through that program, of which \$125 000 is coming from the Australian Government and the rest has been contributed by DIER, Metro and the Hobart City Council. This is a \$250 000 program where we are looking at bus routes, bus activity in the CBD. One of the conclusions from that study hopefully will be what is the appropriate location for the inner city bus mall. It is not the primary outcome. The primary outcome is to look at the bus routes and how to get the best efficiency of the bus routes in the city. As an outcome of that there will be some evidence which will assist the council to make some decisions about the appropriate location of the inner city bus mall.³⁸

92. Mr Heath also noted the importance to the Council of parking arrangements in the city centre, which the Committee noted may act as a disincentive to the use of public transport:

Importantly, too, it is about managing the parking supply in the city. Hobart City Council is the largest operator of car parking in the state, the third biggest operator in the country. It is a massive business for us, and a massive undertaking in terms of our contribution to our city. That is an important one. How that links in with the planning scheme and planning issues, land use planning, is important.

How we can influence what goes on around the city is in the sustainable transport strategy because a lot of vehicles come into and go through the city. A lot of workers come into the city using cars and buses. That is an important element to us.³⁹

93. The need for disincentive based policy decisions was supported by Transport Planner Mr James McIntosh in his evidence:

³⁸ Ibid

³⁹ Ibid

The regulation of parking is critical, absolutely critical. I come back to the generalised cost of the trip. People, like all of us, count the cost of their decisions for doing everything in both time and money. It depends on how much money you have, so it depends on the different social story. Some people who are wealthy value time a lot higher than they do the financial costs. Some people who are poorer value their financial cost as far greater than their time. More generally, if you have unregulated parking at the other end, that is effectively competing in generalised cost for the public transport infrastructure that you are investing in, then that is counter-intuitive to the investment decision, so that would need to be included, in my view. Again, this is my opinion, but this is something that you don't have to be - it's not just my opinion, look across Australia, look globally. In all the investment decisions around this in cost for the users there is a mixture of carrot - new infrastructure, lower time, lower financial cost - but stick on the other side.⁴⁰

94. Just prior to the Committee reporting, the Hobart City Council subsequently announced the introduction of parking charges on the Domain, which the Committee noted may provide some incentive to use public transport for commuter use.

95. Mr Heath was also questioned about the city 'Hopper' bus service that the Council had funded over the previous 6 month trial on Saturdays to fill what the Council perceived to be a gap in the current public transport services available in the city:

But the council has reaffirmed its commitment to continuing the Hopper for the next 12 months. It is a significant commitment. Quoting from what I have got in front of me, more than 6 360 rides were provided to the public during the six-month trial period, or 250 rides per day on average. That Hopper picks up at all the major car parks and drops people off down at Salamanca and takes them back to the car parks. The cost to the council in providing that is significant. It is \$125 000 for the next 12 months, of which \$50 000 goes into marketing. It is something that we are particularly committed to seeing happen and it is something that the stallholders of

⁴⁰ Hansard Transcript 15 April 2013, Mr James McIntosh p.7

Salamanca have called for and it is something that the council has committed to. It is a hop-on, hop-off hopper ride..⁴¹

96. Mr Heath advised the Council's support for the expansion of cycleways and walkways (discussed later in the report).

97. Kingborough Council provided a written submission to the inquiry and in a similar manner to Hobart City Council, noted the development of the Kingborough Integrated Transport Strategy in recent years and advised that it was in the process of implementing a series of recommendations from the strategy including:

- Improving local bus services (particularly through new services to the Channel area);
- Improving park and ride facilities and the need for coordinated policies in relation to the linkages between effective park and ride and public transport usage levels';
- Ferry services between Hobart and major points within the Kingborough municipality (discussed later in the report).⁴²

98. Kingston resident Mr John Hayes noted the lack of public transport in the Kingborough municipality until 2007 (when Metro took over services) had resulted in a detrimental impact upon planned development in the area due to developments being largely car based and spread out, resulting in the town centre being slow to develop. He noted that since the introduction of Metro services, commercial development had become more centralised within the town centre and had also become more pedestrian friendly. Mr Hayes also expressed his support for the bus priority lane on the Southern Outlet but believed that the lane system needed to be continued into Macquarie Street in order to provide the most benefit to commuters utilising the bus services.⁴³

99. The Committee also received evidence from the STCA, regarding a whole of southern region local government perspective on the transport strategy that had been developed jointly by the member Councils:

The councils have developed a public transport strategy, a copy of which is contained within the document. Its focus is really about integration of

⁴¹ Op.Cit. Mr Nick Heath, p.23

⁴² Kingborough Council written submission, 23 July 2012

⁴³ Mr John Hayes written submission , 10 August 2012, p.4

different modes of transport. We made comments in our submission in regard to the need for greater institutional integration to make sure that there is co-operation and co-ordination between the different proponents of the different types of transport. The physical integration side, the integration of the network and fair integration is a key thing ensuring that there is ultimately - for whatever modes of public transport people are purchasing - there is a ticketing system that they can access.

The other one that is important is some sort of subsidy integration so that those people who are providing public transport - whatever that mode is, whether it is ferries or light rail or buses - all can access a similar sort of subsidy. I guess they are the key issues that came out of our submission.⁴⁴

100. The STCA also noted the following key strategic themes in its written submission that were considered critical to the development of an efficient integrated public transport system in Southern Tasmania.

- Institutional Integration (a common vision and understanding across jurisdictions;
- Physical Integration (different modes of transport need to effectively link to one another);
- Network Integration;
- Fare Integration;
- Subsidy Integration (equity in public transport subsidy regardless of whether they are a public or private provider).

⁴⁴ Hansard Transcript, 28 September 2013, Mr David Hunn, p.1-2

PUBLIC TRANSPORT STRATEGY IN SOUTHERN TASMANIA

101. As part of the inquiry process the Committee considered the Government's public transport strategy. On face value, it appeared that public transport priorities were based upon road infrastructure, public bus services and the development of cycling and walking infrastructure.
102. Further information was sought from DIER on the Government's public transport strategies in light of the decision of the Ministers not to participate in the Committee process.
103. DIER provided the Committee with a series of key documents that outlined some of the strategic considerations in relation to public transport that were influencing its decision making processes.
104. Some of the material was specific to public transport and other documents formed part of a broader consideration of public infrastructure and other strategic interests.
105. Other material provided by DIER concerned public transport proposals (rail and ferry evaluations) that will be considered later in this report.
106. A significant volume of additional material to the documentation supplied by DIER was also identified and considered by the Committee.
107. The Committee was however unable to identify a statewide public transport policy from the material.
108. The key strategic documents identified (in no particular priority) were:
 - I. The Tasmanian Infrastructure Strategy (a statewide strategy covering digital, energy, transport and water infrastructure);
 - II. Tasmanian Urban Passenger Transport Framework 2010 (a key transport strategy output from the Tasmanian Infrastructure Strategy that is limited to urban environments within Tasmania);
 - III. Southern Integrated Transport Plan 2010 (a collaborative initiative between the Government, Southern Tasmanian Councils Authority and its twelve Member Councils – A coordinated and strategic framework to recognise and address transport issues within the southern region over the next 20 years);
 - IV. Core Passenger Service Review (a periodic review of Tasmania's passenger transport services required under Regulation and linked to the

- Tasmanian Urban Passenger Transport Framework – completed in 2007);
- V. Hobart Passenger Transport Case Study (informed the development of the Tasmanian Urban Passenger Transport Framework and incorporated projects including)
 - i. Northern Suburbs to Hobart Port Bus Rapid Transit – Strategic Estimate – Pitt and Sherry 2009;
 - ii. Walking and Cycling for Active Transport Strategy 2010 (linked to the Tasmanian Urban Passenger Transport Framework);
 - iii. River Derwent Commuter Ferries Cost Estimate – July 2009 (A desktop study completed by consultancy firm AECOM Australia Pty Ltd);
 - iv. Hobart Light Rail Cost Estimate: Desktop System Design and Model – Reports 1 & 2 (The original light rail assessment completed by Parson Brinckerhoff in 2009);
 - VI. Southern Tasmania Regional Land Use Strategy 2010-35 (A Southern Tasmanian Councils Authority document);
 - VII. GHD Glenorchy to Hobart Transit Corridor Plan (various documents);
 - VIII. Hobart to Northern Suburbs Light Rail Business Case 2011 (completed in 3 stages by consultancy firm ACIL Tasman);
 - IX. Stage 1 Light Rail Business Case – Hobart to Glenorchy 2013 (completed by ACIL Tasman);
 - X. Greater Hobart Household Travel Survey 2008-09 (a survey to obtain information about how, where and why people travel in Greater Hobart); and
 - XI. Tasmanian Framework for Action on Climate Change (linked to the Tasmanian Urban Passenger Transport Framework).
109. The reader is encouraged to consider the various documents in conjunction with this report - http://www.dier.tas.gov.au/plans_and_strategy.
 110. A number of broad high level strategic objectives were noted as being key factors influencing Government transport decision making. Some of the objectives were related to public transport specifically. The objectives were summarised in the Tasmanian Urban Passenger Transport Framework.
 - I. Reducing Greenhouse Gas Emissions

- II. Liveable and Accessible Communities;
 - III. Travel reliability;
 - IV. Supporting healthy and active communities;
 - V. Integrated transport and land use planning.
111. During the course of DIER's evidence, officers were questioned in relation to some of the key issues identified from the strategy documents and the other work that had been completed in relation to public transport for the Government. Many of the issues raised initially during discussions with DIER are considered in further detail elsewhere in the report.
112. Department Secretary, Mr Norm McIlfatrick commenced his evidence by outlining a history of public transport strategy and acknowledged that public transport had not historically been a priority within the Department:

***Mr McILFATRICK** - I have been with the department for three-and-a-bit years now. Passenger transport traditionally hasn't had a heavy focus over the last decades in most governments. It has had more focus in the heavily populated cities in more recent times but it has been a bit of a poor cousin in the transport sector. I guess over the last five years that has probably started to change a little, starting with the core passenger service review that was initiated around 2007, which was aimed at getting the bus network, our significant passenger transport fleet, in a more appropriate space for the public both in terms of age and amenity, particularly heading towards disability compliance et cetera. That was a pretty radical change coming out of that.*

Then we followed that up in 2010 with the urban passenger transport framework, which was really the starting point and when you haven't had a focus for many years it is an important starting point to have this framework. It is a big step forward and also included a real case study about the travel patterns of people in Hobart. In the case of the travel demand in Hobart, about 2 000 people were talked to about their travel patterns now and in the future. That told us a lot about what people are doing now and what they might do in the future.

The framework then became part of the state infrastructure strategy that David Spence was responsible for and therefore started to, in a real sense,

*make passenger transport strategy a part of the overall infrastructure strategy. I have most recently advertised for a new deputy secretary and I am changing my organisation so that all infrastructure, policy and strategy, whether it be for infrastructure, transport, energy, resources and all of those interlinked things, will be under the one. The high level stuff and only one deputy secretary because if you have too many silos then you can get competition.*⁴⁵

113. Mr McIlfatrick confirmed that the Government's current priorities were based around road infrastructure, with the core elements of journeys being by bus, bike and walking (in addition to the car). He also noted that considerable efforts were required by the Government in order to change the cultural preference for car usage and that these efforts would need to form part of a long term effort by Government:

*So that is the strategic framework but given where we are at the early stages we do have a lot of work to do to get that change of mindset, to get some evidence base around how we utilise the transport modes we have now - the bus network, the walking and cycling networks. There is plenty of opportunity to move more people onto buses. And then if that is the case, if that is fairly low, what is the evidence required to get alternative modes up. One of the key things in that area is how close can those other modes get to the population centres and where the people want to be, and how can you make connections between, say, a walk to a position and then transfer to a bus or to a light rail or to a ferry. Is there enough connection? Do people have to make two journeys? Can that journey be sort of pretty contiguous so that they don't have to wait for 20 minutes in between? We have been doing a whole range of things but we have a series of things which are aimed at moving minds, moving people's ability to move onto a bus rather than sit in a car.*⁴⁶

114. Mr McIlfatrick also noted the work being undertaken on the major road transport corridors in Southern Tasmania and its importance as part of future considerations of transport options:

⁴⁵ Hansard Transcript 20 July 2012, Mr Norm McIlfatrick, p.1-2

⁴⁶ Op.Cit. Mr McIlfatrick p.2-3

*It is early days, a good budget in terms of the forecast. Also as part of our infrastructure forecasting we are looking at corridor studies, particularly around Hobart and Launceston, to get ourselves ready for the infrastructure support that needs to be there. A significant one we're looking at the moment is the northern suburbs corridor particularly around Glenorchy to Hobart, down Main Road, not as an alternative to light rail but as a complementary initiative and maybe as a stepping stone towards mass transport in the future as it's an existing corridor that people are using. What we need to do is look at how we can improve the corridor and make it much more passenger transport-friendly and make passenger transport the transport mode down that rather than the car and move the car onto a more appropriate area, which is probably the Brooker.*⁴⁷

115. He was also questioned on the current strategic challenges associated with introducing additional modes of transport such as rail or ferry services in light of the current public transport passenger number trends:

Mr MULDER - *One of the things, it seems to me, is that a place like Tasmania really cannot afford to have two public transport systems competing with each other.*

Mr McILFATRICK - *No it cannot. I think you hit the nail on the head when you said that the current bus system is not a mass transport system. Maybe the Main Road corridor will not be a mass transport system either. But if it improves people's take-up of passenger transport and then it leads to a better business case for a mass transport - at the moment, 4 per cent of people doing public transport, it is a large leap of faith to think that we could move to a number of people travelling on a mass transport that would make it viable.*⁴⁸

116. DIER officers were also questioned about some of the specific initiatives that were being completed in relation to public transport. Mr McIlfatrick noted the park-and-ride facilities being developed to support the patronage rates for the bus network in some of the key population centres:

⁴⁷ Op.Cit. Mr McIlfatrick, p.4

⁴⁸ Op.Cit. Mr McIlfatrick, p.10

We have looked at a trial park and ride at Kingston. One of the issues with park and ride is you have to get the balance right between whether it is in the right spot, can you then get your bus services lined up to service it, and does the cost of the park and ride facility get enough people out of the car to make it worthwhile. Now some of the park and ride facilities we looked at around Australia are horrendously expensive - \$20 000 per parking spot et cetera - so we have to be careful we do not over-invest. So if we can get the right land spot [inaudible]. In the early days but that seems to be about the right sort of model where people can park and then hop on the bus. We are also looking at Sorell and New Norfolk and we have looked at Glenorchy and Bellerive but they are proving more difficult than we first thought in terms of whether it will benefit the community...⁴⁹

117. Mr McIlfatrick was also questioned further about DIER's support for Metro's Network Plan and advised the Committee of developments in relation to a trial high frequency service through the Moonah corridor:

The work we have done with Metro has been a response to customer surveys which show they want reliability and frequency and to get door-to-door as quickly as possible.

The Moonah main road corridor is an existing route we have chosen to pilot the high-frequency and high-reliability route. Given this business case is not about taking something away from people and giving them something else, it is about adding a new service and the viability of the business case is based on going from about 10 million Hobart-wide passengers a year on buses and keeping it at about that level and adding another four or five million onto the rail.

I believe the improvement in the main road corridor will be of benefit to the light rail because it should get more people onto public transport. The biggest hurdle we have is not the mode of public transport that people use; it is getting them to move from the car to the mode. If they can move to the main road corridor and then later there is a light rail option available

⁴⁹ Op.Cit. Mr McIlfatrick, p.3

*and it is closer and better for them, it will be a simpler move from bus to rail than it is to move from car to rail.*⁵⁰

118. He also confirmed that a funding submission had been made for work to improve the public transport corridor from the Southern Outlet down Macquarie Street into the CBD:

*We did put in a Nation Building proposal with Macquarie as an extension of the Kingston park and ride and getting people in from Kingston down Macquarie Street. There was a proposal put in to Nation Building for improvement along Macquarie. It was probably a bit early to get it into the Nation Building program but it is there as a potential future development to improve, particularly at the end of Macquarie Street towards the city, access for buses, to provide a bus lane in that area. However, it is not a current project that has been funded.*⁵¹

119. Mr McIlfatrick further noted the work on cycleway development to improve the bike network in Southern Tasmania:

*We are doing a fair bit of work. We took one of our people off-line about a year ago to work for a couple years on urban cycling networks and we have quite a number of agreed pathways now which are ready for investment. We will be putting forward a \$10 million-\$14 million proposal into Nation Building for urban networks, particularly around the university corridors, and I think that will help. Walking is also determined by how far you are away from major centres, and Hobart dominates - 30 per cent of people's journeys in Hobart are by walking.*⁵²

120. He was also questioned about the need for policy disincentives to reduce the use of cars for commuting into the City of Hobart, such as the current challenges with the level of free parking:

There are a whole range of things that will come into play without government being draconian. The London congestion charge was

⁵⁰ Hansard Transcript 11 June 2013, Mr Norm McIlfatrick p.10-11

⁵¹ Op.Cit. Mr Norm McIlfatrick, p11

⁵² Op.Cit. Mr Norm McIlfatrick, p.16

*absolutely put in for that reason but the political support for that here would be very difficult.*⁵³

121. The Committee discussed land use planning issues with Mr McIlfatrick, particularly in relation to public transport policy. In response to questioning he stated:

*What we want to go forward with long term and one of the reasons we have incorporated this into the infrastructure strategy is that one of our key points in the infrastructure strategy is the coordination of infrastructure and land use planning. I shouldn't have spoken too much because I ended up being a planning commissioner for my sins. But that means that government has recognised that infrastructure is important in land use planning and vice versa. Therefore a couple of people who are not planners have been put onto the Planning Commission to take that perspective.*⁵⁴

⁵³ Op.Cit. Mr Norm McIlfatrick, p.21

⁵⁴ Op.Cit. Mr Norm McIlfatrick, p.2

PUBLIC TRANSPORT SYSTEMS IN OTHER JURISDICTIONS

122. There are a variety of different public transport systems that operate in cities across Australia. Like Tasmania, all States in Australia operate a public bus network as a core mode of transport. However the majority of other Australian jurisdictions also operate additional modes of public transport, such as ferries, trams and/or rail services.
123. Public transport is generally integrated across modes of transport under one public transport network.
124. For comparative purposes, the Committee focused its considerations on the public transport systems operated in Perth, Brisbane and Adelaide in Australia. The Committee did not consider Melbourne or Sydney due to their population sizes.
125. Wellington New Zealand was also used for comparative purposes due to it having the greatest similarity to Hobart within the Asia-Pacific region in regard to geography and population base. The decision to consider Wellington was based upon the recommendations of witnesses who gave evidence to the inquiry.
126. It is important to note that comparisons between jurisdictions are challenging on a number of grounds, due to their significant differences in geography and population and the inconsistency in the published data by public transport operators. The following information does however provide a useful background to the public transport operations in some of the major centres in Australia and New Zealand.

Brisbane

127. The population of Greater Brisbane as of June 2012 (excluding the Gold Coast and Sunshine Coast) was 2.19 million.⁵⁵
128. An integrated public transport system is operated in South East Queensland, which includes the following modes of transport:
 - Buses (including busways)
 - Ferries

⁵⁵ ABS data – 3218.0 Regional Population Growth, Australian 2011-12 - Queensland

- Trains

129. The public transport system in Brisbane uses an integrated Smart Card system marketed as 'Go Card'. The system requires that the user touches on at the beginning of the journey and again upon exiting in order for the correct fare to be determined.
130. The public transport system has been operated by a statutory authority - TransLink Transit Authority (Translink), which has recently been migrated into a division of the Department of Transport and Main Roads.
131. Translink is responsible for the delivery and management of public transport services in south-east Queensland and operates a schedule of services in conjunction with a number of service delivery partners. An example of a service delivery partner is Brisbane Transport, which is owned by the Brisbane City Council.⁵⁶
132. Translink is also responsible for public transport services operated within the Gold Coast region and on the Sunshine Coast.⁵⁷
133. The following data provides a snapshot of the services provided across south east Queensland and within the Greater Brisbane regions.

QUEENSLAND RAIL Note: the figures include the operations outside of Greater Brisbane

Number of train sets	207 three-car train sets
Number of routes and services	147 stations and 740 km track in the South East Queensland network
Annual service contract expense for 2011–12	\$835.5 million

BRISBANE TRANSPORT

Number of buses*	1229 buses
Number of routes and services	245 urban routes, 63 859 urban services per week; 217 school routes, 1465 school services per week(school terms only)
Annual service contract expense for 2011–12	\$264.64 million

BRISBANE CITY COUNCIL

Number and type of ferries	19 CityCats, 9 CityFerries
Number of routes and services	3604 services per week
Annual service funding agreement for 2011–12	\$19.06 million

⁵⁶ Translink Transit Authority Final Report – 1 July 2012-31 December 2013, p.11

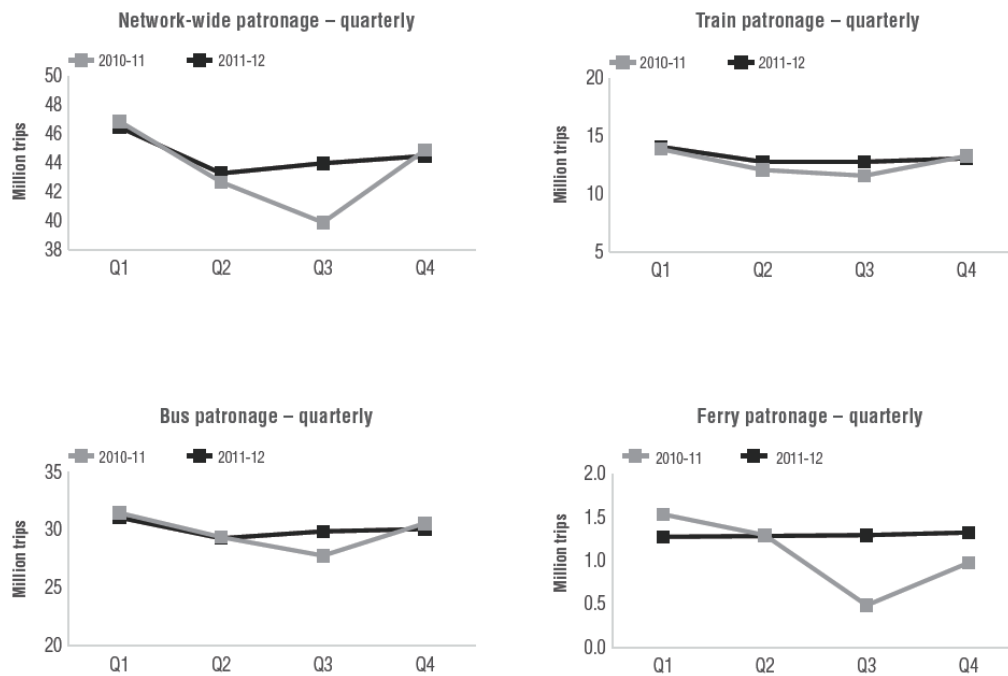
⁵⁷ Op.Cit. p. 36

BRISBANE BUS LINES

Number of buses*	2 buses
Number of routes and services	1 urban route, 35 urban services per week
Annual service contract expense for 2011–12	\$97 000

Source: TransLink Transit Authority - Annual Report 2011–12

134. The following information is taken from Tranlink's 2011-12 Annual Report and provides a summary of its transport activity and fare revenue.



*Q3 2010-11 decrease as a result of 2011 floods.

Source: TransLink Transit Authority - Annual Report 2011–12

Activity	2011-12 target	2009-10	2010-11	2011-12	Comment
Total go card trips	149 252 200	81 935 436	126 674 492	145 113 206	
% of all trips made using go card	80.2%	46.4%	70%	81.4%	This figure is determined as an average across 2011-12.
Customer satisfaction with go card	N/A	76.4%	77.8%	79.9%	Customer satisfaction with go card continues to increase.
Cost recovery	30% by 2015	24%	22.5%	23.6%	
Average fare revenue per passenger	\$2.08	\$1.64	\$1.76	\$2.02	
Cost subsidy per passenger trip	\$5.92	\$5.05	\$6.06	\$6.57	Variation from target to actual is a result of increased State Government funding provided to Queensland Rail to meet increased costs of the Citytrain service and lower than anticipated patronage.

Source: TransLink Transit Authority - Annual Report 2011–12

TransLink Transit Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2012

	Consolidated 2012 \$'000	Consolidated 2011 \$'000
3. User charges		
Fare revenue	360,792	314,484
Service fees	15,192	12,392
Total	375,984	326,876
4. Grants and other contributions		
Grant funding from Department of Transport and Main Roads	1,107,916	1,016,458
Grants from other entities	39,925	35,368
Total	1,147,841	1,051,826
5. Interest revenue		
Cash at bank investment	10,394	9,013
Total	10,394	9,013
6. Other revenue		
Commission	2	15
Sundry income	157	74
Total	159	89

Source: TransLink Transit Authority - Annual Report 2011–12

135. As part of the inquiry process, the Committee undertook a site inspection of some of the public transport facilities in Brisbane, which will be considered in further detail separately in this report.

Adelaide

136. The population of Greater Adelaide as of June 2012 was 1.28 million.⁵⁸
137. An integrated public transport system is operated in Adelaide, which includes the following modes of transport:
- Buses (including the O-Bahn)
 - Trams
 - Trains
138. The public transport system uses an integrated Smart Card system marketed as 'Metrocard'.
139. It is operated by Adelaide Metro under the Department of Planning, Transport and Infrastructure.
140. Adelaide Metro's bus services are operated by three private bus contractors:
- Transfield (Light City Buses)
 - Australia Transit Enterprises (Southlink)
 - Transit Systems (Torrens Transit)
141. According to the 2011-12 Annual Report of the Department of Planning, Transport and Infrastructure, the Adelaide Metro reported boarding figures were as follows:

ADELAIDE METRO BOARDINGS 2011-12 (MILLIONS)

Initial boardings by mode:

Year	Bus	Tram	Train	Total initial boardings
2011-12	39.197	2.423	7.991	49.611

Source: Department of Planning, Transport and Infrastructure Annual Report 2011-12

142. Buses make up the core operations of Adelaide Metro's network and includes the O-Bahn Busway, which is a guided busway system that uses a combination of public roads and dedicated roadways.
143. Adelaide Metro runs a modest fleet of 21 trams on 1 tramline that runs from Hindmarsh to Glenelg.

⁵⁸ ABS data – 3218.0 Regional Population Growth, Australian 2011-12 - Queensland

144. Adelaide Metro also operates a metro rail system, that predominantly operates on four long-distance dedicated rail corridors, from the City north to Gawler, south to Noarlunga Centre, west to Outer Harbor and to the Adelaide Hills on the Belair line.
145. The rail system currently utilises diesel locomotives, but from 2013, the network is moving to a new electric railcar system.⁵⁹

Perth

146. The population of Greater Perth as of June 2012 was 1.9 million.⁶⁰
147. An integrated public transport system is operated in Greater Perth, which includes the following modes of transport:
- Buses
 - Ferries
 - Trains
148. The public transport system uses an integrated Smart Card system marketed as 'SmartRider'.
149. The public transport system is operated by Transperth, which is part of the Western Australian Government's Public Transport Authority.
150. Transperth operates an electrified suburban train service. More than 1045 services are operated during an average weekday.⁶¹
151. The train network covers 173.1 km of track with 70 stations on five lines and a fleet of 234 railcars. The train network consists of the Joondalup line; Fremantle line; Midland Line; Armadale/Thornlie Line and the Mandurah Line.⁶²
152. The patronage on the train network has continued to grow per annum.

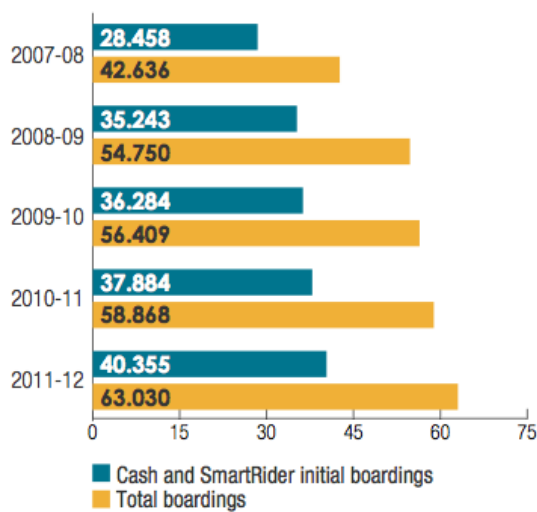
⁵⁹ <http://www.sa.gov.au/subject/Transport%2C+travel+and+motoring/Public+transport+and+travel/New+trams%2C+trains+and+buses>

⁶⁰ ABS data – 3218.0 Regional Population Growth, Australian 2011-12 - Queensland

⁶¹ <http://www.pta.wa.gov.au/portals/0/annualreports/2012/report/service-and-financial-achievements.html>

⁶² Ibid

Transperth trains: Patronage (millions)⁶³



153. Transperth's bus services are divided into geographical contract areas that are subject to periodic competitive tendering. As at June 30 2012, there were three contractors operating under 12 contracts:

- Perth Transit: Morely
- Swan Transit: Belmont, Canning, Claremont, Kalamunder, Marmion, Midland (including Midland Shuttle) and Southern River; and
- Southern Coast Transit: Fremantle-Cockburn (including Fremantle CAT), Joondalup (including Joondalup CAT), Rockingham-Mandurah, and the Perth CAT contract.⁶⁴

154. An average weekday operation involves 13,858 standard and 351 school service trips.⁶⁵

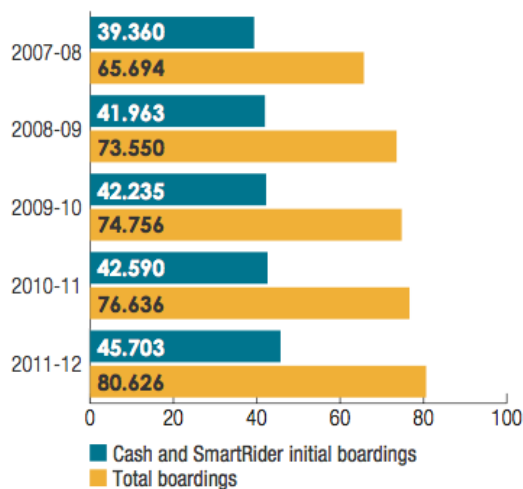
155. Patronage on Transperth bus services has also grown over time.

⁶³ Ibid

⁶⁴ Ibid

⁶⁵ Ibid

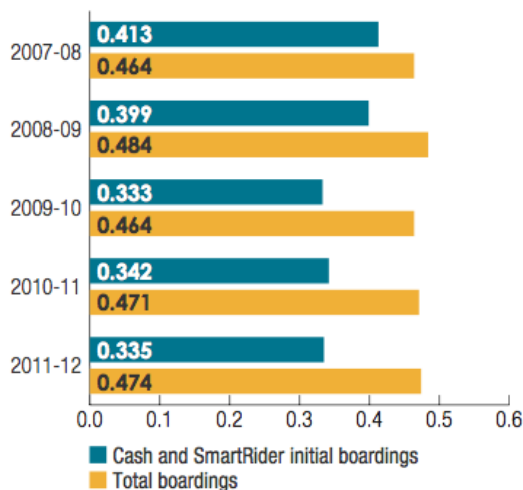
Transperth buses: Patronage (millions)⁶⁶



156. Transperth also operates a modest commuter ferry service. Two ferries operate between the city and South Perth, with an average of 60-80 services operated per week day (varies seasonally).

157. Patronage on Transperth's ferry services has declined marginally over time.

Transperth ferries: Patronage (millions)



Wellington, New Zealand

158. The population of Greater Wellington as of June 2012 was 490,100.⁶⁷

159. An integrated public transport system is operated in Greater Wellington, which includes the following modes of transport:

⁶⁶ Ibid

⁶⁷ http://www.stats.govt.nz/browse_for_stats/population/estimates_and_projections/subnational-pop-estimates-tables.aspx

- Buses
- Ferries
- Trains

160. The public transport system is operated by Metlink, which is part of the Greater Wellington Regional Council. Services under Metlink are run by a number of different operators including Go Metro (buses), Tranz Metro (trains) and East by West Ferries.
161. A single integrated ticketing system is not currently in operation but is being investigated by the Council during 2013. Bus services are currently marketed under the 'Snapper' ticketing system.⁶⁸
162. Buses are the most commonly used means of public transport in the Wellington Region. According to 2008/09 data, 23.4 million trips were made on buses, 12 million on rail and 180,000 on ferries.⁶⁹
163. There are four key rail lines that operate throughout the region: Hutt Valley, Johnsonville, Kapiti and Wairapa. According to Government figures, more than 11,000 commuters take the train to and from Wellington each working day.⁷⁰
164. Commuter ferry services are also operated in Wellington. The two ferries (City Cat and Cobar Cat) run peak and off-peak commuter services between Days Bay, Queens Wharf and Seatoun. The services are operated by East by West Ferries. Services are also run to Matiu/Somes Island.⁷¹

⁶⁸ <http://www.gw.govt.nz/public-transport-fare-system-review/>

⁶⁹ Ibid

⁷⁰ Ibid

⁷¹ Ibid

FUTURE PUBLIC TRANSPORT OPTIONS

165. The Committee received a range of evidence in relation to the future options for an integrated public transport system that would involve additional modes of transport as well as improvements to the existing bus service.
166. New proposals considered included a northern suburbs light rail service (and general opinions on the use of the rail corridor) and a River Derwent ferry service.
167. The Committee received evidence in relation to a proposal to introduce Podcars to Greater Hobart. This was determined to be an unviable option for Southern Tasmania (particularly on economic grounds) and was not considered further.
168. The Committee also received evidence in relation to the benefits of expanding cycling infrastructure to support increased commuter and recreational cycling into the Hobart CBD and how cycling facilities might more efficiently integrate with public transport services. The development of cycling facilities was also tied in part to walking infrastructure.

Alternative Operating Models for Buses

169. Evidence was received in relation to an alternative model of operating metropolitan bus services under a franchising arrangement with a private operator.
170. Mr Adam Leishman from bus operator Transit Systems provided the Committee with evidence of his company's bus operations as a private operator running bus services under a franchise model in Perth and Adelaide on behalf of State Governments.
171. The Committee was particularly interested in obtaining further information about how the model operated in terms of roles and responsibilities and in respect of any possible cost savings that might be achieved in comparison with the current model operating in Tasmania:

Transit Systems has been operating services for governments since the mid to late 1990s in Western Australia when it was first contracted and then followed on in South Australia. The models used in South Australia

and Western Australia have been a partnership between public and private operators and it has driven cost savings and efficiencies from doing that. When we took over in Perth the savings were in the vicinity of 29 per cent to the government - cost per kilometre - and shortly after we took over there was a marked improvement in passenger increase. It is not just Perth where this has happened; you may be familiar with the TTF report on franchising that came out recently. It is a common phenomenon across Australia to franchise public transport operations. South Australia and Western Australia have led the way and proven that it works and works very well if it is done well, but there are problems if it is not done well.⁷²

172. Mr Leishman was questioned about the operating model in Adelaide and Perth in comparison with other models operating in Australia where private operators run services on behalf of Government:

With regard to policy and input from the government, Transit's view is that it only works when there is a good partnership in place. The government has certain responsibilities that they are in control of and should always be in control of. I think some of the problems that New South Wales, Victoria and perhaps Queensland have experienced lately, and the difficulty to get a level playing field to enable tendering, is that they have allowed too much control to shift to the private operators.

If you look at South Australia and Western Australia, the government, whilst they are not doing the operation or the maintenance, hold most of the assets and they have control of the policies and direction of the overall network. For instance, in Western Australia and South Australia we can only show a very small brand in the livery of the buses. It is all branded Transperth or the Adelaide brand, so to the user it does not matter who is operating that service, it is still a government operation. We catch the bus. We do not catch a branded bus of a private operator; we catch the entire bus system. We view our responsibility to come to the government and say, 'We think there is a new route that needs to be set up here', or we need to make these changes because a new shopping centre has come

⁷² Hansard Transcript 11 September 2012, Mr Adam Leishman, p. 31

up and we don't want to operate something that was set up 20 years ago, because the needs of the community have changed. It is the government's job to look at what we are saying and say, 'That's a good idea, we will do that', or 'This is not a good idea, we don't like that one, we are not going to do that', so government still holds the ultimate decision. In our contracts they choose what buses they want to procure. They still procure the buses and they provide them to us. We have a very detailed regime of what standards we need to keep those buses to and at the end of the contract if they are not at that standard we have to get them up to that standard or pay money so that someone else can. It is all very closely regimented. The government retains control of those key, whole-system issues. I think that is what is important in the contracting, that it is done right so the government can retain the whole-of-system issues and give the operator the ability to control the risks that are the operator's. Fares, for instance, that is a government thing anyhow.⁷³

173. The Committee also asked Mr Leishman about the possible cost savings associated with the model:

You might have noted in the TTF report that there is a lot of evidence of savings between 20 and 50 per cent. In Britain it is a 50 to 55 per cent saving, in the Netherlands it is 33 per cent saving, in the United States 30 to 46 per cent savings. These are significant savings. In Perth over six years it was 29 per cent savings; and there are escalation costs that I am not sure have been factored into that 29 per cent.

Why are there those savings? What makes the difference between a government- run operation to a private operation? It is a valid question. I do not think it necessarily has anything to do with the skills of the people who are running it. A lot of our managers come from government-run operations that we took over and they are still with us ten or fifteen years later and do a fantastic job. If you were to talk to some of those managers you would hear them say things like they are so much more empowered working for a private operator. There is not as much bureaucracy to

⁷³ Op.Cit. Mr Adam Leishman, p.32-33

navigate, they are able to make decisions, they are able to buy better. Often suppliers to government will add 20 per cent to their costs just because it is government. They are more innovative in the way they schedule things and so they achieve efficiency gains. The reporting is often not as burdensome and costly. Often there are savings from restructuring. Often there is better utilisation of assets. In South Australia, for instance, when the government was not prepared to buy more buses and the system needed more buses we were able to redesign the timetables to maximise the use of the assets we had by having services that would link with other services and things like that.

That is the kind of innovation that private operators can bring; if they have incentives a private operator will be driven to find every possible means of savings whilst also providing a good customer service - and you get penalised if you do not do that.⁷⁴

The Role of Community Transport

174. Mr Stuart Davies from Community Transport Services Tasmania provided the Committee with further information on the role of community transport services and the role it could potentially play as part of the public transport network. He noted that the sector provided the opportunity for a diversified role for non-Health and Community Care (HACC) funded passenger movements that could be utilised into the future as part of an integrated public transport system:

.... we now allow other people to travel on our vehicles providing a HACC person doesn't miss out. If one was to use their imagination that opens up all sorts of possibilities, which is exactly what it's designed to do. We have a different fee structure for the non-HACC person. My 10 districts have a transport coordinator, not a booking clerk, whose job is to use the resources to the best effect for people. If we have a 15-seater and only three HACC people needing a trip that day it doesn't matter if we have 12 from somewhere else. That starts to open the door.⁷⁵

⁷⁴ Op.Cit. Mr Adam Leishman, p.36

⁷⁵ Hansard Transcript 10 October 2012, Mr Stuart Davies, p.30-31

175. Mr Davies also noted the other community based organisations that provided community transport services as part of their broader services:

Mr DAVIES -*There are a number of services out there at the moment supplied by a lot of people whose reason for being is not transport. They have a few vehicles, a few drivers and they either don't charge appropriate fees or they cost-subsidise within the organisation. That has a short future.*

Mr MULDER - *Give me an example of that, I'm just struggling a bit.*

Mr DAVIES - *The Asthma Foundation, for example, although I'm not saying that they do but that type of organisation. Their reason for being is x but they have, through grants and other programs like Cars for Communities, they have vehicles for which their cost structure doesn't include depreciation, so at some stage down the track they will need to replace those vehicles for which they haven't provided depreciation, weren't required to in the submission to get the vehicle, and they will be opportunities for us.*⁷⁶

176. Mr Dewsbury from TasBus also noted the important role community transport services could play as part of an integrated transport model with regional commuter bus services and the opportunity to develop partnership arrangements with these community based services:

Community transport is one of the largest fleets of vehicles in the state - about 60 vehicles. In regional areas it is difficult to get people to the bus stop because it is down a road where we cannot take a bus. We would probably rely on developing a partnership with community cars. You talk about 'park and ride' a lot, but we talk about transport hubs. In places like Richmond, New Norfolk, Huonville or Snug, we create a transport hub. It does not matter whether kids ride their bikes in or whether they catch a regional taxi or a community car to get onto the bus and then travel into the cities.

Park and ride facilities are good for those people that are in a car already, but once we get further out they are more dispersed. People do not have

⁷⁶ Ibid

the car options that they do within urban areas and kids who do not have licences use their bikes. The elderly are dependent on community transport.

For two people who live at Lower Longley for example, they can go in to the nearest transport hub by a community car and then catch the bus in. That car can then be used for community transport services. It does not come away for four or five hours at once. I am talking only about outside the urban area. When you think about longer distances like Port Arthur it is even worse. It enables them to utilise their fleet. It puts, as Geoff said, bums on seats for our fleet. When it comes into the city it puts these people on other services whether they are taxis or Metro buses. All of a sudden the car is not here⁷⁷

177. Mr Davies commented on the need to resolve a number of issues within the community transport sector before the model could reasonably be expanded to formally integrate other community based passenger movements into the public transport system:

My view on integrated transport is that you need to fix the inputs properly before you look at integration, otherwise you will integrate bad inputs.

Community transport needs to be sorted so that as it is expanded it covers the non-profit sector, it has critical mass and resources, and then it can be looked at in term of what it therefore might be able to offer other sectors.⁷⁸

The Northern Suburbs Rail Corridor

178. Tasmania currently has a rail line that terminates at Macquarie Point on the Hobart waterfront and runs through the northern suburbs corridor of Hobart, across the Bridgewater Bridge and north to Burnie.
179. The line was historically used for freight and passenger services. In the late 1970s, the passenger train service was discontinued, leaving freight as the only scheduled rail service in Tasmania. The rail line has been operated by private and publicly owned companies over its history and utilises the Macquarie Point precinct as a freight distribution hub.

⁷⁷ Op.Cit. Mr Shane Dewsbury, p.67-68

⁷⁸ Op.Cit. Mr Stuart Davies, p.32

180. In addition to the freight services, the Derwent Valley Railway operated tourist passenger services on an ad hoc basis to Mt Field National Park until the rail line was closed by then operator of the Tasmanian rail network, Pacific National, in the mid 2000s.
181. Following the decision of the Tasmanian Government to develop the Brighton Transport Hub, all freight rail services (operated by Tasrail) are to be moved to the new transport hub at Brighton. At the time of reporting, the precise timing for the relocation to be completed was unclear.
182. Given the relocation of rail services and other transport providers out of the Macquarie Point site, the State Government has established the Macquarie Point Development Corporation in response to Commonwealth Government funding of \$50 million to redevelop the site.
183. The decision to relocate rail services to the new transport hub at Brighton commenced a community debate on the future use of the rail corridor. At the time of reporting, a decision about the future use of the rail corridor had not been made by the State Government apart from a broad undertaking that the corridor would be maintained to allow for future options.
184. Chief Executive Officer of Tasrail, Mr Damian White confirmed the arrangements for the future use of the rail corridor once Tasrail ceases to operate the line:

We would consider that section of line not dissimilar to the way we treated the Scottsdale line and the Wiltshire line and the Maydena line. We would decommission those signals and then we would be obliged for a care-and-maintenance program, which is essentially just maintaining vegetation around the railway corridor.⁷⁹

185. Chairman of Tasrail Mr Bob Annells also confirmed Tasrail's intentions in relation to its use of the rail corridor into the future:

Chair, probably the biggest issue for us is that our intention is to move our Hobart freight operation base from Evans Street to Brighton. Brighton was a development that we inherited. It was put in place for a range of reasons. It is not just a rail terminal. Many people think it is because we

⁷⁹ Op.Cit. Mr Damian Whitep.6

are managing it but the truth of the matter is that Brighton was built for both a road/road interchange and a road/rail interchange. We put our hand up to manage it because I think we were the logical people to do so because we run terminals elsewhere within the state but we are very careful to acknowledge that this money was put in by the government for transport interchange, not just road/rail. Clearly we are interested in facilitating rail and Brighton will help us do that, but if people want to use the facility for road/road interchange then we will facilitate that as well and hope, over time, to educate them to the error of their ways and get them onto rail. It may or may not happen but we will do our best. ⁸⁰

186. By way of background to the funding arrangements with the Commonwealth for the maintenance of the existing track infrastructure, Tasrail confirmed that the Commonwealth currently funds the track and associated infrastructure and the State Government funds the rolling stock:

Mr MULDER - *What is that annual subsidy from the state, and how much are you getting from the feds?*

Mr ANNELLS - *Our annual subsidy from the state this year was about \$16.3 million and the federal government money is the balance of this straight capex, and this year it will be something in the order of \$30 million.*

The commonwealth provided for Tasmania for this particular funding in the vicinity of \$130 million of below-rail subsidy, to which you would need to add about \$78 million which were provided under emergency funding about four-and-a-half years ago, which sort of started the process. ⁸¹

187. Mr Annells was also questioned about the future use of the rail corridor for passenger services. He noted the following challenges associated with the current rail line:

I think the reality is starting over again in terms of standards anyway. There is a fundamentally different regime and standard that you need between running a freight railroad and running a passenger railroad. I suspect that is not well understood. The challenge to get that rail to a

⁸⁰ Op.Cit. Mr Bob Annells, p.2

⁸¹ Op.Cit. Mr Bob Annells, p.10

*standard, not just for safety reasons but for comfort of passengers and to run at the speeds you need to make it an efficient system, one that can compete with buses and cars, there is a significant amount of work needed on everything, from the foundations, to the ballast, to the rail itself, to the signalling et cetera. You are talking about fundamentally different rail.*⁸²

188. Mr Annells also spoke of the complexities of the future use of the rail line for passenger and/or tourist rail operations and noted there were safety issues that would need to be overcome and also possible financial implications for Tasrail:

You are going to have to build passing loops and all sorts of things. That becomes a real challenge in terms of your train control because you have to make damn sure that the passing loops and the train are where they are supposed to be - all those things.

*The challenge with heritage and tourist rail is, however, largely financial. People concentrate on one aspect of the insurance, which is the personal liability issue. But the reality is that for us there are serious downstream financial costs from the impact of running other passenger rail services on our network. It has been made very plain to us that it has quite significant implications for our other general insurance - business continuity insurance, for example - because if there is a breakdown, then the problem is we cannot run our train. So there are a number of difficulties. We have been working very closely with the relevant groups. We hoped to have had an outcome but we have not been able to produce that, despite putting a lot of effort into it. I think the groups understand that we are genuine in our attempt to find a way to make this happen, but it is not easy.*⁸³

189. Mr Annells was also questioned about the future use of the Bridgewater Bridge for rail services following the decommissioning of the existing rail line:

Mr FARRELL - *As far as the Bridgewater causeway crossing goes, if the line into Hobart is decommissioned by TasRail there would be no push then for continuing a rail link across the river. Would that be a fair assumption?*

⁸² Op.Cit. Mr Bob Annells, p.6

⁸³ Op.Cit. Mr Bob Annells, p.7

Mr ANNELLS - I think that is a challenging question as well. There are serious cost implications in providing a rail-link opportunity to cross there. I have seen it argued quite persuasively that that is a cost that should be considered paying to keep options open. We do not foresee the need from a freight perspective, but once it is not available it is not available forever. Again, I think you have to go back and talk to the planners in DIER. Our freight operations for intermodal freight will terminate at Brighton and that is an efficient way of doing it from our point of view. We will continue to run trains to Boyer, but it doesn't use that crossing.⁸⁴

190. The Committee also questioned DIER on the future use of the rail corridor during its evidence. Mr Norm McIlfatrick confirmed that no decision had been made by the Government and that all options were being considered:

Mr McILFATRICK - Certainly it is a rail corridor at the moment and discussions have been about whether light rail is viable on that. There is also a view that long term it could be a light rail corridor or a bus route but we're not going to turn it into something else until a lot of discussion has been had. There is a lot of evidence that the bulk freight will terminate in Brighton and there will be a transition to that over the next few years. There will probably be limited rail facilities for freight in Hobart once the railyards have relocated, so I think that's a lesser issue than maintaining it for the other things you mentioned such as tourist rail et cetera. We have a transport museum sitting right on the rail at Glenorchy so it's important that we take all those things into consideration. Heather was quite right to raise it as an option because it may lead to the ultimate, which is a light rail, so therefore you wouldn't sacrifice one for the other.

CHAIR - That is one of the things she flagged with us.

Mr FARRELL - It's just all the grey areas around the outside that Tony was mentioning before.

Mr McILFATRICK - If you turned it into, say, an Adelaide kind of bus mode of transport, it wouldn't be satisfactory for rail because that has the kerbing

⁸⁴ Op.Cit. Mr Bob Annells, p.8

*et cetera. That is specifically designed for buses; it was never a rail corridor.*⁸⁵

191. Ms Heather Haselgrove from Metro confirmed her personal opinion on the importance of maintaining the rail corridor and her belief that the timing was right to introduce a rail service due to the population size:

Ms HASELGROVE - *My view - and this is my view, not a Metro view, and I want to clearly put that on the table - is that the rail corridor needs to be preserved. I don't think the time is right for light rail but there will come a time when Hobart has grown, and the population and the density of the population along with that. Probably once all the industries move north. You can see it happening in Glenorchy, young families moving in, so that whole corridor could be low- to medium-density housing. It will be right around that corridor so to preserve the corridor has to be a high priority. If there was some way you could keep the rails in and just put pavement around and run buses up and down it, it would have to be just a peak flow - so in the mornings they go in and then afternoons out. They would do half their service, then run in.*⁸⁶

Passenger Rail – A Northern Suburbs Light Rail Service

192. One of the future options for an integrated public transport system that was considered by the Committee was the use of the northern rail corridor for a rail service.
193. The term 'light rail' is often referred to in association with the northern suburbs rail corridor proposals. The Committee noted the definition referred to in the Hobart Northern Suburbs Light Rail Business Case Peer Review, which states:

*A light rail system provides the middle tier to a public transport hierarchy. Light rail can be provided as on-road or off-road infrastructure and can service "middle distance" and/or "short-distance" trips, depending on the design of the system.*⁸⁷

⁸⁵ Op.Cit. Mr Norm McIlpatrick, p.29-30

⁸⁶ Op.Cit. Ms Heather Haselgrove, p.28

⁸⁷ Hobart Northern Suburbs Light Rail Business Case Peer Review, p.4

194. Rail proposals for the use of the corridor have been periodically raised since at least 2009 and appear to have largely originated from an initial proposal put forward by Mr Ben Johnston during 2008-09.
195. Since that time, the Government has undertaken a number of assessments in relation to various options for a service. Over this period of time, the scope of the proposal has substantially changed from a service running from Sandy Bay to Brighton (with multiple stops), to the latest proposal being a greatly scaled down service with limited stops (minimum 2) running from a central terminus in the Hobart CBD to Glenorchy.
196. There were a number of reports in relation to northern light rail proposals that were identified and considered by the Committee. The following is a list of the case assessment reports that have been commissioned by Government since 2009. The reader should refer to the reports in full for detailed information:
- i. 2009 - Hobart Light Rail Cost Estimate: Desktop System Design and Service Model (reports 1 and 2) completed by Parsons Brinckerhoff Australia
 - ii. 2011 - The Northern Suburbs to Hobart CBD Light Rail Business Case completed by ACIL Tasman (stages 1-3 reports)
 - iii. 2012 - The Hobart Northern Suburbs Light Rail Business Case Peer Review completed by AECOM Australia
 - iv. 2013 – Stage 1 Light Rail Business Case – Hobart to Glenorchy by ACIL Tasman
197. All of the documents are accessible from the DIER website and should be considered in conjunction with the strategic documents referred to earlier in this report.

http://www.transport.tas.gov.au/publications/light_rail_study

The Government Position on Rail

198. DIER officers were questioned at multiple hearings on the Government's consideration of a light rail service over time. The focus of the Committee's consideration was in relation to the 2011 ACIL Business Case reports, the AECOM peer review and the 2013 revised ACIL Business Case report.

199. Although referred to in submissions, the Parsons Brinckerhoff report from 2009 was considered by the Committee as outdated in the context of the more recent assessments that have been completed by Government.
200. DIER officers were questioned in relation to some of the key concepts associated with a passenger rail service. One of the core issues was in relation to the level of capital funding required to initiate a service (subject to variation depending upon the final proposal). Mr McIlfatrick explained the estimated cost based upon the 2011 assessment:

It is around \$90 million and our estimates are that it is between \$11 million to \$13 million per annum to support and operate the venture. If you compare that, it is one-and-a-half-times the asset value of Metro Tasmania, if we were to invest in it. I am trying to give you some context. It would be required to recover operating costs, which would represent approximately 50 per cent of the total rate base of the Glenorchy City Council. The investment will be sufficient to replace the entire Metro bus fleet and it could build three new high schools in Tasmania. I am not saying we should not do it; I just think we have to put that in context.⁸⁸

201. Mr McIlfatrick was also questioned about the challenges associated with funding applications and confirmed the competitive nature of the bidding process:

There have been some contributions into this debate that suggest that Infrastructure Australia has its cheque book ready and that, somehow, like manna from heaven, this free money will appear for the state. Those people know better. The simple truth is that my father straightened me out as a six-year-old when I thought money grew on trees. It doesn't. This money, if it is given to Tasmania and we put up a business case, will be as the alternative to other projects. The grants commission will discount that money. It has to be stacked up. That is why we referred it back.⁸⁹

202. The Committee could not find any evidence of alternative funding streams having been pursued by the State Government outside the Infrastructure Australia funding rounds.

⁸⁸ Hansard Transcript 16 November 2012, Mr Norm McIlfatrick, p.1-2

⁸⁹ Op.Cit. Mr Norm McIlfatrick, p.2

203. Mr McIlfatrick was also questioned on any subsidisation required for the service based upon the Government's position:

Ms RATTRAY - What level of subsidy would you consider?

Mr McILFATRICK - All public transport should recover its costs, apart from those concessional travellers and the people who do not have alternative transport. If I am travelling on the bus from North Hobart to the city to go to my job, I should be paying my way because I can afford to pay my way. But there are plenty of other people who can't and don't have opportunities. Public transport is for two reasons. It is for commuter transport as an alternative to cars and parking, or it is for public transport as an alternative for people not being able to afford the other alternatives.

But you can't start from the point of view of saying that all public transport should be provided below cost because that is not the case. The difficulty at the moment is that we do have a public transport network which services this area completely and has serviced it for many years - and that is subsidised.

What you are proposing to do is to add \$90 million of capital to subsidise the same group of people. It is not just the fact that we have a Metro transport. You have to recover not just the subsidy of the person travelling day-to-day but you have to recover the cost of the capital. We have less than two thirds of the capital that we are proposing for this project invested in the total assets of Metro Tasmania. It is not a small investment.

I am not saying it would not be subsidised but the hurdle we have to get over is: can we afford the capital and would we get benefits, such as removing cars from roads and savings on other elements of the public transport network? For instance, one of the savings would be that we certainly would not be running express buses down the Brooker Highway. But we would still be running buses for commuters and shoppers, et cetera, going down main roads. We would not be taking that out of the equation.

You cannot ever start this saying that it is never going to make a return because the ideal thing for this would be if we could get 20 000 people a

*day not using their cars - that is, you know, taking 12 000 cars off the road - and saving them money so they can save enough money to pay the real cost of the transport. That is how the thing needs to be modelled. Otherwise, we are adding not just the capital expenditure to the equation, but we are making our current public transport less efficient, and therefore the implied subsidy is actually greater.*⁹⁰

204. Ms Heather Haselgrove from Metro also provided the Committee with her observations of some of the challenges associated with the option of a passenger rail service given the location of the corridor in proximity to major services and noted they had been consulted during the business case assessment:

Ms HASELGROVE - *I don't know exactly what was modelled but you can't pull out all the long route services because there will be people who will just not walk from the rail because the rail goes along the corridor and not mirroring -*

CHAIR - *Not Main Road.*

Ms HASELGROVE - *So if somebody wanted to get out at North Hobart, it is a fair walk from the rail to the State Cinema.*⁹¹

Hobart to Northern Suburbs Light Rail Business Case 2011

205. With this background in mind, the Committee considered the 2011 light rail business case that was completed for the Government in 3 stages (3 reports) by ACIL Tasman, Hyder Consulting and SEMF.
206. Although the reader should refer to the reports in full, some of the key concepts noted in relation to the 2011 business case included -
- It was an economic cost benefit analysis that relied upon subjective costs and benefit inputs (presumably under Government direction);
 - Included demand analysis (including the use of a 'sparks effect');
 - Did not consider a service past Claremont to be viable for consideration as part of a detailed assessment;

⁹⁰ Op.Cit. Mr Norm McIlpatrick, p.9

⁹¹ Op.Cit. Ms Heather Haselgrove, p.24

- Found the cost benefit ratio (less than 1) of a service to Claremont as being a high risk project;
- Noted that a significant investment in track upgrades would be required;
- Considered a number of other public transport related issues in Southern Tasmania by way of background;
- Considered optimal operating service models (2 identified) and found a diesel or overhead electric service would be suitable;
- Estimated the capital and operational costs for the service:
 - Approximately \$80 million capital cost for diesel
 - Approximately \$92 million capital cost for electric
 - Operating costs of approximately \$5 million p/a for each service mode.
- Noted major tourism attractions and events along the corridor as positive factors;
- Focuses on the use of the service for commuter usage (discounts its use for school trips etc);
- Included the estimated average cost of parking around the Hobart CBD precinct (including parking obtained at no cost to the user); and
- Included limited park- and-ride facilities.

207. Mr Norm McIlfratrick was questioned about the business case and confirmed that an application had been made to Infrastructure Australia for funding following the completion of the business case, but that it had been unsuccessful. He also indicated that as a result, further strategic planning work had been completed in response to the unsuccessful submission:

Stage 1 of our corridor plan for the northern suburbs is all about what the needs are first and then you look at what the hurdles are and then you can look at where the investment opportunities might be. That first stage of that report in the northern suburbs I think is now on our website, but it probably has about three stages of work to do. We did that because the

*feedback from Infrastructure Australia in the light rail submission was that they wanted us to look at both alternatives and complementary measures for the same corridor, that necessary part of getting long-term funding for what is probably seen as alternative to the bus network. It's a large lick of money, so the more evidence we have, the better.*⁹²

208. Mr McIlfatrick went on to explain the ongoing work being completed by DIER in relation to the northern rail proposal in response to the public criticism of the assessment process:

Mr McILFATRICK - *We are continuing with corridor planning down the Main Road conduit because that will always be a transport transit corridor - how we can improve buses down that corridor and we have been doing work with the Hobart and Glenorchy councils on that. But we need to prove that there is going to be movement of a transport option from light vehicles to the rail or, alternatively, from bus connection to rail. There needs to be a viable, future use of an asset like this. One of the issues we have had is that - I will go to the current business case, and it is being peer reviewed because of the public criticism of some of the aspects of it, so we are currently very close to completing that peer review so I cannot say what the answer would be.*

But in any business case it needs to have the parameters that are considered in the same way you would consider other projects. You have to be very ambitious to see this project returning the \$11 million to \$13 million a year in operating because of the numbers. Now, the bus transport that you said was going to substitute all of the bus transport in the northern suburbs, particularly in - I guess - the Claremont inward; I think there are 20 000 to 25 000 passengers on that Main Road network - if they all went to the light rail we would still not have a viable business case. So if the business case peer review is upheld, it shows that there needs to be 90 000 passengers a week on the network at the current investment to make it viable. Once you get below about 30 000 to 38 000

⁹² Op.Cit. Mr Norm McIlfatrick, p.4

it has a zero business case. Now, with 20 000 to 25 000 on the Metro network it has to be a massive increase in the number of passengers.

The other aspect of the business case is that to get, for instance, all the school children on there, that was discounted out of the business case.

Ms RATTRAY - *Why was that?*

Mr McILFATRICK - *Because it could compromise the true use of the thing as a rapid commuter transport network - not to say you would not have students on there, but it would not be the primary purpose. But if you did have all the students on there, it would not be a \$90 million asset because you would have to have the capacity to take the students. So you are probably talking about more investment. So that as soon as you start to say - this isn't a static asset - if you say, well, we assume we are going to get all the students on there and they are not going to be travelling by bus any more and they are going to walk the 2.8 kilometres in some cases to the train or be connected, it would be a different business. You would have to have more trains at the peaks than you would have now, and we would have to have potentially more redundant assets at the off-peak, so that the business case might not be \$90 million for capital; it might be more like \$150 million.*

So just by changing some of those parameters, which what we want to do is to make sure that when we get the peer review, and if the peer review adjusts the model and either endorses the model or adjusts it or says we need a new model, that new model or adjusted model has to be able to factor in all of these things. We have taken a base case and said it needs a lot more people than we think we can get now, but if there is another case then that is where you are. We are trying to build a case to make sure that we do not build something and hope people will come.⁹³

209. Mr McIlfatrick was also asked to respond to the criticism raised by witnesses that road based infrastructure projects were not required to meet the same criteria as had been the case for a light rail service:

⁹³ Op.Cit. Mr Norm McIlfatrick, p.5-6

Mr McILFATRICK - Every time a person who drives a vehicle turns up at the petrol pump, they provide excise to the federal government. Every time they pay their registration to me every year they pay for the bit of road that they use. It is not directly hypothecated from the federal government to the state governments or local governments but it is there. There is a pool of money collected from people who drive vehicles. That pays for the roads that they drive on.

CHAIR - Now, does it? That is the question. Is the business case there?

Mr McILFATRICK - What I am saying is -

CHAIR - I am not suggesting it is not. I am just saying that that's -

Mr McILFATRICK - I am on a national board looking at the investment and charging for road systems at the moment. The big problem is that it is not directly related. The money that is collected goes into consolidated revenue, then it comes back. In essence, everyone who drives a vehicle, heavy or light, is in some way - in some cases more than some way - contributing to the road system. So the business case that we would put forward for a road system would be to ask, 'What are the numbers of vehicles on that road?'. There are certain parameters. What is the impact on the maintenance of those vehicles? What access do those vehicles need that they have paid for, such as a heavy vehicle needing a B-double access up the Midland Highway? Are we providing the utility that those people are implicitly paying for in paying for their fuel excise and their registration fees? In terms of heavy vehicles, essentially from most arterial road systems the heavy vehicles generate the impact on the road. A truck would have a thousand times more impact on the pavement than a -

Mr VALENTINE - They guzzle more gas.

Mr McILFATRICK - So, in terms of how road assets are paid for in Australia, they are paid for by a backward-looking view about what has been spent on the roads. Then the registration and fuel excise charged to heavy vehicles is actually from that. So there is a pretty direct thing.

I would like to see it as a forward-looking thing so that before we spend money we have to - but that is the national debate at the moment. But

*don't for any one moment think that people driving cars are not paying for the road systems that they are on. They have paid for it for the last 100 years. Whether there is a direct linkage there is debatable but we do have to provide business cases on the same basis as public transport.*⁹⁴

210. DIER officers were also questioned further on the issue of the potential for students to utilise the rail service in commuting to school in comparison with the existing bus services, which was another criticism raised by witnesses in relation to the business case assessment process:

Mr VERRIER - *Just one thing, Norm. On that student side, I know that is one that has caused quite a bit of confusion about how intuitively you can actually write that you would be saying if you are encouraging students you are actually not necessarily improving the business case. It was one thing that we have talked about, and this goes back some time, just the example in terms of students who are already travelling on the bus system as compared to students who are travelling by other modes. If you look at the Brighton catchment at the moment, there are about eight buses coming out of Brighton every morning with school students. They do an interchange at Brighton to get the students on to the right bus if they are coming in from the southern Midlands, Kempton and such. Theoretically, you could say I can take those eight loads of students, 400 children, and put them on to the rail system at Brighton. Mr James Verrier explained DIER's perspective on the issue*

Mr VERRIER – *You have to take them all at once. You are looking at what you are doing to your peak rail capacity, your 400 students into two vehicles. Furthermore, you already have to get those students to the railhead. You have those buses; you still have to bring them down to the rail. You have paid for the buses; we pay for the capital on those in full because the operator has to provide the service. The driver of that bus has a minimum sign-on period of two hours, morning and afternoon, so it does not matter how far they drive the bus, the driver is going to get the same pay. The only thing you are saving by moving the students from the*

⁹⁴ Op.Cit. Mr Norm McIlfatrick, p.10-11

bus to rail is that marginal operating cost of those additional kilometres from Brighton to wherever the school is.

In that sort of situation, you have already paid for the school bus capital; we are now paying for an additional lot of capital for the rail. Overall, it is a net loss in your investment. When we have talked about student travel, that is what we have been thinking about - where there is an investment that is already there which you cannot get rid of, or cannot avoid, and transfer to the rail. It means you are making a double investment. Once you get to that point, you are starting to damage the business case. That is where that side of it just highlights what I am going to argue.⁹⁵

The AECOM Peer Review

211. During his evidence in 2012, Mr McIlfatrick confirmed that given the negative outcome to the light rail funding application, and in response to community criticism of the assessment process, the Minister had decided to commission a 'peer review' of the business case:

Mr McILFATRICK - *Light rail is a mass transport system. The issue will be and the evidence needs to be there for any investor, whether private or government, that somewhere down the track this is not going to be a burden on government or the investor beyond what it is worth. One of the issues with light rail, which is why we keep working on it, is it does need to make an assumption that there is substantial change in pattern and because there has been so much conjecture about the light rail model, we have agreed with Minister McKim that we are going to have that light rail model peer-reviewed.*

CHAIR - *Excellent.*

Mr McILFATRICK - *In fact there will be a press release today not because we are coming here.*

CHAIR - *You haven't chosen the peer review person yet?*

Mr McILFATRICK - *I met the minister the other day and he will announce we are going to do it. What I will do is go through an expression of interest*

⁹⁵ Op.Cit. Mr James Verrier, p.17-18

process which I will put through our normal internal process and there are probably more than half a dozen corporations that would do it. We think that will probably take about two to three months to do. Once that model is either confirmed or improved through the peer review there are a number of other scenarios we can run through the model. There would be no point in me going in and asking David to run another scenario through the model, such as a change in capital or a change in passenger numbers if there is some doubt about the model. Let's get the model reviewed and then let's have it there to run other scenarios, such as what happens if we go all the way from Brighton or what happens if we shorten the route as a first stage or whatever. We will be there around September, October. At the same time, we will be completing the second stage of the northern suburbs corridor project.⁹⁶

212. Mr McIlfatrick went on to provide further information in relation to the peer review task to be completed:

Mr McILFATRICK - *The next steps are to test the model with a peer review. The peer review is not just a desktop analysis; it is a \$40 000 to \$50 000 worth of work. It isn't just going around and testing a few numbers; it is going back to the basics, talking to the people who were involved initially. I trust ACIL Tasman and I have also worked with AECOM before. They are both very good national consulting firms. They are not going to listen to Peter Kruup telling them to just come up with a model that suits DIER. They are going to come up with a model that meets external scrutiny.*

CHAIR - *Norm, you have had criticism about the fact it appears that you did not go out to the marketplace to seek widely or advertise in the paper for people to do this peer review. Did you just -*

Mr McILFATRICK - *There are a certain number of people in Australia who are experts in this. We could advertise in the newspaper, we could go to academia, or we could go to our engineering and other peers that we use every day. We chose to exclude the people that DIER works with every*

⁹⁶ Op.Cit. Mr Norm McIlfatrick, p.8

*day like Pitt and Sherry or SKM. So that closed them. In choosing to exclude them, we couldn't actually go to the general market but we went to people who were experts in their field.*⁹⁷

213. In December 2012, the peer review for the northern light rail business case was completed by AECOM. The Committee noted the following findings from the report:

- The business case was a fair and sound appraisal of the economic benefits and costs of the HNSLR project and generally adheres to the requirements of Infrastructure Australia;
- The business case if anything, was on the optimistic side, with some capital and operating costs on the low side;
- Some costs were not appropriately accounted for and if they had, the project would not have had a positive NPV (net present value) or favourable BCR (benefit cost ratio);
- Patronage estimates were inflated and the associated projections highly unlikely to eventuate (for a variety of explained reasons);
- The introduction cannot be assumed to provide an uplift in the use of public transport in isolation and would need reform to planning schemes along the corridor and the reduction in car friendly developments;
- Glenorchy is the best terminus due to it having the lowest net costs.

Extending the line further would worsen BCR, NPV and cost recovery.⁹⁸

214. The report at Part 2 also took into account the various criticisms of the business case raised by Community Advisory Panel submissions (6 submissions in total) and responded to the concerns raised. The majority of concerns were refuted although the report did support the comments made by the Hobart City Council and the Planning Institute of Tasmania in their submissions (refer to pages 43-73 of the report for the analysis of the concerns).

⁹⁷ Op.Cit. Mr Norm McIlfratrick, p.8

⁹⁸ Hobart Northern Suburbs Light Rail, Business Case Peer Review, ACEOM December 2012, p.29-40

215. Mr McIlfatrick later confirmed the outcome of the peer review assessment at a subsequent hearing in June 2013:

*There were a lot of questions in the community, particularly by the people who were advocating that the light rail original business case was flawed. We took that on board and had a peer review. The peer review generally found that the business case was sound. However, one of the things it highlighted was that there was a chance of optimising the model to look at it as a stage 1 shorter trip, which would potentially get the business-plus ratio above one. The original business case was a long way out of that. If you remember we went from Brighton to Claremont to see whether we could get the volume. It is a volume related to how many passengers are on the route.*⁹⁹

Hobart to Northern Suburbs Light Rail Business Case 2013

216. Following the release of the peer review report in late 2012, the Minister for Sustainable Transport, Hon Nick McKim MP announced on 22 December 2012 that based upon the findings of the AECOM review, he had instructed DIER ‘to begin work on commissioning a new business case for Stage One that I intend to submit for Commonwealth funding consideration early next year’. The Minister confirmed that the stage one proposal would terminate in Glenorchy.¹⁰⁰
217. Minister McKim also noted that he would ‘be writing to key state and local government decision makers to form a taskforce to help progress light rail, and to put light rail at the heart of an integrated vision of urban and social renewal for Hobart and the northern suburbs.’¹⁰¹
218. The inaugural meeting of the Minister’s taskforce took place on 11 June 2013. The Members of the taskforce were as follows:
- Nick McKim MP;
 - Cassy O’Connor MP;
 - Hobart Lord Mayor Damon Thomas;
 - Glenorchy Mayor Stuart Slade; and

⁹⁹ Hansard Transcript 11 June 2013, Mr Norm McIlfatrick, p.1

¹⁰⁰ Media Release, Minister for Sustainable Transport, 22 December 2012

¹⁰¹ Ibid

- Tasmanian Planning Commission Executive Commissioner Greg Alomes.¹⁰²
219. During the Budget Estimates Hearings in the Legislative Council on 3 June 2013, the Minister for Sustainable Transport confirmed that invitations to join the taskforce had been extended to the Minister for Infrastructure and the Minister for Planning. For reasons that were not explained during the hearing, both Ministers declined the invitation.¹⁰³
220. ACIL prepared a new business case for an amended rail service from the Hobart CBD to Glenorchy during 2013. The revised light rail business case was released in June 2013.
221. Although the report should be considered in full, some of the major points from the report that were noted by the Committee included:
- The revised assessment considered a shortened service that would terminate in Glenorchy (the last assessment terminated at Claremont);
 - The report took into account the findings of the peer review report completed by AECOM;
 - There were several options that were modelled (optimal operating service modelling) that delivered a positive cost benefit (the most positive modelling being for a 2 stop service);
 - The model is based upon a rapid transit service;
 - Although the critical comments in the AECOM review about the 'spark effect' were noted by the author, ACIL have chosen to pursue a 20 per cent margin on the basis that it is a figure acceptable to Infrastructure Australia;
 - The service proposed a change in rail gauge from the current line;
 - The benefits of extending the line at least as far as MONA were not considered adequate;
 - The modelling includes a revised Hobart CBD terminus at the lower end of Elizabeth Street;
 - Revised upward Hobart CBD precinct parking costs;

¹⁰² http://www.themercury.com.au/article/2013/06/11/381223_tasmania-news.html

¹⁰³ Hansard Transcript 3 June 2013, Legislative Council Estimates Committee (B) – Part 1, Hon Nick McKim MP

- The quantification of social exclusion was excluded from the latest assessment on the basis it was not a quantification included in past Infrastructure Australia submissions.

222. DIER officers were questioned about the revised proposal terminating at Glenorchy and in particular, not extending to MONA:

CHAIR - *How will this business case progress now? What are you going to do with the comments that are being made, and I speak particularly about - you have raised MONA already. We raised this in Estimates with the Minister for Tourism and he said, 'Of course it has to go to MONA, we are looking at 300 000 visitors a year'. While, admittedly, we are looking at it being a commuter rail, why would you not also cater for the tourist market?*

Mr McILFATRICK - *I certainly believe MONA is a great asset for Tasmania. We were chartered by our minister to look at how to make a viable business case for light rail in Hobart. There is no point pushing an unviable business case and that is why we have taken out the Claremont to Glenorchy leg because the population centre is focused around Glenorchy. If you got the business case up on that basis, would it be a reasonably easy stretch to take MONA into it? Probably - but not in the initial stage because it would probably knock out the business case.*

CHAIR - *Did you look at the business case with MONA in view?*

Mr RUTHERFORD - *The report does make reference to MONA. It is not an in-depth analysis, it is a contextual analysis. It makes the point that because of the nature of the elasticity with the price responsiveness of tourists that they are much more likely to use either the existing ferry or car transport than rail. It is a numbers proposition. It is one of things, as Norm is saying, that you could imagine once you had established the service you would build a market to extend to MONA, but it is very difficult to make it part of the initial business case. The numbers they would look at do not seem to be there in terms of the people you can move between modes. You can to move them*

*between existing modes to go to MONA and the writers of the report were very dubious.*¹⁰⁴

223. The Committee also questioned DIER officers on the estimated cost of extending the line from Glenorchy to MONA. Mr McIlfatrick advised the Committee that:

*In capital terms, the capex is around \$30 million. If you took the MONA one, you are probably going to be adding another \$10 million to \$12 million in capital for the project.*¹⁰⁵

224. The Committee questioned DIER officers on the decision within the business case to increase the rail gauge. Mr McIlfatrick advised the Committee of the reasoning for the decision:

Mr McILFATRICK - *This is a business case and we have asked them to look at all the options. You have to ask: what are the sensitivities? Whether you have narrow gauge or standard gauge is not going to be the differentiator that is going to get this up. What you would do if you take this forward is say, 'What do we actually want? What does the market look like? So we would start with the existing gauge - is there enough opportunity to get the vehicles at the existing gauge? One of the opportunities that we would have is to improve the ride and speed by going to standard gauge. If you are going to rebuild a railway you should be thinking about rebuilding it to give it the best outcome. In \$30 million, a million or so either way is not going to make or break the business case. The final figures are going to be what they are when you do the proper capital investment planning and the detailed design. This is to give us a number to put in the business case.*¹⁰⁶

225. Mr McIlfatrick also raised concerns about the prospect of a short term funding resolution and that it may require a political decision to resolve the matter:

There is an issue at the moment in that my colleagues in the federal department are not particularly focused on new projects. They have

¹⁰⁴ Op.Cit. Mr Bob Rutherford, p.3

¹⁰⁵ Op.Cit. Mr Norm McIlfatrick, p.4

¹⁰⁶ Op.Cit. Mr Norm McIlfatrick, p.5

*just announced their Nation Building 2 projects and they are approaching a federal election. I do not have the choice to take it into political sphere, but my minister does*¹⁰⁷

226. The Committee also questioned DIER officers on the revised modelling in the business case for estimated cost of CBD precinct parking, given this was a criticism of the original business case:

Mr McILFATRICK - *That was a criticism of the earlier business case, that it included average cost of parking which took into account that a lot of people were getting free parking. This business case, the change in the model, has been to take it to the actual commercial cost. So at \$8, the sensitivity to me would be that if it went to \$16 it would only improve the business case. We are assuming that it will not go below \$8 because that would take the business case downwards. It goes to some of your questions about: could this work better if parking was restricted? Yes, but we have assumed that parking will be restricted.*

Mr MULDER - *The business case has assumed that there will be commercial constraints at this time?*

Mr McILFATRICK - *No, it hasn't made assumptions about building large-scale park-and-ride facilities, particularly in Glenorchy and Moonah, because initially they would be high cost.*

Mr MULDER - *That is why I asked the question about the parking, because it counter-balances it. What it is going to cost you commercially to park on the Domain is now counteracted by what it is going to cost you to commercially park at Moonah or Glenorchy. So perhaps we need to be more restrictive than that.*¹⁰⁸

The Hobart Northern Suburbs Rail Action Group

227. The Chief proponent for introducing passenger rail services to the northern suburbs of Hobart using the existing rail corridor has been the Hobart Northern Suburbs Rail Action Group (HNSRAG).

¹⁰⁷ Op.Cit. Mr Norm McIlfratrick, p.6

¹⁰⁸ Op.Cit. Mr Norm McIlfratrick, p.10

228. HNSRAG provided a written submission to the inquiry and was critical of the Tasmanian Government in relation to its assessment of the rail case. It is important to note that at the time of the submission, the AECOM peer review and the 2013 revised business case had not been completed.
229. Although the reader should refer to the detailed submission from HNSRAG in full (available on the inquiry webpage), the Committee noted the following major benefits of HNSRAG's original rail proposal that it advocated in its submission:
- Public transport patronage in Hobart per capita is by far the lowest of any capital city in Australia;
 - Increasing road congestion (notably Main Road Moonah and the Brooker Highway) should be abated;
 - The northern suburbs contains a high proportion of 'transport disadvantaged' residents (people that rely heavily on public transport as their main form of transport);
 - The proposal would support positive social, economic and environmental benefits (expanding the consideration outside the economic factors contained in the business case assessment);
 - It would be a faster journey time than Metro and private motor options due to having a dedicated corridor;
 - It would be clean and efficient (due to the proposal being for an electric system);
 - It offers comfortable transport;
 - The service would terminate in the Hobart CBD at Mawson's Place providing convenient access;
 - The proposal would limit the need for other major infrastructure projects such as the planned upgrade of the Brooker Highway;
 - The proposal would provide economic stimulus to the northern suburbs through increased developments along the corridor and the improvement in land use planning through the development of brownfield sites; and

- Improved tourism access (including better access to the Museum of Old and New Art).¹⁰⁹
230. The Committee also noted the original proposal recommended the introduction of a service from Hobart city (Mawson Place) to Brighton, with 7 intermediate stops (New Town, Moonah, Glenorchy, Berriedale, Claremont, Granton, and Bridgewater), with a total journey time of approximately 30 minutes.¹¹⁰
231. The proposal contemplates that park and ride facilities would be constructed at each station (with the exception of Mawson Place) and integrated with the inter-city cycleway. The Committee noted that this was in part to overcome the feeder network issue of the population predominately not living within walking distance of the stations.
232. The estimated cost of the original proposal was stated at \$60 million when the proposal was released.
233. HNSRAG was questioned about how the rail service would integrate into a Metro bus network to accommodate passenger requirements as part of an integrated network. Mrs Kristy Johnston member noted in relation to this issue:

Mr VALENTINE - *How do you perceive things changing to facilitate this rail? Would you see Metro offering more localised feeder services to a node or do you perceive other infrastructure that might need to exist to encourage people out of their cars and those sorts of things?*

Mrs JOHNSTON - *Metro has recently modelled work on their northern suburbs network plan and what they have envisaged, their aspiration, is to have a priority route, which would be the corridor, whether it be Main Road or rail corridor, and then have feeder services into that which are linkage services. They openly acknowledge that you could easily replace the priority route with a rail system, so there you would have feeder services into a priority route. A bit like a feather, I suppose is probably the easiest way to describe it: you would have a spine and those bus or ferry services would feather out from that key spine. You would have smaller buses possibly running between stations or up into the east, as you say. You could have cycling facilities. Certainly cycling integrates very nicely with*

¹⁰⁹ Op.Cit. Mrs Kristy Johnston, p.12-24

¹¹⁰ HNSRAG written submission August 2012, p.12

trains and you could have cycling facilities on the train, walkways and things like that.

Also with rail infrastructure there is the phenomenon that you can have transit-oriented development occurring and we certainly have a lot of sites in the northern suburbs where that can really flourish, particularly if you're looking at the Derwent Park situation. If it is the case that a lot of those warehouses move out to Brighton when the transport hub opens up, there is a possibility there for some ground-fill sites that could be in-filled.¹¹¹

234. In support of the proposal and in response to criticism that there was an insufficient population base within walking distance of the rail line, Transport Planner Mr James McIntosh provided the Committee with an example of station infrastructure which did not have a pedestrian catchment but which had been very successful in Perth:

Murdoch train station has no pedestrian catchment around the rail station at all so there is no network walking distance to the station, there is no dwelling within 800 metres and 800 metres is the ten minute walking catchment, so it is seen to be the perimeter from which people are prepared to walk. It has over 7 000 daily boardings at that station. It has 700 park and ride bays, so the lion's share of what has been done has been through the feeder bus services. What this means is that these feeder bus services in financial costs are nil and in time costs; they get down to the station very quickly and there are high frequency services. What you are seeing then is that people can go up to these bus stops and say, 'I do not need a timetable - there will be one in a couple of minutes,' so people are using these services very frequently in very low density suburbs. You are seeing buses going through, what I would call basically trawling the suburbs for people, very quickly getting them to the station, dropping them off and getting them to their destinations.¹¹²

235. In commenting on the Government's business cases completed to date, HNSRAG raised a number of criticisms with the original 2009 Parson

¹¹¹ Op.Cit. Mr James McIntosh, p.9-10

¹¹² Hansard Transcript 15 April 2013, p.3

Brinckerhoff Hobart Light Rail Cost Estimate (the first light rail assessment) and contended the original proposal was not realistic on multiple grounds:

- The study deviated significantly from the original northern rail proposal in that it was a tramway proposal that would run from the University of Tasmania to Granton, utilising parts of the rail corridor and parts of the road infrastructure;
- The rail track would have to be completely rebuilt due to it being a dual standard gauge system;
- The report was completed prior to recent track work having been completed;
- The report places too much weight on standard gauge line being necessary when options for narrow gauge are available;
- The report produced a cost-prohibitive model that is not reflective of the original proposal.¹¹³

236. The submission also considered the 2011 ACIL Tasman Northern Suburbs Light Rail Business Case Critique. It noted that the report was completed in 3 stages, and that in its opinion, fundamental errors were made in the Stage 1 report that led to problems with the later stage reports based upon the model and assumptions drawn from the stage 1 report. The criticisms of the stage 1 report included:

- The patronage figures excluded students;
- On the basis of the patronage figures, the scope of the business case was narrowed to services between Hobart and Claremont;
- Relying on low bus patronage figures was flawed due to the current services having problems with time and frequency;
- The walk-on ridership patronage figure of 15% was too low;
- A lack of 'purpose designed feeder bus services';
- No acknowledgement of the growth potential in residential and commercial terms around the stations;
- Stage 1 of the report failed to acknowledge the 'spark effect';
- It failed to include sufficient park-and-ride facilities and 'kiss n ride' (passenger drop offs by car);

¹¹³ Op.Cit. p.26

- Did not consider existing road traffic as an indicator of demand.¹¹⁴

237. HNSRAG concluded the projected patronage figures were flawed and that the decision to exclude the Granton, Bridgewater and Brighton stations from the proposal was in error. Mrs Johnston was questioned on the reasoning for this view and commented on the Granton station and the opportunities for this becoming a catchment station for the region:

*On the ACIL Tasman look at patronage, we were dismayed - this particular instance of the Granton potential terminus. We saw that as a wonderful park-and-ride opportunity for a catchment, I think, of 7 000 people - New Norfolk, Brighton, Bridgewater - and yet the first stage, which eventually curtailed the scope back to Claremont, suggested there would only be 15 return journeys each day from Granton. Out of a catchment of 7 000 people, that is a very low fraction.*¹¹⁵

238. HNSRAG was questioned further on the issue of projected patronage figures from the estimated catchment area during its appearance before the Committee in response to the major concerns identified in the ACIL reports. Mr Ben Johnston responded to questioning on the issue:

CHAIR - *That's right, so we're talking about maybe 70 000 people or thereabouts in the entire catchment area.*

Mr JOHNSTON - *But if you look at the Brooker Highway and the 50 000 vehicles that move through the Risdon intersection there, the railway can't carry all those people. If we were looking at Hobart without any legacy infrastructure you would probably look at your transport economics textbook and say that 220 000 people is probably not big enough for rail, but our major differentiation is that the railway track is already there and it was there before all those people were there. In 1875 they put them on to Launceston and Hobart grew out along that corridor.*

What you've also got to look at are the alternatives to restoring rail on that railway line. Something I tried to get through to DIER as part of my role with the community advisory panel with last year's study was that they

¹¹⁴ Op.Cit. Mrs Kristy Johnston, p.27-29

¹¹⁵ Op.Cit. Mr Ben Johnston, p13

*were looking at Brooker Highway upgrades simply to mitigate the morning and afternoon peaks when you have that congestion and an 80 km/h highway gets down to 27 km/h. They said they weren't looking at that and then subsequently last year's Infrastructure Australia's submission comes out with \$1 billion worth of highway upgrade between Hobart and Bridgewater.*¹¹⁶

239. Mrs Johnston commented further in relation to patronage from the Southern Midlands and Derwent Valley regions:

*The other thing to consider is that whilst we're talking about the northern suburbs it's probably a bit misleading because we're also talking about the Derwent Valley and southern midlands people who commute. They have a very poor bus service which I'm sure you've heard evidence of already.*¹¹⁷

240. She was also questioned on the HNSRAG proposal to include services to the Brighton region given the uncertainty surrounding the future use of the Bridgewater Bridge:

*We have had some quite frank discussions with DIER representatives about the new Bridgewater Bridge and made strong representations to them at the time about the need for rail access to remain across the bridge. They were quite clear, in their discussions with us, that they had no intention that rail would ever go across the river again and they were not considering it. They indicated that to include it in the new bridge would be \$150 million extra capital cost. They see no need to maintain the existing bridge in the future and that once the new bridge was opened, their maintenance obligations for the existing bridge would wane. That they were dismissive of any future passenger rail services and the need for future freight rail services is concerning.*¹¹⁸

241. A variety of additional evidence was received by the Committee in support of a Northern Light Rail service. This evidence was also generally critical of the business case assessment process that had been completed by Government.

¹¹⁶ Op.Cit. Mr Ben Johnston, p10-11

¹¹⁷ Op.Cit. Mrs Kristy Johnston, p.11

¹¹⁸ Op.Cit. Mrs Kristy Johnston, p14

242. Future Transport Tasmania (FTT) was critical of the northern rail assessment process in its submission and raised several major grounds of objection:

- That the preliminary submission to Infrastructure Australia for funding of the proposal should not have been included as part of the funding submission for the upgrade of the Brooker Highway on the basis that the projects were mutually exclusive and the Government should have supported the northern rail development;
- The business case for the northern rail proposal was flawed in that it did not measure the cost of the proposal against improvements to the Brooker Highway, did not adequately measure potential travel demand or the full cost benefits of the proposal;
- Highway projects have not received the same level of scrutiny as the rail proposal;
- The population size is not too small to support the rail proposal (there are over 90 cities supporting rail with population sizes between 100,000 and 300,000).¹¹⁹

243. Transport Planner Mr James McIntosh was questioned about the population size challenges identified in the business case and used the comparative example of the Perth rail development:

- If you look at the greater Hobart transport survey done by DIER a couple of years ago, if you look at the travel surveys that they put in there of the people that are coming and the zone trips between Glenorchy and Hobart and vice versa, this covers a very large amount of traffic on the suburban road network. If you can go through and achieve a modal shift into there, arguably what places like Perth - people say Hobart is too small or it's whatever. Hobart is significantly more dense than Perth. Perth sprawls - they do quarter-acre blocks with their eyes closed; and they are still doing them now, and they are huge sprawling suburbs, very difficult to serve.

But they have approached their public transport system very cleverly in that they have understood both the benefits of public transport in getting people out of their cars and not having to fill these centres with car parking. They have also understood the funding aspects of it as well, so they have

¹¹⁹ Future Transport Tasmania written submission August 2012, p.5-12

*what's called a Perth Parking-Management Act - an act of parliament that sits over the Perth CBD or the Perth municipal area and they have parking charges in there. They're a touch under \$700 per space per year, a couple of bucks a week.*¹²⁰

244. Greens Candidate for Denison, Ms Anna Reynolds and Dr Bob Brown in their joint submission to the inquiry also raised concerns with the business case assessment and expressed their support for the introduction of a rail service. In particular, their submission commented on what they believed was a focus on road based infrastructure projects in submissions to Infrastructure Australia. Similar comments were raised by other witnesses in their evidence.
245. The key points noted from the submission from Ms Reynolds and Dr Brown in relation to the Infrastructure Australia application process were:
- DIER lodged a \$1.62 billion Hobart to Launceston Road Strategy submission with Infrastructure Australia during 2011. Whilst this included an 'Application for eligibility for Assessment – Passenger Transport in Hobart's Northern Suburbs', there was no specific funding requested for the Northern Suburbs rail proposal;
 - Consultation did not appear to have been completed with all relevant agencies;
 - A specific modest submission to fund the northern suburbs rail would have been received favourably by Infrastructure Australia on the basis that:
 - There is an aging population and high disability rates along the corridor;
 - The corridor presents an opportunity to develop medium density housing;
 - Acknowledging peak and the associated vulnerability of low-income communities along the corridor;
 - An agreement with relevant Councils to implement land-use planning and parking cost reforms;

¹²⁰ Op.Cit. Mr James McIntosh, p.6

- The comparatively modest cost of \$100 million for the project compared to \$238 million for the Brooker Highway upgrade.¹²¹
246. The Committee also received evidence from the Derwent Valley Railway (DVR), which is a non-profit rail preservation and tourist passenger rail operator. In its written submission, DVR noted it had been operating tourist excursions on the Derwent Valley Line and Main South Line to Hobart since 1990 and that its access to the lines ceased in 2005 due to network management and maintenance issues associated with then network operator Pacific National.¹²²
247. The DVR submission noted its priorities in relation to the maintenance of an existing rail line to Hobart -
- Maintaining the network connection at Bridgewater junction;
 - Maintaining access across the Bridgewater Bridge;
 - DIER to maintain road crossing facilities;
 - Maintaining a usable rail line to the Hobart rail yards and to Mawson's place into the future.¹²³
248. DVR representatives elaborated on the Railway's future plans at a hearing and confirmed they would like to focus on the tourist market (particularly cruise ships) for day trips on the Derwent Valley Line. Mr Derek Jones advised the Committee:

Mr JONES - *From Hobart if the line is (sic) exists. It is an ideal situation to carry rail traffic through to National Park.*

There is another project which I think is important in this context of bringing cruise other passengers direct from the city. At the moment we're quite a long way along the line of working on a new development at Redlands in the Derwent Valley, which is an adjacent property to the Salmon Ponds. The two properties are connected by an old right of way. We have had discussions with the owners of the Salmon Ponds and the developers of Redlands. Redlands is doing a tremendous development towards

¹²¹ Anna Reynolds and Bob Brown written submission, 24 September 2012

¹²² Derwent Valley Railway written submission 10 August 2012

¹²³ Ibid

*interstate and international tourists. I feel that instead of the Derwent Valley Railway being something that runs rail for the sake of running rail, we are setting ourselves up and working with the others as part of a major destination in itself. To go from the cruise ships, through the rail link - where MONA stands - and up the valley to transport passengers to Plenty station where they would be transported by conventional or period vintage transport to the Redlands development.*¹²⁴

249. DVR representatives also confirmed under questioning that they did not believe the proposed services would be viable without another operator for the line between Hobart and Bridgewater:

Mr FARRELL - *That was always the marketing. I am familiar with what the railway has been trying to do in the past. But the railway would not have the resources to maintain the section of line from Hobart to Bridgewater, so another use for that line would be fairly important for the Derwent Valley Railway.*

Mr KINGSTON - *I think that would be the only way it would be feasible, really. Another thing with the insurance is that most insurers look upon insurance of railways on a global basis, whereas we are a small operation. If we could get some system whereby we paid the insurance per customer mile or something like that, that would be a lot better.*¹²⁵

Rail Services in Wellington New Zealand

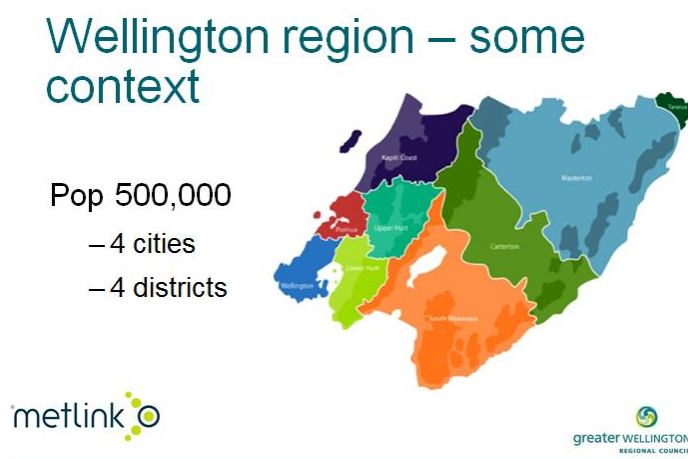
250. As part of the inquiry process, the Committee was interested in gaining further information in relation to an operational rail service in another jurisdiction that was as similar as possible to the proposed Hobart service in terms of its specifications (including rail gauge and geography). A variety of witnesses who had given evidence to the inquiry had consistently cited Wellington New Zealand as the best comparative example within the region.
251. In November 2012, the Committee undertook a site visit to Wellington in order to obtain further evidence in relation to the rail service operated there. During

¹²⁴ Op.Cit. Mr Derek Jones, p.46-47

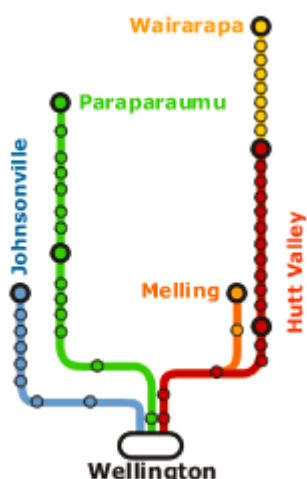
¹²⁵ Op.Cit. Mr John Kingston, p.49

the visit, the Committee undertook an inspection of the rail facilities in Wellington and received evidence from the major public rail stakeholders.

252. The Greater Wellington transport region is operated by the Greater Wellington Regional Council under the Metlink logo. It has a population of approximately 500,000 under 4 districts and 4 major centres.¹²⁶



253. The Rail services in Wellington are operated by KiwiRail under the Tranz Metro banner. The network has four lines, ranging from 10.5k in length (Johnsonville) to 91k in length (Masterton).¹²⁷



254. Dr Deborah Hume from KiwiRail advised the Committee that it operates 2184 services per week within the region and carries over 11 million passengers per annum.¹²⁸

¹²⁶ Tabled Documents – Metlink presentation

¹²⁷ Tabled Documents – KiwiRail presentation

255. Mr Nick Brown from the Ministry of Transport was questioned further about the operating model for the rail services in Wellington:

*The rail is the exception because the operator of the rail network in Wellington is KiwiRail, which is the government freight rail organisation. For historic regions it has involvement in running passenger transport as well. In this case, the model we work to with rail is that the region sets the framework and the region owns the rolling stock and most of the stations. Then the region contracts out the service to a private operator. Meanwhile, the track owner, which is KiwiRail, allows access to its track network through what is called a track access charge. We are trying to put the ownership and the incentives in the right place to make sure there is long-term sustainability.*¹²⁹

256. The Committee was advised that the New Zealand Government had committed \$485 million NZD in funding over 15 years for Wellington public transport, the majority of which was to be spent on metro rail upgrades.¹³⁰

257. The Committee noted that the Wellington commuter rail service was in the process of being upgraded from diesel locomotives to a new electrified train service as part of the Wellington Regional Rail Program. The new two-car units are known as the 'Matangi'. The following major points were noted in relation to the introduction of the service:

- 48 two-car vehicles have been purchased from Hyundai-rotem;
- The track gauge is 1.068mm (the same gauge as Tasmania);
- A maximum capacity of 147 seated and 230 standing (per unit);
- Disability access for wheelchairs (per unit);
- Bike access for 3 bikes (per unit);
- In order to accommodate the new trains, a network project was completed to upgrade the rail infrastructure (track, overhead power supply and signalling) to improve the reliability of the network;
- The trains are air conditioned and offer passenger information and storage.¹³¹

¹²⁸ Ibid

¹²⁹ Hansard Transcript, 30 November 2012, Mr Nick Brown, p.6

¹³⁰ Tabled Document - Ministry of Transport Overview of Public Transport Planning and Funding in New Zealand

258. The Committee undertook a site inspection of the Wellington rail yard and one of the Matangi trains and later completed a commuter journey on one of the new trains. The Committee was impressed by the quality of the train and the passenger comfort levels provided for all patrons.



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259. The Committee noted the comfortable travelling experience given the previous evidence about the difficulties with operating commuter rail services over a narrow gauge line. Given the previous evidence about the limitations of narrow gauge rail lines for passenger transport, the issue was raised with Mr Wayne Hastie from Metlink during his evidence:

¹³¹ KiwiRail – Matangi Fact Sheet

¹³² <http://www.gw.govt.nz/matangi-q-as/>

Mr FARRELL - *An issue that's been raised with us is the fact that Tasmania has a 3 foot 6 inch rail gauge and some believe that's not ideal for a passenger service. However, we've had a look at the operations in Queensland, which is 3 foot 6 inch, and the operations here that are 3 foot 6 inch. I wonder whether you have any particular issues with that rail gauge or are there any things that you have to do differently because of that rail gauge in passenger operations.*

Mr HASTIE - *For us, the rail gauge is less of an issue than our structure gauge. Structure gauge is the clearance around the track. In our case, with the Johnsonville line, which is one of our shorter lines, in order to run new trains, we have had to enlarge the tunnels, which has been done by lowering the tunnels. They were curved and they found if they lowered them a bit they could fit more. We run our trains really close to the tunnel edges. We have to have egress through the front of the train in emergencies.*¹³³

Professional Opinions on the Rail Corridor and the Business Case

260. As part of its consideration of the Government's strategic position on the northern rail corridor, the Committee also sought advice from transport and land use planning experts. Discussions covered a number of key topics including the strategic use of the corridor, land use planning, transport policy and opinions of the light rail business case.

261. In his written submission, Professor Peter Newman, Director of the Sustainability Policy Institute at Curtin University commented on the ACIL Tasman report and argued the following points in support of a northern rail service being introduced based upon his research and experience:

- Rail is growing around the world whilst buses are declining;
- Car usage has peaked in all capital cities including Hobart;
- The Australian capital cities with new rail systems (Brisbane, Melbourne and Perth) have dramatically grown their public transport whereas cities without rail (Hobart, Darwin and Canberra) are in decline;

¹³³ Op.Cit. Mr Wayne Hastie, p.11-12

- All rail projects have risks (including the services he has been involved with in Perth) but there should be more of a focus on technical solutions;
- Hobart's car use per capita is higher than other capital cities and not reducing at the same rate as those cities.

262. In common with other evidence received, Professor Newman noted the challenge of getting people out of their cars and engaging with public transport and noted his direct experience with this challenge in Perth, as part of his work with the Western Australia Government on public transport policy:

Prof. NEWMAN - Yes. *It is much more than the ACIL Tasman report anticipates. The most recent example in Australia is the southern railway where there was a busway for part of the route down the southern corridor. It was quite well used; it was getting 14 000 a day down that corridor in the buses. It was replaced with a railway, it has now been running for three years and the growth last year was 19 per cent and they are now up 70 000 people a day. That is exactly five times the patronage. The kinds of things that ACIL Tasman looked at were a 20 or 50 per cent increase over the buses, not five times. It is hard to imagine how that can happen until you see that you can beat the cars down that corridor. If you design it properly and make it fast enough you can get a far superior trip. People in Perth - who love their cars - in low density scattered suburbs, like any other Australian area built around the car with no plan for public transport, and no plan for rail ever, have embraced it because it is faster, it is better.*

*It is increasing dramatically because the traffic is getting worse and the public transport is getting better. It has almost reached its 2026 expected patronage in three years. That is the most recent railway line built in Perth and yet the ACIL Tasman report did not look at it in detail. They said that they could not understand why patronage had gone up so quickly and just left it at that.*¹³⁴

¹³⁴ Op.Cit. Professor Peter Newman, p.70

263. Professor Newman was also questioned about the ability of Hobart to sustain a rail service through the northern corridor given the population size, as this had been put forward as a major barrier to a rail service being viable:

Mr MULDER - *Talking about catchments, we are talking about a catchment - not of the whole city of Hobart - simply of its northern suburbs which is estimated to be a maximum of about 80 000. I am wondering, do you have any knowledge of rail that services a catchment like that down a central corridor servicing a city?*

Prof. NEWMAN - *There are lots of small cities in Europe and even in America there is one whole city of 50 000 that has a light rail now.*

Mr MULDER - *Is that a light rail network or a single corridor we are talking about?*

Prof. NEWMAN - *You have to tailor it and with 80 000 the potential is there, particularly if you can build into it the fact that you are going to attract development along that and you will have potential to get another 20 000, 40 000 or whatever in the next x years. In particular they will want to go in that catchment if it has a light rail there, so you have to look at that as well.*¹³⁵

264. Professor Newman outlined his experience in relation to the impact on bus services following the introduction of a new rail service in the same area given the concerns raised with the introduction of rail potentially impacting upon the viability of Metro bus services:

Mr MULDER - *One of the blockers we get from our bus services is this idea that a train corridor will take people off buses. I note that you have used a couple of examples where in fact the train replaced the bus almost as evidence that people would prefer the train to the bus and that would have an impact upon the bus services. Do I read you right on that?*

Prof. NEWMAN - *It didn't really. People transferred from buses to trains but you also transferred a lot of people out of cars and in order to get people to the stations you needed to have integrated connecting bus services. They grew so quickly that you had more buses, more bus*

¹³⁵ Op.Cit. Professor Peter Newman, p.71

*drivers, and more bus use than you had before but you also had the increase in rail. The public transport system as a whole grows significantly and buses are critical to making it work. In any low density city like we have you have to bring people to the train stations. It is not just walk-on like in Europe or in some of the big American cities. You have to have integrated ways of getting there. There will be some walk-on but mostly you need that integration. When you do that you can get different bus routes. You can take a bus into the station one side and out the other way and you are going across the city in a way that you didn't have before. There are many new options for buses that come out of building a corridor fast rail service that is linked by buses.*¹³⁶

265. In responding to questioning about the overall assessment process completed by the Government, Land Use and Transport Planner Mr James McIntosh commented on the business case assessment process and noted that in his opinion, although the work that was completed had been of an acceptable standard for the scope of the task undertaken, it was completed on the basis of a transport economic assessment rather than a financial business case with other considerations in mind:

*Firstly, there is a big difference between a financial business case and a transport economic assessment. To date the government has done a transport economic model, but they have not done a financial business case. Value capture looks at the financial aspects of the investment decision. The transport economics, which is what the government have been focusing on today - and I will say they have done quite a good job of it - but transport economics is only one part of the whole discussion. Whilst they have done a good job of that, and I applaud the department - I think they have employed good consultancy and done a good job. They have only looked at part of the picture.*¹³⁷

266. He went on to summarise what he believed the assessment model should have been and that this model was currently being developed further with the Western Australian Government:

¹³⁶ Op.Cit. Professor Peter Newman, p.77-78

¹³⁷ Op.Cit. Mr James McIntosh, p.14

But the main focus of our analysis has been on the passenger side and saying, 'Well, all this value has been created through this investment in increases in land values, hence increases in all the subsequent land taxes,' and it is worth understanding where the government gets these benefits, what the financial benefits are to the three tiers of government and then involve that in the decision making process and say. 'Well okay, there is a cost associated with it but there is also a benefit and it is locationally specific that if you do not make this investment this monetisation of accessibility then- which is what it is called, this increment of increased tax - will not occur either here or anywhere else if you do not go through and do this.

We are working with the West Australian Treasury at the moment, developing a model for WA and they are looking to implement it for their new rail projects to try and help; it is not going to pay for all of this - let us not kid ourselves that it will - but when you look at things like the Perth Parking Management Act and things like understanding what the tax benefits are, when you start understanding what are all the benefits of these different mechanisms, you start to cover or help to defray a significant amount of the cost of the infrastructure. That is on the financial side, it is discrete from transport elements.¹³⁸

267. The Chair of the Northern Suburbs business case Community Advisory Panel, Dr Stewart Williams, raised similar concerns with the narrow scope of the assessment process that was pursued and in particular, that it was based upon a transport economics evaluation methodology to the detriment of other significant factors:

There are many ways of looking at these issues, and infrastructure provision. Likewise, even with this process today, people have suggested it is about DIER and infrastructure and transport, but I would argue that it is a much bigger issue, and it would involve the TPC and more significant resources and funding. It is not just about transport, it is about strategic investment in the future that is long-term, that is about

¹³⁸ Op.Cit. Mr James McIntosh, p.15-16

housing, urban consolidation as well as climate change, peak oil and social inclusion. We need to consider future proofing our city for peak oil, for example.

*In relation to the light rail, they were identified for a year or more prior to the light rail evaluation as key factors that the light rail could deliver on. Funnily enough, they were the sorts of factors that were then excluded by the light rail methodology. This weakens the whole case for looking at the light rail, and making a decision based on that methodology.*¹³⁹

268. Dr Williams also noted the limitations of the assessment process in respect of the role of the Community Advisory Panel:

*It was a business case evaluation. It was very constrained in what it decided to do. I was concerned that the process did not allow for suggestions that came from the Community Advisory Panel to expand what was delivered, inside the terms of reference.*¹⁴⁰

269. He went on to detail some of the shortfalls he believed had been missed from the business case assessment methodology which included factors such as:

Having a very limited cost benefit analysis that only applied monetary values to certain things, like using existing passenger numbers for the use of the light rail, limited what the future might hold in terms of modelling. For example, it discounted students' usage, and possible relationships with the university and with education. These are the growth areas for the future. We need to be including them rather than excluding them.

But there were other exclusions. For example, the basis of the calculations was station by station. Inner city stations that have high populations and high usage and a small distance of rail to cover, came out looking viable. Whereas, areas that might be described as most vulnerable to climate change, to social exclusion, and most needy, such as Brighton, have the longest distance to travel and perhaps one of the lower usages. Their cost benefit analysis in the first case is

¹³⁹ Op.Cit. Dr Stewart Williams, p.48

¹⁴⁰ Ibid

*lesser because they had higher costs to bear. One might wonder why that wasn't calculated across the whole rail system.*¹⁴¹

270. The Committee also received evidence from Architects Mr Wesley Hindmarch and Mr Paul Johnston from TransForm Urban Design about the use of the northern rail corridor from a land use planning perspective.
271. Mr Hindmarch noted that the Institute of Architects, in consultation with a range of stakeholders (including the Institute of Architects, Planning Institute of Australia, Property Council of Australia and Engineers Australia) had been working on the northern transport corridor since 2008-09.
272. In their written submission, they noted the following key strategic considerations that should accompany any consideration of Hobart's future transport needs¹⁴² -
- Utilizing existing infrastructure;
 - Environmental Performance;
 - Inclusive Communities;
 - Vibrant public spaces; and
 - Health.
273. Mr Hindmarch provided a useful chronology of events during his evidence to the Committee in relation to the events associated with the consideration of the future use of the rail corridor and noted his concerns about how he believed the project had deviated from a broader assessment of Hobart's strategic planning needs to focusing on narrower issues:

To put it in perspective, at that time we were not talking about the form of transport but what options we had for the city - which was to do with the feasibility.

Unfortunately, what we have seen is that maybe it has gone off in one direction without having going back to the roots of looking at the feasibility and exploring what is appropriate for the city in terms of the transport mode. But we do not want to weigh into that debate; that is up to whoever makes those decisions in terms of how this thing might go ahead.

¹⁴¹ Op.Cit. Dr Stewart Williams, p.49

¹⁴² TransForm tabled paper,

Then we progress further. In October 2009, we extended that round table and that was extended then to Mary Massina of the Property Council; also Geoffrey Harper, director of the Institute of Engineers or Division of Engineers in Hobart; also Emma Riley was involved at that time; Richard Crawford, president of the institute; and Keith Jacobs, Housing and Community Research, University of Tasmania. We then decided that we were going to take this next step further and address a letter to the Premier with this discussion paper called 'Opening Opportunities for the Western Shore Transport Corridor' and I can certainly give you all access to that document. It is on the public record, anyway, if you wish to look at it.

It was then lodged with the Premier - the then-Premier David Bartlett - who then referred it to minister Sturges. He did then call those various bodies into a meeting; they were presented with the concept and, as far as I have heard - I don't know if you have heard anything more, Paul - it was not taken any further.

It was funny also that this did not then appear in the later feasibility that then came out. We don't know why because we did find that the one big gap in the feasibility was that it did not address the issues of the wider implications on affordability, strategic planning development - obviously the price of land would go up - and all these sorts of aspects, including sustainability. He was talking about reducing carbon emissions, other options instead of extending the Brooker Highway - all these other things would start covering it off. As far as we know, it went into DIER and we never saw much that came out of the other side of that. That is all on the record.

From the round table, recommendations were put forward that the state should look at these issues, also considering the capital cities plan and what the government architect potentially could pursue, based on five esteemed organisations saying to the state, 'This is a good idea'.¹⁴³

¹⁴³ Op.Cit. Mr Wesley Hindmarch, p.58

274. Professor Peter Newman from Curtin University discussed the benefits to development and property values when a rail development proceeds and the associated fiscal benefit to Government:

Prof. NEWMAN - *The mechanism is this: if you put in a light rail the value of property in the corridor, will go up. We have measured this in Brisbane. We are measuring it now in Perth. Treasury is now totally convinced that this is what they want to do here in Perth. We can measure it and you can see the effect. It is around 22 - 23 per cent in Brisbane and it has been much the case since the 1980s that the value of land around railways increases, with similar kinds of suburbs, comparing with and without rail. If you are increasing the value, the idea is that some of that value increase can be captured to help fund the railway. The mechanism is this: the local government rates will go up, not because the council is increasing the rate, but because the value of the land is going up, so you will be paying more. The stamp duty that is paid when you sell the house will be higher because the value of the land is higher. The capital gains tax that is going to the federal government will be higher when you sell the property because the value of the land has gone up. All you need to do is say, 'We are not increasing taxes, we are just ring-fencing that value increase. We are hypothecating it and saying it should go into a special fund because it was caused by that light rail. If you don't build the light rail you don't get the value increase.' It's a mechanism for putting together a fund that is coming into local government, state government and federal government. We are saying, 'We are using that to raise the finances that are needed'.¹⁴⁴*

275. Land Use and Transport Planner Mr James McIntosh provided his opinion of the economic benefits along the corridor should a passenger rail project proceed:

I think this project, the Hobart Light Rail project, has been going for a long time with a lot of discussion around it. I think the major benefits that this project brings to Greater Hobart are in increased economic activity, particularly looking at the redevelopment of the corridor. There are some

¹⁴⁴ Op.Cit. Professor Peter Newman, p.73-74

distinct characteristics that are brought by this particular mode, which you don't get from other modes - light rail or rail in particular, but light rail integrates with its surroundings and surrounding precincts very, very well and the development community - and we've done vast studies in this space - then respond to that transport accessibility that is provided and that is where you see more economic activity. You basically see development being attracted to these areas, not in a top-down approach by forcing things, but more that the development community recognises the increased amenity and go through and develop areas around the transport infrastructure.

This is reflected in a term called 'willingness to pay' or it's an increased willingness to pay for proximity to transport infrastructure. We've done a series of studies across Australia, particularly focusing in WA at the moment, looking at the impacts on economic activity and probably more discretely on economic development around railway infrastructure and the benefit streams that are accrued to the investment in infrastructure by the government.¹⁴⁵

276. Mr McIntosh also noted the redevelopment of the KGV sports precinct at Glenorchy and the opportunity to utilise the rail corridor as part of that project to reduce the need for parking infrastructure within the area:

And when you look at the amount of employment within that corridor, with Glenorchy and that whole northern corridor and Hobart city, it covers arguably the lion's share of employment for the greater Hobart in there. In getting people to these nodes and not using their cars, you have the decongestion benefits, but you also have the benefits of not having to fill the centres with car-parking space. For Glenorchy's next growth phase that they're going to go through - the redevelopment of KGV and looking further on to the redevelopment of some of the industrial land around there - if this sort of facility isn't provided, you're signing yourself up to a car future. And that is not coming from any ideological view; it's just I have a

¹⁴⁵ Op.Cit, Mr James McIntosh, p.1-2

background in transport planning and some traffic engineering. If you can't get there, people won't go.

If you don't provide sufficient car parking or an alternative people can't get there,. and the alternative is critical because currently most people don't - for most of what they do for their journey to work - use public transport because it doesn't meet their needs. This alternative would induce people out of their cars and would change the way the cities, particularly in the renewable corridor, people could then access and live and work in these areas.¹⁴⁶

277. Mr McIntosh commented further on the planning and zoning decisions that the Glenorchy City Council may face in the future should the rail corridor not be effectively utilised:

But I think the cost per linear common kilometre of what's being proposed here, the figures that have been thrown around at \$100 million, even if you double it, the redevelopment capacity that you increase around that area - one of the big problems that Glenorchy will have across the entire corridor will be that if this doesn't go ahead under standard traffic engineering, you're going to be able to cut the amount of development down, because you have to provide so much car parking, and you will have to, up all the residential roads, so all these major crossing streets that are going off to the Brooker and everything else will all have to have capacity increases, as will all the intersections, as will everything else.

So there will be a major limitation of how much density you can create in building these areas if you don't provide a viable alternative to the car. I'm definitely not a zealot for anti-car, but I do believe in urban efficiency, and where you see it done really well, the alternatives are there and people do use them.¹⁴⁷

278. Mr Paul Johnston from TransForm Urban Design provided similar evidence to that of Professor Peter Newman and Mr McIntosh in relation to the significance of transit orientated development along the corridor:

¹⁴⁶ Op.Cit. Mr James McIntosh, p.5

¹⁴⁷ OP.Cit. p.12

The concept of transit-orientated development is something that I am sure that you are aware of because you had an introduction by Peter Newman and he is the expert. Many of these ideas come from within his principles as well. Essentially what it means is that if you are creating levels of increased density through housing, then your transport is closely connected and you can start to develop levels of efficiency within that strategic plan that allow your new housing densities to be connected. This has benefits in offsetting car usage, which in turn has issues to do with the ability to increase density.

There is a simple equation there. If you can decrease car dependence by having a good transport system, you can then have less car space devoted to developments. Currently, about 40 per cent of any kind of development is given over to car area, which is substantial. If you can cut into that you can build more houses per lot, increase density and the other element of it is that when you start to increase density you start to develop concentrations of commercial activity as well. Quite simply more people need more services, the more that they are located together, it is a simple equation.¹⁴⁸

279. Dr Stewart Williams from UTAS provided similar evidence to the Committee as the former Chair of the Community Advisory Panel:

Mr FARRELL - *Dr Williams, I was wondering whether this whole case was looked at viewing it as an integrated system or as a stand-alone operation.*

Dr WILLIAMS - *I would suggest that integration didn't come into the calculation whatsoever. It was very much a cost-benefit analysis based on current usage patterns and without a view to, as I have suggested, transit-oriented developments but also around issues of the growth of the city of Hobart and issues of housing and infill and so on, so it wasn't integrated in that sense. It was integrated in relation to other services such as bus services and park-and-ride, but an integrated planning*

¹⁴⁸ Op.Cit. Mr Paul Johnston, p.60

*system is integrated with much more than just transport; it's about business, recreation, housing, et cetera.*¹⁴⁹

280. Mr Paul Johnston from TransForm noted his objections in relation to the redesign of the proposal terminating at Claremont (later amended by the Government again to terminate at Glenorchy):

Mr JOHNSTON - *The opportunity is to create a level of diversity. One of the things we did voice our objection to regarding the feasibility study was the termination of the light rail at Claremont. For us that indicated there was a lack of understanding of what the stimulus activity of the light rail could actually be. Effectively, it would have turned Claremont - which is one of the most beautiful places on that stretch of the water - into a park-and-ride and car park facility, and a bus interchange. I think Claremont is one of those places that really would benefit from very careful and sensitive urban density development.*¹⁵⁰

281. He also noted the strategic urban planning work that he believed should have been undertaken under the responsibility of the State Architect (currently a vacant position):

CHAIR - *Paul, one of the things we have heard several times now from DIER - and I think it is probably because of the narrowness of that study that was done - but they keep saying we cannot guarantee that people will come and we would be looking at how can we make the light rail viable. You are saying, and I would love to believe that: build the infrastructure and you could start doing the housing; the housing could start even before the railway line is done, I should say. How do you make that sort of stuff happen? Is it the strategic plan that is missing?*

Mr JOHNSTON - *Certainly it needs a strategic plan but there is groundwork that can happen first. The first thing is to determine capacity, to look at the sites that are there, see what land is available and crunch numbers in terms of understanding capacity for development.*

¹⁴⁹ Op.Cit. Dr Stewart Williams, p.50

¹⁵⁰ Op.Cit. Mr Paul Johnston, p.65-66

CHAIR - Whose job is that?

Mr JOHNSTON - One would think it would have been the Office of the State Architect because you are really looking at somebody who is able to put together an understanding of quality environments to do with design and particularly sustainability.¹⁵¹

282. Transport Policy Analyst, Dr Anna Lyth from UTAS expressed similar views to Mr Johnston and noted the importance of strategic land use planning and the current lack of coordination between Government agencies in Tasmania:

Mr FARRELL - Would it be fair to say, then, that as far as public transport and integrated transport goes that we are tending more reactive than strategic?

Dr LYTH - Yes. I definitely think more strategy is necessary. We think a lot about what needs to happen, like the light rail. It's all worthy of significant investigation but without that strategic thought and integration across all the issues I've been talking about, rolling it out is difficult, so the how is really important. I think one of the biggest challenges we face here is in terms of the how. That includes the integration across jurisdictions with local government. I think in some cases that is starting to be done well and I know that Hobart City Council had a great strategy promoting the need for that. Across agencies state government leadership in some of the strategic and policy issues is really important and I think that has been lacking, to be frank, in that regard. The public participation also seems to drop off the agenda probably because it costs a little bit of money and is not always seen to be a priority, but it is something that I think the public can be involved in and also make them feel good about their city, which has an economic and liveability wellbeing spin-off to people as well.

There is a myriad of other things that are essential in an integrated transport response, which I have heard mentioned in the previous rounds of discussion; like the parking policies at the end of your trip in the CBD, for instance, as long as you have good public transport to

¹⁵¹ Op.Cit. Mr Paul Johnston, p.68

*complement that - streamlined ticketing, good information on transport, how you know you haven't missed a bus - they are just little things.*¹⁵²

283. By contrast, Urban Geographer Dr Robert Cotgrove, whilst recognising transit orientated development as a concept, did not generally place the same weight on the scale of potential development along the northern suburbs rail corridor. When questioned at a hearing he noted the following in relation to transit orientated development and the population spread in southern Tasmania:

That has come about incidentally as the result of another transport revolution in freight transport. The introduction of containerisation in the '60s and '70s meant the whole geography of freight shipping changed so that all the inner city finger piers and all the rest of it - and we see that in Sullivans Cove - that were necessary back in the industrial era have now become redundant. Containerisation has meant a revolution in transport handling. The old finger wharves and city ports around the world have moved to flat container terminals, usually on coasts. In Tasmania there has been a shift to the north of the state and away from Hobart.

*That means a lot of inner city industrial land is now available for other purposes - renovation and particularly residential developments. The changes that have taken place in Salamanca, from old warehouses in the industrial age to now smart post-industrial commerce and residential living, is typical of that. We see that in Melbourne and everywhere around the world. It is attractive for older people to move into those apartments. Having said that, it's still a minor movement. The dominant demographic movement is still towards low-density, outward spread because land is cheaper further out and the motor car enables you to maintain those accessibility links.*¹⁵³

Infrastructure Australia Funding Submissions for Rail

284. The Committee received evidence from Infrastructure Australia and discussed the funding application process for infrastructure funding. The decision to meet

¹⁵² Op.Cit. Dr Anna Lyth, p.43

¹⁵³ Op.Cit. Dr Robert Cotgrove, p.44

with Infrastructure Australia was in response to the criticisms raised by some witnesses about the Government's handling of the funding applications.

285. Mr Rory Brennan provided the Committee with an overview of the application process and the role of Infrastructure Australia:

Over the last four years we have advised state governments of a schedule for them to submit projects to us so that we can then assess them and provide advice to the commonwealth government that feeds into the budget cycle to allow them to consider projects for funding in the annual commonwealth budgets. Previously, we asked people to submit projects by November but this year we have brought it forward because that simply did not provide us with enough time to assess the projects and get them into the budget cycle at the appropriate time. If we got them in November, the budget was pretty much done and dusted by that stage or shortly after, so this year we asked people to submit projects in August.

There is no reason why people cannot submit projects at any time. Most states have established a coordinating agency or committee to filter the desired projects from line agencies - typically, they do come from line agencies - and for them to take a view as to what really states' or territories' priorities are. Most states and territories put forward between, let us say, five to eight projects - they want to increase their odds rather than having a scatter-gun approach - and really that reflects what are the real priorities or we hope what the real priorities are, but everything can't be a priority.¹⁵⁴

286. Mr Brennan was able to clarify the funding arrangements for projects approved through the Infrastructure Australia application process and advised that the funding arrangements were diverse and had changed over time:

Mr BRENNAN - *No, so perhaps I should just also clarify that. Until this year the government has used our priority list to choose projects for funding from the Building Australia fund, which was established at the same time as Infrastructure Australia to fund nationally significant infrastructure projects. It was funded from existing surpluses in 2007 and*

¹⁵⁴ Op.Cit. Mr Rory Brennan, p.27-28

forecast future surpluses at that time, which was initially \$20 billion. 2008 and the financial crisis saw the future surpluses disappear, and the fund was reduced in value to \$12 billion; \$4 billion of that was reserved for the national broadband network, which left roughly \$8 billion. Most of that was committed in the 2008 budget. That is why people were seeing there was really not much money left.

From this year the priority list will also be used as a source of projects for the Nation Building 2 program, which was Auslink, and also the regional infrastructure fund, which is the fund that has been set aside - I think about \$6.5 billion nominally, to come from the minerals resource rent tax. Jurisdictions are submitting projects to us notionally for the Building Australia fund as well as the Nation Building 2 program and the regional infrastructure fund. Each of those funds has slightly different criteria in terms of which projects are eligible. Nation Building 2 is very similar to our standard criteria; the regional infrastructure fund must be resource-related. So it does not have to mean it is infrastructure for miners, but it could be infrastructure, for example, to support communities that are critical to resource projects, particularly in remote areas.¹⁵⁵

287. Mr Brennan then went on to confirm that the northern rail project was one of the projects submitted for consideration. Importantly, he also confirmed the role of Infrastructure Australia in the project assessment process (and most notably that it wasn't the decision maker in relation to funding applications):

Mr BRENNAN - *Yes. This year in this round of submissions we received four submissions from Tasmania and the passenger transport in Hobart's northern suburbs is one of those. We also have two roads - the Brooker Highway and the Midland Highway - and then the Tasmanian rail revitalisation program. They are the four priorities that have been put to us by the Tasmanian government.*

CHAIR - *In order of priority?*

Mr BRENNAN - *I am not sure that there was an order. Those four are the priorities for the government.*

¹⁵⁵ Op.Cit. Mr Rory Brennan, p.31

CHAIR - Excellent, thank you - sorry to interrupt you.

Mr BRENNAN - Our role in terms of project submissions is to advise our minister so that the Infrastructure Australia Council takes a view on the project as a result of the assessment work that this office does. The Infrastructure Australia Council then endorses the priority list - the relative priority of projects from all states and territories across four categories. We have the early stage where we think people have identified a significant problem but probably not much else; real potential, where they have gone on to identify the options which probably would have the most impact on the problem; threshold, which is they have done an economic cost-benefit analysis of the preferred option and, hopefully, at least an abbreviated cost benefit analysis of all options to identify which is the preferred and then a detailed cost benefit analysis of the preferred option so that we can be confident that the benefits that are claimed in relation to the cost are likely to be achieved and then ready to proceed. They have also assessed the risks, provided for the risks in the cost estimate or other management processes, have a well-developed governance arrangement for the project as it sits at the moment when it proceeds into procurement and delivery and then into operations.¹⁵⁶

288. Mr Brennan explained that all projects submitted to Infrastructure Australia are assessed on their merits and that there is no regard to an equitable spread of projects across Australia.¹⁵⁷

289. Mr Brennan was also able to clarify Infrastructure Australia's position on prioritising small projects over large ones as part of the assessment process and that this did not in fact occur:

Ms RATTRAY - Wouldn't that be a good thing, Rory? Doing a lot of those smaller ones when finances are a bit tight or under pressure? From your perspective, wouldn't that be a good thing, or do you rather look at the big ones? Would you prefer to focus on the really big ones saying that states should be able to manage those smaller ones under their own steam, if you like?

¹⁵⁶ Op.Cit. Mr Rory Brennan, p.28

¹⁵⁷ Op.Cit. Mr Rory Brennan, p29

Mr BRENNAN - We do not necessarily take that view. I just go back to why we are here. We are here to advise the government on nationally significant infrastructure. The Infrastructure Australia Act helpfully provides us with a definition of what that means. It means investment in infrastructure that would provide material improvement to national productivity. Some small projects can do that; some struggle. For example, we have a proposal in from one jurisdiction to do a range of largely operational improvements to the commuter rail network which would give a significant capacity increase to the urban passenger rail system. They have an alternative proposal - a very significant capital project. What they have said is, 'We can do this operational stuff which will give us a significant material increase in capacity and it will enable us to defer major capital investment for some time'. We think that's a good idea. If we can get improvements of existing infrastructure, we would always prefer that over big new spends. It is just a better pay-off.¹⁵⁸

290. Mr Norm McIlfatrick from DIER was questioned about whether there is an imbalance in the project assessment obligations for road versus other infrastructure projects (public transport related). This followed criticism by other witnesses that their proposals were not being assessed equally:

CHAIR - I suppose that leads to that other question: road projects under DIER subject to the same cost benefit analysis modelling as has occurred with the northern light rail or would occur with, say, ferries.

Mr McILFATRICK - Yes, because we are required to do PCR costings for all our projects.¹⁵⁹

291. Mr Norm McIlfatrick conceded during his evidence that the Government may need to start considering funding sources outside the Infrastructure Australia pathway following the downgrading of the project to under the \$100 million threshold:

We have had to stretch some of the rigorous assumptions in the Infrastructure Australia model because they do not allow some of the

¹⁵⁸ Op.Cit. Mr Rory Brennan, p.31

¹⁵⁹ Op.Cit. Mr Norm McIlfatrick, p.21

externalities to be incorporated. There are a couple of reasons for doing that. One to give the case the best chance but also recognising that this now probably falls below the Infrastructure Australia \$100 million project level. You could say that is a negative but it also might mean there are other potential funding areas that we may be able to go straight to the transport and infrastructure department, or in fact some of the regional development funding that may be around in the future.

I am not saying avoiding Infrastructure Australia was the aim but to take into account the feedback from the community advisory panel and other submissions we needed to include as much as possible into this to test the business case robustness. It is still optimistic. A lot of things would have to happen to make it work but in a couple of the models there is a likelihood we could get a business case above one. That is where we are at.¹⁶⁰

The Alternate use of the Rail Corridor for a Busway

292. As an alternative to the future use of the rail corridor for passenger rail services, the Committee sought further information in relation to the use of the corridor for a busway rapid transport service, which is a dedicated lane or corridor for the use of public bus services.
293. Ms Heather Haselgrove from Metro explained the use of busways from her previous experience in the South Australian public transport system and cited the example of the O-Bahn in Adelaide:

In the 1980s, when the government - and I don't know which persuasion - was planning on putting rail out there, they came up with the O-Bahn, which is a guided busway. The footprint is very narrow, it is quite expensive, but it carries more people on that 12 kilometres of busway than the north-south railway of 70-odd km.

CHAIR - *Why is that?*

Ms HASELGROVE - *Because it is a fantastic service. They have a frequency of about 90 seconds headway, it is smooth because it is*

¹⁶⁰ Op.Cit. Mr Norm McIlfratrick p.2

concrete, and the driver just sits there and doesn't have to drive because it is guided. It is well worth having a look at.

Adelaide is starting to invest heavily in light rail. They have just refurbished the Glenelg rail, they have put the rail out to the entertainment centre, and they are doing a transit-oriented development at Bowden, around that light rail. Brisbane is always worth a look because Brisbane has the ferries, the busways - which are amazing - and the frequency of the buses on those. Sydney and Melbourne are just too big. If you could get to Auckland and look at the northern busway, it is sensational.¹⁶¹

294. Ms Haselgrove also noted the busway operations in Brisbane and Wellington as excellent examples of integrated rapid busway operations.

295. The Committee also questioned DIER officers on the use of the northern rail corridor for a busway service. The officers noted the Northern Suburbs to Hobart Port Bus Rapid Transport – Strategic Estimate completed by Pitt and Sherry in 2009.

http://www.dier.tas.gov.au/_data/assets/pdf_file/0020/48260/BRT_costings_pittandsherry.pdf

296. Mr James Verrier from DIER responded to questioning on the use of the corridor for a busway and the previous assessment that had been completed:

The old business case we did specifically included a redesign of the bus routes to feed down into the corridor. Whichever corridor you use, that is a critical element that you are providing that way of getting over that 500-metre walking barrier. You have to bring people down one way or another.

The second part is really the role the main road plays. You have two sections, if you think about it, between Moonah and Hobart where the main road is the corridor. The rail corridor does not provide a service through that area and it is probably the most heavily utilised section of the Metro network. So you have a base demand there for a service on that element of the corridor.

¹⁶¹ Op.Cit. Ms Heather Haselgrove, p.28-29

*The second part is the distances between the rail stations. You are probably looking at upwards of two to three kilometres and even longer distances because you are wanting to minimise stops in order to maximise speed. In doing that you create a barrier for someone getting off at the station and needing to move to a place somewhere between that station and the next station. You have a demand for movement along that parallel corridor, as well as just people generally moving along. Again, it comes back to those transfer points. It is that issue of how far you can pull back the service while maintaining an adequate.*¹⁶²

297. The busway assessment included a number of underlying assumptions in relation to the service including -

- It would run from Hobart Port to Claremont Shopping Centre;
- Park-and-ride facilities would be provided at some key stations;
- It would be a single carriageway with passing stations;
- The linkage from Hobart port to the city would be using the existing road infrastructure;
- The busway would be concrete in construction.¹⁶³

298. The estimated cost for the project to be completed (with a number of underlying exclusions and qualifications noted in the report) was approximately \$135 million at the time of the report.¹⁶⁴

299. As part of its investigation of busways, the Committee also undertook a site visit in Brisbane of the busway services that were in operation.

300. The busway system in Brisbane is operated by TransLink under contract arrangement with a number of bus operators. The busway network comprises three rapid transit routes (South East - under construction), Northern and Eastern and carries more than 70 million passengers per annum.¹⁶⁵

¹⁶² Op.Cit. Mr James Verrier, p.20

¹⁶³ Northern Suburbs to Hobart Port Bus Rapid Transport – Strategic Estimate, Pitt and Sherry, August 2009

¹⁶⁴ Op.Cit. p.3

¹⁶⁵ Tabled Document, Translink presentation

301. The budgets associated with the busway project are significant and ongoing due to the continuing expansion of the network and include:

- Eastern sections - \$831 million;
- Northern sections - \$691 million;¹⁶⁶
- South East – Under construction.

302. Translink representatives were asked about any challenges associated with the network given it included a combination of dedicated busways and sections of routings that were on public roads. Mr Michael McGee from Translink noted some of the challenges:

Where the busway is broken up by traffic lights and road intersections, it causes bottlenecks for the system. It is a basic logistic problem. But where you have traffic lights to stop and cars get right of way to the bus, the buses will slow and they will bank back. Where they don't have that going on, you don't get the banking back. Where we have our bottlenecks is where it interacts with the road and where it's not segregated. Once it segregates from the road and you are not worrying about traffic flows from cars, it works quite well.

The other limitation of the system, if it is a limitation, is that the platforms can be quite limited in size and we have seen that with the Cultural Centre - very well utilised. The platform is now becoming quite full during peak and that is limiting our ability to push buses in. At the same time you have that interaction with the road, which creates a fairly big bottleneck for our network during peak. During off-peak it's fine. But during a certain time of peak it does limit the ability for the busway to push buses through.¹⁶⁷

303. Mr McGee also commented on the importance of the rapid transit model and that buses had generally been given priority lanes when the service entered a public road:

As you saw today, our buses use a rapid transit system, so that is the first priority. It is priority lane given, that is why it is called rapid transit. It is a

¹⁶⁶ <http://www.tmr.qld.gov.au/Projects/Name/B/Busways.aspx>

¹⁶⁷ Hansard Transcript, 27 November 2012, Mr Michael McGree p.11

*dedicated roadway for buses only. Busways provide fast, frequent, reliable public transport for Brisbane bus commuters. We have south-east, northern and eastern busways carrying more than 70 million passengers each year.*¹⁶⁸

304. As part of the tour of the northern busway, Committee members noted the high level of infrastructure associated with many of the bus stations and the passenger amenities that had been included with the facilities. Many of the facilities were similar to the infrastructure commonly associated with railway stations.



305. The infrastructure also included facilities for passengers cycling to stations and real time information about the services in operation for the benefit of passengers.



¹⁶⁸ Op.Cit. Mr Michael McGee, p.19

306. The park and ride infrastructure was also inspected and was noted to be a common feature at many stations with a significant level of support for the facilities.



307. Mr McGee noted the high level of support by patrons for park and ride facilities and how it was a positive benefit for commuter passengers:

That is why the interest in the busway. The longest section in the south is Eight Mile Plains and that has the biggest park and ride and it fills up. People are not driving past Eight Mile Plains coming in because as you go past the traffic gets a lot of blockages through the suburban streets and even further back.

People come to the end of the busway and jump on because they know in the busway there is no blockage. Get on the bus and you are straight in. They actually waste time driving further into town past Eight Mile Plains than parking there. If you have a piece of infrastructure that allows the bus to compete with the car and improve travelling times people will choose that option. You are right - if somebody is going to sit in the car and drive an extra ten kilometres in and catch a bus it is going to be an extra ten minutes slower. It is very hard to sell that bus. People would rather drive to where they can get on and then the public transport competes against cost because public parking is too expensive or the congestion is getting too bad and that way they would then shift to that different mode to come in.¹⁶⁹

¹⁶⁹ Op.Cit. Mr Michael McGee, p.14-15

Passenger Ferries on the River Derwent

308. One of the other major public transport options considered by the Committee was the proposal for a scheduled ferry service on the River Derwent to major points on the western and eastern shores of the river.
309. DIER has not completed any recent strategic work on ferries for the River Derwent, but officers noted the 2009 River Derwent Commuter Ferries Cost Estimate – Desktop System Design and Service Model that was completed as part of the Hobart Passenger Transport Case Study that informed the development of the Tasmanian Urban Passenger Transport Framework –
- http://www.dier.tas.gov.au/data/assets/pdf_file/0005/48254/Ferries_report.pdf
310. The assessment proposed a series of services operating between terminals at Bellerive, Howrah, Lindisfarne Bay, Montagu Bay and Watermans Dock (the city). A number of other localities were considered and disregarded as unviable.¹⁷⁰
311. The capital costs to develop the required pier infrastructure ranged from \$135,000 to \$1.32 million per pier. The estimated cost to purchase the ferries was \$450,000 per vessel.¹⁷¹
312. The total operating cost per annum per route ranged from \$176,900 to \$214,700.¹⁷²
313. The report also estimated the patronage rates based upon the network terminating from Howrah and Lindisfarne through Bellerive to the city. The estimated patronage figures (peak period – per service) per sector ranged from a low figure of 5 passengers (Montagu Bay – Bellerive) to a high of 27 passengers (Howrah Point – Bellerive).¹⁷³
314. The report concluded that four routes would be potentially suitable for a ferry service but would require significant government subsidy to operate.¹⁷⁴

¹⁷⁰ Derwent River Commuter Ferries Cost Estimate 2009, p.i

¹⁷¹ Op.Cit. p.ii

¹⁷² Op.Cit. p.46

¹⁷³ Op.Cit. p.41

¹⁷⁴ Op.Cit. p.51

New Ferry Proposals

315. The proponent of the proposal considered by the Committee was Mr Rick Metcalfe, who provided a brief written submission and also gave verbal evidence at several hearings.
316. The Committee noted from Mr Metcalfe's written submission that he had extensive experience in the operation of ferry services, particularly in Brisbane and Gladstone Queensland. His proposal for a Hobart commuter ferry service involved a schedule of services operating from as far south as Kettering through a series of stops to as far north as Bridgewater.¹⁷⁵
317. Mr Metcalfe later confirmed that the estimated journey times from the major points on the network to Hobart is between 15 to 30 minutes.¹⁷⁶
318. Mr Metcalfe was questioned further about the proposal and his experiences in Brisbane. Although he noted the obvious differences in population density between the cities, he also noted the various similarities between the passenger catchment areas:

*The population of Brisbane is two million people as opposed to Hobart's greater area of about 220 000. When you look at the Brisbane area, people who are up in the Strathpine area right down to Beenleigh are part of that two million. They are not your everyday commuters, not the people who even come into the city to go for a ferry ride. When you look at the population based along the Derwent River as opposed to the Brisbane River, and the same constraints of approximately three kilometres from a stop for those who would like to have a ride or catch a bus or drive the car and park, or for those who walk to the ferry stops, which is around about 800 metres, these areas compared from Brisbane to Hobart are very, very similar in those catchment areas. Yes, they are a little bit light on in a couple of areas here but for the overall majority, yes, they are very similar.*¹⁷⁷

319. Mr Metcalfe was questioned about the concerns raised regarding the suitability of the River Derwent for the operation of ferry services due to the variable river

¹⁷⁵ Mr Rick Metcalfe written submission 1 August 2012

¹⁷⁶ Op.Cit. Mr Rick Metcalfe, p.18-19

¹⁷⁷ Op.Cit. Mr Rick Metcalfe, p.15-16

conditions and the negative perceptions amongst some members of the community:

*There are a lot rougher rivers around the world that operate ferry services successfully and the Derwent is not that rough, not in comparison. Yes, it is rougher than the Brisbane River - it is a lot wider. The estuary here is approximately four kilometres across to the Bellerive area and as you go down further it extends to about seven kilometres across. That is not a hindrance to operating a successful ferry service. I have been looking at alternative-design ferries that would be even more than adequate to cope with that sort of environment.*¹⁷⁸

320. The Committee noted that the proposal included the ferry service being integrated with the Metro bus services for ticketing and timetabling and if it were to be developed in the future, the northern rail service. Mr Metcalfe also advised that ticket prices should be comparable to existing Metro services.
321. Mr Metcalfe was questioned about the estimated cost to install the required terminal infrastructure. In response to questioning, he noted that a combination of new and existing/modified pier facilities could be utilised:

Mr METCALFE - *I have been looking at costings for commercial applications for ferry pontoons. For a basic pontoon facility you are looking in the vicinity of \$250 000. It is more expensive if you wanted car parking and those types of arrangements, but the actual pontoon itself is quite straightforward and is something we can approach Infrastructure Australia to look at doing.*

CHAIR - *How many terminals are there that would be useful now?*

CHAIR - *Can you remember where?*

Mr METCALFE - *Bellerive, there is the brand new one being done at Wilkinsons Point, so that is not too far away from being completed. We also have the brand new one here in Watermans Dock. We also have Opossum Bay and there is the new one that is being built at South Arm. There is the jetty on the end of Bruny Island at Dennes Point. Going up the river there are existing ones at Old Beach, which we could then bring*

¹⁷⁸ Op.Cit. Mr Rick Metcalfe, p.16-17

*up to speed and to a DDA standard. We could also look at putting in something at Prince of Wales Bay in the high-density areas.*¹⁷⁹

322. In relation to the cost of acquiring the ferries themselves, Mr Metcalfe noted that suitable second-hand ferries had been identified for purchase in France, with a capacity for 70 passengers:

Mr FARRELL - *The cost of purchasing ferries is fairly reasonable at the moment?*

Mr METCALFE - *Yes, it is at the moment. One of the things I have been looking at is buying some second-hand vessels with low mileage. I have been looking at some vessels in Paris; which have done less than 10 000 hours - they were built in 2008 - and I can have all four of them delivered here to Hobart for \$1.5 million. That is extremely cheap; normally you would be looking at that sort of figure per vessel.*

Dr GOODWIN - *Why are they selling them?*

Mr METCALFE - *The European economy is not very good at the moment. The company that owns these ferries is Batobus Paris. Batobus Paris is going back to the traditional glass-domed ferries. The ferries they are selling off are more conventional passenger ferries. They have all-round windows but they're not a sightseeing-style vessel.*¹⁸⁰



323. Mr Metcalfe further advised the Committee of the estimated total operating costs for a trial service per annum:

¹⁷⁹ Op.Cit. Mr Rick Metcalfe, p.17-18

¹⁸⁰ Op.Cit. Mr rick Metcalfe, p.19

Mr FARRELL - Based on this proposal using the French ferries, for example, what would the outlay be, a ballpark figure, to establish this in Hobart?

Mr METCALFE - To purchase the vessels and to get the first year running, between \$3 million and \$4 million. I have allowed a little bit more, allowing for capital costs and everything else, but approximately \$3 million to \$4 million. We can also then turn to Infrastructure Australia for the jetties, to help with costing of that.

Ms RATTRAY - That has not included any pontoons?

Mr METCALFE - That is not including any pontoons. You are looking at approximately \$1.5 million for the cost of vessels, and that is delivered to Hobart, and then you allow \$1.5 million or a touch more to allow for the running of it, for wages, fuel and everything else.

CHAIR - That is operational costs.

Mr METCALFE - That is operational costs, yes.¹⁸¹

324. The Committee also received a written submission from an existing commuter ferry operator in Hobart, Mr Rod Howard from Hobart Water Taxis. In his written submission, Mr Howard noted:

- Hobart Water Taxis currently operate a daily commuter service between Bellerive and Hobart for \$6.00 each way;
- He was planning the purchase of an additional high speed 30 passenger ferry to operate additional high speed services to Lindisfarne, Montagu Bay and Bellerive;
- He was looking to explore integration options with Metro;
- The possibility of joint bus/ferry services to Howrah, Tranmere, Kingston and Taroona;
- The estimated cost of establishing the additional services was a minimum of \$400,000.¹⁸²

325. During his later evidence at a hearing, Mr Howard confirmed his intention to commence commuter services from Hobart to Lindisfarne and from the Eastern

¹⁸¹ Op.Cit. Mr Rick Metcalfe, p.24-25

¹⁸² Hobart Water Taxis written submission

Shore to Sandy Bay (for Hutchins School only). He was questioned about the sea conditions and whether this affected patronage on his existing services:

Mr VALENTINE - *What about weather, Rob? Does that play a significant part in whether you run or not?*

Mr HOWARD - *No. It hasn't to date, even with my smaller boat. We just drive to the conditions. We drive around it, not through it. But this one is quite capable of handling the weather.*

CHAIR - *Have you found with your passengers that you have been carrying for years that they drop off in the winter or does the weather affect them?*

Mr HOWARD - *Sometimes, not really. Last winter we had good support but this winter was consistent at 15 every day with 15 over and 15 back. There are 30 regulars. If they used it every day it would be great, but they don't.*¹⁸³

326. Mr Howard also provided the Committee with information in relation to his business planning and the change in his customer base since he introduced services to Hobart:

*With Hutchins and Lindisfarne introduced, my business plan looks good. Bellerive is my main area, even as a taxi during the day when the footy is on and cricket and whatnot, that is my main area, and that is profitable. You have a short period. Winter time is the hard time. I have found since MONA opened that all the tourists want to go there; they don't want to do a little cruise around this side of the harbour. We get the occasional ones, but we used to top up with the tourists who wanted to go for a half-hour spurt around the harbour and just have sightseeing, but we don't do a lot of that now. That is why I have concentrated on the commuters, because every day they want to go to work.*¹⁸⁴

327. At the time of reporting, the newly introduced services to Lindisfarne and Sandy Bay (Wrest Point) were continuing during weekdays but the second boat had been withdrawn from service due to the service not being viable.

¹⁸³ Op.Cit. Mr Rod Howard, p39-40

¹⁸⁴ Op.Cit. Mr Rod Howard, p.41

328. The Committee also received evidence in relation to a proposed commuter ferry service to be run on a trial basis by Hobart and Clarence Councils between Bellerive and Hobart utilising a Navigators Ferry.
329. In its written submission, Navigators noted similar conditions for a commuter ferry service to successfully operate as Mr Metcalfe had done including that it would need to be integrated and offer an alternative to private cars in all weather conditions. It also noted that the service would need to be supported by appropriate infrastructure including jetties, car parking and shelters¹⁸⁵
330. Navigators also included a draft timetable of commuter services between Hobart, Rosny, Bellerive and Lindisfarne (refer to page 16 of the submission for further information). The submission also provided the following estimated costs associated with the schedule as:
- \$2700 per day operational costs; and¹⁸⁶
 - \$4-\$6 per person per trip.
331. Clarence City Council representatives gave evidence to the inquiry and confirmed the Council's support for conducting a business assessment of the case for introducing commuter ferry services. Mr Andrew Paul noted:

*One of the key things we would be keen to see in respect of ferries is a fair dinkum business case that looks not only at the cost of operation of the ferries, but things like how that might forestall or defer or delay future capital works. For instance, what pressure would a fully-fledged ferry service alleviate in respect of the Tasman bridge duplication at some point in the future? Are there options there? In the past we have seen fairly crude or cursory analysis of the business case for ferries. We would like to see something that looks at all aspects of it.*¹⁸⁷

332. The Council also proposed a trial commuter service, which at the time of its evidence had not been finalised:

Mr PAUL - *We are looking at running a trial jointly with Hobart Council through the auspices of the STCA. The details of that are still to be*

¹⁸⁵ Navigators written submission August 2012, p.5

¹⁸⁶ Op.Cit. p.17

¹⁸⁷ Op.Cit. Mr Andrew Paul, p.48

finalised, but there is some interest in doing that. It still needs to be ratified by the various councils, but we are looking at that option.

CHAIR - *Who would be funding that?*

Mr PAUL - *That is still to be determined by the councils. It may be that, for a one-month trial, there could be some cost sharing between an operator and the respective councils to see whether there is sufficient interest or enthusiasm from the community for a service that is running at appropriate times and speeds. There is still a lot to be done to set up a trial like that to meet the procurement requirements of the Local Government Act and things of that nature. These are the sorts of things we are looking at and that we are interested in.*¹⁸⁸

333. The Council's intention to propose the trial was also noted:

*One of the things we would be trying to demonstrate if this ferry trial was able to go ahead would be to demonstrate to government that it is viable and they should be funding it. I don't believe I would ever put myself in a position where I was recommending to council that we were permanently funding a service. I think we are just trying to demonstrate whether it's practical, feasible and/or viable.*¹⁸⁹

334. DIER officers later confirmed their interest in a limited service between Hobart and Bellerive. Mr McIlfatrick commented at a hearing:

Dr GOODWIN - *There must be some prospect here because you said you are going to look at the value management study -*

Mr McILFATRICK - *I did preface that by saying I was approached by those two councils and I believe that ferry services are potentially viable in Hobart. But if you are trying to look for a viable ferry service in Hobart, it would probably require subsidy but may be worth investing in, you would start with Bellerive to Hobart or close proximity where there are commuters. You would not start with Bridgewater to Kettering to get a viable service.*¹⁹⁰

¹⁸⁸ Op.Cit. Mr Andrew Paul, p.49

¹⁸⁹ Op.Cit. r Andrew Paul, p.60

¹⁹⁰ Op.Cit. Mr Norm McIlfatrick, p.20

335. The STCA was also questioned about the proposed trial and Mr David Hunn confirmed the following:

We're saying a minimum of a month, but it depends on whether the councils have an appetite to help fund it. It depends on the money. Initial estimates have shown that if nobody bought a ticket and the trial operated, councils might be up for about \$30 000 a month. It is a reasonable amount for a council, especially the smaller councils if they are going to contribute. But assuming the trial went well, it could be a minimal amount of money. As Damon has already pointed out, the need to market this properly, to get people to change their behaviour, even if it is only for a month, to demonstrate that our survey work has shown that people would like ferries running on the river. I guess what we are really saying is, if the councils are prepared to try and facilitate a trial, let's prove that the community actually wants a ferry service and hopefully they'll get on board, so to speak, and use the ferry service.¹⁹¹

336. Prior to reporting, the proposal was withdrawn following a decision to support an increased service by Hobart Water Taxis.

337. The Committee also received evidence from the University of Tasmania (UTAS) as a key stakeholder that might benefit from the introduction of ferry services. Ms Jacinta Young, Executive Director Commercial Services and Development noted in her evidence that the introduction of a ferry service would fit with the recently completed UTAS sustainability strategy and, in particular, supported initiatives that would better link students living on the Eastern Shore with the Sandy Bay campus:

We are very keen to support that and to link between Hobart's eastern and western shores through some sort of a ferry that also supports bike-friendly access on that ferry. It is something that we would support and it is one of our key issues and priorities as part of the UTas sustainability strategy.¹⁹²

338. The Committee raised the issue of the various ferry proposals with DIER officers. At the first hearing, DIER officers did not provide any evidence of recent consideration of a ferry service but noted a short term trial service that

¹⁹¹ Op.Cit. Mr David Hunn, p.10

¹⁹² Op.Cit. Ms Jacinta Young, p.38

had operated unsuccessfully to South Arm in 2007. At DIER's second hearing, Mr McIlfatrick confirmed a degree of support for the trial proposal put forward through the STCA:

CHAIR - *Are there any further questions? Thank you so much. Can we ask you about ferries again? Last time you said that you had not looked into them, but we thought that this might be something you would look at.*

Mr McILFATRICK - *In fact, we got to a point with Hobart City Council where we were suggesting it potentially was a trial ferry service that we would -*

CHAIR - *We know where that has gone temporarily.*

Mr McILFATRICK - *It has gone to the background a little bit but mainly because when it was the southern -*

CHAIR - *Tasmanian councils.*

Mr McILFATRICK – *Southern Tasmanian councils were looking at it; we were supporting them, but I think the trial they were first looking at was too short to prove anything.*

Ms RATTRAY - *And January we thought was -*

Mr McILFATRICK - *It is not off the agenda.*¹⁹³

339. The Minister for Sustainable Transport was questioned at the Budget Estimates hearings during 2013 in relation to the apparent lack of Government interest or support for the development of a ferry proposal that had been submitted during 2012 by Transit Systems. In response to questioning, the Minister raised a number of problems with the proposal:

I will give you a couple of responses to it because we have had a look at this. We think there are a number of issues with their proposal. We believe physical access at some locations they are proposing will be problematic and require feeder bus services. We believe transit times, in most cases, will be comparatively slow to alternatives such as cars and buses travelling arterial roads. We believe that the services they are proposing are of very

¹⁹³ Op.Cit. Mr Norm McIlfatrick, p.24

low frequency, operating over a long distance that would deliver a slow and unreliable service to patrons. We have a timetable that does not allow, with work start times in central Hobart, a very long span of operating hours including times of very low demand. For example, the first service from Kettering leaves at 4.40am. Patronage Estimates, DIER advises, appear highly optimistic, using a methodology which is unexplained in their proposal and we believe that they have either omitted or understated likely infrastructure costs such as the Disability Discrimination Act compliance of vessels and berthing facilities.

It is fair to say that we think there is a number of issues with their proposal but ultimately they have not, to my knowledge, asked for money.¹⁹⁴

340. The Minister also confirmed that he had not met with Transit Systems to discuss the proposal despite requests by them to do so.

341. At a later hearing date, DIER officers were asked further about the proposal and the work completed by the Department:

Mr RUTHERFORD -...The department read what was given; the department comes up with a list of issues with it. The next step would normally be some progress with someone who made a proposal to test the reaction. And I think what was intended from the minister was to say that is where we are up to rather than - because that is all that we have done. We raised a number of issues and I do not have the materials with me today, Chair, but one of the key issues is likely to be the level of subsidy required on the operation as I understand it.

CHAIR - There could be any number of issues that is not the point. The point I am making is that they put a proposal which DIER has obviously been asked to look at and you have made some comments on. I cannot see that there have been any further steps. It may be that you only completed this recently. I have no idea and I am sure you are right in your memory that it was the minister who read them out but I did then ask the minister, 'So have you met with these people?'. He said no, they have not asked me for a meeting, and I am not quoting exactly here, and he saw no

¹⁹⁴ Op.Cit. Hon Nick McKim MP

reason for having a meeting with them unless they asked him for a meeting. I said what about a response to the proposal and he said we get proposals all the time and look at them but I see no reason why we need to respond to every proposal we get.

So it sounded to me very much like this was: here was a proposal, we have looked at it and said no this is wanting and there will be no further action. So are you telling me that indeed there will be further action?

Mr McILFATRICK - *No, I am not, but if I could put it in context. Normally where government would respond to proposals is if they have a strategy which says we think there is a viable service of such and we would either call for expressions of interest or we would engage with someone who is proposing. If the strategy was we think there is a viable cross-Derwent or multi-Derwent ferry operation then we would probably need to go to tender, or to call for submissions. But, in my view, they put an unsolicited proposal to government. We have looked at it from the department's point of view and said it has some deficiencies but we have not been asked by the minister to re-engage and develop it into a full proposal because it is not currently the government's view that ferry services on the Derwent are viable.*

CHAIR - *But the government does not know. Nobody knows if it is viable if you have not tested it, surely? That is the whole point isn't it and isn't that the point about innovative transport and looking for public transport solutions that you would look at ideas.*

Mr McILFATRICK - *That is right. That idea has been looked at but what I am saying is if we were confident that there was a viable ferry service, that there was a demand and a possibility of a ferry service being viable for the Derwent, we would probably seek expressions of interest and build it up. We would not just respond to one proposal.*¹⁹⁵

342. Mr McIlfatrick went on to confirm that a commuter ferry service network was not currently a priority within Government:

¹⁹⁵ Op.Cit. Mr Bob Rutherford and Mr Norm McIlfatrick, p.17-18

*I am just saying that at the moment there is no government agenda to develop ferry services right across the Derwent*¹⁹⁶.

343. He later did not rule out support for a cross Derwent service from Hobart to Bellerive.

Brisbane Ferry Services

344. As part of its investigation in relation to ferry options for Hobart, the Committee undertook a visit to several jurisdictions that successfully operated commuter ferry services.

345. Two jurisdictions were identified from the evidence that were considered suitable for inspection - Brisbane and Wellington, New Zealand.

346. The Committee commenced its investigation in Brisbane and conducted a site visit of the ferry services operated on the Brisbane River.

347. The Brisbane Ferry service is operated under a partnership arrangement in which the following stakeholders have a role -

- Brisbane City Council – Owner of the ferry service (and determines the routes and services);
- Veolia Transdev – Operator of the ferry service (under contract);
- Translink – Government manager of public transport services (including ticketing, fare prices, integration and marketing).

348. The Brisbane ferry network operates a series of stops on the Brisbane River from the downstream termination point of the University of Queensland to the upstream termination point of Northshore Hamilton. The ferry network can be viewed at the following website - <http://translink.com.au/resources/travel-information/network-information/maps/130101-ferry-network-map.pdf>

349. The Committee met with Brisbane City Council and noted the following key information in relation to the services -

- It operates 19 CityCats (21 by 2015) – These are the ferries that operate up and down the river; operate at a maximum speed of 25 knots and have a capacity of 149-162 passengers.

¹⁹⁶ Ibid



- It operates 9 CityFerries (3 double deck and 6 single deck) – These are the ferries that operate across the river at key points.¹⁹⁷



350. The services operate an extensive timetable 7 days per week between 5am and 1am, with services at 7 minute intervals at peak times and 12/13 minutes off peak.
351. The majority of passenger trips utilise the CityCat services (75%) and for 2012 passenger figures are expected to exceed 6 million. The operating costs for the service are approximately \$31 million per annum, which comprises \$11 million

¹⁹⁷ Tabled Documents – Brisbane City Council – Brisbane City Council's Ferry Service

from fares, \$7 million from a State Government operating subsidy and \$13 million from the Brisbane City Council operating budget.¹⁹⁸

352. The Committee was particularly impressed with the terminal (pier) infrastructure that had been installed (much of the infrastructure had to be replaced following the Brisbane floods during 2011).



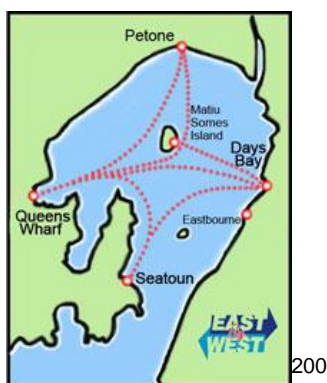
353. The Committee also noted from its tour of the service that the terminals generally did not include park and ride facilities. The majority of patrons using the ferry services either walked to the nearest terminal or used the integrated bus services.
354. The Committee noted that the next pier infrastructure on the network was to be funded by a private property developer as part of an agreement for the service to be extended.

Wellington Ferry Services

355. The Committee also investigated the public ferry services operated in Wellington New Zealand. By comparison with the Brisbane service, the Wellington service was modest in its operating network and infrastructure.
356. The ferry services are operated by a private operator – East by West Services under contract with the Greater Wellington Council. The current operations include a schedule of services linking downtown Wellington (Queens Wharf) with the destinations of Seatoun, Days Bay, Petone and Matiu Somes Island (largely a tourist destination).¹⁹⁹

¹⁹⁸ Ibid

¹⁹⁹ Tabled document, East by West Ferries



357. The East by West ferry operations includes the following key facts²⁰¹ -
- The ferries carry approximately 200 commuters daily;
 - Growth in commuter trade has been steady over the last 10 years;
 - The ferry service is approximately half the time duration of a bus trip;
 - Two purpose built fast ferries are used;
 - The company runs a mix of commuter and other tourist operations (off peak);
 - The company is looking to expand its network.
358. The Committee undertook a site inspection of a scheduled service from Queens Wharf to Days Bay via Matiu Somes Island. The Committee members noted during the inspection that the service utilised predominantly existing terminal infrastructure and that operational conditions were generally more exposed than might be experienced on the River Derwent.



359. A modern pontoon facility was in operation at Queens Wharf. Note: the terminal facilities are not owned by the ferry operator.

²⁰⁰ <http://eastbywest.co.nz/>

²⁰¹ Tabled Papers – East By West Ferries fact sheet



360. Mr Jeremy Ward from East by West Ferries was questioned about the contract arrangements for his business to provide the commuter services:

CHAIR - *Do you set the fares?*

Mr WARD - *In conjunction with the regional council. The regional council have the overall control of the fares but obviously they are looking to us to see where we think it is.*

CHAIR - *You have to get at least cost recovery.*

Mr WARD - *Absolutely.*

CHAIR - *You get a net amount plus collect the fares.*

Mr WARD - *That is right.*

CHAIR - *Together they have to add up to enough to be viable.*

Mr WARD - *That is right. The new model is trying to lower the cost recovery so that is more user-pays. Then obviously the councils and government are paying less for public transport.*²⁰³

361. Mr Ward was asked about the rate of cancellation for the scheduled services given the weather conditions in Wellington:

CHAIR - *How often would you not be able to run because of the weather?*

Mr WARD - *The smaller one cancels first. If you counted the days when we would cancel everything, for commuter sailings it would be under 10 all*

²⁰² <http://eastbywest.co.nz/the-way-across/>

²⁰³ Op.Cit. Mr Jeremy Ward, p.53-54

*year. If we counted the days that we cancelled one and not the other it would probably 20 or something.*²⁰⁴

362. Mr Ward was also questioned about contingency arrangements in the event of a cancellation due to bad weather:

Dr GOODWIN - *In the unlikely event that the ferry is cancelled then at least they've still got their ticket to get on the bus or whatever they need to do for the alternative transport.*

Mr WARD - *Yes. One of the things on cancellations that has taken a while to develop is a text database system. I know the regional councils have it for buses but we're not integrated into there; we've got our own. Every commuter that buys a concession card with us, and anyone else for that matter, can go on this text system. When we cancel, as soon as we've made a decision it goes straight to them. The normal thing is that the smaller ferries cancel first, so we go to our restricted sailing schedule. The commuters are all aware of it now. Instead of six sailings going home you will only have the choice of three, which just means they have to rearrange. If you are sitting in your office and it is 3 o'clock and you get the text, 'The 4 o'clock is not going', so I will have to catch the 4.30 p.m., it's not a big change. They don't mind that.*

363. He advised that in the unlikely event that both boat services were cancelled, charter bus services were deployed.²⁰⁵
364. At the time of reporting, the ticketing for ferry services in Wellington was not integrated with the remaining public transport network.

Cycling and Walking

365. The third key area of interest for the Committee was in relation to cycling and walking infrastructure.
366. There are two major strategy documents related to cycling and walking that were noted by the Committee and that the reader should familiarise themselves with, in considering the issue of a cycling strategy for Southern Tasmania.

²⁰⁴ Op.Cit. Mr Jeremy Ward, p.57

²⁰⁵ Ibid

- The Tasmanian Walking and Cycling for Active Transport Strategy (DIER – part of the Tasmanian Urban Passenger Transport Framework) - http://www.dier.tas.gov.au/_data/assets/pdf_file/0006/48327/Walking_and_cycling_strategy_-_final.pdf;
- Hobart Regional Arterial Bicycle Network Plan (Joint Local Government Strategy) - <http://www.cyclingsouth.org/images/stories/Documents/final-cyclingsouth2010.pdf>

367. Although interest in cycling is in part related to developing better infrastructure in line with the objectives for other modes of public transport for commuter and other usage, the Committee noted that many of the objectives were associated with improving the health and wellbeing of Tasmanians and in response to climate change.
368. Consistent amongst the submissions was that cycling-related infrastructure was generally sub-standard in Tasmania and that road infrastructure was based on the interests of other road users rather than cyclists. The evidence was generally consistent in suggesting that the current road and cycling infrastructure posed a significant barrier to participation.
369. Ms Mary McParland from Cycling South commented on the current challenges associated with cycling in Hobart on the road network and the improvement that flowed from the development of the Intercity Cycleway from Hobart to Claremont:

One of the things I am focused on at the regional level is a regional bike network where people can ride their bike and feel safe and comfortable. At the moment you can say, 'There is a network and it's called roads. You can legally ride a bike on the road', but for most people it is very intimidating and stressful to ride on the road, so we need to start developing infrastructure that reduces that level of stress people are exposed to. Something like the inter-city cycleway is a fantastic example. Before that was built the only people who were riding were those who were comfortable enough and had a stress tolerance that would allow them to ride on a main road, for example.

*When the cycleway was built all those riders moved onto the cycleway but a whole lot of new riders also started and if you look at people using the cycleway they're not all in lycra, they're not dressed up as hardcore cyclists; there are people in summer dresses, people in shorts with track pants, t-shirts; it's a mixed cross-section. It is of a standard that makes it accessible to a lot of people and we need more of that sort of infrastructure. We have a regional plan.*²⁰⁶

370. The importance of improved cycling infrastructure that would integrate more effectively with existing and future public transport options was also raised in the evidence. This included the need for improved facilities at boarding stations as well as onboard facilities to accommodate bicycles.
371. Bicycle Tasmania noted the following major points in its written submission that were discussed further at a hearing -
- Continue to develop cycling infrastructure;
 - Support a permanent budget for cycling infrastructure (modest) as is the case for other modes of transport;
 - Prioritise building cycling connections in high demand routes including between UTAS campuses;
 - Identify major 'stress points' that are discouraging cycling; and
 - Funds to monitor cycling movements (for planning purposes).²⁰⁷
372. Cycling South noted similar issues as part of its evidence and highlighted the importance of an integrated transport network enabling people to walk or cycle shorter distances to access public transport. The submission also noted the importance of future public transport initiatives such as ferry terminals and bus transit corridors being properly planned to accommodate walking (500 metre radius) and cycling (3 km radius).²⁰⁸
373. Cycling South also referred the Committee to the Hobart Regional Arterial Bicycle Network Plan and provided the Committee with a copy of the proposed cycling network in Greater Hobart (refer to submission).
374. Ms McParland also noted the reasonably high participation rate in cycling but stated that funding for cycling infrastructure was largely a local and state

²⁰⁶ Op.Cit. Ms Mary McParland, p.27

²⁰⁷ Bicycle Tasmania written submission, 25 July 2012

²⁰⁸ Cycling South written submission, 25 July 2012

Government issue as the Commonwealth Government had provided little funding for infrastructure development over time:

Federal traditionally haven't really funded a lot of bike stuff. A couple of years ago there was an \$80 million fund as part of that stimulus package that came out, which Tassie really didn't get much of, except Launceston did gain some benefit from that. There's not a lot of federal funding. Traditionally the feds always see bikes and walking as a state and not a federal issue. They do have a national bike strategy which identified that they want to increase cycling and as part of that they did a cycle participation survey to gain a baseline data of what the numbers are now so they can see in five years' time what the changes are. The numbers are pretty good. In Tasmania about 19 per cent of the population is riding every week.²⁰⁹

375. The Committee also received evidence from the CSIRO Bicycle Users Group (BUG) which provided a perspective on the needs of a city workforce that was using cycling as a means of commuting to work. Mr Jemery Day noted BUG's key objectives:

We do have issues at the site with car parking. When I first started working at the labs there weren't really big issues with car parking. There were empty car parking spaces on the site every day. These days if you get to work late in your car you are fighting for a car park. Staff numbers are increasing; there is the IMAS development right next door, pressures on car parking are going to increase. There are all sorts of really good reasons to encourage people to seek active ways to get to work, either walking or cycling, in terms of health benefits and happier workforces. The Bicycle User Group would like to see people encouraged to walk and cycle to work, and have a more active lifestyle to be happier and healthier and encouraged to do that through the provision of facilities on site, meaning having bike parking facilities on site. We have been lobbying internally within CSIRO for that.²¹⁰

²⁰⁹ Op.Cit. Ms Mary McParland, p.28

²¹⁰ Op.Cit. Mr Jemery Day, p.58

376. Mr Day also noted that there were a broad range of cyclists that used the road infrastructure, from commuters to recreational users and although supportive in principle of a proposed cycleway along Sandy Bay Road, was unhappy with the revised design proposed by Hobart City Council:

With the revised plan they are going to have cars parked right next to that so-called bike path and there will be bikes on the other side. The original plan, the Copenhagen-style plan, would have got rid of a lot of car parking and would have changed the very nature of the street and would have changed the atmosphere. It would be a place where people would go to and socialise in more. There was talk about putting in roundabouts, which would also address a lot of the other transport issues - cars turning right or left into Sandy Bay Road and that had difficulty, cars doing U-turns after dropping their kids at the school. I see that plan as being much bigger than a cycle and pedestrian facility. It was also a transformational plan to transform the whole nature of the roadway. I would like to see that get back up again, but I don't know if it will or not. For the sorts of people that we like to target in some ways, which is people who are new to cycling, that is the kind of facility that is much more likely to get them out cycling.²¹¹

377. The Committee noted the importance placed on improved cycling infrastructure by UTAS, given the number of students that may use cycling as their primary means of commuting to university. Ms Vivienne Courto, Manager Executive Services commented on the development of the UTAS Sustainability Strategy and the development of on-campus bike infrastructure in response to the strategy:

We have been focusing on providing new end-of-trip bicycle facilities and we are quite excited that we will be opening our first key bicycle hub within the next month on the Sandy Bay campus. There have been other bicycle hubs that we have established. We have also had students from UTAS involved in developing those bicycle hub options and our own School of

²¹¹ Op.Cit. Mr Jemery Day, p.63

*Architecture students had input into it, and trying to increase ownership and buy-in of our sustainability strategy through that mechanism.*²¹²

378. Ms Courto was questioned about UTAS support for cycleway development within the Sandy Bay precinct. She confirmed that work had been undertaken collaboratively with DIER and the Hobart City Council and that UTAS continued to advocate for improvement in cycling infrastructure.²¹³ The importance of integration with other modes of public transport was also raised by UTAS.

379. The STCA was questioned about Council work on cycleways in greater Hobart. Mr David Hunn said in response to questioning:

*Things have continued to progress with the bicycle paths and the council has been investing in them to a greater or lesser extent. I guess the intention is to ensure that those bicycle paths can access ferry terminals easily and that those ferry terminals either have bike storage or the ferries themselves have the facility to put a bike on. I am sure you talked to Metro about the use of bikes on buses - the idea of it. Hobart is a very hilly region - southern Tasmania is a very hilly region but it is handy, if you live outside Hobart, to have a bike when you are in the city. So, being able to get a bike into the city is a useful thing. Whether that is by ferry or bus, having that facility would be great.*²¹⁴

380. The challenges associated with reaching agreement on cycleway infrastructure design and implementation was highlighted in the ongoing difficulties associated with the Sandy Bay cycleway proposal and the changing design parameters being considered by the Hobart City Council in response to community criticisms. Mr Nick Heath commented on the Council's work on cycleways in the municipality:

First of all, the council for a long time has had a commitment to inner city cycling. It's not just about Sandy Bay and I think it is a mistake to just focus on the Sandy Bay Cycleway project as a project in itself. You have seen the green lines in Argyle Street and all around the city, so the council has had a long-term commitment to the inner city cycleways and that

²¹² Op.Cit. Ms Vivienne Courto, p.37

²¹³ Op.Cit. p.40

²¹⁴ Op.Cit. Mr David Hunn, p.16-17

commitment remains. It goes back as far as when the council paid for and constructed, as Glenorchy did, the inner city cycleway along the rail lines.

CHAIR - *We didn't actually pay for that; it was a commonwealth grant, but anyway.*

Mr HEATH - *There's a long commitment by councils for inner city cycleways, so it is disappointing just to focus on Sandy Bay because this has been going on for 20 years. The council is committed to a Sandy Bay walking and cycling project. The debate comes in with what the design is to be. That is very much a separate debate.*²¹⁵

381. At the time of reporting, the Hobart City Council had just announced that a revised version of the cycleway had been supported by Council and would proceed.
382. In addition to the work being completed by the Hobart City Council, on 24 October 2012, the Minister for Sustainable Transport announced the projects to be included in the Commonwealth Nation Building 2 round of funding applications, which included '*A new cycleway from Domain, under Brooker Highway. New cycleway along Marievile Esplanade. New cycleway from UTAS Sandy Bay campus to Castray Esplanade, including an off-shore jetty walk and cycleway around Battery Point headland. (Three cycleway projects costed at \$30 million)*'²¹⁶
383. The Minister later confirmed during the Budget Estimates Committee process in 2013 that none of the projects had been successful in receiving funding.²¹⁷

²¹⁵ Op.Cit. Mr Nick Heath, p.24

²¹⁶ Media Release, Minister for Sustainable Transport, 24 October 2012

²¹⁷ Op.Cit. p.61

Signed this 3rd day of July two thousand and thirteen.

Hon. Tania Rattray MLC
Committee Chair

Hon Adriana Taylor MLC
Inquiry Chair

APPENDIX A - WITNESSES

TUESDAY 11 SEPTEMBER 2012

Parliament House, Hobart

Tasrail
Rick Metcalfe, Stradbroke Ferries
Transit Systems
Clarence City Council
TasBus
Mr John Day

WEDNESDAY 12 SEPTEMBER 2012

Parliament House, Hobart

COTA (Council on the Ageing)
Colony 47
Bicycle Tasmania
Cycling South
Future Transport Tasmania
Derwent Valley Community House
Huon Valley Council
Glenorchy City Council

TUESDAY 18 SEPTEMBER 2012

Parliament House, Hobart

Hobart Northern Suburbs Rail Action Group
Sorell Council
Dr Anna Lyth
Derwent Valley Railway
CSIRO Bicycle Users Group
Professor Peter Newman – Curtin University

FRIDAY 28 SEPTEMBER 2012

Parliament House, Hobart

Southern Tasmania Councils Authority (STCA)
Hobart City Council
University of Tasmania
Dr Stewart Williams (UTAS)
Navigators
Mr Leo Foley

WEDNESDAY 10 OCTOBER 2012

Parliament House, Hobart

Office of the Economic Regulator
Ms Anna Reynolds and Dr Bob Brown
Mr Robert Cotgrove

FRIDAY 16 NOVEMBER 2012

Parliament House, Hobart

DIER - Mr Norm McIlpatrick, Mr James Verrier and Mr Peter Kruup
Mr Rory Brennan, Infrastructure Australia (teleconference)
Mr Rod Howard, Hobart Water Taxis
Mr Wesley Hindmarch and Mr Paul Johnston, TVT Transport Development and Road Safety Research

TUESDAY 27 NOVEMBER 2012

Brisbane Metropolitan Transport
Management Centre, Brisbane

Mr Michael McGee (Network Overview) and
Ms Tina Phelan
Mr Stuart Keeton (Network Integration)

WEDNESDAY 28 NOVEMBER 2012

Medina Executive Hotel, Brisbane

Mr Robert Bitossi and Ms Gaylene Vivian, Brisbane City Council
Mr Greg Balkan and Mr Rick Metcalfe, Transit Systems
Mr James Hall and Mr Brett Smith, Veolia Transdev

FRIDAY 30 NOVEMBER 2012

The Mercure, Wellington, NZ

Mr Nick Brown, Manager of People and Environment, Ministry of Transport
Mr Wayne Hastie, Public Transport Group, Greater Wellington Regional Council
Ms Deb Hume, KiwiRail Passenger Group, KiwiRail
Mr Jeremy Ward, East by West ferries

WEDNESDAY 15 APRIL 2013

Parliament House, Hobart

Mr James McIntosh
Mr John Livermore

TUESDAY 11 JUNE 2013

Parliament House, Hobart

DIER - Mr Norm McIlpatrick, Mr Bob
Rutherford and Mr Peter Kruup

APPENDIX B - SUBMISSIONS

Ref No	Name	Submission received	Submission Tabled	Date appeared
1	P.R. Needham	4.7.12	18.7.12	
2	Kingborough Council	23.7.12	21.8.12	
3	Bicycle Tasmania	25.7.12	21.8.12	12.9.12
4	Ms Alice Graham	18.7.12	21.8.12	
5	Ms Claire Burnet	19.7.12	21.8.12	
6	Metro Tasmania			18.7.12
7	DIER			20.7.12 16.11.12 11.6.13
8	Cycling South	25.7.12	21.8.12	12.9.12
9	Mr Andrew Heard	27.7.12	21.8.12	
10	Glenorchy City Council	30.7.12	21.8.12	12.9.12
11	Strategy of the Commons	30.7.12	21.8.12	
12	Mr Bob Holderness-Roddam	30.7.12	21.8.12	
13	Mr Andrew Ross	1.8.12	21.8.12	
14	TasBus – Tasmanian Bus Association	2.8.12	21.8.12	11.9.12
15	Sorell Council	6.8.12	21.8.12	19.9.12
16	Huon Valley Council	3.8.12	21.8.12	12.9.12
17	Mr Leo Foley	5.8.12	21.8.12	28.9.12
18	Suzanne Betts	6.8.12	21.8.12	
19	Mr John Hayes	13.8.12	21.8.12	
20	Tourism & Transport Forum (TTF)	13.8.12	21.8.12	
21	COTA (Council on the Ageing)	13.8.12	21.8.12	12.9.12
22	Ms Adele Vincent	14.8.12	21.8.12	
23	Dr Anna Lyth	14.8.12	21.8.12	19.9.12
24	Derwent Valley Community House	14.8.12	21.8.12	12.9.12

Ref No	Name	Submission received	Submission Tabled	Date appeared
25	Clarence City Council	14.8.12	21.8.12	11.9.12
26	Tasmanian Transport Museum Society	14.8.12	21.8.12	
27	Ms Sharon Moore	14.8.12	21.8.12	
28	UTAS – Jacinta Young/Gary O'Donovan	14.8.12	21.8.12	28.9.12
29	Colony Partnership Brokers, Colony 47	14.8.12	21.8.12	12.9.12
30	Mr John Livermore	14.8.12	21.8.12	15.4.13
31	Ms Penny Wadsley	14.8.12	21.8.12	
32	Professor Peter Newman	14.8.12	21.8.12	19.9.12
33	Debbie Robertson	14.8.12	21.8.12	
34	Future Transport Tasmania	14.8.12	21.8.12	12.9.12
35	Southern Tasmanian Councils Authority	14.8.12	21.8.12	28.9.12
36	Hobart Northern Suburbs Rail Action Group	14.8.12	21.8.12	19.9.12
37	Mr Chris Harries	14.8.12	21.8.12	
38	Transit Systems	14.8.12	21.8.12	11.9.12
39	Mr John Day	14.8.12	21.8.12	11.9.12
40	CSIRO Bicycle Users Group	14.8.12	21.8.12	19.9.12
41	Derwent Valley Railway	14.8.12	21.8.12	19.9.12
42	Mr Rick Metcalfe	1.8.12	21.8.12	11.9.12
43	Southern Midlands Council	16.8.12	21.8.12	
44	Climate Action Hobart	22.8.12	21.8.12	
45	Dr Stewart Williams	24.8.12	21.8.12	28.9.12
46	Navigators	3.9.12	21.8.12	28.9.12
47	Mr Bob Cotgrove	18.9.12 Adden. 28.9.12		10.10.13
48	Hobart City Council		28.9.13	28.9.12
49	Dr Bob Brown/Anna Reynolds	25.9.12	28.9.12	10.10.12
50	UTAS Environment Collective	31.8.12	11.9.12	
50a	TasRail			11.9.12
51	Mr Peter McKenzie (TVT Transport Development and Road Safety Research)	18.9.12	28.9.12	16.11.12
52	Tasmanian Economic Regulator			10.10.12

Ref No	Name	Submission received	Submission Tabled	Date appeared
53	Community Transport Services Tasmania		10.10.12	10.10.12
54	Transform Urban Design	Documents 12.10.12		
55	Infrastructure Australia (Mr Rory Brennan)			16.11.12
56	Mr Rod Howard, Hobart Water Taxis		16.11.12	16.11.12
57	Mr James McIntosh			15.4.13

APPENDIX C

SUMMARY OF AUCKLAND PUBLIC TRANSPORT VISIT

On Monday 26 November I met with representatives from Auckland Transport and visited a number of transport facilities, including the Northern Busway, Devonport Ferry Terminal and Britomart Transport Centre.

Auckland Council was established after the amalgamation of eight council areas. Auckland Transport is a controlled organisation of Auckland Council. It is responsible for all of the region's public transport services including roads, footpaths, parking and public transport, but excluding state highways.²¹⁸ There were obvious challenges in bringing the existing transport services which previously operated within eight council areas under the single umbrella of Auckland Transport.

The Northern Busway was opened in February 2008 and is the first purpose-built road dedicated to buses in New Zealand.²¹⁹ It is 8.7km long and runs parallel to State Highway 1 from Constellation Drive in the north to the Auckland Harbour Bridge. Park-and-ride facilities are located at some of the stations along the route.



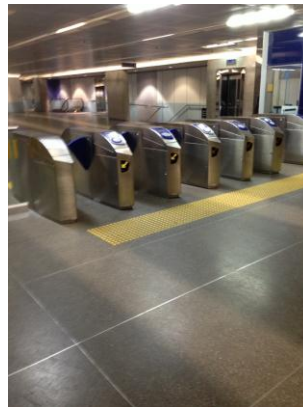
Devonport is a seaside village with heritage buildings and is a popular tourist destination. It is a 10 minute ferry ride from Devonport to Auckland.

²¹⁸ <http://www.aucklandtransport.govt.nz/about-us/our-role-organisation/Pages/default.aspx>

²¹⁹ <http://www.aucklandtransport.govt.nz/improving-transport/completed-projects/RapidTransit/Pages/TheNorthernBusway.aspx>

The Britomart Transport Centre is the public transport hub for Auckland and is located in the CBD.²²⁰ It is used for both train and bus travel.

I travelled on the Northern Busway and the Devonport Ferry. Auckland Transport was in the process of introducing integrated ticketing for the rail and ferry infrastructure. The train ticketing equipment was operational at the time of my visit, while the ferry equipment was in place and functional but had not been officially launched.



The Northern Busway park-and-ride stations appeared to be well patronised with well-maintained facilities including enclosed waiting areas, CCTV monitoring, bike lockers and modern timetable and arrival information displays.



Auckland did consider light rail but this was abandoned because of the mix with freight trains. The rail network will be converted to electric.

Auckland is in a transitional phase in terms of getting people on public transport and is trying to work out the right balance to grow public transport.

²²⁰<http://www.aucklandtransport.govt.nz/public-transport/britomarttransportcentre/Pages/default.aspx>

The ticketing system for buses needs to be replaced and will be integrated with ferries and trains but it is the biggest public transport component and so will be done last. The provision of bus services is a fully contracted system.

Further park-and-ride facilities are being explored, with the aim to locate these upstream from congestion or choke points. The quality of the existing parking facilities varies given the previous history with eight council areas.

My main impression was that the provision of integrated public transport was progressing well in Auckland but had been challenging given the amalgamation process. I was particularly impressed by the integrated ticketing, the Northern Busway, the park-and ride facilities for the Busway and the Britomart Train Station. The Auckland Transport representatives were very helpful and informative.

Hon Vanessa Goodwin MLC