



# **PARLIAMENT OF TASMANIA**

## **TRANSCRIPT**

### **LEGISLATIVE COUNCIL**

### **GOVERNMENT BUSINESS SCRUTINY COMMITTEE B**

**Metro Tasmania Pty Ltd**

**Tuesday 15 December 2020**

### **MEMBERS**

Hon Rosemary Armitage MLC  
Hon Ivan Dean MLC  
Hon Jo Palmer MLC  
Hon Tania Rattray MLC (Chair)  
Hon Jo Siejka MLC  
Hon Josh Willie MLC

## **WITNESSES IN ATTENDANCE**

**Hon. Michael Ferguson MP**, Leader of the House, Minister for Finance, Minister for Infrastructure and Transport, Minister for State Growth, Minister for Science and Technology

**Mr Tim Gardner**, Chair, Metro Tasmania Pty Ltd

**Ms Katie Cooper**, Chief Executive Officer (from October 2020), Metro Tasmania Pty Ltd

**Mr Darren Carey**, Acting Chief Financial Officer (March - October 2020), Metro Tasmania Pty Ltd

**Mr Jesse Penfold**, Acting Chief Financial Officer (From February 2020) Metro Tasmania Pty Ltd

**Mr Kim Perkins**, Board Secretary (From February 2020), Metro Tasmania Pty Ltd

**The committee resumed at 2 p.m.**

**CHAIR** - Welcome back, minister, for the afternoon session of this scrutiny and you will now have the role and responsibility of the minister for Metro. I will introduce the committee and then I will ask you to introduce yours; I expect you will have a brief opening statement.

To my right is the member for Rosevears, Jo Palmer; the member for Launceston, Rosemary Armitage; myself as the member for McIntyre, Tania Rattray; the member for Windemere, Ivan Dean; the member for Pembroke, Jo Siejka; and the member for Elwick, Josh Willie. We also have our secretary, Natasha Exel, and Deb from Hansard. Thank you, minister.

**Mr FERGUSON** - Good afternoon again, chair and committee. I introduce you to Mr Tim Gardner, Chair; Katie Cooper, our new CEO; and Mr Darren Carey, General Manager, Operations.

**CHAIR** - Thank you; do you have an opening statement?

**Mr FERGUSON** - Metro is a vitally important service provider that connects people with work, education, training, health care, retail and services, and, of course, loved ones and their community.

I would like to briefly touch on some of Metro's key accomplishments in 2019-20. First, a heartfelt thank you to the Metro team, the people to my left, but also to the many men and women who make up the organisation and who are right now providing their services. I want to thank them for their continued commitment to delivering essential public transport services in what has been a very challenging year.

As a company, Metro has played a vital role in connecting people to jobs and essential services right throughout the pandemic, needing to frequently adjust and change, but retaining a laser focus on frontline safety. This service continued to operate throughout every stage of the pandemic. I have no doubt the community appreciates Metro's hard work in keeping all services on the road, even at the height of the crisis, thanks to its care and attention and also a recognition by everybody in the organisation of the role it plays in the community.

As we continue on the road to recovery, the patronage Metro has already seen regained is testament to the trust the community has in our dedicated provider, and the entire team should be proud of making a difference, both during COVID-19 and every day.

A new Launceston network was launched in January this year, and is delivering service improvements such as more direct routes, more frequent services, more consistent departure times, improved reliability and reduced transfer times. The network updates bring smarter services by reducing travel times and ensures the services remain an accessible link for employment, education and other services. It is a big win for commuters across the broader city area, with a new high frequency cross-city route linking the university with Kings Meadows via Mowbray, Invermay, Inveresk, the city, the LGH and Six Ways. This service in particular has been well received.

Across the region, there are more services more often to major towns and improved mobility for the West Tamar, the north-east, the east coast, and the Northern Midlands areas. Prior to the pandemic, early data from the first month of the new network's operations showed

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an increase in patronage. The north-west of the state is the next region to benefit from better bus services with the improved network to be rolled out next month.

In terms of our fleet, 35 new Tasmanian-built low-floor buses were delivered in 2019-20 under Metro's Accelerated Bus Replacement Program supported by the Tasmanian Government, with the final 26 buses scheduled for delivery by April of next year. The Accelerated Bus Replacement Program is delivering 100 buses built by Tasmanians in our own state and it's being driven by Tasmanians for the Tasmanian community.

The Hobart network is delivering 87 per cent of general access services with compliant vehicles and is expected to be fully compliant well ahead of the Commonwealth-mandated date of December 2022. Through the fleet renewal, Metro has achieved fully compliant accessible services in Launceston and Burnie.

Chair and committee, I am very pleased to tell you - you are the first to know about this - that the contract with the BusTech Group is being extended. The ink on the agreement is still wet - we've just signed, and it's for the purchase of a further 26 buses. I'm happy of course to provide further information.

**Ms ARMITAGE** - I would like to ask some questions on that if I could, chair?

**Mr FERGUSON** - Yes, I would welcome that and we're happy to provide further information on this initiative throughout the hearing if you wish.

**Mr DEAN** - That's in addition to the 35 and then the 26 by the end of 2021?

**Mr FERGUSON** - It's in addition to the 100.

In March we said farewell to our CEO, Megan Morse, and we welcome Katie Cooper as Metro's new CEO. Katie has an extensive background and experience in mass transit operations both in Australia and internationally, most recently as head of transformation and head of aviation operations at Melbourne Airport, and I am confident she will make a significant contribution to the organisation and our public transport network alongside the Metro board and chair Tim Gardner.

I'd like to say how grateful we are to Megan for the leadership she showed in her three-and-a-half years as CEO; we certainly all wish her the best in her future endeavours. I cannot say all of that without especially acknowledging the excellent work and commitment of Darren Carey who served as the acting CEO throughout that process of recruitment. He did a magnificent job, particularly his activity at the helm right through the pandemic; I'm very grateful to him, he is a real professional.

In closing, Metro is keeping Tasmania moving, and I congratulate them on another successful year connecting our community. Despite the challenges we've all experienced this year, Metro has demonstrated the significant impact of open minds and flexibility and keeping the service running professionally, so I would like to thank the chair, the board and all the management but, importantly, every member of the Metro team.

**Ms ARMITAGE** - With regard to the BusTech 800 Series, we've been advised, and you will correct me if I'm wrong, that some concerns have been raised with Metro, I believe, about

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the safety perspective of the buses, that some drivers are concerned they are heavy in the steering, the mirrors wobble badly and the actual mirror inside the head of the mirror wobbles - a vibrational pitch.

Can you advise if you're aware of that and, if so, what's been done to correct it, particularly if you're buying more of these buses?

**Mr FERGUSON** - Thanks, Ms Armitage; I'll ask my team here to provide you with a detailed answer. I am certainly aware of teething issues in the new buses which, overall, have received very strong positive endorsement. They're extremely well-made, well-designed and an Australian product. We also recognise that drivers will have different opinions about, for example, things like steering weight - and I'm advised that steering weight is within required parameters - but nonetheless I'm happy for perhaps the General Manager of Operations, Mr Carey, to respond more directly.

**Ms ARMITAGE** - I have a friend with a very expensive car and the one she looked at wasn't the same as the one she got and I am just wondering, I guess, that sometimes it occurs too that things change between the model you actually look at the model you receive.

**Mr FERGUSON** - I can certainly throw to the expert, but I'm aware that on the introduction of the new buses a small number of refinements were expected and have been implemented, but what about if Mr Carey provides the detail?

**Ms ARMITAGE** - Absolutely. Will the mirrors still wobble?

**Mr CAREY** - I am quite happy to respond, Ms Armitage. The issues you're talking about would be heaviness of the steering.

**Ms ARMITAGE** - Yes.

**Mr CAREY** - The steering in the 800s, or the XDi 1.0 as they are built by BusTech, is compliant with Australian Design Rule - ADR - testing so it's within the compliance regime. What it is, and, as you rightly refer to, you go and buy a new car - a new Commodore or a new Statesman does not feel like the old FJ Holden; it was a lot looser. These vehicles are the same in that regard. They are compliant within testing regimes and with the compliance under the ADR. In addition to that, though, and recognising that we have been working with the bus builder and designer, BusTech, to a point where especially for the steering, BusTech has their chief engineers working on and looking at a new steering pump to go into the bus.

**Ms ARMITAGE** - Is this for all the buses you have already as well, apart from the new ones?

**Mr CAREY** - Yes, it is for the 100 buses. An alternative steering pump is under evaluation currently and that will be looked at as a trial in January next year. Another issue that has come up is engine vibration. BusTech has engaged Cummins, the engine suppliers, and it has gone right back to Cummins' chief engineers in the United States where they have been looking at the idle range for the engine.

**Ms ARMITAGE** - They are looking to fix it. They are not just arguing over who is at fault?

**Mr CAREY** - No, there is no argument at all. It is basically a reassessment of the engine idle rate. They idle between 600 and 750 revs per minute.

**Ms ARMITAGE** - Certain vibrations can make you feel ill.

**Mr CAREY** - Absolutely. It puts a resonance or a tone through the vehicle which is particularly what does that. Testing is being carried out on 19 buses; 13 of those buses did not require adjustment, but the other six did. Basically, apart from the sample size we are testing, as a driver reports a bus for engine vibration or bad vibration, the bus will be brought into what we refer to as the 'sick bay', then taken into the workshops and tested by BusTech again the next day. As the buses are recorded, we go through each one.

BusTech is also bringing a device to Tasmania that they are using globally now to test vehicles for vibration and resonance. We will have a look at that piece of machinery and probably look at purchasing one of those ourselves to test our whole fleet as a part of the regular maintenance and servicing regime, just to keep that out of them.

With regard to engine vibration, there is no argument there over who owns the issue, or are we going to fix it.

**Ms ARMITAGE** - Okay, it is being dealt with. What about the mirrors? We have been told that the mirrors are very hard to see because they wobble and if it rains on them, you really cannot see in your mirrors at all. What are you doing about the mirrors?

**Mr CAREY** - Again, with the mirrors, it has been a twofold issue. One of them was initially that vibration was coming through the mirror arms.

**Ms ARMITAGE** - Is it a concern that there are so many problems with these new buses?

**Mr CAREY** - I have built a lot of buses across my 30-plus years in the industry. These things might seem like a bigger issue than I am saying, but they are more or less teething issues. Sometimes until you get them on the road like this, you do not see that come through until you get a few kilometres under the bus and things start to settle in.

The mirror arms have been changed out and more mirror arms are being changed out to a new mirror arm design that has been fitted.

**Ms ARMITAGE** - Is it the arm, though? My understanding is it was the actual mirror inside the head.

**Mr CAREY** - As I say, it is a twofold issue. One of them is the mirror arm. The other part is more or less being caused as well by part of the vibration through the vehicle. It is more or less a harmonic balance issue. They have been testing what harmonic balance they need in the mirror to stop any vibration coming through the mirror. That is well underway and that is addressed for reassessment and report of the current findings in January.

**Ms ARMITAGE** - These are 12.5-metre buses?

**Mr CAREY** - Yes, 12.5 metres.

**Ms ARMITAGE** - As opposed to the 11-metre buses.

**Mr CAREY** - There are no 11-metre buses. There haven't been for quite some time.

**Ms ARMITAGE** - Is it true though that the bus runs are designed for 11 metres and not necessarily the 12.5-metre buses, particularly with things that like roundabouts? Bus stops as well because many times you see that they have to go over a roundabout because they cannot get around them.

**Mr CAREY** - The road design essentially has not changed. The road design has been what it has for quite some time now. At 12.5 metres, that is perfectly fine to operate on the same road and the same path.

With regard to the bus stops, there is no ideal essentially for what is a bus stop and that is mainly because you may get a bus stop that is on a slight curvature of the road, one way or the other, or there are so many things that can affect where and how you put a bus stop. When we go out with councils to look at where to put a bus stop, we try to put it so that it is away from your driveway and it is not crossing over your driveway but you are trying to get that niche piece of footpath to put it on that is safe for the pedestrian as well.

We are operating 18-metre articulated buses on roadways as well, so a 12.5-metre rigid bus is not a problem operating on the same roadway as an 11-metre bus.

**Ms ARMITAGE** - With regard to the 12.5-metre bus, is it possible to have a bike rail or is the bus too long for a bike rail on the front or back? I noticed in New Zealand, people can actually ride to where they are going. It has been mentioned to me that many people say they would like to ride to work. If it is fairly hilly, they could ride to work downhill and they would like to be able to put the bike on the bus to ride home.

Is there a possibility? Is it because the buses are too long? If that is the case, I am not sure about Hobart, but the minister might agree in the north there is a lot of space on the bus, whether some of the seats could come out and you could have some bike cages and maybe fill the buses up a bit.

**Mr DEAN** - Our very much-loved Tony Peck, who now unfortunately is not with us, raised this in Launceston. It was actually trialled on a bus in Launceston - bikes on the buses - but I do not know where that went to.

**Ms ARMITAGE** - I think they are longer buses now. That's the problem.

**Mr FERGUSON** - I am not sure that is the case, but my advice was that 11-metre buses are not something that we have known, if ever, for a very long time, but we might park that.

In respect of bikes, I am happy for my experts here to respond to you further, but we would need to be aware of the trial that occurred in Launceston. Although I was not the minister at that time, it was quite a number of years ago -

**Ms ARMITAGE** - Maybe you could have another trial, minister.

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**Mr FERGUSON** - I would say, not knowing what my colleagues will shortly offer to the committee, that anything that slows down the ability of the bus to stay moving, and that is to have short stops to allow people to get on and off the bus, we have re-engineered the entire network in every region, to have more frequent, more reliable and more direct routes.

The customers were telling us that they were disinclined to catch the bus if the bus was not quickly getting them from A to B. I only voice that note of caution that I do not want to be slowing down our buses when people are taking extra time to load their bikes, for example, which I think externally they were being loaded on the outside of the bus, so we need to be careful.

**Ms ARMITAGE** - I smashed my heel; I had a scooter. Is that any different to me getting on a bus? It takes me time to get on with a scooter. Is it any different to someone getting on with a pram or someone getting on in a wheelchair?

**Mr GARDNER** - This is a topic that comes up and we are very responsive to what our customers are saying, what they want and how travel patterns are evolving and more people are looking across different -

**Ms ARMITAGE** - Well, people who ride bikes would like to put their bikes on the bus.

**Mr GARDNER** - They would, but there are also a whole lot of things that our customers want and we have to work through the priorities of what the mass of people want because we are a mass transit system.

In the first instance, in our priorities, getting as many people moving as quickly as possible on the main routes possible is by far the greatest thing. I am happy to let Darren talk about some of the physical logistics of putting bikes on and off buses. It is not a common thing around the world. Some jurisdictions do it and often there are mixes of putting them on the front and mixes of actually hanging them on the back. Very rarely are they inside because of the risk of any incidents of them flying around.

**Ms ARMITAGE** - If you had a cage, you could have a cage.

**Mr GARDNER** - There are different engineering solutions to it, but each one comes with trade-offs in the customer service and also the challenges for our operators in potentially having get out of buses to go and help people put bikes in, take bikes out.

**Ms ARMITAGE** - I think they would have to do it themselves, but I see very few buses go past my house that have more than five people on them so I would have thought that to try to encourage people to get on the bus, it would be a good thing.

Will you look at it? I have not had a response about whether it is possible to look at it.

**Ms COOPER** - If I can jump in - a number of jurisdiction have run them in different ways. Do we have it on the agenda at the moment for us to do a trial? The answer is no, not at present. Happy to take it as a suggestion and an idea, but it is not as simple as just letting people get on the bus - you would actually have to do a proper study.



The buses run on a number of networks and some networks might be able to take it, some might not. There needs to be a bit of work done to take it on board to see where it sits.

Some jurisdictions have had buses [inaudible] loaded into cages at the front of a bus. That affects its turning circle and the weight. It can actually have an impact on the driver being able to have clear vision and visibility.

There are jurisdictions, as Tim referred to, which have them hanging on the back. That might be possible, but it might be restricted. At the moment we just do not have an answer for you as far as whether we have a trial planned. At the moment we do not. Do we intend to have one? It is something I need to consider.

**Ms ARMITAGE** - My question is: are you willing to look at it, minister?

**Mr FERGUSON** - Yes, we are and the smart thing to do here is to listen to your suggestion, take it on notice and write back to the committee. We are not here to rule things in or out.

**Ms ARMITAGE** - I have had constituents ask me to raise it.

**Mr FERGUSON** - I can accept the advice I am hearing to my left, which is there would also be potentially negative consequences because we want to incentivise people to see the bus as an attractive option. If they are watching and waiting while other people are loading their bicycle on the bus, I could see that as a disincentive.

**Ms ARMITAGE** - It does not take long to put it on the back.

**Mr FERGUSON** - Happy to take it on notice.

**Ms ARMITAGE** - No more than getting on the bus on my scooter.

**Mr DEAN** - Probably need to tell him to get an electric bike.

**Mr FERGUSON** - We could respond back to you in a more detailed way.

**Ms ARMITAGE** - I would appreciate that because we need to be looking at all commuters and commuters that ride bikes. We are trying to encourage people to ride bikes. If we can encourage people to ride to work, getting a bus home is a win/win for everyone.

**Ms PALMER** - Minister, could I take you back to your opening statement where you spoke of the new bus contract with BusTech Group? Can you provide us with more details about the benefits of this initiative?

**Mr FERGUSON** - Thank you, Ms Palmer. As mentioned, our current replacement contract is in place with BusTech. We are so proud of it because it has been a singular success, notwithstanding a few teething issues being worked through. It is actually creating jobs in north-west Tasmania and putting a lot of pride into manufacturing in Tasmania. It has been brilliant.

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The current Accelerated Bus Replacement Program is due for completion in May next year and we are extending the contract with BusTech to purchase an additional 26, which will also be built at Elphinstone Pty at Wynyard.

The \$12.25 million value is attached to this extension. It is a particular new boost to manufacturing capability and local jobs in the north-west and that is perfectly aligned with the Tasmanian Government's Buy Local Policy.

It means the continuation of direct employment for over 20 people in the north-west region; if any members would enjoy a visit, I would be only too happy to arrange one.

The additional 26 buses are next generation specs and they are DDA-compliant. They have Euro 6 diesel engines, the most carbon efficient and low pollution technology available for diesel buses.

Importantly, the new buses also have the capability to be converted to battery and/or electric or even hydrogen fuel cell-drive trains. How that works is the chassis is designed so the diesel engine could be quite conveniently be swapped out for a different drive source.

As well as being more fuel efficient and less expensive to maintain, this particular bus design has the potential to support Tasmania's emerging hydrogen sector and to assist our transition to low carbon economy. We want to continue to capitalise on the state's clean energy source, being our renewable power.

Tasmanian-manufactured components on the buses have increased from 35 percent to a new minimum of 42 percent. These new buses will see this level of locally built content increase to more than 50 percent in 2021.

As such, the benefits to Tasmania extend beyond the direct employment and economic boost, but also to downstream supply chain benefits. This purchase represents a significant boost to Metro's vision to be an attractive travel option. It continues the vital program of fleet replacement we have needed. We have had legacy issues with dated buses and we have wanted to make Metro compliant, modern and cost-effective for our business with the potential down the track to support the alternative fuel sector in Tasmania and to enable Metro to show some of the leadership that is required in the transport sector to move to different fuel types.

**Mr DEAN** - Do we really need a board to drive a bus fleet?

**Mr FERGUSON** - A company board? Yes, we absolutely do. Without being flippant about it at all, Metro is one of a number of participants in the public transport sector in Tasmania. We often think about public buses and we think usually of Metro but, of course, there are quite a number of private participants in this sector, all of which are funded through direct subsidy from the Tasmanian Government.

This particular enterprise is an important one for the state, and I will definitely invite the chair, Mr Gardner, to give his own thoughts on the matter, but it is a bigger business and it has a range of risks in it as well which we do need strong corporate governance to monitor and take responsibility, not just for the financial but for the safety of, and to look after, our people.

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It is also important the board manages the executive according to best practice corporate governance, in addition to the fact that it is a private entity owned by the Tasmanian Government, so we look to the board to do the day-to-day management, allowing the Government to make the higher level strategic decisions on the advice of that board.

**Mr GARDNER** - Thank you, minister. Mr Dean, as a board we serve to fulfil our obligations as a state-owned corporation. It is an interesting and important time in public transport at the moment. It is an important time for Tasmania as our population grows and we are experiencing changes that really bring public transport to the fore. In my view, and I know I have a subjective opinion sitting on the board -

**Mr DEAN** - A conflict of interest, perhaps.

**Mr GARDNER** - If I may, the combined capability that comes together around the table in terms of the experience and the perspective from other jurisdictions in bringing new technologies, in bringing experience with fleet management and operation, and with really looking over the hill at what is coming and what is happening in terms of mobility in this broader field. In my view the board brings enormous value to the state and in supporting us driving a critical part of our community infrastructure forward.

**Mr DEAN** - A lot of issues were raised with us yesterday. Information has been provided to us that the ticketing system in Metro is antiquated. It needs a lot of work done to it; in particular, it was brought to our attention that a lot of rorting of the current ticketing system is taking place.

**Ms ARMITAGE** - Do you mean the app?

**Mr DEAN** - Yes, the app. It is all to do with the ticketing processes, the app and so on. In relation to zones and so on. It can be manipulated to erase zone 2, to stay in zone 1. A lot of evidence was given to us, minister. Is anything being done in relation to the app and the ticketing processes?

**Ms ARMITAGE** - Fare evasion.

**Mr FERGUSON** - Thanks, Mr Dean. I am not aware of any claims that the system can be rorted. Whoever provided you with that claim has not made that claim to me. I will make that gentle point. Whoever is making that observation or claim hasn't reported it to me and I will ask the Chair: has anybody reported it to you?

**Mr GARDNER** - Not apart from the usual behaviour on the ground of individuals who seek from time to time to evade fares in ordinary ways, but if we are talking about someone doing something with the app, apologies, I am trying to understand the specific nature -

**Ms ARMITAGE** - Did you want me to add a bit more, Mr Dean?

**Mr DEAN** - If you wanted to cover more.

**Ms ARMITAGE** - My understanding was that you can go onto the Metro app - if you have any understanding at all of your mobile phone, which most children do - and, for example, Hobart to Kingston would be a zone 2, but they can change it to a zone 1 on the app so that

when they get on, they are paying for a zone 1. They are paying a lot less than they would be for the zone 2. My further understanding, and members will correct me if I am wrong, was that some checks had been done to look at that, and I assume it would have been done by yourselves to check how many zone 1s have been taken over a certain area that they know is zone 2 and it has been evidenced that -

**Mr DEAN** - Hobart to Kingston was mentioned in particular.

**Ms ARMITAGE** - That was the one mainly, but on several occasions there might have been seven zone 1s in that stop that should have been zone 2 so they were aware that people were rorting the system and that there was nothing legislated for fare evasion.

**Mr FERGUSON** - Again, I am happy for the Chief Executive to respond further. I wish to let the committee know that it is not something that has been brought to my attention that we have failed to act upon. Happy to hear the feedback and to respond if needs be.

**Ms ARMITAGE** - It is funding for Metro, isn't it?

**Mr FERGUSON** - No, it's not.

**Ms ARMITAGE** - I am saying it is funding for Metro if they are losing fares.

**Mr FERGUSON** - Yes, indeed, that I agree.

**Ms ARMITAGE** - That was my point.

**Ms COOPER** - The issue of it being a rort and through an app system - this the first I have heard of that. There certainly is a concern - and I think you used the word 'antiquated' if I can repeat it back to you - on the ticketing system. That is probably a reasonably fair assessment. The technology is old - we need to own and acknowledge that and, in line with that, if you think about if you are travelling in other major capital cities around the world, you are used to people tapping on and tapping off, and that is how you get your fare on and off.

The current system we use, the Greencard system, does not enable that to occur. There is no tap off function. There is a situation where a person as a passenger may want to not pay the right fare and pay a zone 1 and actually travel an extra couple of stops into zone 2, that is possible, and if people have that intent to fare evade, that can occur. It is not a systemic issue.

With regard to the ticketing question, I am trying to work out how I can say this. We are aware there is an issue. We have been out in the market with a request with an expression of interest for a new supplier in that situation. I am very limited in what we can say because that process is in action and it is not closed. It is not a whole answer, but it is the best I can give you at the moment.

**Mr DEAN** - You have answered the question. It is an old system and you are working on it. I think that is sufficient.

**Mr FERGUSON** - I would not want you to think we are happy with the Greencard. It is at the end of its life. We want to replace it. The Government has provided a direct grant to Metro of \$7.5 million. It was in the budget last year actually. Our CEO is delicately trying to

say is that we are currently in the middle of the procurement and we are in the evaluation stage of that. Greencard is yesterday's technology. We need to move away from it and we need to move to a more contemporary ticketing arrangement. We want it to be as integrated as possible so that it is not just the ticketing application for the Metro bus company. The intention is to create a platform and a technology that can be distributed across the other PT providers as well and to try to make it the mainstream means by which somebody jumps on and off public transport.

**Ms SIEJKA** - In regard to the Derwent ferries, I want to gauge the level of disappointment or otherwise that the board may have expressed to you about no longer being involved in the development and operation of the Derwent ferry service. Why was preference given to private operators over Metro?

**Mr FERGUSON** - Mr Gardner himself can tell you whether he is disappointed, but I do not believe that Metro is at all disappointed. This is a pilot project that the Government has initiated. It is not Metro's initiative; it is the Government's initiative; it is the Liberal Government's initiative. We said that this was something that people wanted us to explore. We took advice on the best way to achieve that. Metro needs to be, and will be, part of future models, but for the time being, we have promised to run it as a pilot service because it has not been done in Hobart in this way before.

We are currently in the procurement process for this as well. The tenders for a Derwent River ferry service were released in the first week of November. The process preceding that was a request for expressions of interest. That demonstrated there is strong interest from infrastructure and transport providers in creating a ferry service across the river. The feedback we received from that also provided guidance to us about some of the ways we could improve the tender that was then issued on 7 November. The tender specifies what must be done: a fast and convenient travel service between the eastern shore and the city with a one-way crossing expected to take 20 to 25 minutes.

It will operate between Bellerive and Hobart City during weekday peak travel periods which naturally enough, as you would agree, will be the times that are most likely to be sustainable. It will have the capacity to carry bicycles, providing a further commuting option for cyclists. In an exciting initiative, the trial service will be free to commuters who have in their possession a Metro Tasmania Greencard - or its replacement - or who are travelling with a bicycle, so ticking a few boxes there as well.

Ms Siejka, we expect the service to be established in the first half of next year. We want it to run for one year at least and we are creating in the contract, depending on how the procurement actually goes, the opportunity to extend the contract for a second year, depending on customer take-up and the ongoing service viability assessment. The tender seeks a suitable operator to establish and run this trial service, and will take into account the use and requirements of landside infrastructure. Tenderers - and feel free to pass it on - have until Monday, 18 January to make their submissions.

To round out the answer with respect to Metro, Metro doesn't run ferries anywhere. They're very good at what they do, and that's bus transport. One, the Government doesn't want to burden Metro with that scope, which is outside of its expertise; and second, Metro don't want to run it either and they're free to answer differently if they wish to, but we have gone to market. We're looking for qualified and experienced ferry operators who can provide a safe and

efficient service, having provided a tender bid from their own expertise. I would like to throw to the chair if you would like to add to my answer so that I don't verbal him.

**Mr GARDNER** - Thank you, minister. On behalf of the board, I can say we're completely satisfied with the direction of government. In the first instance when this was raised we engaged directly with the Department of State Growth and there was some notion that Metro might be the ferry operator. It was determined very quickly that the very specific technical requirements, investment in new assets, training of a whole bunch of people that we would just then be sitting over the top of and adding additional cost to when there are very competent private sector operators already in the market who could provide the service. Our interest is that our buses integrate with the ferries and that there is a single ticketing system so that for the consumer - the customer - it's a single journey. We were not concerned about who operates the ferries and in fact we're very pleased to be focused on how we better operate buses.

**Ms SIEJKA** - Minister, given the change of tack, or however we want to put it, what was the cost of changing the Metro Tasmania Act? Can you give us an indication of that.

**Mr FERGUSON** - I don't have that advice to hand. Are you referring to the changes in legislation to the Metro? I am happy to take that on notice but it may be difficult to quantify the parliament's time or the Office of Parliamentary Counsel's time. That's not a question I'm familiar with, but how about if I took it on notice? I'll ask you to appreciate I'm not sure how useful the answer will be, but we will do our best.

Mr Willie, if I could just add to that earlier answer, we don't know what the pilot will lead to. The pilot, if it's successful - and I certainly hope it is - and in your electorate, Bellerive, I definitely encourage people on the eastern shore to vote with their feet, vote with their Greencards and their bicycles as well. Come and use it, and if it's successful, it is open to the Government to consider whether Metro has a future role in the provision of that service under an arrangement or not.

**Ms SIEJKA** - You might need to address the parking. Parking is the thing.

**Mr DEAN** - Parking is an issue on both sides.

**Mr FERGUSON** - Infrastructure is an issue wherever you would wish to have a docking.

**Mr GARDNER** - If they catch the bus to the ferry, they won't need to bring their car.

**Ms SIEJKA** - Yes, that's right. They can park elsewhere.

**Mr WILLIE** - This is no reflection on the organisation and how it handled COVID-19 but you've mentioned, and it's in the annual report, three key senior staff who resigned - CEO, Megan Morse; CFO and Company Secretary, Anita Robertson; and General Manager of Operations, Ian Ward. This was all in very close succession before the lockdowns.

Was there any reason why all three senior members left in quick succession?

**Mr GARDNER** - In answer, Mr Willie, no singular reason. There was a variety of reasons. In my experience, it's not uncommon for there to be waves of change in an

organisation. Each left for their own individual reasons and it's not for me to make any supposition about exactly why that was. They all ultimately resigned.

**Mr WILLIE** - As a board, you are not worried about the corporate knowledge that walked out of the door?

**Mr GARDNER** - As a board we are always concerned about the loss of corporate knowledge. We take that very seriously. In relation to those three people leaving, they chose to resign at a time we had been working very hard in relation to building the team and I have enormous confidence in the executive team we now have in place. We have been through a period of transition and we are stabilising that. That is the most important thing for us and we will continue to build from here.

**Mr WILLIE** - What was the total employee cost to Metro following the resignations?

**Mr GARDNER** - We may have to take that on notice -

**Mr WILLIE** - Happy to take that on notice, minister.

**Mr GARDNER** - unless it is addressed specifically in the annual report. Those details of termination payments or payouts on departure are usually detailed in the annual report, but I'm happy to take that on notice.

**Mr FERGUSON** - We might be able to track that during the time that have and if we can, I will provide it. If I can't do it in that time, then I will take it on notice, Mr Willie.

**Mr WILLIE** - Metro recorded a loss of \$5.4 million before tax this year and there have obviously been significant pressures on the business due to COVID-19 in some cases. Have there been any job losses due to COVID-19 and any increased pressure on the business?

**Mr GARDNER** - I might just start and then I will pass to our CEO, Katie. In the first instance, it is fair to say yes, there has been a lot of pressure on the organisation created by COVID-19 as on every business that exists, and particularly those who have large public-facing operations. It posed many safety challenges for our workforce and challenges in making sure that the travelling public remained safe and were confident in using public transport throughout the COVID-19 period.

There was a lot of adaptation required and a lot of incident crisis management required. Can I reflect the minister in his opening comments, and say just how proud I am of the organisation. The workforce through every level was outstanding in relation to response and I think am correct in that we did not drop a service through COVID-19. In regard to any details in and around jobs and job losses, or any impacts, Katie, if I may?

**Ms COOPER** - There certainly has been some challenges on the revenue, as you have clearly seen with the fare amnesty. In turn, COVID-19 has increased our costs. If you look at it with the increased hygiene factors and steps we have put in place and are continuing to put in place, that certainly has been a challenge for us. In turn, with that loss of revenue, Metro for the first ever, has taken on a debt facility and that will obviously need to be paid back, but that is also to help our investment.

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We have certainly had to be very active and proactive and we have demonstrated that. Certainly, Darren before me and with the team, and Jesse as our CFO, have put quite a robust plan together. We worked very closely with the department of State Growth to maintain business and operations.

**Mr WILLIE** - You just mentioned the debt borrowing capacity of the business. That has been extended, from my understanding, to \$18 million?

**Ms COOPER** - We have never had one before. This is the first time ever.

**Mr WILLIE** - And that is due to COVID-19 and the current environment? That is why you have had to do that?

**Mr GARDNER** - It is, in part. We have a shortfall in fare revenue that has arisen as a result of COVID-19 and we project that to continue to roll forward over a number of years. The first drawdown of the debt was simply to fill a gap. You may be aware that we had a fare-free period, a fare amnesty, in the middle of the year -

**Mr WILLIE** - Which was very good.

**Mr GARDNER** - as a result of that, it created a one-off revenue hole. We have only used debt to fill that one-off period. We are not using it to fund recurrent operations.

The other part of the debt facility is there to fund new capital investment and we are currently in the process of setting our 10-year plan for future capital investment around vehicles, technology, and we have that facility in place to assist us in that process.

**CHAIR** - But you have been funding your cap-ex from your cash reserves, up until now? Is that correct?

**Mr GARDNER** - No. We had been receiving equity injections from the State Government to support our capital program, and we have had annual capital equity injections. Historically, they used to be revenue injections. We used a \$3.25 million contract payment top up at the point where we went to the Accelerated Bus Replacement Program for the 100 new buses built in Burnie. That revenue injection was converted to an equity injection. We have been receiving equity to fund that program. Now that 100 bus program is coming to an end, we are now reverting to a funding model from the Department of State Growth, which has an operating and a capital component.

**Mr WILLIE** - What is the capacity of the business to service that debt over time? We are talking about an environment where the business is under pressure to pay back some of that debt, and that will be difficult in the short term. What is the business's capacity to service that debt over the medium-to-long term?

**Mr GARDNER** - We are comfortable about our ability to fund the debt we have drawn down and our plans to manage debt. As a board, with safety being our number one issue and customer service our second, this sits up there in terms of our financial sustainability. We will not drawdown on more debt than we can fund through our operating cashflow and funding model. What has also happened at the same time, through negotiations with the Department of State Growth on what was termed Project 2018, are the contract bus contract renewals and



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we are in a new contract phase. We have renegotiated our funding such that we are confident the funding level is adequate to fund the debt.

**Mr WILLIE** - How many Metro staff have credit cards and what is the limit of these credit cards?

**Ms COOPER** - We have three, it might have gone to four, but three credit cards and they are less than \$5000 each.

**Ms SIEJKA** - In regard to COVID-19, what additional support was provided to bus drivers, recognising the challenging time they have come through, particularly in the north-west? What did the support look like and what was the reaction to that? What is the sanitation regime now? It was an ongoing issue. What involvement did the drivers have, with their personal responsibility for cleaning?

**Mr FERGUSON** - I will definitely throw to our executive team to answer those questions in more detail, but I will take the opportunity, Ms Siejka, to say the engagement was very tight and close and the work done between Mr Carey when he was the Acting CEO during most of that time, not just with the union, but on the coalface, was very positive. He took a lot of feedback on board which was passed on to me at our regular meetings about some of the anxieties and concerns our drivers had during that time. As you would recognise, public transport was an essential service and it was expected to keep going. Our team worked closely with the workforce to listen to them and take on board what those concerns were and how they could be mitigated.

Certainly, the cleaning and sanitation regime was a big part, along with the decision to go cashless, which actually meant the decision to no longer require fares, while an expensive one, was one that gave the public and the drivers the continued assurance everybody was doing everything they possibly could. Would you like to round that out for us?

**Mr CAREY** - With regard to the north-west and particularly our Burnie operations, it reached the fever pitch up there where we split the depot into basically two facilities. We also obtained a second depot yard and split the operation in half. There were a number of principles in doing that. It was more so to separate the staff and create two individual groups. From the other perspective, if anything did happen - and thank goodness it didn't - we were in a position where we could still maintain a public service and we would only lose one facility. In the midst of all of that, we were working with staff daily on what they were feeling and requiring; there was EAP on hand from that perspective. From a hygiene perspective, we made all the obvious and mandatory-type things available - masks, we sanitised daily. Every vehicle was sanitised in the morning and -

**Ms SIEJKA** - Can I clarify that cleaning would need to be ongoing, and is that performed by drivers?

**Mr CAREY** - I was going to mention that is still happening now. Further to that and as recent as this week, I have been having further discussions exploring better products. What is the best product on the market at the moment? What is the best way to apply it? We have been investigating fumigation and all types of things with regard to this, just staying at the cutting edge on what is the best we can do as a public-facing business. That is continuing now.

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**Ms SIEJKA** - Minster, are the drivers still provided with PPE if they wish to use it? Is this also ongoing.

**Mr CAREY** - Absolutely, that is available right now. With the borders opening - and, again, touch wood nothing is going to happen - but we are on the forefront. We revisit our crisis plan for COVID-19. Last time everybody was caught out with trying to get stock. We have boosted our stock levels so if anything did happen, we are well and truly at the forefront of being ready. Before this meeting, we had our weekly COVID-19 meeting.

**Ms SIEJKA** - Are there higher rates of driver turnover this year due to COVID-19? Has that been a concern? Is it an ageing workforce like every workforce is in Tasmania? It might have been an impact.

**Mr CAREY** - The average age of our workforce is in 50 to 55 category. We did not experience a high turnover as a direct result of the virus, no.

**Ms SIEJKA** - Was there a high turnover this year?

**Ms COOPER** - We are about 12 per cent or 13 per cent, from memory. I am going to have to give you that as a ballpark.

**Mr FERGUSON** - I have some extra information if the committee would like it.

I have been provided with advice on Mr Willie's question - \$205 000 is the answer. That is the total contractual entitlements upon resignation that include all forms of benefit and entitlements the person was entitled to, including leave.

**Mr WILLIE** - For the three positions.

**Mr FERGUSON** - Correct, yes.

**Ms ARMITAGE** - As the minister knows, I have an interest in all the state government boards and government business enterprises.

**CHAIR** - I think the member is looking to join one some time.

**Ms ARMITAGE** - No, I am not; I am quite busy enough, thank you. I am fine.

**Mr FERGUSON** - We would like to have you one day.

**Ms ARMITAGE** - Do you think it is better to be inside the tent than outside the tent?

My understanding it is two from the south, one in the north-west and two from interstate make up the current board.

**Mr GARDNER** - Yes, that is correct, Ms Armitage.

**Ms ARMITAGE** - It is three-year appointments and then for reappointments. Is it only reappointment once or can you be reappointed more than once?

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**Mr GARDNER** - I understand it is two, three-year terms.

**Ms ARMITAGE** - That is a maximum?

**Mr GARDNER** - Unless you are chair and then you can do a third, three-year term, as I understand it.

**Mr FERGUSON** - I can supplement that, Ms Armitage. It is a general standing government policy that unless there are good reasons not to, it is expected a person would leave the board after two terms.

**Ms ARMITAGE** - After six years?

**Mr FERGUSON** - I will not say six years because not everybody has three-year terms.

**Ms ARMITAGE** - I think it is the norm. It does say here three years.

**Mr GARDNER** - Sometimes the norm is three, but we have had two-year terms because people come in on the resignation of others and then they will only serve two. They will do a two, then a three so they may only do five.

**Ms ARMITAGE** - I understand. Is it the same recruitment company that was used for TasRail, or do you have a different recruitment company?

**Mr GARDNER** - I am not sure, because I am not sure who TasRail use.

**Ms ARMITAGE** - I believe it was Lynne Chapman.

**Mr GARDNER** - Yes, I believe we used Lynne last time. We use various recruiters. It would be different depending on when we were recruiting, but Lynne is usually asked to provide a proposal and at times, she does it and, at times, she hasn't.

**Mr FERGUSON** - Would you like it if we just take that on notice, given the uncertainty and give you a robust answer?

**Ms ARMITAGE** - If you can, that would be lovely. My only concern, and I am sure other members have had similar occurrences, is that often one recruitment company will have a pool of people they deal with all the time who apply. It is obviously very easy when you have that same pool of people to think 'Okay, that person might not be good for this one, but will be good for the other one.'.

I am concerned when we have a number of interstate people on boards. I just notice, there is no-one from the north, minister, on the board. I would have hoped that the board might have statewide representation. I am sure that will -

**Mr WILLIE** - That is why you can't get bicycles on there.

**Mr GARDNER** - I grew up in Launceston. If I may, Ms Armitage -

**Ms ARMITAGE** - I noticed you were on the Chamber of Commerce board, I believe, at one stage.

**Mr GARDNER** - I was absolutely. I have my heart in Launceston.

**Ms ARMITAGE** - I have done my homework.

**Mr GARDNER** - I also just say this: to reflect honestly about the challenge of when you have five people and you need specialist expertise. I was reflecting, as that conversation was going, that the most recent person who came on was Greg Wallace, who is based in Sydney. Lynne Chapman did the recruitment work for that.

We specifically went to the market for someone who had digital customer experience capability. A very specific skill set. Greg came through that process nationally with that skill set, hence we found Greg to do that work particularly. But Lynne undertook that work.

**Ms ARMITAGE** - One last question, because we asked this question, I think, last week, or the week before, in parliament, with regard to the number of board positions some people take on. Is that a consideration when the board is examining applicants? You look, and some people have five board memberships, and you tend to think, 'Is that a restriction on attending meetings and other things - how much they actually take on?'

Is that a consideration when you are looking at the applicants and their experience and what they can bring to your board? Do you look to see how many other commitments and other boards they are on at the time, and think, 'They are already on five boards - to take on this board will probably not give the due process to our board?'

**Mr GARDNER** - There is always a consideration of the extent to which we feel confident that any applicant will give us 150 percent attention. Can I just comment on the members we have? A couple of those are specifically professional directors. This is what they do for a full-time job and so they don't have other jobs. They are directors. They are extraordinarily present and diligent in the work that they do for us. They do it for a living.

**Mr FERGUSON** - Not to make too fine a point about it. Everything that Mr Gardner has just shared is completely accurate. Of course, it is the decision of government who to appoint, and we always take advice from the board through the chair.

**Ms ARMITAGE** - I am hoping to see in the future probably a northern representation -

**CHAIR** - Together with the person who has his heart in Launceston.

Minister, my question is about the north-west coast bus service, and that is to commence in January 2021. It has been suggested that the consultation with residents in regard to the bus stops has been less than ideal. I am interested in what evolved around that, and where perhaps the misses were, for me to receive this information, and I am not north west-based.

**Mr FERGUSON** - I'm happy to take any specific points on board, and perhaps come back to the committee. I can say that it was expected that the changes to the north-west network redesign was intended to be April this year. It had already gone through at least one round, I think, possibly two rounds of public consultation.

It has been extensive and we also accept that ultimately decisions need to be made and we know - it is a sad thing to say - that not everybody will be happy whenever you change a network, because the company is seeking, with my support and that of the Government, to achieve the sorts of outcomes that we have achieved in both Hobart and Launceston in the south and the north. This is greater patronage in response to the fact that we are providing a service that more people are actually wanting to see from Metro, particularly more direct routes, less circuitous routes going around long routes through suburbs which slows the journey and causes people to decide this is not a service that I want -

**CHAIR** - Not too many suburbs in my electorate, minister.

**Mr FERGUSON** - We are in your electorate, just not Metro, but with others of our PT providers. But also, more frequency. If you make those routes more direct, you are making the journey shorter. It is not like we stack the buses back in the depot with nothing to do; we keep them on the runs. They are able to provide a service more often, so people are less likely to be confused or bothered by the fact that buses are an hour apart, for example. They might now be 20 minutes apart.

In the north-west, we have gone through an extensive public consultation process with the Department of State Growth and Metro. I will ask Mr Carey to respond further, or Katie, if you would care to.

**CHAIR** - Just about that community consultation. I take on board your point about not everyone will be happy.

**Mr FERGUSON** - I really do accept your point, Chair. We do try to mitigate that and I can inform you and Darren may be able to give some examples, we have specifically altered some of the original proposals in line with the feedback we had to try to accommodate as much as possible without compromising the intent of the network improvement.

**CHAIR** - The second part of that question was: were all residents who were adjacent to bus stops engaged with about having a bus stop at their residence?

**Mr FERGUSON** - On bus stops, I again will preview the CEO's answer. We work with the owner of the road, which is most often the council.

**Ms COOPER** - State Growth is actually doing the launch of the Burnie network. They are implementing the new network in the north-west this January and that is going to include some major changes to that network.

Metro has provided feedback to State Growth on the proposed routes and timetables as part of their state corridor consultation process. However, the network itself has actually been designed by the department with an external consultant so the engagement with the community would not been done by Metro in this circumstance. We are not going to be in a position probably to answer that for you because it is not in our purview.

With regard to your question specially about bus stops, there is no standard around the length and positioning of those bus stops because a lot of it will depend on the topography of the area. As the minister outlined, that is actually not in the purview of Metro. We use the

infrastructure that is provided for us. We do not actually do the agreement. We do not own the road to put stuff on it. It is probably not quite for us to answer for you, I'm sorry, minister.

**CHAIR** - Am I to take it then, that State Growth has the complete decision-making process around where a bus stop is located?

**Mr FERGUSON** - No, not really. State Growth designs the networks with the expert advice and with the community consultation, but usually it is a cooperative effort with local government to agree on the best places for bus stops to occur within the network to try to keep the bus stops at suitable distances from each other.

Care needs to be taken to ensure that while you do not need the consent of the owner of the property because it is a publicly owned and controlled asset, being the public road reserve, some people love having a bus stop outside their house and others do not. Ultimately, the greater good must prevail. That is why the department works with the local council.

I am aware of very few cases where people are unhappy with the choice but even when they are not absolutely delighted with the choice of the bus stop location, sometimes we have been able to have a second look at it.

**Mr DEAN** - I want to have a look at the bus crashes if I can, minister. I want some statistics about the number of crashes and complaints made against Metro and the reasons for them.

When I was looking at the crashes, I asked a question about the drivers of these buses and where another person is involved, the police are involved in those investigations. There was a recent one in Launceston where the police were involved and found no contributing factor on the part of the bus driver. It was a combination of issues. The police found that the driver was not guilty of any offence. However, I understand that Metro is continuing to investigate that matter and has carried out its own investigations in relation to that crash and probably other crashes where the bus driver was involved. I want to know why that is the case and what is behind all of this at the end of the day?

**Mr FERGUSON** - The CEO, Ms Cooper, will add to my answer. Collisions decreased in the financial year 2019-20. It is down to 470, down from 517 in the previous year, 2018-19. The advice I have is that it is due to improved management and collision prevention strategies and programs delivered by the training department to bus operators and drivers. Metro defines a collision as any incident where something makes contact with a bus that causes damage.

**Mr DEAN** - To be fair to drivers here, can you give the number where driver error is a contributing factor? It is not fair to say there has been 470 crashes.

**Mr FERGUSON** - I am going to ask the CEO to answer your question from the brief we are both looking at so that I can give you the absolute context and the actual numbers you are looking for where Metro is at fault. I have a few other comments before she does.

As I was making out the definition, this covers everything from a minor scuff that can be polished out right through to a major collision with another vehicle. This demonstrates the transparency and the importance of capturing everything, and I wanted to put that context in there. That is a decrease of nearly 10 per cent and it has further reduced Metro's accident rate

per 100 000 vehicle kilometres to 2.71 collisions per 100 000 kilometres travelled across the networks through the year.

Metro attributes that reduction to several factors, including the design and incorporation of a new coaching and support program tailored to individual bus operators, resulting in a bespoke training outcome designed to focus on individual needs and personal awareness, collision avoidance and defensive driver training initiatives to enhance our drivers' skill. We also have improved reporting and data analysis, review of crash data to look for trends and to try to identify areas where something interesting is happening and how can we mitigate it. There is continual improvement to the accident management process to improve driver accountability. It highlighted that new bus operators employed less than 24 months are in a vulnerable period for collisions and therefore providing further training and information to reduce that risk for the newer drivers. Displaying KPIs monthly, they are posted on employee notice boards so it highlights performance results and state collision locations so that we can get the full spectrum of our teams being aware of what is occurring.

It has to be said, Mr Dean, that is a serious question. It is a very fair question to ask because as a transport operator we are determined to focus on safety, much as we did with TasRail earlier today. What if I ask the CEO to provide the detail to your Metro at fault collisions?

**Ms COOPER** - Metro at fault in 2019-20, there were 308 incidents out of a total of 470, but, as the minister outlined, that might be a mirror scraping a wall. It is not necessarily a major collision or where there is an injury or an accident. It is a repair we have made to a vehicle; that is a way to describe it. That is the Metro at fault question.

The other part of the question you asked was about complaints,

**Mr DEAN** - Also with the crashes, why did Metro want to carry out its own investigation of a crash when the police had been involved and carried out their investigation and have found no contributing factor by the Metro driver?

**Ms COOPER** - It is a challenging one for us answer at the moment. The police run an investigation based on driving regulations and driving rules. Metro runs an investigation based on its policies and procedures, and that is why we would run an investigation and disciplinary process in that circumstance. It is probably inappropriate for me to comment on that particular individual's circumstance in Launceston in a public forum, but they are looking at two different things.

**Mr DEAN** - I am writing to the minister on that one.

**Ms COOPER** - Do you want me to answer the complaints one? In 2019-20, 90 per cent of our complaints were finalised within 10 working days. Out of those, 38 per cent of the complaints related to service reliability and 27 per cent related to customer service and 25 per cent related to driving. We received approximately 13.3 complaints per 100 000 kilometres for the last year and was a 21 per cent reduction based on the previous year.

**Ms ARMITAGE** - On page 16 of the annual report, can you advise what consultancies valued at more than \$50 000 were for? Pitcher Partners, financial services consultancies - what was that actually for, at \$83 857?

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**Mr GARDNER** - It was to assist us with our modelling of funding for our negotiations with the Department of State Growth over our funding model.

**Ms ARMITAGE** - Did we get any interest from tenders from any Tasmanian companies? I see the money went to a Victorian company.

**Mr GARDNER** - I would have to take on notice the process we went through for the procurement of that, Ms Armitage.

**Ms ARMITAGE** - Then we have the ferry consultancy - \$60 000. I understand what it was about, but the outcome?

**Mr GARDNER** - That was MRCagney?

**Ms ARMITAGE** - Yes.

**Mr GARDNER** - The MRCagney report was then provided to State Growth. It was an excellent piece of reporting that identified the various models and costs, and was provided to Government for further utilisation.

**Ms ARMITAGE** - You would hope so, for \$60 000 to Queensland.

A ticketing consultancy by Richard Leeder Consulting Pty in Victoria, again, no-one in Tasmania available.

**Mr GARDNER** - No, that was very specific technical advice around the replacement purchase of a new ticketing system.

**Ms ARMITAGE** - Was this to replace the Greencard?

**Mr GARDNER** - Yes.

**Mr FERGUSON** - Which is leading to the \$7.5 million tender process that is under way.

**Ms ARMITAGE** - Is the Edge-Legal's \$103 000 to do with anything specific?

**Mr GARDNER** - Supporting the negotiation of our enterprise agreements. Edge-Legal provides specific industrial advice.

**Ms ARMITAGE** - Which has finally been completed?

**Mr GARDNER** - Which has been completed - a very good outcome.

**CHAIR** - Congratulations.

**Ms ARMITAGE** - Do you consult with drivers and ask their opinions on many issues to do with Metro? Do you have regular consultation rather than advice meetings with drivers?

A toolbox in that you are not giving advice, you are actually getting their opinions back and listening to them?



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**Mr FERGUSON** - We do not need to ask; we get it all the time and it is nearly always very positive and constructive.

**Ms COOPER** - We have various forums where we meet with our staff with both union and non-unionised members of staff. Every month there is what we call a month in review held in each of the three depot locations, which is a face-to-face, two-way conversation.

We also have meetings regularly with our union delegates and organisers. Just before this meeting, I met with them to try to agree our engagement framework. This is something we have been collectively working on and it is pretty open and transparent.

**Ms ARMITAGE** - There is a lot of support for drivers? What about toilet breaks?

**Ms COOPER** - What about them?

**Ms ARMITAGE** - I heard that was raised as an issue with us. We get the lot on this committee.

**Ms COOPER** - Toilet breaks are actually really important.

**Mr FERGUSON** - We get the same feedback.

**Ms ARMITAGE** - Toilet breaks for drivers are very important. I know from past years every second is important and every driver is not supposed to go over a minute or more than five minutes over.

**Ms COOPER** - There are breaks. The way what we would call a run or a duty run is created, there is time within some duties or within the appropriate areas so they do get a toilet break. It is tried to time with where facilities are available because, obviously, they are not all coming back to the depot.

**Ms ARMITAGE** - No. I am thinking if there are facilities everywhere.

**Ms COOPER** - There are not so we have maps and arrangements. We have some dedicated facilities and some available where we have arrangements, perhaps with a certain café or whatever else they can go and use. The staff are entitled to go to the toilet. That is the bottom line.

**Ms ARMITAGE** - The drivers' health and welfare is considered.

**Mr FERGUSON** - That is right. Not everything can be planned down to the second either.

**Ms ARMITAGE** - Absolutely.

**Mr FERGUSON** - It is something the union raised with me as a new minister over a year ago. It is something I know is part of the ongoing process with the company, but it is also something Metro does and should meet its obligations within - I forget the name of the act - but also with its own enterprise agreement. We understand, though, there will be times where that is tested and the human reasons for that. While I am speaking, I will take the chance to tell the

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committee that, in quite a new initiative, both Darren and Katie regularly seek the feedback of the staff. Not just through the union, through the established process, but have meals with them in their mess room, around the depots. I have seen it, and been part of it. I think it is terrific, and a deeper level of engagement that the workforce have told me that they have appreciated.

**Mr DEAN** - I think the Bob Ansett approach is a wonderful approach.

**Ms PALMER** - Minister, a zero-emission bus trial - it was announced in the State Budget that Metro would conduct such a trial. Could we have some more detail around that initiative?

**Mr FERGUSON** - Ms Palmer, I will do my best to answer it briefly. This is so exciting. It is something that the Chair and I have been discussing for all the time we have been working together. I was thrilled with the announcement by the Premier that it is has been taken on board as Government policy. Electric or hydrogen-electric buses will be trialled in both the north and the south. We want to see that established within two years. I think Darren is the one appointed to work out some of the logistics and the business case to achieve that. We want to develop a zero emissions bus road map to guide the planning and implementation of the trials. The road map that Mr Carey is working on will provide short- and long-term recommendations for the deployment of zero emissions buses and a high-level cost estimate for those trials that we wanted to go ahead with. This will include some work on preparation and infrastructure works. We expect the road map to be completed early next year and then I can inform you further.

**CHAIR** - I am sure the Premier put that in the Budget because of the minister's push towards it.

**Mr WILLIE** - On the consultancies, did I hear correctly the Pitcher Partners Consultancy was for Metro to negotiate with the Department of State Growth the funding model - \$84 000 to -

**Mr GARDNER** - Apologies, it was not for us to negotiate with them. It was for us to understand and build our funding model so that we had a very detailed model of our bus cost. It is quite complicated to build up from scratch on a per kilometre basis. They had specialist expertise around this and they were engaged for quite an extensive period to do this work.

**Mr WILLIE** - It was more about the internals. When you said that I thought, why would you need a consultancy to negotiate with the department. Very odd.

**Mr GARDNER** - No, to assist our understanding. My apologies.

**CHAIR** - Especially when you have a chartered accountant on the board.

**Mr DEAN** - I have two quick questions for a yes/no. Travel within the CBD. Looking at the CBDs in Melbourne, I think Metropolitan Transport Trust has now brought in free travel within the CBD areas to get rid of some congestion. Have we considered that here within the CBD of Hobart, and perhaps Launceston to some extent? Burnie probably not so bad. Have we considered that as a strategy to ease congestion and movement within the CBD? Melbourne introduced it a couple of years ago from memory.

**Mr FERGUSON** - I do not know, Mr Dean, but I suspect that that might have been paid for by the local council. I could be wrong about that in that case. Certainly the Tiger bus in

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Launceston is funded by the Launceston City Council. There are event based and time based services that we do provide at times for zero cost -

**CHAIR** - Like the cricket and the footy.

**Mr DEAN** - New Year's Eve and so on, I understand that. On a basis of Monday to Friday within the CBD -

**Mr FERGUSON** - The short answer to the question is, no, not in that context. We want people to pay their way but we also want to, and we are, redesigning the network so that people will see it as an attractive option compared with not only the cost of running their motor car but also the convenience that is offered by Metro. As we increasingly implement those congestion measures people will start to see Metro as a more favourable option to get to work on time.

**Mr DEAN** - The other question was the give-way signs on the back of buses. Information we were given yesterday by some people was the fact that motorists are failing to comply. Is that the information coming back to you or to the company and, if it is, then what more can we do to help the drivers in that regard? Do we need to make an offence under the statutes; do we need to light up the back of the buses with flashing lights when they're moving out?

**CHAIR** - Like a school bus.

**Mr DEAN** - Yes.

**Mr FERGUSON** - Good thought. I will take that one on board. If anybody here would like to add, with any on-the-ground knowledge. It would definitely be a police enforcement matter. People should do the right thing. Coming out of this committee, we should all be very clear that that is the rule and people are expected to obey it, not as a convenience to Metro. It's the law.

**Mr GARDNER** - There were two parts to that: the first part of the question, Mr Dean, about free fares, we work within state policy and we also work very actively with the Department of State Growth on how we can continue to use pricing as a mechanism to incentivise people to get onto buses. Now it is probably more likely that you might have lower fares, concessions off peak, when you're trying get more people to travel in those times than to incentivise more people to travel in peak when many of our buses on peak routes are already fully utilised. That's just a comment. We are always looking at those options.

In terms of people not letting our buses move out, we have a fantastic and active communications team who work on a lot of campaigns around safety for people and drivers in and around our vehicles as they move through the network. We are always working on awareness and support any campaigns and any activities around increasing that for our operators.

**CHAIR** - Thank you very much. We've been able to grab a couple of extra minutes and it's been really worthwhile. Thank you very much, minister. Thank you to everyone who has presented today and who have put together the information. It is very important. We get quite a bit of feedback when we announce that this is what the committee will be looking at each

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year. We certainly appreciate that. Some of our information isn't always 100 per cent. I'll have to work on that, but we do our best.

On behalf of the committee I wish everyone a safe and happy Christmas and a more settled 2021.

**Mr FERGUSON** - We return the compliments. Merry Christmas and have a safe 2021.

**CHAIR** - We will suspend and we will be back just after 3.30 p.m.

**The Committee suspended at 3.22 p.m.**