

**Wednesday 7 December 2016 - Legislative Council - Government Businesses Scrutiny
Committee B - Metro Tasmania Pty Ltd**

LEGISLATIVE COUNCIL

GOVERNMENT BUSINESSES SCRUTINY COMMITTEE B

Wednesday 7 December 2016

MEMBERS

Mrs Armitage
Mr Dean
Mr Finch
Ms Rattray (Chair)
Mr Valentine (Deputy Chair)
Mr Willie

IN ATTENDANCE

Mr Rene Hidding MP, Minister for Infrastructure

Ministerial Office

Mr Jonathan Wood, Senior Adviser

Metro Tasmania Pty Ltd

Ms Lynn Mason, Chairperson

Mr Stuart Wiggins, Chief Executive Officer

Anita Robertson, Company Secretary and Chief Financial Officer

The committee resumed at 11.36 a.m.

CHAIR - Minister, good morning and welcome to yet again another GBE scrutiny committee. Minister, you know everyone at the table so I won't do any formal introductions. We will invite you to give a brief overview, introduce your team at the table - although we know them well - they are experienced campaigners. I think that that is fair to say now.

I will let you know that we intend to finish at 1 o'clock.

Mr HIDDING - Thank you, Chair. Perhaps I could make a short opening statement before we proceed to deliberate on some of the detail.

First, it is my pleasure to place on the record the Government's appreciation for the work of Metro's current Chair of the board, Lynn Mason, who ends her term as director next week at Metro's 2016 AGM, having served as the director since March 2008 -

CHAIR - A mighty effort, congratulations.

Mr HIDDING - which is a very substantial service to Metro, and as a Chair since November 2013. Over nine years, Lynn has demonstrated tireless dedication to Metro's employees and customers, and to promoting Metro's role within the community. She has, I believe, been instrumental in bringing about significant improvements in the Tasmanian public transport landscape.

As Chair, Lynn has overseen the introduction of a statewide smart ticketing system, Greencard, that has since flourished to cater for nearly four out of five customers. Under her watch we have also seen patronage growth, the first wholesale review of the Hobart network in 30 years, a host of internal culture and safety improvements and the announcement of the accelerated bus replacement program.

On behalf of the Government, and personally as minister, I thank Lynn Mason for her many achievements during her time on the Metro board.

Ms MASON - Thank you, minister.

CHAIR - The committee supports those congratulations.

Ms MASON - Thank you very much, Madam Chair.

Mr HIDDING - I also welcome officially two new Metro directors who will become directors at the AGM in a couple of days, Jude Munro, who is a former CEO of the Brisbane City Council and is known nationally for her work in local government and passenger transport.

Locally, our former Telstra Business Woman of the Year and Hobart identity Susan Fahey is currently CEO of the Hobart Legal Service. She is at the back of the room with us at the moment. I am sure her wealth of legal and social policy experience is going to be invaluable to the board as well, particularly from a governance perspective.

CHAIR - We congratulate both those appointments, minister, and welcome Susan to the hearings today.

Mr HIDDING - If I could slip in a small commercial, of the five companies of which I am portfolio minister, when I came on board 21 per cent were women on boards and with that announcement just now we have hit 42 per cent. That is a doubling of the percentage of women on boards and something I am personally happy and proud about.

CHAIR - Congratulations to you, minister.

Mr HIDDING - Thank you. Madam Chair, Metro operates regular passenger bus services in the urban area of Hobart, Launceston and Burnie. It also provides a number of regional passenger services outside the boundaries of Burnie and Greater Hobart.

The state government purchases these services under a purchaser-provider contract model. The core business of Metro is providing safe, reliable and efficient road passenger transport services and the Government sees Metro as a key contributor to an integrated public transport network in Tasmania.

The past year has seen some important achievements and changes at Metro and these include the successful implementation of the revised Hobart network and the commencement of a major review of the Launceston network; conclusion of a bus operators' enterprise agreement; significant improvement in a number of safety targets; the announcement of equity funding of \$31 million in the May state budget as a shareholder equity injection to fund the most extensive bus replacement program in the history of this company; the provision of a new hospital link service connecting Latrobe and Burnie via Devonport and Ulverstone; the achievement of an after-tax profit of \$320 000 as opposed to a budgeted loss; and increased Greencard usage and operating improvements. It has been a good year for Metro by any standard. We have growing numbers in first boardings.

Mrs ARMITAGE - Minister, I am sure you will appreciate that Hadspen is part of Launceston, a very important part of Launceston, and an area that is growing and looking to double in the next 10 to 20 years. There are a lot of children in Hadspen, and looking at the time table I am concerned that the bus coming in from Hadspen in the morning is at 7.39 a.m. Hadspen is approximately 10 minutes from Launceston. I know most of the schools have an edict to parents that children are not allowed to be at the school before a certain time. The majority of people would be people coming into work but also school children coming into school. What does Metro propose to do to ensure these children are safe? I would think safety is a prime objective and many parents would not want their child getting on a bus at 7.39 a.m., arriving into Launceston quite early in the morning. What will Metro do to improve the services, particularly for school children in the Hadspen area?

Mr HIDDING - I am aware of Hadspen and its demographics. It is a suburb of Launceston and can be seen as that, with a lot of young families. I have had many representations and I have some family living there so I am aware of those issues. I have encouraged people to put in submissions to the Launceston Network Review. I will ask the Chair to speak to how the review is going.

Ms MASON - The review is well under way. One of the first things the CEO and I did was have a discussion with the mayor of Meander Valley Council, Craig Perkins, and his then CEO, Greg Preece, and we discussed that very problem. We are very conscious of the growth in the Hadspen area and we discussed at that time a number of options that might assist, not just the school children of Hadspen, but also the adults. Given there is some potential for greenfield development in that area, we also talked about the potential benefits of a park-and-ride system which could benefit the entire area of Prospect and put passenger numbers into the CBD and other key areas such as the university.

Having said that, we are conscious the review will take a little time; however, it is well under way. Part of our intention in speaking to not just the mayor of Meander Valley but

other mayors whose districts are going to be affected by this, was to ensure that as far as possible local government encourages people to provide us with information. We are to some extent dependent upon our own information about the routes we currently have, the capacity we have to carry, and the kinds of passengers we are carrying. However, we are extremely dependent on members of the community who may wish to use passenger transport to let us know what they want and what times they want it, and how often they will use it. That is open at the moment. I am seriously hoping the Meander Valley Council is also taking its responsibility in this matter very seriously. We have put out 20 000 -

Mrs ARMITAGE - With respect, minister, that is all very well, but at the moment bus number 78 leaves Hadspen at 7:39 a.m. and gets to the John Calvin School at 8:06 a.m. School does not start until 8.45 a.m. What is Metro going to do now, not in the future, and how long it is going to take? Is Metro willing to do something now to address a serious issue existing for people that live in the Hadspen area?

Mr WIGGINS - We work very closely with all the education providers, be that through the Department of Education or the independent and the Catholic schools. One of the challenges Metro does face is there are varying starting times for schools and schools do have some liberty to determine that. We have a statewide external stakeholder manager who works with those schools interdependently. When issues arise, we meet with those schools and also meet with the parents to try to see what we can work in within our contractual limitations. We can definitely take that on notice and arrange a meeting with the school.

Mrs ARMITAGE - Have you had any schools at the moment raised concerns with you, or parents raised concerns with you?

Mr WIGGINS - We have been very active in the market with getting feedback. There has been quite a lot, a larger percentage of feedback than we had in Hobart, which is good to see. We are currently processing that at the moment.

Mrs ARMITAGE - I receive all the school newsletters, and most regularly say, 'No student is to be on school grounds before 8:30 a.m.'. My question is the children have to catch that bus into town, maybe the parent has to put them on the bus, the parent has to go to work - most parents might not be able to take them to school. You have children of any age with that half-hour period and safety is a major issue. I would like Metro to take that into consideration. It may take some time to go through, but the fact that Hadspen has one bus is a real major issue. It is the only one coming in. Most other areas are much better serviced, probably with the exception of somewhere like St Leonard's, which is not serviced overly well, but still has more buses than Hadspen. I ask you do give some special consideration to the people at Hadspen.

Mr HIDDING - What is the timing of the review process now?

Mr WIGGINS - Yes. The public side of the Launceston network review has just about closed. We will go through that feedback. We expect to have public feedback into the community in early 2017. We envisage the new network, subject to board process, would be in place in July 2017, which will be between school term breaks.

Mr HIDDING - In the meantime, as it has been raised, if Metro could look at that. Yes, it would mean a few months early - if there was going to be a solution, you might be able to

bring it about. You cannot create buses and you have got to defund something else. I am sure Metro can have a look.

Mrs ARMITAGE - The other issue raised on Hadspen was regarding buses on a Sunday and public holidays, and the fact there are no buses at all on a Sunday. One gentleman mentioned to me he had written to Metro. He had not received a response. His concern was people in his age group of late 60s. He liked to go into Launceston for maybe a meal, does not want to drive, would like to get a bus. A taxi is around the \$50 mark. He was saying to go there are no buses back to Hadspen. The last bus leaves Hadspen was 4:28 p.m. On a Saturday, I think it was 4:11 p.m. and you get into town far too early to go for a meal, and there are no buses taking you back home.

Mr HIDDING - What is the back story with the Sunday service?

Mr WIGGINS - Metro does provide services in Launceston on a Sunday. They work around our contractual delivery methods set forward by the department. That tells us which areas are to receive the services, and the frequency, and we make sure we meet that obligation.

Mrs ARMITAGE - You cannot use it if you do not have it.

Mr WIGGINS - I understand that. We also have a contract we work too. There is a review of those contracts and requirements, especially with the weekend focus, underway at the moment, that is not Metro driven. We are a key stakeholder in that. We will work very closely with that. We do see growth opportunity in the very near future.

Mr HIDDING - I think we're going to see all land on the left, from Traveller's Rest to Hadspen is going to be developed.

Mrs ARMITAGE - Absolutely. There is a lot of development now down toward the river. I have one last question before the others and then if you could come back to me later. In the media last week, a Westbury mother described the impact of poor public transport as soul-destroying for young people seeking work. Her son lived between Westbury and Hadspen and in the last week spent \$90 on diesel to drive her 18-year old son to and from work because there wasn't the transport for the shifts he had working at a local supermarket.

Mr HIDDING - I read that. This isn't a Metro issue, this is another area of public transport. There is a project underway for 2018.

Mrs ARMITAGE - It still applies to Hadspen.

Mr HIDDING - The point is well made. We, as a Government, have a Transport Access Strategy open for public consultation, which TasCOSS has made a strong submission to, and others, on exactly that point. Employment opportunities require transport.

Mrs ARMITAGE - They're restricted because of the lack of it.

Mr HIDDING - As a Government and as the Minister for Transport, I am working hard to improve public transport and address the underlying issue. Young people are achieving

their first provisional licence at the age of 19 years and six months. By the time they gain it and can drive to work they have often been out of work for a couple of years and disengaged from the whole system. Something is going on and we need to help people to be mobile earlier.

Mrs ARMITAGE - Many people, too, can start work at 15 and 16. I know from experience having lived at St Leonards, another area with a lack of transport, if I couldn't take my son to work when he was at school he wouldn't have been able to do it. That is great training, too, for people to be able to go to supermarkets, McDonalds and that type of work.

Mr HIDDING - Good point.

CHAIR - It is very good for life skills to have a job when you're aged 15 or 16.

Mr WILLIE - Minister, it is one thing to say the age is increasing for people obtaining their licences, but it is cost prohibitive for some families locked into difficult circumstances. It is easy to say we have to do something about it, but what are you doing about it?

Mr HIDDING - It was 19 years and 8 months when I was in opposition asking questions about this. I do not have the new age yet, but I expect it has come down a little or it might have worsened. I am not claiming it is anything the Government can wave its hand and fix. There is somewhat of a cultural shift as well. We have younger people now doing year 11 and 12. We're mandating that even if you're getting into technical things, if you are at TAFE or somewhere, we're asking young people to do year 11 and 12.

There could be a bit of a cultural thing to say, 'I will finish schooling and then worry about my licence.' Whatever it is, it is having an impact on employment and I will have more to say about that in future. We're working through this Transport Access Strategy. The national graduating licensing system of achieving licences is in place in every jurisdiction in Australia now and has pretty good outcomes, but it is expensive. For that reason we fund the Learner Driver Mentor Program in many places around Tasmania. If your mum does not have the time or you don't have a dad at home, or you have no brother to do the 50 hours with

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Mr WILLIE - Or no family car.

Mr HIDDING - Or no family car, you either cheat on your logbook, which is the last thing you need, or you don't get a licence. There are a lot of these programs in place. There is one at Glenorchy and at Bridgewater, Sorell and other places that -

Mr DEAN - Ravenswood has a good system.

Mr HIDDING - Launceston College has one. Ravenswood works an absolute treat. Its volunteers that come in. That's the only way you can keep costs down. You're right, if you figure out what the time, the car and everything needed to get a licence I think it's in the order - and somebody worked it out - of \$3000 to \$4000 by the time you have your licence. That of itself is a mitigator against people getting it early. It is something we are working on.

Mr WILLIE - Chair, if I could move to the annual report.

CHAIR - That would be really useful.

Mr WILLIE - Complaints about service reliability was 55 per cent. Is that down to frequency, punctuality or lack of services in some areas? I know that restructure of the timetable is not working for some people, particularly in the northern suburbs - my electorate. I am frequently stopped in the street and in the shopping centres. People are telling me, particularly if they have mobility issues, are elderly or have a disability, it is not working for them and has badly affected their life.

Mr HIDDING - We are aware of that and know you ran an election campaign based on that. We know you are going to put all the services back if you take government. We have that costed at \$9 million in the first year and many millions the year after that. When you change something that has been in place for 30 years, it is going to affect people's lives - and it has. I know Metro has worked as best as it can with every case. I will ask the chair to talk about the kind of complaints we get regularly and how we deal with them.

Ms MASON - The complaints are handled mostly through our telephone service. We have criteria for responses to complaint. The board keeps an eye on whether we are managing to keep within those timelines. That is the handling process.

The matters that arose from changes to the Hobart network review were based on principles of making the services more direct and quicker for passengers from getting on to destination.

Mr WILLIE - That is not necessarily always the case, though. I know in Glenorchy a lot of the routes have been redirected through the exchange, so they have to get off and get on another bus. It is actually not quicker.

Ms MASON - We are trying to remedy that as we speak. We have been trying for some time to get the street infrastructure changes and agreement from council we need in order to avoid going through the exchange, going through Springfield. From our point of view it would make the services quicker and more efficient. As we speak, the necessary agreements are attempting to be reached between Glenorchy City Council and the Department of State Growth. We are almost a bystander in this process, it is fair to say.

Mr HIDDING - The department certainly is not because we put up \$300 000 of congestion money for that road architecture solution.

Ms MASON - I did not mean you were inactive.

Mr HIDDING - We are having terrible trouble. I visited the council and finally got agreement to it, but now there are ongoing issues with design. I am not sure whether we are going to resolve it with the council.

Mr WILLIE - On the mobility issue, it is my understanding, if we are talking about councils, there is an issue of demarcation with bus stops. Given the recent issue with the taxi subsidy and the Government temporarily cancelling that card, and your comments, minister, there are going to be a lot of people who get back on buses. Have you had any

communication with councils around access at bus stops? What are you doing in regard to the bus rollout? How many of those will have disability access?

Mr HIDDING - All of them. It would be a very strange arrangement if you were building 100 new buses and they did not comply with the Disability Discrimination Act. When we came to office, the trajectory left for us by Labor was to be about 100 buses short of meeting our Disability Discrimination Act requirements by 2018.

Mr WILLIE - That is not true. We met the act, just like you are. I think 59 per cent of the fleet currently comply.

Ms MASON - It is not the fleet itself. It is the services. DDA covers how many services are provided. We did manage to hit the 2015 target of 55 per cent of services. This does not count school services, but general access services. We were delivering 55 per cent of those services with the DDA-compliant buses. We were very concerned whether we could reach the target of 100 per cent of service delivery by 2018. On the trajectory of bus replacement at that time it was absolutely impossible. Fortunately, with a purchase of some buses from Victoria last year, which we put mostly into Burnie, and the new buses, which we also used our \$3.25 million for, with those plus these 100 new buses I am very pleased to say we will hit 100 per cent of DDA-compliant service access issues by 2018.

Mr HIDDING - Back to the question on demarcation of bus, what does that mean?

Mr WILLIE - With the responsibility for Metro with the bus stops and the local council and the access issues if there are people in wheelchairs trying to get on buses, I know that is an issue because there are particularly dangerous bus stops around. Have you had any communication, minister, with local government on improving that access, particularly given the recent issue with the taxi subsidy it would be envisaged there would be more people, according to the Government, getting back on buses because you have temporarily kept that card going? I am interested in what the plan is after that.

Mr HIDDING - The issue of DDA-compliant bus stops, largely in the DBD areas, is reasonable compared to a lot of areas outside the city where it is a little bit more agricultural, where along a footpath somewhere you have to put up a bus stop and it has to be fully DDA-compliant but a lot of older ones are not. What is the status of that?

CHAIR - There are not too many Metro bus stops in rural areas, minister. They can't actually get to the bus at the moment for grass on the road verges but that is another story.

Ms MASON - We agree, bus stop access is a real problem and it is fairly unusual in Australia for the bus service deliverers to also be responsible. Usually it is a local government issue.

Mr WILLIE - Has there been any communication with Metro and local governments around improvement?

Ms MASON - Frequent communication, as best we can. For a start, every new bus stop we put in, and there have been a few with the Hobart Network Review and there will be more with the Launceston Network Review, whenever we change or move a stop it must be DDA-

compliant. That has meant we have improved that faster than we perhaps we otherwise have done. However, even the most basic of stops, the pole and tactile markers cost -

Mr WIGGINS - About \$2500 just for the pole and in-ground information.

Ms MASON - The ones with shelters, which are highly desirable, are upwards of \$15 000 each. We have 3500.

Mr WIGGINS - There are 3500 bus stops in our network.

Ms MASON - One of our consistent areas of concerns is bus stop provision. We have tried, and we are still very active in, partnering with both private enterprise and local government. I don't know you well, Mr Willie, so I am not sure of your experience with local government but I assume you have some -

Mr WILLIE - I am a ratepayer.

Ms MASON - The rest of you will understand when you go to local government and say, 'Would you like to start doing the bus stops?', the answer is, 'We can't'. It's a rock and a hard place. Both sides are trying hard and we are getting some private enterprise interest and also some service groups are helping us out. It is a tough road to hoe.

Mr HIDDING - I visited a council with the Chair some time ago and discussed this at length with the mayor and the mayor indicated he felt it would be in everybody's interest if local government generally did take these things over because they are more responsive to local needs and that there are people with disability issues and therefore they would get in quicker and fix it. It is a cultural shift. Metro has always paid for it but it would be something worth pursuing with local government.

Mr DEAN - The ratepayer wouldn't be as enthusiastic.

Mr VALENTINE - Having worked for Metro for four years as their EDP manager, I understand some of the complexities that go into timetabling and the like and it is not easy.

Madam CHAIR - EDP?

Mr VALENTINE - Electronic data processing manager. The 30-year sequence you were talking about revisiting, I was there when they did the last 30-year review. It's not always easy being able to satisfy everybody and you simply can't. Certainly in my electorate there were issues with the Mount Stuart service, the cohort of people who live in the Cliff Street area are older people. It is a steep environment and it is difficult.

When you look at re-timetabling and taking services away from those sorts of areas, do you consider the cohort of passengers you are going to affect?

Mr HIDDING - The first thing you consider is are the locals using the buses now? If they are and they are modern buses with a timetable that appears to be set a time when they would ordinarily be using it, then you wouldn't take the service away. If there was a reasonable level of activity.

The one you raise, the average boarding across five stops was 0.8 of one person and that went back four years. There were issues raised generally by the families of elderly people who live there but the people who live there hadn't been using the service for years. On that basis, you are entitled to look at the statistics, saying, 'If you don't need a bus service here, we will put it somewhere else'.

Mr VALENTINE - Is it that the services were running at times that weren't convenient to people?

Mr HIDDING - Which is, in a network review, the kind of issues you take into consideration.

Mr WIGGINS - The services to Mount Stuart were quite frequent. Cliff Street also had a significant safety issue around it.

Mr VALENTINE - Whether the bus can get through half the time, I realise that.

Mr WIGGINS - There were several occasions where Mount Stuart Primary School had an event on and parents parked on both sides of the road. It required Tasmania Police to help the bus reverse back down the road and we don't want buses reversing anywhere.

Mr VALENTINE - A smaller bus maybe?

Laughter.

Mr WIGGINS - They are more expensive but we worked through that. It is part of the northern suburbs review that was done three years ago. One of the feedbacks from the Mount Stuart and also West Hobart patrons was they wanted direct access from their place to North Hobart because they saw North Hobart as a hub of activity for their shopping, medical and the like. A lot of residents had to go from Mount Stuart into Hobart then come back up to North Hobart so there was a large cohort who wanted to have that connection to North Hobart.

Whenever you make a change there is an inverse effect. When we think about making a change, when we put the stakeholder engagement out, we letter box-dropped areas that were -

Mr VALENTINE - So they were letter-boxed?

Mr WIGGINS - Yes, definitely. We had 55 000 pamphlets and we letter box dropped about 15 000 of them to areas we knew were going to potentially change and that is how we engage with that. Engagement is a challenge with such a large network and a lot of the time people don't realise that until it happens, but for that particular street it was very dangerous and had very low patronage.

Mr VALENTINE - With respect to the various services that are available in a more peripheral area such as Sorell, Dodges Ferry and Clarence - that eastern shore area - we had representation with regard to Metro, Tassie Link and Redline all being a bit stove-piped, that they operate in their own little sphere and there doesn't seem to be a lot of collaboration to maximise the benefit to the public.

Do you have a comment on that, through you, minister, on how you see that improving over time? Maybe providing services to the airport?

Mr HIDDING - Project 2018 is a project to recontract bus services that are starting to expire in 2018 and 2019. These are contracts that were set in place about 10 years ago - five plus five - and they are about to expire. These are all of Redline contracts, all of Tassie Link's contracts and all school bus contracts where they are publicly funded, which is most of them. Project 2018 is a very large and private project in my department. As a key player, Metro occupies a seat at the table of Project 2018. When it comes to money, Metro would be required to leave the room because it would be competitive between them.

Mr VALENTINE - Yes, I can understand the commercial-in-confidence, minister.

Mr HIDDING - Yes, but they are at the table. You couldn't not have them there considering the massive amount of public transport they do. The broader industry is at the table, represented by their association. One or two people who don't belong to the association aren't covered and I am committed to keeping them separately involved.

There is a full review of every bus service, every outer urban bus service. Not inner urban because that is the Metro contract. That may be looked at in five years or so, but now it is the private sector outer urban contracts. Metro has some of those contracts. It was first put to me when we were looking at the private sector to leave Metro out of it, but if it's not inner urban and it is one of the outer urban jobs, say Seven Mile Beach, Cygnet - historically, Metro has been asked to take on. They are being looked at along with all other bus services in the area. Is streamlining possible? Absolutely, and this is part of what we will be going through over the next 18 months. We will nail down the best possible outcome for everybody living in that area, without saying who is going to do it, who can do it best, and what should the services look like.

Mr VALENTINE - But it requires that collaboration, doesn't it? They have to recognise it's an holistic thing to be looked at. I notice in your annual report you have operating revenue as \$48.477 million, of that roughly \$11.7 million was fare box revenue. Are you able to give us a breakdown of revenue from contracts of the remaining \$36.8 million of contract payments between the three urban areas serviced by Metro, the urban fringe areas serviced by Metro across the state, and any additional payments Metro receives above its top up?

Mr HIDDING - Let us understand Metro starts every year with approximately \$43 million. The last \$3.5 million of that is for a bus replacement program, which is why we have been buying those sky buses. The rest of it is simply the cost to the Tasmanian people of having a public transport system. It doesn't make money.

Mr VALENTINE - It is a community service obligation. In a sense, and it has always been that way in the past, it is always seen as not making a profit when it is simply what it costs the Government to run the service.

Mr HIDDING - I used to be on the Metropolitan Transport Trust, probably around when you were the EDP person. It was about \$17 million and it is now \$40 million. They start the year with \$40 million and the rest of the business from then on seeks to break even or make a

small profit. You can't say a \$320 000 profit was made on a turnover after tax of \$48 million, unless you understand the \$43 million starts as a [TBC ? 12.13.50] from the people.

CHAIR - You have the fuel tax refund as well.

Mr WIGGINS - Yes, that is correct. That was to do with the air conditioning units in the buses.

CHAIR - When you take that out, that leaves -

Mr WIGGINS - It brings it back to break-even or pretty close. It will continue forward but this had some previous years to it, so it won't be as a large quantum.

Mr VALENTINE - Can we have that breakdown of the \$36.778 million from contract payments provided - a breakdown of the three urban areas serviced by Metro and the numerous urban fringe areas serviced by Metro across the state.

Mr WIGGINS - I can give you a brief breakdown on the bus component. We are contracted to provide 219 buses. We have 155 based in the south, 49 based in Launceston and 15 based in Burnie. That roughly equates to the split, but we can provide the actual figures.

Mr VALENTINE - I would like the actual figures. If we can get a breakdown of that fare revenue and if possible the revenue breakdown between students, adult concession passengers and full fare paying passengers for the urban and the urban fringe services.

Mr FINCH - Minister, you stressed in your introduction that Metro is a road transport service. We had some stakeholder representations about the limitation that Metro is restrained by legislation. A person highlighted that, being restricted to road transport, limits Metro from being involved in the development of linking up with ferry services and things like that. Is there is any discussion looking at legislation to free up Metro to make it more malleable and adaptable?

CHAIR - Acting on the recommendations of the transport inquiry.

Mr HIDDING - The Legislative Council's transport inquiry. The Government is continually looking at legislative settings. Metro is required to and should focus on running buses. However, in a modern transport construct, particularly in a city like this, a river city, you cannot ignore there is water and you might be able to knit something together. There are very large policy issues to resolve about that, cost being not the least of them. It is also about infrastructure. I have indicated to the Hobart City Council that we have an open and active mind in that space. At this stage we are not contemplating or proposing any legislative change, but we certainly have a very fertile process in looking, with the four Hobart City councils, at this congestion leadership that we, as a government, are providing to the four councils. Bear in mind that much of the congestion is on their roads. Here in Hobart where it manifests itself, the Hobart City Council owns the main couplet - Davey Street up and Macquarie Street out - and appears determined to retain ownership of it and not change very much either. It is somewhat problematic when a council -

Mr VALENTINE - It was a deal done many years ago.

Mr FINCH - Does light rail play into those discussions?

Mr HIDDING - Absolutely. We have banked the rail corridor that currently exists as having a passenger transport future. We believe that strongly to be the case. On that basis, and with strong agreement from the Hobart City Council and the Glenorchy City Council, those two councils have a project together to look at zoning and development issues associated with the kind of urban infill that will fund and promote a business case for a light rail service. Usually a light rail service goes through an area that has been developed up to a point where buses and cars don't work anymore. If you take light rail right through to the centre of it, people can walk from their residences down onto it, or ride a pushbike, and catch that light rail service. In this case, because it has for the last 50 or so years been a heavy rail corridor, the zoning has not allowed you to build anywhere near the rail, because of noise, vibration, tooting horns and all that stuff. Sadly we don't have development anywhere near the rail line in practical terms. There is a cultural change required. The councils are looking at it. They are excited about that. That kind of thinking frees up all sorts of urban infill opportunities. Cities love urban infill because they already have sewer, water and all the services. It is pretty cheap to do.

Mr VALENTINE - There is a land value capture needed there.

Mr HIDDING - Value capture is the answer. It is certainly seen as the answer by Infrastructure Australia and the federal government believes strongly that wherever state governments are looking at transport solutions, value capture means that basically if you live in an area where light rail is going to terminate or go through, and if your house is currently worth \$300 000 and is going to be worth \$450 000 as a result of a light rail whizzing close to your house, is it fair that you might pay some contribution towards that light rail? It is controversial, people hate the notion and say, 'What do you mean they are going to have a special levy?' I am certainly not proposing that but it is currently the hot topic around states and the federal government and Infrastructure Australia.

Mr VALENTINE - They have done it in Perth. There is a variation of it in Perth.

Mr HIDDING - And in Brisbane, through taxes on car parks. Considering the number of car parks you built yourself, honourable member -

Mr VALENTINE - Not me.

Mr HIDDING - I think you built about 11, didn't you?

Mr VALENTINE - Not the long-term car parks, short-term ones.

Mr FINCH - Minister, if you look in Sydney, those properties near railway lines and close to railway stations are becoming very popular indeed. From the same stakeholder there was discussion about omnibus opportunities with the Greencard being maybe linked in some way to Tassielink and to Redline so that you have that omnibus opportunity. Is that part of the thinking or discussion?

Mr HIDDING - Greencard is one thing but an actual ticketing system - Greencard is -

Mr WIGGINS - Greencard is already through our Tassielink system. They have been the first adopter and they have seen a positive growth. There are now a lot of people who catch a Tassielink service who will jump on our bus to go to the university or out to Glenorchy. We have seen quite a strong growth. It is a credit to Tassielink for taking that forward step.

Mr HIDDING - Without question this Government believes that there needs to be developed in Tasmania a single ticketing system throughout all public transport. The only way you can do that is to have the central process, the central intellectual property, owned by a separate body. Notionally it could be the Transport Commission but you would understand that if you rang Tassielink or Redline you would want to make absolutely sure that Mr Metro cannot get his hands any of the IP across the fence. It is all about integrity of the intellectual property but other states do it. We have to go there, we will go there. The recontracting process, Project 2018, is the first step of it. Bus contractors are starting to understand that when we sign new contracts with them there will be requirements for them to agree to play down the track when it all comes in. They are pleased to do so because they know themselves that this just drives their businesses upwards. More people will use buses so why wouldn't you be involved in it?

CHAIR - Wouldn't the first steps for some of these really good initiatives be the changing of the legislation to allow Metro to have a focus outside of just buses? I can't see what the impediment would be there. I think it would be a positive.

Mr HIDDING - There is no impediment except that Metro at this point there is nothing else for them to do other than run buses. If there are other things that can be developed -

CHAIR - Let's make it their focus now and then the opportunities will flow. That is what the report showed us. It was really positive.

Mr HIDDING - The fact is that transport policy is set by the government but not by Metro.

CHAIR - Hence my question to you, minister.

Mr HIDDING - The Government is well in front of you and looking very strongly at all that.

CHAIR - We will see some legislation in 2017?

Mr HIDDING - We will keep working on it. When there are opportunities for Metro.

Mr DEAN - I can see Metro flying buses.

CHAIR - The minister talked about the opportunities with water. Once the community hear that and see that, then there will be a lot of opportunities. That is what the report said and it is a good report.

Mr DEAN - I'm not going to raise private issues. I think it is better to talk bus routes to you personally and in another way. I raise the Tolmans Hill issue and suspect you might have received a complaint in relation to the changes of services in that area. I raise that

because that is our President's electorate and he is not here to ask the question. Concerns were brought to our attention. A bus service was removed that provided an opportunity for children to return to their homes in the Tolmans Hill area, without consultation with those people who had registered Metro cards. There is some concern and grief about that. Has that been brought to your attention?

Ms MASON - I am not confident of the answer to that. I know we are limited in our capacity to contact people who have Greencards.

Mr WIGGINS - More generally, any change involves a lot of consultation. It is more generic consultation as opposed to direct registered user. We do not have the ability to contact people on their cards. That is something we are looking at developing in the next iteration. It might be best we take that incident on notice.

Mr DEAN - May I ask the question, as it is here. 'Despite having a registered Metro card, we were not contacted to be advised the service that allowed our children to get home from school at a reasonable time was being cancelled.' There was a lot more detail around how much confusion and concern it was to these people and other families. A number of people had been impacted. Absolutely no consultation at all and Metro simply changed the service. Can you take that on notice?

CHAIR - We can provide that.

Mr DEAN - It was provided to us in confidence so I am reluctant to provide the names of people involved. I will not do that.

CHAIR - My apologies. I thought they said they provided it.

Mr DEAN - I remove the people's names and anything that might identify them, but they go into some detail.

Mr WIGGINS - As long as we have an understanding of the bus service they were referring to, we can provide information of consultation undertaken.

Mr HIDDING - No longstanding bus service is removed from anywhere without very significant consultation. If somebody says they did not know about it - there has likely been two years worth of process going around in their own area.

Mr DEAN - It is deemed private and confidential but that might have been our staff that have done that, Madam Chair. It might be the people are happy for their names to be released. We can check up on that.

Mr HIDDING - I suspect Metro may have it already. Most of those that came to me are from Metro.

Mr DEAN - Does the university provide some funding to Metro for certain services to the universities?

Mr HIDDING - In Launceston?

Mr DEAN - No, across the state, Hobart to Launceston and Burnie.

Mr WIGGINS - Launceston is a very good partner of Metro and a big trip attracter. Large cohorts of passengers are university students. They are a big financial supporter of bus stop infrastructure around their corridors. They have been one of our corporate partners, helping us build these DDA compliant bus stops. They were a financial supporter of the Launceston Turn Up and Go, between the Launceston CBD and the Newnham Campus for the first 12 months, as were the DSG. After that 12-month process, Metro took that on into our normal operation. They do not provide funding for us to go their campus but a large cohort of our users use it. It is natural for us to provide that service.

Mr DEAN - I suspect in Launceston there will be changes because of the university moving into the Inveresk and the Newnham sites. Will that be up for negotiation or discussion with your route movements?

Mr HIDDING - There is plenty of notice. We will see how many transition in and what is left, as to what services are needed. The university was terrific in Launceston and promoted among our own people, which is the best partnership you can have. Help set something up and then help promote the use of it.

Ms MASON - They do the bus stops sometimes.

Mr DEAN - I note from your annual report, out of 474 employees, 217 are over 55 years of age. Where is Metro going in relation to that? Are there any driving issues there? I guess you have satisfied all those concerns about -

Mr HIDDING - Based on their age?

Mr DEAN - Yes, weight and age, and the rest of those other issues.

Mr HIDDING - Are you suggesting they are getting better at age 55, or worse?

Mr DEAN - They are probably getting better. With so many over 55, you will probably have a mass exodus at some stage of people retiring and is there anything Metro is doing regarding this?

Ms MASON - We have a very active oversight of our workforce. You mentioned weight and some years ago there was a weight limit on the operator's seat. As a result, Metro embarked upon a program to help bus operators who were above the requisite weight to achieve what they needed to accomplish. At least one of the very strongly resistant bus operators at the commencement of the program later came up to the then CEO and was absolutely ecstatic about what Metro had basically forced her to do if she wished to retain her job.

The Launceston and Hobart depots have small areas with exercise equipment. We have programs in place where people have to be inducted into the use of the equipment. Initially, it took a while, but there is now increased usage of equipment and increased enthusiasm right across the organisation for making use of equipment during the operator's spare hours.

We are getting improvement. We have certainly conducted in Hobart, and I think Launceston, eat healthy expos and trying to improve people's capacity to look after their own health and wellbeing. It is a sedentary position, particularly being a bus operator. We do try very hard to ensure they are healthy. Obviously, that is a help to the company because it reduces incidents and accidents.

Mr DEAN - My other question is the number of bus drivers I see outside their buses smoking. Is your health position trying to help people with the cessation of that terrible habit?

Mr HIDDING - Could I place on the record the fact the outgoing chairperson has taken a great personal interest in the whole culture at Metro through the Better Metro Cultural project, which is not just health but how you go about loving your job. They have done just a remarkable effort at Metro. They have become a benchmark for me with other companies, to say, do not tell me you cannot improve the culture of the place, go and have a look at Metro. They have done a great job. That shows in lost time injuries.

Ms MASON - It is not quite zero now. We got it from in the thirties several years ago. We set a target for our incoming CEO at the time, to achieve the industry benchmark of eight lost-time injury frequency rate. He achieved that, and in fact got it down to two in the time we asked him to get it down to the industry average. Now we are fluctuating around zero. Occasionally, of course, one does have a lost-time injury.

Mr DEAN - You are blessed to have good staff in Launceston. I talk to the bus drivers regularly and they are great, their attitudes are great. I have not received complaints in relation to service for a long time.

Mr HIDDING - They love their job, they are proud of their jobs. We should all be very proud of Metro for changing the culture. They have become a workforce Metro can talk to about their own health. How good that is for Metro and for themselves. It has been a remarkable turnaround.

Mrs ARMITAGE - I have been looking at your Facebook page. I am pleased to see generally you do respond to people's complaints. But one of the major issues appears to be of buses running late and occasionally running early. I can recall a few years ago, when you came to the presentations for the Launceston City Council, buses were very particular about being right on time. Have we fallen away a little bit there, through you, minister?

There are some complaints here. One lady says:

I've been catching buses this week, at least four a day while waiting for my car to be fixed, and not a single bus has been on time. Nearly every one was at least 10 minutes late. The worst was 30 minutes late.

Another one says they are sometimes 15 minutes early and up to 20 minutes late. In fairness, the majority you have answered and asked them for their route numbers to go back and check. I was just wondering how you are going with that.

Mr WIGGINS - On-time performance is a key metric that we report back to the board. We are currently running at 85 per cent on-time running, which on a national standard is very good.

Mrs ARMITAGE - These are for Hobart, so you are probably running on time in Launceston.

Mr WIGGINS - As a guide, roughly about 4 per cent of our services are ahead of time - that is one minute ahead or more - and approximately 10 per cent to 11 per cent are delayed by over five minutes.

Mr DEAN - Do they have to wait if they are early?

Mr HIDDING - This is the problem. A bus arriving early is not a problem, it's when they arrive early and take off early that's the problem. They might as well be 10 minutes late because when you get there, there is no bus. It is something I have learned since I became minister. I was appalled to hear that coming early was a problem.

Mr WIGGINS - One of the key challenges with timetabling with the early side is that you set the timetable during school term when you have a lot of passengers and then when you don't have school students the buses have to sit on the side of the road for three or four minutes sometimes, which is a frustration for our passengers. We report this right throughout the business and the team is fully aware of it.

The challenge with the late running is that there are so many circumstances outside Metro's control, whether it be congestion, which was a big issue in February, March and April for Hobart - we were in the same mix as everyone else - and light sequencing, the lack of bus priority measures that other state enjoy. We are working well with stakeholders and we hope to have a few of those in the very near future. It is something to work on. The social media side of the business is a good way for people to give us that feedback. That is taken right through to understanding what the causation of that incident was. If it was operator-related, we can sit down and talk to the operator to explain the reason. If it was another cause, we can come back. We always provide that feedback within the time frame.

Mrs ARMITAGE - I was talking about the extra passengers on buses. When you have a certain number of people - and some of the buses are overcrowded - and I notice one lady had mentioned that you often have to get off the bus to let other passengers off. On one occasion they had been left - the bus door had closed and gone off without the people who wanted to get back on. Do you have a limit of people?

Mr WIGGINS - Each bus has a limit depending on its size. You have a seating capacity and a standing capacity. It is all national standard and what we need to adhere to. Unfortunately, sometimes when they are full we have to drive past people, which we really dislike doing, but there is a limit. The longer buses can take up to approximately 100 people as a maximum capacity.

Mrs ARMITAGE - So as people get on the bus the driver has something that counts up for him to let him know how many are on the bus?

Mr WIGGINS - He has the awareness. We also have to allow a judgment, too, because some people get off at the back doors. It doesn't happen often because we make sure those high intensity routes are well serviced, but it is something we work to very closely.

Mr HIDDING - And getting better because the purchase of articulated buses - there was a lot of talk about the 100 new buses but what went under the radar a bit was how many new articulated buses there were.

Mr WIGGINS - There are seven articulated buses, which is going to be an extra two in the fleet.

Mrs ARMITAGE - I notice in the annual report that you meet the guidelines of buying local, with a figure of 56.72 but obviously you're always trying to do better so what are the main items where buying local is not possible?

Mr HIDDING - A lot of these would be things you don't have an option to buy locally.

Mr WIGGINS - Previously all our bus purchases have come from [12.39.32] but there is an opportunity that could change with the investment. There are some consulting services we did last year with the Hobart Network Review that was public transport-specific that we had to bring in from Melbourne.

Mrs ARMITAGE - That was \$287 000 or thereabouts?

Mr WIGGINS - It was a large number.

Mr HIDDING - These are specialist consultants who manage these things.

Mrs ARMITAGE - I appreciate that.

Mr WIGGINS - Luckily for Metro our uniforms are locally provided and we are very strong on supporting our local community.

Ms MASON - I have a slight correction to some information that was given to Mr Willie earlier. May I bring that in now?

CHAIR - Yes.

Ms MASON - It's about the age for compliance with DDA being 100 per cent, the CEO just informed me. I knew there was a 2018 deadline, but it is for 80 per cent, and the 100 per cent deadline is for 2022. We will hit both of those.

Mr WILLIE - My question relates to employment and young people. Is there any short-term plan to expand into Sorell? It is a rapidly growing area and there are a number of young people there who find transport difficult. Do you have plans for expansion in the short term?

Mr HIDDING - That's not an urban area. It is an outer urban area like Kingston, Huonville.

Mr VALENTINE - Urban fringe.

Mr WILLIE - Metro services some of those.

Mr HIDDING - Yes, but not on an urban contract. That's an outer urban contract, so the price per kilometre is the same as the price per kilometre from New Norfolk or from Brighton.

Mr WILLIE - Is an outer urban contract on the cards?

Mr HIDDING - Not only on the cards it already exists, but it is owned by Redline. The service that Redline provides is roughly in concert with the one Metro provides out of Kingston, and O'Driscolls provide out of New Norfolk. Metro taking Redline's contract would change nothing. It would be the same services at the same price. Project 2018 has had a look at the whole Sorell and Dodges Ferry area and it is fair to say, as I represent that area, I am not surprised to find that the modelling has shown it needs better services. Those considerations are underway now.

Whether Metro buses service it or Redline buses service it, is somewhat immaterial. However, there is a perception when people say, 'We just want the Metro-style service.' The Metro service from Huonville is the same kind of price as Redline charge from Sorell, and O'Driscoll's charge from New Norfolk. However, for those sorts of growing areas there is no reason why a government in the future - it is going to take substantial investment - couldn't bring them into an urban network. There is a long-term contract that Metro has with the department to run urban contracts that doesn't include Kingston, Sorell, New Norfolk, but there is no reason why they couldn't in the future, except a lot of money. When there are enough people out there, there is a strong public policy case why you would look at that.

Mr WILLIE - The 12 000 Greencards campaign was quite a successful one and you had a big uptake. I note there is a 20 per cent discount with Greencard. There was mention of that in the annual report, but there were no costs involved, so how much did that campaign cost?

Mr WIGGINS - Costing to do the campaign or forgone revenue?

Mr WILLIE - Advertising, handing out the cards, the 20 per cent discount?

Mr WIGGINS - The 20 per cent discount is one I can answer. We took Greencard services from 55 per cent to just over 80 per cent. That has forgone revenue of about \$30 000 per month, so it is quite substantial. The advantage of having Greencard ticketing is that it makes it cheaper for the consumer and Metro is not about making a profit at consumer expense. It is another reason to catch the bus and it also speeds up the boarding time, which helps us with our on time performance running, to tap the card on as opposed to mucking around with change. From our point of view and from the board's point of view it is very much about maximising that uptake without enforcing it. Some jurisdictions have said no cash at all, you must do it. We've taken the point of view we want to incentivise you to do it.

There was a lot of labour. We put a lot of people into shopping centres to help the elderly who did not understand how Greencard worked. We helped them fill cards out, complete them for them, but that wasn't additional resources that was Metro's own workforce doing it within our own current operating budget.

Mr WILLIE - So you don't have a cost figure for the whole campaign, the give away of cards, the advertising? It was just internal.

Mr WIGGINS - No.

Mr FINCH - I am interested in some comment in respect to the Rex Gardner article in the *Mercury* some time ago and some suggestions in respect of Metro or bus services. I will put those three and then see how we go. Free bus travel with free wi-fi in Metro's urban zones for all school and university students. Drop fares in Metro's urban zone in peak hours to attract other travellers onto buses, and drop off the Greencard price to a single \$2 coin in busy periods. This will speed up the trip, as drivers will not be fumbling for change and dealing out tickets. I am wondering if it caused any discussion or comment.

Mr HIDDING - I am always fascinated by Rex's articles since he retired as General Manager for the *Mercury*. He is expressing a few views.

On that particular one, he did not seem to provide any answers as to where we will get the revenue from to provide public transport the way we do. Making everything free, in terms of the material we are going to provide for Mr Valentine, you will see the fare box quantum. Any notion you would lower the price full fare paying passengers are prepared to pay is really bad business. What we would be better is putting on services where people genuinely look at their own motor car and think they might be better getting on a bus here, and then get on a bus. Then we have far less congestion on the road, we do not have to build bridges, we do not have to build tunnels, and we have people on the services we are providing.

As a business aspiration, your aspiration must always be about increasing your full fare paying adult fare. All the others are what we do, in many cases almost for free or at loss leader kind of price, but for everything else you should be focusing on your full fare paying adults.

Mr FINCH - The Greencard is the option that has improved opportunities for the consumer.

Ms MASON - It is fair to say it has made it very attractive. If I may raise another point from Mr Gardner's comments, increasing passenger numbers during peak times would mean we would need a lot more buses. We are already at capacity during those peak periods. Our peak periods do not extend as long as they do in other large urban areas in Australia, but our bus capacity and our passenger capacity are well matched during the peak. Making it cheaper to travel during the peak would be adverse to how the company can run its business.

Mr DEAN - Looking at your bus fleet across the state - I do not think either Launceston member asked the question - I notice that Launceston is on the lower area for both air-conditioned and accessible buses, well below the south and well below the north-west. I take it with the new buses you are talking about there will be a move to improve this imbalance in the buses in these areas. Is that the way it is going to go?

Mr HIDDING - Could I answer in the first context. It could be argued Launceston has the oldest fleet. That is because Burnie, because of the nature of the service there, has a lot of

these new second-hand buses that were a very good buy from SkyBus and elsewhere. They have been refurbished into what looks, to the eye, like brand new buses.

I have been in the terminal in Launceston, when I announced the 100 new buses I was standing in front of three buses that must be the oldest in the fleet. Twenty-five years old and they meet none of the DDA requirements. One of the first recipients of the 100 bus program would likely to be where the oldest buses are, so it would be Launceston.

Mr DEAN - It makes a difference to users. I have heard people saying that travel on a nice, new, air-conditioned bus is good and invites people in whereas the older ones are not as attractive to users.

Can we be assured that this will be the case, that Launceston will at least come up near the average? We are well below.

Mr WIGGINS - Certainly. Once this 100 bus procurement is complete we will have 100 per cent DDA-compliant buses which will be virtually about the same with air-conditioning and they will be distributed on an equitable basis throughout the state because there are old buses right throughout. Yes, I can assure you that the Launceston fleet will be renewed and be part of that.

Mr DEAN - We will be watching this space fairly closely.

Mr HIDDING - So will I.

Mr DEAN - The purchase of the second-hand buses, minister, is that a good position? I have heard a bit about it. At the time we had to do some of the refitting there was a much reduced cost rather than buying new buses.

Mr HIDDING - The challenge for us, as a government, was to provide the funds to Metro to have a meaningful fleet upgrade and, with the condition of the fleet - frankly 100 buses short - and they were all new, you could argue because they were there before the second-hand ones arrived, it was probably 125 buses short of a reasonable fleet.

The opportunity to buy these second-hand ones that had had a very light life because they were often running around on the tarmac or doing straight in-and-out, no hill-running or whatever, they were in terrific order and the value was -

Mr WIGGINS - It was quite significant. The articulated ones were about a third of the price of new ones and we were pleased to be able to do the fit-out with a Tasmanian company. The overall investment was a great result. It allowed us to virtually get, I think all up, 16 buses into the fleet for probably the price of five or six.

Mr HIDDING - Yes, so about three to one. We were getting three buses for the price of one. It was a terrific way to go but we had to strike while the iron was hot and get it, knowing always that we had this tail of 100 buses that we had to resolve somehow, which we hope to have resolved through this tender process.

Mr DEAN - The total refit was here in Tasmania, with Tasmanian companies benefiting from that.

Mr HIDDING - Yes, the refit of the second-hand ones was done in Tasmania.

Mr DEAN - The second-hand ones I am talking about at this stage.

Mr WIGGINS - Yes, by a company in Derwent Park.

Mr HIDDING - What's the name of the company?

Mr WIGGINS - Having A Dip.

Mr HIDDING - Having A Dip - you couldn't get a better name of a company like that. They absolutely hammered it. They did the resprays, new seats - probably in Mr Willie's electorate. You should drop in and say hello and say that he was mentioned here because the job they did was sensational.

Mr VALENTINE - I am interested in land holdings that Metro may have under its control and whether there is any capacity to lease some of that out and get some income back in to reduce the drag on the public purse. Is there any land that you have in your operational areas that could be leased and consider getting that income to offset it?

Mr WIGGINS - The three properties that we own are our main depots - Springfield Depot, Launceston and Burnie. We lease our satellite yards so we don't own those.

Mr VALENTINE - Okay, so you are leasing those already?

Ms MASON - Yes, we only own the depots.

Mr WIGGINS - Springfield, in particular, has a large footprint but it also holds quite a large number of buses during the day and overnight. It is a very effective park-and-ride operation. Whether there is a depot optimisation project in the near future, Launceston is an old tramways building which is heritage-listed.

Mr VALENTINE - Just on the left there as you go in?

Mr WIGGINS - That's the one. It is very centrally located for a network that goes out and back so it is virtually in the heart of the network. It helps reduce the dead running or the kilometres you do without any passengers but it is something that we always review.

Mr VALENTINE - There is no lazy land sitting around anywhere that could be utilised?

Mr HIDDING - No, in fact it is one of the smallest property owner portfolios of any of my companies. They would be the smallest, I am sure, by a long shot.

The Government is interested in the notion of dead running. Dead running, which is if you have just a Springfield interchange, all your buses will come back there. If you have buses operating way out here somewhere and they have to go in there, then back out again in the morning, it is a lot of dead running. Is there a case? I continue to talk to Metro about this. Currently, all the energy has been going into the 100 bus contract, for the last 12 months, Government and Metro together. It has been a massive project. Once that has

landed and underway, I can indicate I was speaking of going to the board and the CEO about whether there is a case for outer urban terminals, that a group of buses could be parked there overnight, rather than having to do that dead running. Or whether there is a case for a major terminal somewhere else that could be better placed. It is an ongoing fruitful area for discussion, this dead running.

Mr WILLIE - Mr Wiggins, please do not take this as a personal comment, but I am interested in the \$110 000 increase in the CEO position. It might be explained that Mr Wiggins took the position in November 2014. Is that the explanation for that large increase?

Mr WIGGINS - I did not start until November 2014. It was not a full-year period for myself then.

Mr WILLIE - It is just that full year. Were there any other increases?

Ms MASON - There were normal increases, nothing excessive.

Mr FINCH - In respect of the Blundstone Arena buses, RACT dropping their support of those free buses - I wonder if we could be apprised of the way things are developing. We had a very good report in our stakeholder meetings in respect of Metro being the favoured provider of the service. One is my acknowledgement that Metro is favoured, but also, what about the other private operators? Would they have their noses out of joint because they might not be as favoured as Metro?

Mr HIDDING - There was the football contract, the North Melbourne deal. North Melbourne engaged with RACT to provide the buses, and RACT got something out of it. RACT decided to pull out. North Melbourne has no interest in contracting. Let us limit our thinking to football. What are the arrangements for 2017 football?

Mr WIGGINS - We are working very closely with the working group, which is made up of the council, Blundstone Arena, North Melbourne and the residents' group. It has not reached a decision point yet because they have lost their funding provider for that charter work. One of the reasons why Metro is at the lead of that is because of the number of buses that are required at a certain time. It limits some of the private operators. We are working with them actively, and we hope to have a resolution in plenty of time before the football season starts.

Mr HIDDING - There are dollar reasons in that as well. Then we move to cricket, where the test match is over a five-day period, let us say on Boxing Day here in Hobart, Blundstone Arena, Hurricanes. The bus services from there could be Metro, could be Redline, could be whoever wishes to do it on a contract basis. I know it is not something that Metro is hanging out to do because it is a break-even kind of service. Therefore, Metro helpful as ever. However, during the test Redline took the service. The other thing for the Hurricanes is what do we do at 11 o'clock at night when they all come out? What is the requirement? To take those people in those buses back to where they parked their cars, or do we drop them all back in the city? Do we want them all back in the city all in one hit? Is the right thing to do? Or should there be services going further to Kingston or wherever? They are the things under discussion right now. Metro is a player in that, but not necessarily the natural service provider.

Mr FINCH - Highlighting the long-term issue of parking problems in the location?

Mr HIDDING - Yes.

CHAIR - Could we have an overview of the new EBA?

Ms MORRIS - Bus operators EBA or the engineering EBA?

CHAIR - Both.

Mr WIGGINS - The bus operator was concluded and it started from the start of this year, which was great. It was a very respectful process we went through within the constraints -

Mr HIDDING - Reflecting the culture change in the organisation, right through to the EBA, was wonderful.

Mr WIGGINS - The engineering review is still being processed at the moment, so we are expecting that.

Mr WILLIE - It is my understanding Mitsubishi offered Metro an electric bus, no strings attached, charging station that was turned down. What was the reason it was turned down?

Mr HIDDING - What would you plug into it?

Mr WILLIE - It was a charging station and there were no strings attached, so -

Mr HIDDING - You mean a bus with a charging station?

Mr WILLIE - It was an electric bus they offered to Metro, is that true?

Mr WIGGINS - Not since I've been in the role for the last two years. I have not had that offer.

Ms MASON - I've been on the board nine years and I have never heard that from Mitsubishi.

Mr WILLIE - Not had that offer? Okay.

Mr HIDDING - I follow closely the fortunes of one certain electric bus, which is the best in Australia. Recently, it got up to 130 kilometres in one day and it took four days to charge. That is the extent of the current development of electric buses. We're hopeful for them one day. The 100 bus contract can be amended to electric, should in that period, if somehow -

Mr WILLIE - That four days to charge was that on a fast charging station or a normal one?

Mr DEAN - Is that the South Australian experience? They've been running them for a while, haven't they?

Mr HIDDING - No, they have not.

Mr DEAN - They're running one.

Mr HIDDING - You're thinking of hybrids.

Mr DEAN - Hybrids, yes.

Mr VALENTINE - They run an electric bus. There is one electric bus.

CHAIR - We're going to squeeze in a very short question with a very short answer.

Mr VALENTINE - One observation is the floral buses, they ought to bring those back.

Mr HIDDING - I remember them fondly as well.

Mr VALENTINE - It is noted there are zero capital commitments beyond 12 months, even though you have this major bus investment planned and identified in the annual report. Under Other Commitments there is an amount of slightly over \$4 million over the five-year projections, split evenly between the next 12 months and the following four years.

In 2014-15, the five-year commitment for capital expenditure beyond 12 months was again zero. Yet, during 2015-16 the forward commitment for the next 12 months, which would be expected to be a part of the previous year's one-to-five commitments, became \$4.8 million. So it was zero in the previous annual report, but it is \$4.8 million in this report. Can we expect in the next annual report that it is going to be \$4.8 million? Why is it in your projections as zero, but \$4.8 million in this?

Mr WIGGINS - Working with the Tasmanian Audit Office, they had a different interpretation of the capital projections. We have now included our tyre contract and our bus repair contracts into those numbers, which in the previous reporting period were not seen as capital commitments.

Mr VALENTINE - You're changing the way you report that in the future?

Mr HIDDING - The Audit Office advised them to.

Mr VALENTINE - That means in further years it's going to be -

Mr WIGGINS - That's the baseline, yes.

Mr VALENTINE - Thank you.

CHAIR - Thank you very much. I want to invite you back after lunch, minister, and offer our sincere congratulations and best wishes on your time with Metro. You have been fantastic at these sessions, so thank you very much Lynn. To Stuart, thank you for today and

we want to, on behalf of the Committee, wish a very safe and happy festive season to you and your families.

The committee suspended at 1.04 p.m.