

**THE LEGISLATIVE COUNCIL COMMITTEE ON GOVERNMENT
ADMINISTRATION B MET IN COMMITTEE ROOM 1, PARLIAMENT HOUSE,
HOBART ON FRIDAY 20 JULY 2012.**

INTEGRATED TRANSPORT OPTIONS

Mr NORM McILFATRICK, SECRETARY, **Mr DAVID HOPE**, ACTING GENERAL MANAGER PASSENGER TRANSPORT, **Mr JAMES VERRIER**, ACTING DIRECTOR PASSENGER TRANSPORT POLICY, AND **Mr DAVID SPENCE**, GENERAL MANAGER INFRASTRUCTURE STRATEGY, DIER, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

CHAIR (Ms Taylor) - Welcome, everyone. This is a public hearing of the Legislative Council committee on integrated transport options for southern Tasmania. All the evidence taken at this hearing is protected by parliamentary privilege and I remind you that any comments you make outside the hearing may not be afforded such privilege. Have you received and read the information for witnesses?

Mr McILFATRICK - Yes.

CHAIR - The evidence you present is being recorded and the Hansard version will be published on the committee website when it becomes available. Norm, can we ask you to make a submission on how you see integrated public transport or public transport in southern Tasmania?

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

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

The framework then became part of the state infrastructure strategy that David Spence was responsible for and therefore started to, in a real sense, make passenger transport strategy a part of the overall infrastructure strategy. I have most recently advertised for a new deputy secretary and I am changing my organisation so that all infrastructure, policy

and strategy, whether it be for infrastructure, transport, energy, resources and all of those interlinked things, will be under the one. The high level stuff and only one deputy secretary because if you have too many silos then you can get competition.

The thing that has also been reinforced in recent years has been the advent of the Minister for Sustainable Transport and then passenger transport coming in that portfolio having a much larger focus within my area.

I will come back to the framework. It really articulates a few challenges in passenger transport. One is that the car is dominant and the second most dominant form of transport in Hobart is walking. In between that, public transport really only takes about 4 per cent of the population so the car is dominant.

One of the first things you have to do with passenger transport of any form is get that public awareness and acceptance of that mode as a viable mode and then you have to look at where the corridors are, so we talk about moving minds, getting people's heads around public transport as an acceptable alternative. With the places that they want to be moved from, is it about a journey to work or a journey to school? Can you substitute the parent driving the kid to school with a walking train? Local governments have tried that. So where do you need to go, what is the population around those and then moving the people within that. Where are the most frequently travelled corridors and then what are the policies you are going to have to get that modal shift and direct it quite naturally towards passenger transport.

I saw a picture once of Hoddle Street in Melbourne with all the traffic - it is like a car park in the morning - and the same picture with a whole lot of buses, the same number of passengers, and there was plenty of space so obviously that is something we focused on.

Moving legs is the other thing. We do want to encourage health and wellbeing to encourage people to walk and cycle. Walking is 20 per cent, cycling is only 1 per cent and public transport doesn't get much better; it is only 4 per cent. This is for greater Hobart.

Mr VALENTINE - What percentage of cars?

Mr McILFATRICK - Car, as a driver, 54 per cent. Car as a passenger, about 19.4 per cent, so it is a very dominant percentage. Cycling is about 1 per cent and it is a growing sector but you want to focus on what people are really doing, which is they are walking - they might be walking part of the journey. What we want to go forward with long term and one of the reasons we have incorporated this into the infrastructure strategy is that one of our key points in the infrastructure strategy is the coordination of infrastructure and land use planning. I shouldn't have spoken too much because I ended up being a planning commissioner for my sins. But that means that government has recognised that infrastructure is important in land use planning and vice versa. Therefore a couple of people who are not planners have been put onto the Planning Commission to take that perspective.

So that is the strategic framework but given where we are at the early stages we do have a lot of work to do to get that change of mindset, to get some evidence base around how we utilise the transport modes we have now - the bus network, the walking and cycling

networks. There is plenty of opportunity to move more people onto buses. And then if that is the case, if that is fairly low, what is the evidence required to get alternative modes up. One of the key things in that area is how close can those other modes get to the population centres and where the people want to be, and how can you make connections between, say, a walk to a position and then transfer to a bus or to a light rail or to a ferry. Is there enough connection? Do people have to make two journeys? Can that journey be sort of pretty contiguous so that they don't have to wait for 20 minutes in between? We have been doing a whole range of things but we have a series of things which are aimed at moving minds, moving people's ability to move onto a bus rather than sit in a car. Even within our own department we worked out that, as the transport department, one of the ways we can encourage people to use the bus is to give them a tax incentive. Because Metro is owned by government we sought a tax decision that said we could offer a Metro ticket as a salary sacrifice, which meant people were getting the tax benefit and, because they buy a Metro card with that, they get their added benefit. We are trialling that because I think that has a potential for whole of government. Because it is a government service, if you use it for travel to work then it is legitimate. You have to do these little things along the way. You know that we have looked at things like ferries and light rail et cetera.

I guess it is early days in the strategy. With the new minister we have a budget for passenger transport innovation arrangements. Things have been done with that, including giving bus companies opportunities to trial new services that may be non-viable, but we would give them funding to try that over the first few years. We have been well engaged with the bus community on that, and some of those have now proven to be commercially viable beyond the -

CHAIR - You are not talking about Metro here. You are talking about private companies.

Mr McILFATRICK - I am talking about private companies, someone like O'Driscoll or Phoenix. If they think there is a service they would like to run, based on the community development plan we would say that is something we would like to have but it is not commercially viable, so we might help them with that for the first year or two and then help them make that commercial. We are still in the early couple of years of that program. We have looked at a trial park and ride at Kingston. One of the issues with park and ride is you have to get the balance right between whether it is in the right spot, can you then get your bus services lined up to service it, and does the cost of the park and ride facility get enough people out of the car to make it worthwhile. Now some of the park and ride facilities we looked at around Australia are horrendously expensive - \$20 000 per parking spot et cetera - so we have to be careful we do not over-invest. So if we can get the right land spot [inaudible]. In the early days but that seems to be about the right sort of model where people can park and then hop on the bus. We are also looking at Sorell and New Norfolk and we have looked at Glenorchy and Bellerive but they are proving more difficult than we first thought in terms of whether it will benefit the community, will you take pressure off the network, will you give people incentive, and a range of other things such as even putting wi-fi on the long bus journeys to encourage people. These were on private buses, but if someone is on Hobart to Launceston, it takes a car off the Midland Highway and they can do their work. Sometimes for students travelling backwards and forwards to university, the wi-fi is a big help and it has worked out a little bit less expensive than we first thought. It hasn't had too much detraction from people using it the wrong way or whatever.

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

I may have shown you this before in a previous hearing, but in looking at northern Tasmania transport strategies, a passenger transport strategy has to be a part of the overall plan. We have negotiated with the Greater Launceston community to look at integrated passenger transport, but at the same time we're looking at the passenger framework at the same time they're looking at the Greater Launceston development plan, so all of those things are coming together.

Mr VALENTINE - I have a question about park-and-ride and whether people will use it or whatever. Childcare centre facilities near park-and-ride would be an incentive to get people out of their cars. Has that been thought of?

Mr McILFATRICK - If we all started with a blank sheet, that would be good but we don't, obviously. We have to look at

Mr VALENTINE - When trying to locate the -

Mr McILFATRICK - All of that is land use planning. I think it was not that long ago that we did not have, in Greater Hobart or the southern region, a land use planning strategy and we do now. Transport either can be a constraint to development and opportunity or an enabler, and we are trying to make sure we work within those planning frameworks. I think southern councils are probably more advanced on the strategy than others but they are now working through their planning templates that go with that. Certainly we have done a fair bit of work using our strategic asset infrastructure planning system to look at just how far a childcare centre or a Kids First centre needs to be away from a population to encourage people to walk to them, and that has been very good, using the census data et cetera. Getting much more evidence into these things is very important.

Stage 1 of our corridor plan for the northern suburbs is all about what the needs are first and then you look at what the hurdles are and then you can look at where the investment opportunities might be. That first stage of that report in the northern suburbs I think is now on our website, but it probably has about three stages of work to do. We did that because the feedback from Infrastructure Australia in the light rail submission was that they wanted us to look at both alternatives and complementary measures for the same corridor, that necessary part of getting long-term funding for what is probably seen as alternative to the bus network. It's a large lick of money, so the more evidence we have, the better.

Dr GOODWIN - Norm, I wanted to follow up something you said about Bellerive and Glenorchy in terms of park-and-ride options. What did you mean when you said that those two weren't looking as positive?

Mr McILFATRICK - They're not looking as positive because of the investment versus the benefit. There's definitely a benefit but, given they're both constrained environments in terms of land availability, getting the land in the right place to provide just a car park needs a fair bit of thinking, whereas at Sorell and New Norfolk we may get a better benefit for a lesser investment. Maybe it makes more sense for those people but, equally, park-and-rides work much better when they're close to other facilities that people may be going to. We don't want to create a park-and-ride that people are going to for a different purpose than hopping on public transport. It has to be the fundamental thing - go to the park-and-ride, save on that congested part of the journey, hopefully get an express connection and save the parking at the other end. All of that has to work; it doesn't work if it's just another 100 parking spaces that may help out Northgate or Eastlands. We've struggled to find an appropriate piece of land at Rosny, for instance.

Mr MULDER - There's a big spot out the back the council's dying to put a multistorey car park on.

Mr McILFATRICK - We looked around the Howrah Primary School area. It's a matter of where the travel patterns are. We haven't put them off the agenda but we can't afford to spend millions of dollars, which I think the Glenorchy one may have been, and then not have people use the facility.

Dr GOODWIN - On the point about express public transport, obviously one of the incentives is that it gets there quickly and there's much less hassle. When we were talking to Heather Haselgrove earlier in the week she mentioned it would be good to trial a bus lane on the bridge. Has that been considered?

Mr McILFATRICK - It has. The bridge is the most heavily trafficked part of our network and it's problematic to get a bus lane on there because where would you put it?

Mr MULDER - In the middle.

Mr McILFATRICK - Equally, it has to move a significant number of people off the bridge otherwise it causes congestion, but it certainly has to be on the agenda.

Mr VALENTINE - A good incentive.

Mr McILFATRICK - It is a good incentive. It may well be something that is looked at once we have the traffic flow modelling that we're doing with the variable speed trial on that bridge. It's definitely a potential for the middle lane; maybe not just for buses. In other states they have transit lanes for vehicles with more than one passenger.

Dr GOODWIN - That's what she was suggesting.

Mr McILFATRICK - Taxis, buses. We have considered it, Heather has raised it with us and it's not off the agenda. We also have to move the minds of the car driver as well to

make it acceptable to the general public that there would be an amenity to the community to do that.

Mr MULDER - Isn't that one of the points, though? Everyone talks about incentives but the point has been made that disincentives work too and they have to be part of the mix if you're trying to change behaviour. You can have an awareness campaign for road safety but if you don't have any enforcement, no disincentives -

Mr McILFATRICK - I'm just saying that you have to balance that there would be some people in favour of a lane and a lot of people not in favour of it and it would have to go through the consultation process. We can't just do something and then have 80 per cent of the people not believing it. It's definitely on the agenda but probably on the medium- to longer-term agenda; it's not going to happen overnight. I always think about the tree lop in Macquarie Street and how long it took us to get the turning lane fixed. We had an opportunity to bring buses into the city quicker by having the bus lane on the outlet, but we ended up taking a long time because there was one particular tree in the wrong space. It was a heritage tree.

I will say that we are on a journey here which is an early pathway. There has been a big change in the larger cities due to congestion. Passenger transport growth in Melbourne and Sydney is at, if not 10 per cent, certainly at 8-9 per cent. Our issue in Hobart, no matter what we think, is that we don't have a congestion problem that we could articulate to federal government stakeholders as a problem. We've just done travel surveys comparing 2006 with 2011 and the travel times from, say, 10 kilometres out from most of the major routes in Hobart haven't changed a great deal. That evidence is on our website now. That's not to say there isn't a perception of more congestion but the evidence for someone travelling in a normal day peak, off-peak or peak time to work or elsewhere around Hobart has not changed. In fact, in some cases it has marginally improved. Therefore we don't have this growing bottleneck of, as you say, disincentives. We need something that would help change people's minds on Greater Hobart travel times but it doesn't help us in our passenger transport.

CHAIR - But if you made one of the lanes a bus lane and people suddenly took longer, that would -

Mr MULDER - That's what I'm saying. As you build an incentive to get on a bus, you also need to consider a disincentive to continue using your private car, and if that means deliberately annoying motorists, so be it.

Mr McILFATRICK - In support of looking at the Main Road corridor, the Brooker Highway is an interesting one. What we often do is measure the difference between off-peak and peak travel and it's generally about whether you can travel at 80 kph and, if so, how long it would take, and how long the journey takes in peak and off-peak times. The difference between peak and off-peak for the whole travel time from Brighton into Hobart is only about three minutes. What that means is that the Brooker is used all day, so that says to us that you wouldn't want to be making the Brooker your passenger transport corridor, so is Main Road a better corridor, or a combination of Main Road and rail network further up? In the southern area, from Sorell in, it takes 23 minutes average time and the difference at peak time is seven minutes, so there's an additional peak time, but for the Brooker Highway it's 30 minutes from Brighton and 33 minutes at peak time.

Mr MULDER - We look forward to that middle lane on the bridge having some light rail on it going all the way to Sorell.

Laughter.

Mr McILFATRICK - Light rail has a gradient issue, one in 40, and I think you might find the bridge is a little more than that.

Mr MULDER - I think Marti Zucco once went to an election suggesting we swing a spare lane between the pillars underneath the bridge, so you could reduce the gradient with that.

Mr McILFATRICK - We can give you the web connections for all this, if that's helpful.

CHAIR - That would be good.

Mr MULDER - It's interesting you make those points because it was made here the other day a few times that there's nothing more than 20 minutes away from anything else in Greater Hobart and what on earth could you possibly do to persuade someone to interrupt that journey and take a different form of transport when they can drive their car to exactly where they want to be and not get out of the car? You have that issue, which taps into this travel time thing and it raises the question about whether we should be fiddling with public transport as a mass movement or as a special service to those who can't afford motor cars, which would change their strategy. I notice that with your southern regional transport strategy that part of your vision or your mission, whatever the current jargon is, is to reduce the reliance on private transport.

Mr McILFATRICK - That's one of the reasons for us to look at New Norfolk and Sorell, where a park and ride does make more sense for those ones where it is further. The bus system was not designed to be mass transport; it is for student travel, people who are concession and probably cannot afford a car but there is every opportunity for the bus network, both private and public, or public general access services, to be an alternative to the car and there are a few things that will help that. Obviously, fuel pricing going up, parking in CBDs such as Hobart and Launceston will get tighter and I think somewhere around 70 per cent of people who park in Hobart do so for free, so it is a bit hard and -

Mr MULDER - That was raised here the other day, too, like on the Domain. There is a huge incentive because of the so-called free parking to take your car there and that is probably a disincentive that could be looked at.

Mr McILFATRICK - Because the bus system is there, both private and public sector buses, and they are all subsidised by government, my view is that it is an under-utilised asset and the more full-fare-paying passengers that choose to go onto the network the better for us because the full fare passengers essentially are not particularly subsidised. There might be a marginal break-even but it is the government or governments of every persuasion that have made decisions to support concessional travel and school travel and I think that is totally valid but what if we could get another 10 per cent of full-fare-paying passengers on that bus system? It would reduce my and my minister's pressure on running the bus system because there would be less subsidy and that would have an

effect on the roads, would have an effect on climate because obviously 40 people in a bus is more efficient from a climate perspective. Even though it is not a mass transport issue -

Mr MULDER - Enclosing the methane perhaps.

Mr McILFATRICK - Thinking about buses going from where they are now to being mass transport is a big jump but progressively moving to having buses more reliable and more adequate for the needs of the community - passenger transport more adequately - is where you should be heading.

Mr MULDER - That leads on to an interesting point of where a light rail system conveying lots of people from the northern suburbs into the city actually starts to shift the paradigm from public transport to mass transport, doesn't it?

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

CHAIR - Excellent.

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

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

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

Mr VALENTINE - The review will be finished or started then?

Mr McILFATRICK - The peer review should be finished by around September, October. We do not think it is a large exercise because this is to look at the model and the assumptions. At the same time, we will be finished to second stage at least of our northern suburbs corridor. All of that will come together to inform where we head with

that because what we have learnt from the Australian government is that the Nation Building 2 proposals have an active transport or a passenger transport component. But they are really saying to us is that they will focus on the really big-ticket things like irrigation and those thing now and then by about September, get your larger scale, hard transport infrastructure. Then by about this time next year, get your active transport. We have some time to refine our thinking on those.

At the same time, we will be completing the work on the northern, greater Launceston area and the passenger transport and related issues in that. We are aiming for about this time next year for a consolidated look at the two major corridors, both Hobart and Launceston, to have a discussion with the federal government about what they might be able to do with this.

Mr VALENTINE - With regard to that southern one, is that tying in with the COAG requirements? Are they pushing us to do any -

Mr McILFATRICK - On the cities process, there is a parallel thing. But I guess I am talking about Nation Building 2. Nation Building 2 has a current agreement with the state government that finishes in 2013-14. Nation Building 2 will go from 2014-19. Anything over about \$100 million we submit through Infrastructure Australia. Then, by September, we will submit the other projects, such as the Brooker Highway or the passenger transport. We will put a submission in on passenger transport for the northern suburbs but more as a an information that we are working on it and then we will submit a fair bit of more detail over the next 12 months.

Mr MULDER - On your peer review, you have touched on a couple of topics that I am interested in. We take the fact that there is no such thing as unsubsidised public or mass passenger transport.

Mr McILFATRICK - We would like to think there was but there probably is not.

Mr MULDER - We had someone with a lot of experience in here from Metro the other day who was busy telling us there is not.

Mr McILFATRICK - Yes, I said, we would like to think but the facts -

Mr MULDER - The facts are that there are not. Every form of public transport or mass passenger transport requires government subsidy. When we do our cost-benefit analysis and just the economic side of it, are we analysing the subsidy against other subsidies? When you do you urban rail -

Mr McILFATRICK - It is an opportunity cost.

Mr MULDER - What is the difference between investing this amount of money in the bus service compared to investing in the thing?

Mr McILFATRICK - That is exactly why we are doing the northern suburbs one, as a comparison.

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

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

CHAIR - I think Heather said to us the other day though, that varies; it is not 4 per cent across the board. It is 1 or 2 per cent in some areas and 9 or 10 per cent in the others.

Mr McILFATRICK - Exactly.

Mr MULDER - But if you could get a bus service and her suggestion was that we use the current rail corridor and we stick a bus on it and try to do a mass transport system by using just a whole series of buses that will basically run down there with minimal stops and not get stuck in Main Road, Moonah traffic -

Mr McILFATRICK - Yes.

Mr MULDER - The other benefit that we see is that by just taking buses off some of the roads the traffic flows wonderfully, and I can think of a couple of examples of that. When the bus strike was on about 15 years ago traffic never flowed so smoothly in the city, and I think most people who were taking buses noticed people were saying 'Can we just keep them on strike?' because people are getting to where they need to be -

Mr McILFATRICK - Why don't we close all the school at the same time?

Mr MULDER - That is a really good one because you don't have a private vehicle traffic problem, small as it might be, when the schools are out.

Mr McILFATRICK - Correct.

Mr MULDER - So what are we doing to try to get parents to stop running their kids to school in the middle of peak-hour traffic and getting them on the buses? That is where some disincentives I think need to come in.

Mr McILFATRICK - These are all part of the travel demand. One thing that did come out in the study, and we will table it, is that not everyone is travelling to work. There is a lot of cross-suburb travel et cetera, and certainly travel to school is a big element of that. I know when I grew up it was different.

Mr MULDER - There are also the tradesmen who are working in different places all the time and not going to a single point, so I guess you need to differentiate between commuters. You need to differentiate them from students, and you need to then differentiate those people who are going to work but whose work is in a static place in

the city. You need to cater for all the lots, and somewhere in there you need public transport.

Mr McILFATRICK - All of that. The solution is in there somewhere. The bus rapid transport has the issue that it is okay to have bus rapid transport but it has to somewhere pick people up as well. There may be a combination of the Moonah corridor and the rail corridor long-term in combination, particularly picking up the -

Mr MULDER - I just wonder what that does to your numbers for your mass transport though.

Mr McILFATRICK - The numbers for mass transport will need that mind shift. I am not convinced it will need a significant number, even if the model is proven to be somewhat exaggerating it, it still needs a large shift. The model is currently showing that to get a business case with a cost-benefit of 1, you have to have about two-and-a-half times the people on the rail network that you currently get on the buses.

Mr MULDER - It causes you problems if you want to run a bus system in parallel with it.

Mr McILFATRICK - It does, but even if you said one is a mass transport and one is a suburban, I think they could -

Mr MULDER - If I am getting to work I don't particularly care what name you put on the system I am using as long as I get to work. People use the most convenient.

Mr McILFATRICK - We are looking at how we can present it a bit more attractively.

Mr MULDER - Perhaps you should, as part of a trial, run some buses down that corridor, use where the railway stations would have been - in fact nearer a rail service except that they would be running on rubber instead of steel, and then perhaps look at, during those peak hours, closing off your Main Road and your Brooker Highway to give people the taste, to get them to make that shift, and if the take-up isn't there, then you've probably got a really good case to say, sorry, Glenorchy Mayor and X, it is not viable.

Mr FARRELL - Norm, I just wonder too with that proposal - I wasn't here for the Metro briefing but I am aware of what was discussed there - where practically and cost-wise the comparison of turning a rail corridor into a road, or turning a road vehicle into a rail vehicle, where the difference is. I would have thought it would be much cheaper to use an existing rail corridor as steel wheels on steel rails with modified buses rather than turning the corridor into a road for existing road vehicles. I don't know if the modelling has been done on that. And the other issue I have is if the rail corridor was turned into a roadway, then later on if rail was looked at that could be a huge impediment: we can't use the rail corridor because it is part of the road transport system now.

CHAIR - Heather did say you would leave the rails.

Mr McILFATRICK - Generally what they do in those is they have concreted around them. Let me be straight. You could not put any vehicle down that rail corridor as it is without significant modifications. If you put a bus on the rail, people would be very sick by the time they got to Hobart because it is a freight rail. A freight container doesn't mind if it

sways a bit along the way. Any of the initiatives need to think about a major infrastructure upgrade. You would need to upgrade the rail that's there to cope with light rail. Bus rapid transport down that corridor would need probably a hard service. We are probably not looking at running buses on tracks, but you would never give away the corridor for the alternative; the corridor is so valuable.

Mr FARRELL - I'm concerned with the cost of putting down the concrete. It would probably be a higher cost than getting modern rail vehicles built. They do it in Queensland and South Africa on a 3'6" system. In Queensland they have tilt trains running on good 3'6" track that ride very comfortably.

CHAIR - Have you done the cost of concreting the corridor as opposed to fixing the rail so it could run without swaying?

Mr McILFATRICK - Only at a desktop level, not a detailed engineering estimate.

CHAIR - It would be nice to know what sort of cost we're looking at.

Mr VERRIER - It was tens of millions for the concrete for a bus. There are obviously options within that but we haven't looked at them. When we talk about various guided systems which have their own issues when you have so many level crossings -

CHAIR - I think that's what we're talking about; we are talking about concrete to run a bus on as opposed to upgrading the rail.

Mr MULDER - It would be a very narrow bus you could put on a rail line.

Mr McILFATRICK - We have looked at that. The light rail is still live from a point of view that as a mass transport system it needs a fair bit of change in behaviour but the corridor is still there to be looked at.

CHAIR - Heather said to us that she couldn't see that light rail would be viable at the moment because you don't have the density of population on that corridor but she could see you needed to keep it because in 10 or 20 years it may well be.

Mr MULDER - We raised that in estimates and received a commitment from the government they would not be doing anything with that corridor.

CHAIR - I would like to see, even if it is a desktop study, what sort of money we're looking at to concrete the corridor as opposed to upgrading the lines sufficiently to carry light rail at a reasonable speed.

Mr MULDER - I would like to pick up on that point. There we are talking about infrastructure costs, but there's not much disputing the fact that the operating costs of a bus system are much greater than the operating costs of a rail system in that you need more human resources to drive a bus per passenger than you would on a train. Metro said the other day that one of the biggest operating costs it has is the human resource one. Plus, you have the fuel cost. Diesel on rail compared to diesel on rubber is about seven times due to the friction issues and things such as that. Given that any capital cost is bound to come out of some national program, should we not really be looking at this in

terms of the cost benefit of doing one compared to the other on the basis of the operating costs into the future, not the infrastructure costs?

Mr McILFATRICK - You'd have to include the infrastructure costs. The operating cost isn't just about the drivers; a train costs approximately 10 times the cost of a bus. If you're looking at a light rail tram at the moment, it would be in the region of \$3 million to \$5 million.

CHAIR - Brand new?

Mr McILFATRICK - Yes, and a bus is less than half a million.

CHAIR - That's not the figures Heather gave us the other day.

Dr GOODWIN - I think she said a bus was half a million.

Mr McILFATRICK - So in the ballpark of around 10 times, but obviously you get a lot more life out of a train. But the operating costs for rail are comparable to buses for different routes and cheaper for others. You have to take into account the capital cost because any government is going to look at that.

Mr VALENTINE - If you are using less people and you are using a seventh of the fuel, there you have your two major components of the actual operating costs of a system. It has to be significantly cheaper than buses, but that is up for other people to do those studies. I am just hoping that in your cost-benefit analysis we are looking at separating out the benefits that arise from reduced operating costs because in the end we should be comparing the cost of subsidising this compared to the cost of subsidising that.

Mr McILFATRICK - But it would be a bold minister that came to me and said, 'Do not include the capital cost in your business case'.

Mr VALENTINE - I am not saying do not include them but I think you need to separate the operating costs and do the comparison. The capital is this, but the operating is that because the capital is a one-off thing. As the government is now finding out where it spent the rivers of gold money, for example, it spent it by investing in what turned out to be recurrent instead of capital. When the times are not good, there is no money to fund the recurrent.

Mr McILFATRICK - Really, it all comes down to what government can afford in terms of recognising there is a public transport subsidy and looking at what the current level of support for public transport is. In my budget it is upwards of \$80 million in a small state. Therefore if we were going to double that with one operating subsidy or where we are going to bring it back, that makes sense.

Mr VALENTINE - The other thing is that a lot of the housing at the moment is west of the rail corridor. You still have to get people to the rail corridor.

Mr McILFATRICK - Exactly.

CHAIR - We have been talking about a rapid transit corridor in Main Road and then also the possibility of that on the rail line.

Mr McILFATRICK - A transit corridor on Main Road and more rapid transport, like a mass transport, everywhere.

CHAIR - But isn't it reasonably well recognised that the majority of people who are only ever going to catch public transport have to be within a certain distance of that? So whether you would take 400 metres or 500 metres or 800 metres, I do not know.

Mr McILFATRICK - 500 is probably a good thing.

CHAIR - So when we look at doing two corridors, if you like, you are only ever going to get the bulk of your people within 500 metres of those two corridors. All the people who live on your hillsides are not - unless you put in park and ride. But park and ride is a relatively small percentage -

Mr McILFATRICK - Or other connections.

CHAIR - Yes. So if we are looking at concentrating on bus down Main Road and then possibly also looking at rapid transport on the railway line, we are still not catching people who are further than about 500 metres away, certainly you are not in the bulk of it.

Mr VALENTINE - Right up Tolosa Street or something?

CHAIR - Yes. You are not up Tolosa or Springfield or any of those areas because even Cadbury Estate is more than 500 metres. You are just talking about the northern end of town where the light rail might go. Have you thought in terms of, in the end, having one of those and that would be your light rail option. I suppose that is what the light rail people are proposing and have that as your rapid transit. But instead of duplicating that with a bus route running parallel to it, having bus feeders to that. Wouldn't you catch more people automatically, just because there would be so many more people within 500 metres of your public transport? We did talk with Heather about it and she was saying that the fact the buses go all over the place is inefficient and adds to the journey time, which is a disincentive for people to get on the buses.

Mr McILFATRICK - Terminal changing is a disincentive as well. What we are doing with the corridor right now is looking at what the needs are and what the collection points are along that corridor. It is existing; we are not trying to duplicate a corridor. That will then tell us whether there is a mode shift between Main Road or light rail. Certainly the early work suggests you could improve the existing Main Road corridor by some investment, which would not then preclude you later on going to a mass transport corridor. They are not mutual exclusive.

CHAIR - When you talk about what the needs are, though, Norm, you're talking about what you see as the needs now?

Mr McILFATRICK - No, what people see as the needs.

CHAIR - Okay, but you said earlier on that our public transport system at the moment is really catering for students and people who have little alternative like the elderly; there are socioeconomic reasons why people catch buses. I thought what we were all trying to do as a community is get other people onto buses, the normal commuters, or the shoppers or whatever.

Mr McILFATRICK - We are looking at need and opportunities for other people.

CHAIR - Yes, opportunities, absolutely. I would like to think about opportunities for the future because if we only have 4 per cent then our aim surely is to get to 10 per cent or 8 per cent or whatever.

Mr McILFATRICK - Our aim is certainly to get growth much higher than it is now. I think there's a lot of things that come into it in the study - for example, that people would be more incentivised to use it if it was more reliable. It's quite reliable at the moment but they want to see it as being more reliable; frequency and reliability are the things that really come into it. We think there is some room for real-time information that we're looking at with our passenger innovation program and all those things that lead to people feeling better about travelling on buses.

CHAIR - But you're still only going to catch them within that 500 metres.

Mr McILFATRICK - It depends on what the connections are. Some of the connections might be to leverage what we know about people's walking patterns now. The health community would like us to maybe walk a bit more than we do, so if we can combine the walking, cycling and passenger transport options then we have a chance. The biggest incentive is that 20 per cent of people who are walking.

Dr GOODWIN - I wanted to pick up on the health promotion side of this. It was encouraging to hear that 20 per cent are walking already.

CHAIR - Are you talking about Hobart city or Greater Hobart?

Mr McILFATRICK - Greater Hobart.

Dr GOODWIN - The 1 per cent cycling is a bit low but in some respects that doesn't surprise me. I want to talk a bit about the cycling side of things and this whole point about integrated transport options. You might be happy to cycle to work, for example, but you may not want to cycle home. You may have things to do and it may not be convenient, so one of the important things is to have the option to go on a bus and take your bike, or take your bike on a ferry or whatever it may be. You need to have that true integration to increase people's usage of bikes and those other options. I think one of the biggest barriers for bike riding for people who live on the eastern shore is the bridge and the fear of crossing that - and I put myself in that category. I don't know what can be done about that but I'm interested in your thoughts.

Mr McILFATRICK - We have improved it. I think about half a million was spent on improving the access, but it is a daunting thing.

Mr VALENTINE - You can't put something underneath?

Mr McILFATRICK - A ship might hit it.

Laughter.

Mr VALENTINE - How close do the ships go, though? Is it feasible?

Mr McILFATRICK - I talked to my bridge engineers about a gondola when a previous premier raised it with me and they nearly went into apoplexy.

Laughter.

Mr MULDER - There is that capacity to get the clip on a lightweight tube because you're not dealing with cars, you're dealing with bikes so you only have to design something to take, say, a 100-kilo bike.

Mr McILFATRICK - I don't want to get into the engineering because I quickly run out of expertise, but the bridge has already been extended because of the width. It is one of our most strategic assets and has one of the highest replacement costs. We have to make it last 100 years and we can't afford to put too many more loads beyond -

Mr MULDER - We're talking about a fibreglass clip on here, not concrete or steel. It is carrying a pretty light load.

Mr McILFATRICK - Certainly the gondola has been looked at and it is not just practical for a whole range of reasons, but there may be many options to look at that. Obviously, if the ferry option came up, that's a much more feasible option for cyclists. I think the numbers are quite low for cyclists. There is a lot of people who are cycling now but this is cycling for travel purposes rather than recreation.

Mr MULDER - Commuting rather than recreation.

Dr GOODWIN - You're absolutely right. We have some really good cycle paths on both sides of the river now but there is still that issue of at some point getting onto the road or having to get over the bridge.

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

Mr MULDER - I live at Howrah and it takes me an hour to walk to work and 20 minutes to drive. It doesn't surprise me that Hobart -

Mr McILFATRICK - Clarence is still 17 per cent. This surprises a lot of people in mainland states; it is a fine line comparatively.

Mr MULDER - It's an absolute brilliant walk across the bridge in the morning, I can vouch for that.

CHAIR - Did you do that seasonally? The thing people tell us, for instance, about ferries or public transport is that it might work in the summer but people aren't going to do it in the winter.

Mr McILFATRICK - I am not sure whether we differentiate. A statistically valid survey for Tasmania usually has 400 or 500 people in it and this has over 2 000, so it is quite good.

Mr VERRIER - It was done over a year as well. We actually came back to them through the course of a year to see what the movements were, so people were recording in a journal and it wasn't just a one-off.

CHAIR - So you would be able to isolate perhaps what happened in the winter months?

Mr VERRIER - We would have to go back in and look at the way the data is recorded. Certainly it does take into account the -

CHAIR - I think it is a furphy that people will do it in the summer but not in the winter.

Dr GOODWIN - Certainly with buses because the modern buses are really warm.

CHAIR - Yes, but people won't walk to and from it. If you drive a car into the city and park on the Domain you still have to walk.

Mr McILFATRICK - There is a whole lot of things. We have investment with councils for bus shelters and a whole range of things that make it easier. I have tabled that. There will be an electronic connection. We will look at [inaudible] but I don't think it has been split up into seasonal responses because it was more about getting people to think about what they did over a period.

CHAIR - I understand that but that is one of the things that comes up, Norm; as soon as you start talking about this or that they say, 'Yes, but Hobart people won't do it in the winter because the weather's so terrible'. I don't know that that holds true.

Dr GOODWIN - Unless they're going to the football.

Mr McILFATRICK - Football is a great example of how public transport can be used and in fact it made a big difference to the recent football game - paid for by someone else.

Mr MULDER - Just before we get off the topic of the bridge and the cycle connections to it, I notice the work on the downstream side on the western shore with a lovely great ramp replacing what was a set of steps which I didn't think anyone had any trouble carrying their bike down, whereas the actual choke point on the approaches is the downstream side on the eastern side running from the bridge to Rosny Hill, because you get down to that last little point and it says 'No cyclists or pedestrians beyond this point', which means you have to pick your bike up, clamber over a guard rail and walk along the side of the road beating your way through paths. There is no connection.

Mr McILFATRICK - That is on this list.

Mr MULDER - The reason I asked you that is actually a bit of a Dorothy Dixier because I thought you were going to respond to me that the money has actually been allocated to Clarence Council to do it and they haven't done it.

Mr McILFATRICK - No, I think it is certainly recognised. It was part of the original [inaudible] but I'd have to check on where it is in the planning -

Mr MULDER - I am more concerned because as I do my little walks I'm getting to the point of thinking I'll bring the machete with me.

CHAIR - Norm, can we get onto that point, because it's kind of been raised now, about ferries and the potential of ferries? As you know, there has been quite a lot of public interest in the last few months and extensive work done with the STCA and Hobart. When we talked to Minister McKim at estimates - that's one of the issues for me, the fact that you answer to two ministers -

Mr McILFATRICK - Three.

CHAIR - Minister McKim indicated that certainly all the money for innovation in sustainable transport in this current budget has not been allocated, and we talked to him about the possibility perhaps of doing a business study, I suppose, not another study of feasibility or whatever, because there have been a number of those done over the last 10 or 12 years or so and they all seem to say the same thing: yes, it would be a good idea, but we don't know whether it would be viable or not. There have been one or two little pilots done but they should be done seriously with the same standards as you talk about for public transport - that is, frequent, rapid, comfortable, safe, all that sort of stuff. I suppose I would like to hear your views around the potential or the possibility of a business plan study being done for a fast cross-Derwent ferry service, and I'm not talking about one ferry going between both - a proper study.

Mr McILFATRICK - We did some preliminary work on that a few years ago. You are right, the minister does have unallocated funds for the passenger transport innovation fund, so it's not too late.

CHAIR - He indicated that if a good case was put up he would consider that.

Mr McILFATRICK - When do you think you will be finished this round of deliberations?

CHAIR - I suppose we are hoping to have all the submissions in and have looked at them by Christmas, and then write the report.

Mr McILFATRICK - Okay. Where we are is that we have put some ideas to the minister. We got additional funding this financial year plus we have some carry-over, so he hasn't done that yet, but I think he will have done that before Christmas, so it may be worth having some initial correspondence with him now if you thought that would help. I will certainly flag it with him but it would probably be better if it came from the committee. We have looked at what is called a desktop service model option for the Derwent River ferries, and we looked at a number of routes as a commuter route.

Mr VALENTINE - Was Kingborough included in that?

Mr VERRIER - Kingborough was part of the initial study area. It was one of the ones they ruled out.

Mr McILFATRICK - We looked at a number of routes - Bellerive, Lindisfarne, Montagu Bay, Howrah and Watermans Dock - we focused on those. The biggest issue was again the passenger travel and the level of operating subsidy, and they look quite high, but again it is a desktop. If you were going to extend a study you might extend the desktop, but it looked a fairly difficult proposition to get up on that desktop analysis.

CHAIR - I suppose the information that has come to the public and to the Hobart councils and whatever has been from the experience of CityCats in Brisbane.

Mr McILFATRICK - Yes.

CHAIR - The indications are that there are probably suitable second-hand ferries in the northern hemisphere which, because of the dollar, would be at relatively good prices, and also that the infrastructure costs are probably not as high as we might have imagined to get a number of those places you mentioned up to scratch in terms of modern ferries. CityCats have done that. There are ways of putting piers on that are not as expensive, depending on whether you use floating platforms or whatever.

Mr McILFATRICK - I will leave the committee with this 2009 report which is about the cost estimates, more as a benchmark. The desktop would then potentially extend into taking the Brisbane experience, but I think it would be better to contact the minister on that.

CHAIR - It is just that we need to have some proposal, I suppose, for the minister and we probably will not have a recommendation on that until after we finish the inquiry.

Mr McILFATRICK - But at least they have flagged it.

CHAIR - Yes. I would hate to think that he would have spent all the money. Particularly, because last year he only spent about 50 per cent of the money that was in the budget for that last year and it is carried over.

Mr McILFATRICK - There was infrastructure funding and there was innovation funding. The innovation funding went mostly into those service improvement initiatives with the bus fleet et cetera that I have discussed. This is available on the web.

Mr VERRIER - Yes, it is.

Mr MULDER - First of all, there was a trial, as you will recall, between Opossum Bay and the ferry trial down there. Between MAST and council, they had spent a fair amount of money putting in a wharf set-up there, which was quite good for them.

CHAIR - The infrastructure is still there?

Mr MULDER - Yes. The actual ferry travel was a trial. We suffered from low patronage. Two issues crop up from there. One was that the patronage was low because the cost was not subsidised when compared to the Metro bus which overnights in Opossum Bay, running a parallel route at a much cheaper cost. How can you possibly expect a trial to succeed when you basically nobble it like that?

Mr McILFATRICK - I do not have the background on that one.

Mr VERRIER - One thing I could offer on that in terms of the bus service is the role of bussing providing the transport for school students. That bus is the bus that also goes past Rokeby and Clarence High. A significant proportion of the people travelling on the Metro service would be the student passengers rather than adult commuters. There would be a proportion of them who essentially could have caught the ferry. It is one of those examples where two modes of transport leaving the same point are not necessarily directly competing because they are dealing with slightly different markets.

Mr MULDER - I would like you to bear your own argument in mind when you are thinking about continuing Metro down Main Road at the same time you are planning a corridor because you are doing possibly the same thing.

Mr VERRIER - Yes, it an interesting point because the two parts of it are really about those corridors and bringing people down to them. The old business case we did specifically included a redesign of the bus routes to feed down into the corridor. Whichever corridor you use, that is a critical element that you are providing that way of getting over that 500-metre walking barrier. You have to bring people down one way or another.

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

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

Mr MULDER - This was the idea that we talked about earlier on of incentivising and disincentivising the commuter section. So target them and do things. If you made it so that they could not park on the Domain but they could park at a railway station, that is the commuters you are getting. Remember, it is the people out of the cars and onto the transport that we are trying to get to. They are going to drive their car some distance. If we make it park and ride, they will drive to the park and ride provided it is not cheaper for them to drive all the way into the city. They are the incentives and disincentives. When you do these trials you have to be very careful that you are not leaving a door open

for people to do what for them seems cheaper but the social costs of it are dearer to all of us.

CHAIR - And the environmental costs.

Mr VALENTINE - You can only use some much social engineering because people who park on the domain are parking there for nothing. They do not count petrol too much but they know very well that if they have to fork out money for a bus they will still want to park on the domain. You would have to get the council to actually say -

CHAIR - Exactly.

Mr MULDER - That is what I am saying. If you disincentive driving to the domain and walking into work so that you drove to the railway station and came to work, then we do not have to factor in all these things about buses near people and all those things.

Mr McILFATRICK - The best disincentives have been the ones that are not imposed but actually occur - like parking increases and traffic jams.

Mr MULDER - We will not get onto the disincentive of carbon tax as that is a whole different issue, but it is the same principle.

Mr McILFATRICK - There are a whole range of things that will come into play without government being draconian. The London congestion charge was absolutely put in for that reason but the political support for that here would be very difficult.

Mr MULDER - The bottom line is we do not have that problem.

Mr McILFATRICK - No, we do not have the problem but at least with the congestion charge people could see what government was trying to do. If we tried to do it here it would be a brave politician who tried to do that, because there is not a reason that says you have a need for a congestion tax.

Mr MULDER - The other point of my question was the infrastructure stuff and it relates to the water trial. If you talk to the local taxi operator, which is an unsubsidised operation -

Mr McILFATRICK - The water taxi?

Mr MULDER - Yes, the water taxi. He is saying that the biggest constraint in his business is not the fare that passengers have to pay to run across the river because people are prepared to spend that sort of money to take advantage of the convenience it offers. It is the fact that there are such limited places that he can pick passengers up from and drop them off to. At one stage when I was on council I was trying to get them to say, 'Where were all the old jetties?', let us put them back in now. People living on the waterfront tend to be reasonably well off and a lot of those I know have approached me and would love to build a private jetty outside their house. I have said I would love you to build it but what if we said to you that there is a private jetty outside your house so you can park your boat on one side but the other side has to be available for public use but not for mooring. You would then have private investment going in there and you could leave out of here and walk down to the docks, jump on the water taxi and get dropped off not

too far from your own house be it up the northern suburbs or the southern. I am just wondering, where we have a minister who prides himself on sustainable transport and we have a government that is short of a quid, why we are not seriously going to the private sector operators and saying, 'What do you really need to make this work?'.

Mr McILFATRICK - Private sector ferries or -

Mr MULDER - If you start with the water taxi and if there is enough patronage then a ferry will follow.

Dr GOODWIN - I suppose some of the tourist operators, like the *Emmalisa*, must run into similar issues. That could pick up people from multiple points if there was the infrastructure.

Mr MULDER - If there were the jetties there.

Mr McILFATRICK - They would not want to be picking up at 10 different points.

CHAIR - No, but a commuter ferry would, which would probably also be used by tourists because if you look at other places where that has happened it has been commuter transport.

Mr MULDER - Why is it called Watermans Dock? People sitting there in a dinghy would row or sail you across the river because that was the only means of transport across the river at the time and yet you have an operator who is telling us that the constraint on his business is the very limited range of places where he can drop people off. If you are going to talk about ferries we should start at not mass transport but at almost the individual transport level and facilitate that and get people used to travelling across in that way.

CHAIR - Can I just go back, James, to your remark about two to three kilometres between stations. Between Risdon Road and Austins Ferry is only six kilometres, so what sort of distance are we looking at? Perhaps Craig knows what distance we are looking at between the old stations and the ones that would be proposed by northern light rail? There is not two or three kilometres between stations, surely?

Mr FARRELL - The density is around where people used to live, where you have stations quite close such as New Town, Moonah and Glenorchy. Then there was a bit of a gap to Rosetta.

CHAIR - Before you get to Claremont. You would probably put one at MONA.

Mr FARRELL - Yes, there was a platform at Berriedale - a lot of single halts. They weren't always used all the time. A lot of them were flagged to stop. Austins Ferry was the end of the line.

CHAIR - But it wouldn't be two or three kilometres between stations and certainly not at the more popular stations.

Mr FARRELL - No, but it would depend also on the density of people at the stations and the speed the train ran to because the older style was the much slower, start-up-stop system, where modern trains can get up to speed fairly quickly.

CHAIR - James made the point that you might still need additional public transport between stations because it would be too far for people to walk. It would be further than your 500 metres, but I would have thought there wouldn't be two or three kilometres between most of those stations.

Mr VERRIER - It's a balancing act. There are those issues around how far people are prepared to walk and the disincentive on the other side is making sure you have that balance, that people have the option between services if they're transferring onto a rail from a bus, that that is at a point where it's still convenient and makes sense and vice versa, if they are having to transfer back from rail to foot, that the distance from the station to where their destination is doesn't make that a barrier at the other end. It's about looking at the way the Main Road and the rail interact, which is what we are looking at but it's not something we are able to assume that you just take out the services, say, between Moonah and Claremont altogether. There might be options to reduce, and that's the question as to how far down you go, what savings that produces to invest in.

CHAIR - I suppose nobody is saying it is either one or the other, but how do you integrate those two services so that you get the best benefit out of the subsidy you need to give them. I think the last thing anybody would want is two separate stand-alone services that are not integrated and owned by the same - they might be contracted out but they would still be owned by the government.

Mr FARRELL - A lot of the old service was based not only on where people lived, they also handled goods as well and served industries at certain spots, as well as all the schools. Anything that was planned would probably have to be reassessed. I think a lot of the schools - St Virgil's, Ogilvie, New Town - still have good close rail proximity. A lot of the industry in Moonah has changed. In the old days the bulk of commuter trains probably went to the zinc works and Cadbury so that would change the dynamics there - and Derwent Park, there was a lot of industry there. Whether the older stops are still as relevant as they used to be would need to be looked at.

Mr VALENTINE - I think the main point that was being made is the less the number of stops the faster the service, which attracts more people.

Mr McILFATRICK - If you're talking about mass transport, you're trying to collect from a long way out and move people in quickly. That is different to people doing a hop-on, hop-off services for, say, their local shopping. You wouldn't have one without the other but it is a matter of how we make them work. One of the things in the business case was that we had to make a decision about whether we'd have a connection to light rail from other services and how much time we would allow for it. You could leave it five minutes or 10 minutes but the reality is, you need to get that time down as low as possible. In fact, in the business case I think we said it was to assume zero, and that might be a little ambitious, but unless you can make the connection the service would be threatened. If you think about Sydney, you hop on the ferry and go onto the train and you usually have five or 10 minutes and people can cope with that. One of the issues we had in the trial at Kingston with the park and ride is, if someone arrives a minute late and

sees the bus disappearing they think, 'It's going to be another 20 minutes so I'll keep driving'.

CHAIR - So unless it's a frequent service it's not going to work.

Mr McILFATRICK - Even if they thought it might be 10 minutes, they might still keep driving.

Mr MULDER - Only if they have somewhere to park at the other end, Norm, as I keep pointing out.

Mr McILFATRICK - Exactly, and most people currently do. The pressures will come on. Mr Valentine would know it is getting tougher to park in the Hobart area.

Mr VALENTINE - That's the problem, isn't it? There is competition between CBD viability as a shopping centre and the need to provide for commuters.

Mr McILFATRICK - A lot of the people and currently some of my staff would park in Battery Point or other and walk, which is a good thing, but Battery Point is getting harder. We are hoping that our Metro card incentive at least moves - I think we've had 30 or 40 applications already, which is good, so people are starting to think that is an alternative.

CHAIR - That just within DIER?

Mr McILFATRICK - Yes, because only got a tax ruling for DIER. If we can make it work over the next year, say we could get 60 out of my 300-400 people in Hobart on there, that would be a good model for the health department, education department, nursing staff et cetera. If we could get a tax ruling positive, so could they.

Mr VALENTINE - The other day I saw someone park their car further out, a station wagon, take their bike out and ride in to work. That's a positive from a health perspective, but not so good for the neighbours who are having to put up with the cars outside all day.

Mr MULDER - What you do is park the buses 200 metres up from the bus stop and make people walk.

Mr VALENTINE - Not so good for people with disabilities.

Mr McILFATRICK - I think you would have heard from Heather Haselgrove the other day that they are in line with us trying to make buses a more attractive option. The new buses help, the disability access helps, new bus stops and real-time information will help. That's about moving the mindset of making a bus more viable. I live 100 metres from a bus stop, so why am I not using it?

Mr MULDER - Do you have a Metro card?

Mr McILFATRICK - No. If a person lives 100 metres from a bus stop, what's stopping them from walking to the bus stop? They are the sorts of questions we are asking.

Mr MULDER - There are other issues and this is why I think the debate gets distracted sometimes. Sure, we have to make provision for people with disabilities et cetera but we are talking about trying to capture the bulk of people. If you design this system around that, the other things end up becoming show stoppers. We can make special arrangements for people with disabilities and treat them as exceptions, not try to build a one-size-fits-all.

Mr McILFATRICK - All of that is helpful but we have an obligation to help people with disabilities as well.

Mr MULDER - I appreciate that, but if you design a system that caters for 80 per cent of your users - the old Pareto principle - and then you create support systems to deal with the other 20 per cent, then you have the system going. To try to build a system that meets the special needs of 20 per cent, if you cater for the 100 per cent is where you get your costs et cetera out of whack. It's not that you don't do it already, the taxi voucher system is designed for exactly that purpose. It is awkward to jump on a bus and do your weekly shopping and jump on a bus and take it home, so you already have different systems to cater for the special needs. I think if we just focused on getting the majority of people to use the main system and build little things on the outside some of these things wouldn't become the show stoppers they are.

Mr McILFATRICK - For the record, we have a progressive improvement of our bus fleet to cater for people with disabilities and we are not going to move away from that.

Dr GOODWIN - You don't have the option, do you, because it's a legislative requirement.

Mr McILFATRICK - It's not only a legislative requirement, it's a good thing to do, but on top of that, because we are improving the bus fleet, that gives us a better opportunity to offer people of all types an opportunity to use it as a commuter service as an alternative to the car, but it will be a progressive thing of people changing their habits of a lifetime.

Mr MULDER - There is an argument that, sure, everyone would like the fast train to stop at their door, but we all know it can't be a fast train if it does that. You're already saying to some people, 'Bad luck, but for the convenience of the majority you're going to have to drive to the next railway station down the road', and I think it is a very healthy model. The point I'm trying to get at is that when we factor this thing in, you need to put a limited number of stops.

Mr FARRELL - I imagine what we'll do is probably copy what they do in other places. You would have your limited stop service and you have the flexibility to do that with rail, where you can put one in a siding while the express from Brighton goes through as a limited-stop train. I don't know, but -

Mr MULDER - That would be down the track a bit when you discover that you actually have people using it. That's the issue at the moment - I don't think people are going to use them.

Mr FARRELL - That would be the way that those sorts of things would probably be taken care of.

Dr GOODWIN - The express bus model works at the moment.

CHAIR - But it is a little harder, because the express bus has to cope with other traffic, so unless there is a dedicated bus lane or a transit lane, it is held up by the rest of the traffic.

Dr GOODWIN - Unless it is timed to go at a point when it misses the peak period, which some of them are.

Mr McILFATRICK - Or is given priority in some other way.

Mr MULDER - Run the express service down here right in your transport corridor.

CHAIR - If you weren't using it for a train, because otherwise it would be very different.

Mr McILFATRICK - Lucky it's such an easy problem to solve because we've only got till Christmas to get it worked out.

Laughter.

Mr MULDER - To be serious for a moment, that was the very point being made by Metro about concreting it and using it was an express laneway.

CHAIR - Well, for part of the journey.

Mr MULDER - But if you put your express lane on that lane so that your buses could come onto that and run down that corridor, if the express service -

CHAIR - That is my question about how much it would cost to concrete as opposed to fixing up the rail so that you don't have to have the bus.

Mr McILFATRICK - We will get those numbers, and it is an option. Bus transport particularly does give you that opportunity to move to an express in combination with some other service. All of them might lead to the same end point, but it's a matter of putting some different options on the table.

Mr VALENTINE - We'll get to the solution and then all of a sudden jetpacks will be invented and it will all end anyway.

Mr McILFATRICK - Exactly.

Mr MULDER - Only on biofuel, apparently.

Laughter.

CHAIR - Norm, one of the things that led to this inquiry is that it appears to me that - maybe it is because you are answering to three ministers - there is a bit of a mentality about we either look at ferries or we look at buses or we look at light rail, rather than looking at them as an integrated system. Craig will speak for himself, but we went to speak to two of the ministers. Who is your third minister?

Mr McILFATRICK - Minister Green, Energy and Resources. Remember I have the forests and all that.

Mr FARRELL - The easy stuff.

Mr McILFATRICK - Don't forget racing.

CHAIR - We went to talk to both of them about the possibility of ferries across the Derwent, and I got a bit of an impression that Minister McKim said, 'Yes, it's a definite sort of possibility and we should look at it in terms of sustainable transport, but of course we don't have the infrastructure'. It is not his area, so he certainly didn't know - maybe he does now - what the state of the infrastructure for ferries was. For instance, he wasn't aware that there is actually now a new ferry facility -

Mr MULDER - At MONA.

CHAIR - No, at Wilkinsons Point, because that is part of the Glenorchy Art and Sculpture Park funding from both federal and state, but because it's not within his bailiwick he didn't know. For him, it is not front of mind, at least, on whether Geilston Bay, Montagu Bay, Lindisfarne, Bellerive, South Arm, Opossum Bay -

Mr MULDER - Howrah.

Mr VALENTINE - Kingborough.

CHAIR - Yes, all of those places - what it would cost or what state any of those facilities are in and how many could be used with a relatively small investment, and whether that would be from councils or Infrastructure Australia or the state government, who knows?

Then we went to talk to Minister O'Byrne, who is probably much more aware of the infrastructure stuff, but he said, 'Sustainable ferry transport is not really my issue because that is Minister McKim's.' That is why we came to this point of saying that we need to look at it as integrated.

Mr MULDER - That's why you're here, because you know about all of them.

CHAIR - That is right. How do you see that?

Mr McILFATRICK - We have made a conscious effort over probably the last three years at least to make sure we think about transport in an integrated sense. Mr Spence is in charge of infrastructure strategy, but we certainly have, in the infrastructure strategy, turned over from a passenger transport policy. Even though functionally we might be reporting to the infrastructure minister and the passenger transport minister, we are thinking about these things from the one space. The work we are doing on the corridor strategy at the moment is a combination of infrastructure and people movement. It can't be done for one and not the other. The project manager of that is one of David's staff.

Mr SPENCE - Yes, and she's sitting here with us.

Mr McILFATRICK - She is working on the passenger transport. More and more, all the strategy and policy combination that comes together once my new deputy secretary starts will be a progression of that. Whether we are answering to Minister McKim or Minister O'Byrne, we will have looked at both the hard and soft infrastructure issues together. Maybe now they will have a conversation on this subject. Certainly we haven't had a request from Minister McKim recently to look at ferry infrastructure but it wouldn't be a problem in sharing that information across the portfolios. We haven't looked at that ourselves very recently, so we'll take that up from today.

CHAIR - Thank you. From my point of view and probably the rest of the committee's, it is about the person getting to wherever they need to go and what is the most appropriate and the best public transport that could be provided. I presume that is the way you are looking at it too, so it seems to me that you're probably looking at ferries as well as rail and all those options.

Mr McILFATRICK - The whole commuter transport system.

Mr SPENCE - In terms of our strategic frameworks, we cover the whole lot and also in terms of our analysis and data collection and those types of activities. The southern integrated transport framework that you will have come across covers all aspect of it. At that strategic level the infrastructure strategy sits over the whole ambit, and going down from there, until you get to a reasonably low operational level, you do cover the whole ambit of activities.

CHAIR - So you have looked at, for instance, within the last few years about what the ferry infrastructure might be and what might be needed to upgrade it so that you could do transport and ferry services?

Mr SPENCE - No, my understanding is that we haven't done the ferries in the last couple of years.

Mr McILFATRICK - No, we haven't, I'm pretty sure.

Mr MULDER - I can give you a map of where all the old ferries and wharves were on the eastern shore.

CHAIR - Norm, your suggestion is that we talk to the minister about it. I want to know what we can suggest to the minister that might be something you haven't already raised.

Mr McILFATRICK - I guess, as you're going through, if this is an issue that comes out of this, we can either deal with at the end of the process or you can write to us during the process and if you need more information, we can look at that.

Getting back to what we are doing in Launceston, we met with the northern region and we do not just meet with them with the infrastructure people looking at bridges and roads, we have passengers, someone like James, alongside me when we are talking with Robert Dobrzynski and others about that. With the Launceston transport plan we have put a timetable together to get all the information together on Greater Launceston transport issues, infrastructure and people movement, and then we work together on it, irrespective of the minister's response.

Mr MULDER - I'd like to add to the example of the left-hand, right-hand issue. Clarence Council did a fair bit of work on this waterside, jetties and things, as you can probably gather from some of the ideas, and we continually ran into, 'Boat ramps and jetties are for MAST'. You'd go to MAST and they'd say, 'No, our primary focus is recreational boating because we get our money from the recreational boating fund', so no-one sees public transport.

Mr McILFATRICK - I beg to differ. I have a line item for 'Contribution to Marine and Safety Tasmania' from my budget of \$1 043 000.

Mr MULDER - Can I suggest it's not your budget, it's actually the taxpayers' money. Can I suggest that you maybe pull their nose and tell them that they do have a different focus?

Mr McILFATRICK - I'll pass that message on.

Mr MULDER - They want to build a fancy big boat ramp and walkway across Cremorne, which is perfectly suitable for launching boats on the sandy beach, but they won't entertain approving a jetty at Tranmere.

Mr FARRELL - The other issue I have with the left-hand, right-hand -

CHAIR - You're the government, Mr Farrell.

Laughter.

Mr FARRELL - I will make it a statement, then, and not a question. When the whole northern suburbs rail issue is looked at, it goes beyond a couple of ministers, because the issue I see is if it's turned into a bus lane that cuts out any future tourism opportunity if the heritage railway is ever going to get back up. Also it doesn't take into account if there is an increase in freight that needs to get from the Brighton Hub into Hobart. There may be some traffic that increases that would put an extra load on the road system that could be handled by the rail system. I think it is very important when that whole corridor is looked at that it has to take into account these other options. If it was considered there was going to be part of it turned into a busway, that would certainly cancel out some of the other possible future uses.

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

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

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

Mr McILFATRICK - If you turned it into, say, an Adelaide kind of bus mode of transport, it wouldn't be satisfactory for rail because that has the kerbing et cetera. That is specifically designed for buses; it was never a rail corridor.

Mr MULDER - I would like to explore that out in my electorate - and I am talking about the buses and public transport, of course - one of the main things is the people with social disadvantage and their reliance on public transport. I have some interesting pockets that people do not seem to realise but if you talk to anyone involved in, say, social services, social support or the welfare agencies in the Sorell area in particular, they will point out that there are significant pockets of social disadvantage moving into the areas of, say, Carlton and Dodges Ferry, that have gone there and ostensibly rented shacks but they are cheap accommodation but they have huge transport needs in those particular areas. I know there is a trial with a private operator running into Primrose at the moment -

Mr McILFATRICK - And that is one of the ones we have supported under the innovation fund.

Mr MULDER - They are not trying to get to Hobart, they are trying to get to Sorell.

Mr McILFATRICK - I know. I think one of the things that we put in under the passenger transport review was the need for bus operators who are supported by government in some way to have service plans. What they need to do, and 99 per cent of the time this is what they are doing, is go out and talk to their community about the needs, coming back to us and saying, 'Our service delivery plan says this' and then looking for opportunities to meet the needs of the community. It is an obligation they have under their planning and the Primrose Sands, I think, was one -

Mr VERRIER - I think Dodges and Carlton is where the funding is for the current service. I know Primrose does come up as well.

Mr McILFATRICK - We are looking for those pinpoints, if you like, where there is a growing need because the whole point about passenger transport as well is to provide -

Mr MULDER - And closer to the needs of the retired population who are probably beyond driving cars.

Mr McILFATRICK - What we could do if there are areas that you think are worth a look at we could certainly take a look at them. We do not need to wait for the end of the process, you could let me know and we will work with the local provider and see whether there are service delivery plans in place for those.

Mr MULDER - With some of these things you have new community bus systems and all these other little tack-on systems and you sometimes wonder whether we cannot look at a way in which we can integrate those sorts of services so that the minibus service is not doing a little run here it is actually providing -

Mr McILFATRICK - Knowing then we can pick it up. A lot of the times we will pick it up through the census information, et cetera. If there is a local knowledge issue, let us know and we can work with the local provider and there are a couple, Redline and -

Mr VERRIER - Redline is the main one.

Mr MULDER - You touched upon Sorell as an identified park and ride location and I think you have Richmond reasonably sorted. There is a good car park and there is a good bus terminus.

Mr McILFATRICK - Sorell and the Derwent Valley are the two that we have been having most discussion with.

Mr MULDER - Don't worry about the Derwent Valley.

Laughter.

Mr McILFATRICK - They are definite target areas for us and we are working with local government and Sorell I think is the most advanced, and then you start looking at how you integrate the services with that.

Mr MULDER - That is where these other services I am talking about are more remote, the less patronised ones, some of those people only want to use the service once a week to come into Sorell to do their Centrelink stuff or something, so the patronage is not going to justify the service in a sense but then there is that community service obligation to those most in need.

Mr McILFATRICK - In some of those rural areas, I think Fitzgerald and Maydena, we have looked at whether there is a way that we can use the off-peak of the school bus operators and we have trialled a couple of those options but it is always looking at what the problem is and then what the solution is. In one case I think Fitzgerald and Maydena did not work, it just was not patronised. We put a service on because people said there was a need but at least we have tried it.

There are definitely opportunities. Both Metro and the private operators who operate for us under contract have a desire to service the community that they are responsible for and we have a desire to help them provide it if there is a need there.

Mr MULDER - The other issue I would like you to comment on, too, is you have talked about travelling times and the three minutes and seven minutes and stuff like that. To be honest with you, even Sorell at seven minutes is not really - I mean, for someone who lived in the eastern suburbs of Melbourne it is not -

Mr McILFATRICK - But for someone who hasn't -

Mr MULDER - But that's it. We have had this discussion at other times. But it just seems to me that the other issue there is that when you get something like a pile-up on the Sorell causeway, or you get a breakdown on the Tasman Bridge -

Mr VALENTINE - All hell breaks loose.

Mr MULDER - All hell breaks loose, and it is those ones that the punters remember, not the five-minute hold-up they got to work. It then raises the question, particularly with Sorell, you now have four lanes now out to the highway, out to the airport. I know you have a bit of a choke point through Sorell, but it has often been mentioned that the old rail line, which is fairly expensive in terms of assets structure, is a huge redundant route, if you like, for some significant traffic, both tourist traffic and stuff that heads towards the Arthur Highway and the east coast, and the rail corridor from Penna through to Sorell is still pretty intact and there is a road on it. The bits through Cambridge and Tunnel Hill, of course, the Tunnel Hill might be still there but it is in private hands -

Mr McILFATRICK - Yes, it's got mushrooms in it.

Mr MULDER - No, we brought them in here, Norm, the mushrooms. But that part of it is actually covered by the four lanes out to the airport, so you don't have to worry too much about - half of Warrane is built on that old railway line. Ask the people who try to grow vegies in their backyard and keep wondering why they are running into ballast.

Mr McILFATRICK - They do have [inaudible] the causeway so they are two constraints you have beyond the airport.

Mr MULDER - But that Penna Road thing is still out there. The waterfront is there. You can't build a big heavy bridge, because you are sitting on sand, but maybe that is something for our engineers to have a look at, like a floating bridge.

Mr VALENTINE - The tongue goes out and across it.

Mr MULDER - It is still there. It is not a huge hop but it is a classic piece for a floating bridge and two-lane alternative road. Not to mention the bridge between Dodges Ferry and the end of Seven Mile Beach and see what Eric Woehler and Birds Tasmania have to say about that. That was a real idea once, actually, to put parts of the Bailey Bridge from Lewisham to the end of Seven Mile Beach.

Mr McILFATRICK - The old ferry used to go across there, Dodges Ferry.

Mr MULDER - Isn't that a coincidence.

Dr GOODWIN - Could I just ask a question? I suppose it comes out of the issue that Tony raised around pile-ups on the bridge and things of that nature. We have had a situation not too long ago where we had a major gridlock around Hobart because of that crane incident on the bridge. What is the planning around something like that happening again? I guess I see the advantage of having ferries if something like that were to occur again.

Mr McILFATRICK - The Bowen Bridge.

Dr GOODWIN - The Bowen Bridge, is it? There was still a major gridlock with that though.

Mr McILFATRICK - The Bowen Bridge is there because the other bridge wasn't there at some time.

Mr VALENTINE- It is the second string to the bow.

Mr McILFATRICK - Is it likely we will have a disruption on the Tasman Bridge again from a crane or something? Yes, but there is not a lot you can do. You would have an alternative route, which is the Bowen Bridge.

Mr MULDER - They have the plan and the cones, and the police will get it numbers of times, you know, there would be a blockage of the bridge in some way or other and you would execute a plan and you would have 20 police directing people out to the Bowen Bridge.

Mr McILFATRICK - Certainly the Bowen is there for that purpose. I can't imagine there being another contingency we would put in place.

Mr MULDER - What that raised was the other choke point, as to why the highway at Geilston Bay goes from four to two to four.

Dr GOODWIN - That was the point, that even though you had the Bowen Bridge it still took an awfully long time to get from Hobart to wherever.

Mr MULDER - The bit between Risdon Vale to the Bowen.

Mr McILFATRICK - As a fall-back option that is okay. If it was going to be a permanent option it is not conducive to be a permanent option.

CHAIR - Norm, can I just go back to the ferries. I am sorry to go back again, but just on the principal thing that when the Brisbane ferries man came down and talked, he actually tried to talk to everybody that he could find and a group of the people he talked to were the mayors over the last couple of years, and recently to the STCA and the four or five closest mayors to Hobart, who all received him pretty well, I think, and the concept and so forth. As you know, STCA picked it up and Hobart council in particular picked it up and is now running with it in terms of maybe something with one of the private operators across to Bellerive or starting that sort of service. In a way that was unfortunate in that public transport is really a state issue. I am wondering whether DIER has perhaps thought that they do not need to look at it because somebody else is already doing so?

Mr McILFATRICK - We have met with that proponent and we have done the work with the proponent and we see it as being, at this stage, marginal. But we have certainly been open and David has been up to Brisbane and we have kept it open. The minister has met with the proponent. We have made an offer to help with their case but we are not avoiding it.

CHAIR - I think it ought to be a state government business case rather than a Hobart business case, supported by you guys. I would rather see it done as a public transport -

Mr McILFATRICK - We have not reached the point where we think there is a viable case to go beyond the feasibility.

CHAIR - Thank you. We have talked to a number of other operators, and Heather Hazelgrove confirmed that for us, that in most states the public transport is owned by government and the infrastructure is owned by government. That varies a bit, but the services are contracted out. We seem to be a bit unusual in that we operate the bulk of the public transport system through the buses ourselves as well as owning it. I know we have private operators we do contracts with, but the bulk of our urban stuff is -

Mr McILFATRICK - You are right, urban is government-owned and operated.

CHAIR - How do you see the benefit of our operating it as opposed to managing contracts for service?

Mr McILFATRICK - They are all subsidised and I think there is a good blend of private and public operators. What we would hope with the state-owned corporation of Metro is that they are able to be as efficient as a large private company. That could always be doubted or supported, but this state has made decisions in the past to have publicly owned corporations rather than privatise everything. I think that is a political decision or it could depend on who is in office at the time. But certainly our view is that we get the same contract with Metro for delivering services as we would if it was a private operator, and we treat the private operators at the fringe and the general access areas the same as we would with Metro. We give no favours to either one and that is the way we operate as a contractor of services. Metro is a state-owned corporation that reports to one of my ministers and the Treasurer and they have to really report their efficiency and effectiveness to those ministers. We get asked occasionally for our opinion on those. But we are really contractor of services through Metro and the private operators. I think it is working pretty well but you can always improve.

Both private sector operators and public sector operators need to continue to be looking at what services they are providing to the public. I think we have a reasonably good blend at the moment. On the fringes between urban and rural it is probably evident that in most cases that private operators are more flexible on those routes which need more flexibility. In fact Metro has given up some routes in the past where they believe the private sector could operate better.

CHAIR - Yes, you are putting it kindly. Heather talked to us about, for instance, the Bothwell service and said that they handed that back to you because they could not make that a viable service.

Mr McILFATRICK - We have been able to -

CHAIR - You have now found a private contractor who can manage to do that. Did you have to subsidise them a whole lot more than you were subsidising Metro to do that?

Mr McILFATRICK - No, I do not believe so. I would have to check on that.

CHAIR - That raises the issue, doesn't it, even in a small way that if Metro could not make it a viable service but a private contractor can, with the same sort of subsidy -

Mr McILFATRICK - But a private contractor who is more nimble, I guess, who might be located in Bothwell and has a couple of buses and then runs a service specifically to that area is going to be more effective for that operator than, say, trying to run it out of a large pool.

Mr MULDER - Penalty rates, overtime and all that sort of thing.

Mr McILFATRICK - Yes. There are horses for courses. It probably makes sense for your urban network to be operated by one operator because it is so interconnected and if that were a private or a publicly owned operator that would be the case. Then for those rural services it is best to offer it to businesses that might be able to locate and be flexible to that need. We do have a range of large scale private operators, like Redline and others, but we have a lot of smaller ones as well that are area-specific, and that seems to be working for us.

CHAIR - It is just that in most other cities in Australia even the urban transport system is contracted out. Have you tested that? Is there some way of testing to see whether if you put it out to tender there might be private operators who could do the same or better service levels?

Mr McILFATRICK - We haven't tested that because it is a government decision to have an urban-based state-owned corporation.

CHAIR - If we were looking at light rail or looking at ferry services, for it to be an integrated service you would want certainly the contracts managed by the same people and you would want it to be ticketing and timetabling and all that sort of stuff that was integrated?

Mr McILFATRICK - You would want it to be integrated. One of our opportunities is to better integrate transport services between operating modes, even between private and public buses, so you want light rail and bus to be integrated.

CHAIR - Absolutely.

Mr McILFATRICK - It could be done without the ownership being the same, so certainly you would want transparency of how that happened.

CHAIR - If you had a privately operated, contracted out or whatever ferry service you would not want it to be in competition with Metro, with the bus service, because then you are going to be having a duplication of services because they are both -

Mr McILFATRICK - A ferry service will always be in competition probably with a bus service because some people would choose to go by road or ferry but what you want to make sure is that if there is a subsidy they are treated equally.

Mr MULDER - Buses and ferries wouldn't be competing on the same route.

CHAIR - Well, they could - from Blackmans Bay or a Kingston ferry service.

Mr McILFATRICK - It is unlikely that you would absolutely replace a bus with a ferry. There will always be some need to have both because of just the way people travel.

CHAIR - If we were talking about the northern suburbs light rail, for instance, and you are looking at feeder services too, rather than two parallel services -

Mr McILFATRICK - You would want to make sure that the service was integrated, hopefully with one ticket.

CHAIR - Yes, absolutely with one ticket. You would not want to do it in any other way.

Mr MULDER - Had the Opossum Bay trial worked, stage 2 was to make it a triangular service to Kingston and Blackmans Bay.

Mr McILFATRICK - I do not have the detail on that but I will dig out that report and see whether there was any analysis on it on why it failed. It certainly was very underutilised.

Mr MULDER - That was the main thing but how can you expect people to step off a bus onto a ferry when it costs more.

CHAIR - Yes, you have to have a level playing field. Thank you all.

THE WITNESSES WITHDREW.