

**THE LEGISLATIVE COUNCIL GOVERNMENT ADMINISTRATION  
COMMITTEE B MET AT THE COMMODORE ROOM, MEDINA EXECUTIVE  
BRISBANE, 15 IVORY LANE, BRISBANE ON WEDNESDAY, 28 NOVEMBER 2012**

**INTEGRATED TRANSPORT OPTIONS**

DISCUSSION WITH **Mr ROBERT BITOSSI**, CONTRACT DELIVERY MANAGER; **Ms GAYLENE VIVIAN**, PUBLIC TRANSPORT OWNER AND MAJOR STAKEHOLDER, BRISBANE CITY COUNCIL, AND **Ms TINA PHELAN**, SENIOR ADVISOR, CONTRACTS, BRISBANE METROPOLITAN TRANSPORT MANAGEMENT CENTRE.

**CHAIR** (Ms Taylor) - This is a committee from the Tasmanian upper House of parliament and we are looking at integrated transport options for southern Tasmania. We wanted to come to Brisbane in particular because you have an integrated transport system and integrated ticketing, but you also have some things that are unique to Brisbane, apart from good transport services, in that your management of it is interesting in that there are the state government and Brisbane City Council and a number of operators. I keep forgetting the initials - BMTMC. It is almost easier to say the whole thing, Brisbane Metropolitan Transport Management Centre.

We in Hobart and southern Tasmania only have buses as public transport. I suppose that has its uses and its limitations so we are looking to see whether there might be options for us that other people are already doing that would enhance our own public transport usage. Our public transport usage is very low, at about 4 per cent. If we can build that up and save ourselves having to build some extra road infrastructure as a result that would be really good. Thank you both for being willing to speak to us. Robert, you have a presentation for us to start with.

**Mr BITOSSI** - Certainly. The presentation which I will go through is literally an outline of our services, how they operate and how they run. Then I can answer any questions in relation to rationale, reasoning and so forth around the ferry structure particularly with Brisbane City Council.

**CHAIR** - Thank you.

**Mr BITOSSI** - I will start off with just a brief description of our network of service. We run a facility with ferries along a 21-kilometre stretch of the Brisbane River from Hamilton Northshore, which is our newest terminal, and there is a lot of development going on there for residential areas, so we have put a terminal in there as part of the infrastructure and development of that area. Our services only stop there occasionally in the morning and on weekends, and that is because Brisbane City Council own a cafe there, so we use the service to allow people to go up there. There is a lot of parkland up there, so it's a recreational area at the moment, but there is a lot of residential development going on in that stretch, so we hope to capture a lot more patronage from there.

**CHAIR** - Robert, can I just ask you, one of the things we heard yesterday was that some of the ferry development is being driven or supported by land developers.

**Mr BITOSS** - Correct.

**CHAIR** - Has that Northshore Hamilton pier been partly supported by developers with a contribution from them?

**Ms VIVIAN** - Yes, it was built entirely by ULDA, the Urban Land Development Authority.

**CHAIR** - They own land there?

**Mr BITOSS** - No. They bought the land, but we own the front foreshore, is that correct, the parklands?

**Ms VIVIAN** - I'm not sure I believe there is a whole area that was managed by the ULDA, but they did fund and build the terminal and handed ownership over to council.

**CHAIR** - That's very interesting, because it is always one of the questions. People say, if you put infrastructure in then chances are people will come and live there and you get TODs developing as a result, but it's always a risk. Is it true that if you build it they will come and sometimes it happens, sometimes it doesn't, but if a developer builds it then obviously -

**Ms VIVIAN** - Yes, the developer has recognised the value of a CityCat terminal. They use it widely in their marketing. If you see a real estate magazine for riverfront property there will always be a photo of a CityCat.

**CHAIR** - How did you manage that system of getting developers to contribute or even in this particular one?

**Mr BITOSS** - It was before my time, but I believe that was part of the negotiations literally when constructions were going on and the questions were asked by developers what is the chance of putting in - and we said we will provide the service - council's ferries will now travel the extra distance, so it is a cost to us, but you fund the terminals.

**CHAIR** - Did they own the land or was it crown land that was sold to them or was it the developer's? It's the process I'm looking for.

**Mr BITOSS** - It would have been all past wharf areas, so it was privately owned and then it has been sold off for development, particularly up in that area. We didn't own the land on that particular one, but that was the negotiating part of it that we will provide a service.

**CHAIR** - Would you have negotiated that at the planning stage?

**Mr BITOSS** - Yes. I imagine so.

**CHAIR** - Of the subdivision.

**Ms VIVIAN** - People have been asking for more terminals and obviously, we've got a limited budget so we went out to tender and said are there any developers willing to build the terminal, and if you do we will provide a service. We went out to tender maybe four years ago. We got four responses and then we whittled that down to two and then one came into being and that's the one at Northshore.

**Mr VALENTINE** - That was in conjunction with the housing development? When you say you got four responses, it's not just about the terminal? Was it about the building or the land around the terminal?

**Ms VIVIAN** - Well, they were various sites. There was one at West End, one at Northshore, one at Murarrie. We then needed to determine what the demand would be, what the value is and whether the location suitable because, obviously, the more terminals we build or install into the route, the more it slows the service down.

**CHAIR** - That's right.

**Mr VALENTINE** - Yes, it's a double-edged sword.

**Ms VIVIAN** - Yes. Everybody wants another terminal but the more we put in, the less attractive and efficient the service is. Then you need to start thinking about express services.

**CHAIR** - Did council actually say what kind of terminal had to built?

**Mr BITOSS** - Yes. We provide the specifications on how we build the terminals into our spec and a big part of our specifications are the moment are part of the DDA - Disability Discrimination Act - compliance. We are struggling at the moment with the 55 per cent compliance by the end of this year and how we will meet those compliances.

**CHAIR** - Is that because some of your older terminals don't comply?

**Mr BITOSS** - Definitely because some of our older ones don't comply but there are a lot of areas of concern under the disability act. Our gangways can't have a drop of more than 1 in 14 for 80 per cent of the time, which a couple do but there are a few that don't. We have also now realised that, even though the terminals we have built which we thought were compliant, aren't because there is a ruling, I'm not quite sure whether it's 14 or 15 metres, but for every length of 14 or 15 metres, there needs to be a rest point - a flat landing area where someone in a wheelchair can rest. So, either we keep going 70 metres out into the water so it's rest, rest, rest or - currently, for the ones that aren't compliant, we are now reviewing an assistance-type scenario. Whether we have someone on a boat for every service that can go out and assist someone, which isn't economically viable, based on maybe three or four people a week [needing assistance] and then what is a reasonable waiting time. These are all the things we've had to look at. What we're looking at now is, in a sense, investigating an on-call service; if someone wants to go onto a CityCat they can, through either a call centre or SMS scenario, say I will be at this terminal at this time and we hire someone from Blue Care✓ or similar, who will meet them there and then provide the assistance onto the ferry and travel with them. There is a lot of work to comply with the Disability Discrimination Act and the amount of money and infrastructure changes for council is somewhere in the vicinity of

\$70 million over the years up to 2016 or 2018 to spend on upgrading CityCats and other ferries. There is a lot of work that needs to be done.

**Mr VALENTINE** - Do you have a minimum or maximum distance between stops?

**Mr BITOSSİ** - In our current infrastructure?

**Mr VALENTINE** - When you were deciding whether you would put in an -

**Mr BITOSSİ** - No. For instance, the city loop takes nearly 25 minutes to do the four stops; just to do the bend of the city because there is point, point, point, stops whereas from then, I guess from North Quay up to Regatta is 1.5 km. We are looking at a new terminal within the next two or three years going in as a halfway point at Milton, which is near Park Road, a very popular area for cafes, restaurants and so forth. That will break that point up. As Gaylene said and part of the presentation will say, we are looking at two additional new CityCats within the next three to four years, so those two will come on board and how we operate those we are not sure yet. We may look at express services and the first two or three stops at the beginning and at the end of the run will then go express into the city and therefore that service will provide a premium type service for passengers and you don't get caught up on roads.

One of the biggest driving factors for public transport, particularly in Brisbane, is not only to reduce congestion but the cost of parking.

**Mr VALENTINE** - What is it a month?

**Mr BITOSSİ** - If you were to do a casual park you can get early bird parking so if you are in by a certain time and out by the afternoon it is roughly anywhere from \$24 to \$30 a day. If you are a casual, you can go in and you pay, I think, \$66 for any more than four hours' parking in the city. It is extremely expensive.

The idea of the integrated transport is to bring cars out of the city and get people to use public transport, and bringing in the integrated transport with Translink obviously reduces the cost of fares considerably because they conduct the zones of the fares and have trip registers. The idea is your nine trips during the week are charged and then your tenth trip is free, so technically, if you use it every day your trip home on Friday is free and then anything you want to do on a weekend with public transport is free.

**CHAIR** - If you did an evening during the week, if you zipped in -

**Mr BITOSSİ** - It still counts.

**CHAIR** - It's great, it's a terrific system.

**Mr BITOSSİ** - During the day, if you did three or four runs, some people use their nine trips by Wednesday or Thursday so the rest of the week is free.

**CHAIR** - The rest of it is free, yes, it's great.

**Mr VALENTINE** - Have you had any strategy at all to make it very expensive in the city to park, purely to try to encourage use of public transport? Has there been that strategy or is it something that has just been built up over time?

**Mr BITOSS** - No because Brisbane City Council don't own a lot of public car parks; they are privately owned so -

**CHAIR** - So the price is set by the -

**Ms VIVIAN** - I know there have been talks about that in the past but I'm not sure the council actually implemented that strategy.

**Mr VALENTINE** - The cost of private parking - what's the rough cost of that?

**Mr BITOSS** - That was just daily rates, so a monthly rate is considerably cheaper but you are probably -

**Mr VALENTINE** - I mean for private parking.

**Mr BITOSS** - I couldn't really put a figure on it.

**Mr VALENTINE** - Okay, that's all right.

**Mr BITOSS** - You are looking at probably around \$400 plus a month so it is still -

**Mr VALENTINE** - It's expensive.

**Mr BITOSS** - It is. It's very expensive.

**CHAIR** - And that's just because of the cost of real estate, I guess.

**Mr BITOSS** - Yes, exactly. A lot of investors actually invest in buying a car park spot and then lease it out.

**CHAIR** - Really? Just one spot?

**Mr BITOSS** - Yes.

**CHAIR** - That's interesting.

**Mr VALENTINE** - We might have been told this but have you any idea of the number of commuters that use public transport versus private coming into the city every day?

**Mr BITOSS** - No, I wouldn't have that, sorry.

**CHAIR** - Sorry, Robert, I distracted you just when you started talking about the terminals.

**Mr BITOSS** - No, you're right. It probably makes it easier to go through questions anyway so that's fine.

**CHAIR** - It is certainly one of the things that is an issue for us because we've got people who might be interested in introducing a ferry service but we don't have the infrastructure at the moment so it's really important that we either find someone to pay for the infrastructure or see how that could be paid for.

**Mr BITOSS** - Exactly.

**CHAIR** - Also the DDA compliance is really an issue now.

**Mr BITOSS** - It is. A lot of people are looking at a switchback-type access to go down Wrest Point ramp and then onto the -

**CHAIR** - You've got that at Eagle Street, haven't you? Is it Eagle Street?

**Mr BITOSS** - At Southbank there is sort of a one switchback that goes down to a point and then out to the terminal but that is also harder to do with separating the two floating docks.

**CHAIR** - What's your tidal range and so on?

**Mr BITOSS** - 1.3 metres I think it was.

**CHAIR** - Is that all?

**Mr BITOSS** - It is not a major -

**Mr VALENTINE** - It's like Hobart basically.

**Mr BITOSS** - Yes. I presented to a Malaysian delegation and their concern is they have a 3-metre tidal range -

**CHAIR** - Yes, or Darwin.

**Mr BITOSS** - Yes.

**CHAIR** - Seven metres or something.

**Mr BITOSS** - So they have one tide a day. They actually have a very similar flood gates scenario where they close and open gates to allow them to reduce that tidal flow; they are looking at options for how they operate their services, too. Obviously completely different in compliance and so forth.

**CHAIR** - I'm just surprised to hear that there is too much for it not to continue to be 1 in 14. Most of the day, 80 per cent of the time.

**Mr BITOSS** - We have to comply and it has to be that 1 in 14, 80 per cent of the time. We have a handful that are within that but they don't comply because of that rest stop. That's one of the problems because before they realised they had to have this rest stop we were looking at designs that had extended platforms going out to make sure that slope complied.

**CHAIR** - You've looked at exemption?

**Mr BITOSSİ** - We have looked at exemption, but it's a hard case to argue because the argument is we are a large council and we have a large funding arrangement, hence -

**CHAIR** - Public transport is heavily subsidised. It's not a money maker for you.

**Mr BITOSSİ** - Exactly right. We looked at an exemption that may have been brought up in relation to some buses. We applied for an exemption on some buses because they are being replaced next year and there was community kick-up because we are not going to make buses DDA compliant, but why spend money that is going to be replaced and there was going to be no return on investment. The new buses are compliant as it is. It's a question of what we need to do. There are some particular stops that we know will not be compliant and we won't be able to provide assistance because they are considerably steep.

Moving forward we will be looking at engineering options, so whether travelators, lift-type scenarios, whatever may be needed to comply, but that will be by the end of the requirements, by 2022.

**CHAIR** - Thank you, sorry to distract you.

**Mr BITOSSİ** - No, you're right. Just on the infrastructure investment too, we have the Howard Smith Wharves, which is the area just underneath the Story Bridge, literally just outside. That is an area about which we are currently in discussion with developers and so forth because they believe that could be a city terminal, so it wouldn't be a CityCat stop as such, it would be one of our cross-river ferry services. They are looking at infrastructure to provide a ferry stop there that would then become part of the run, so that is the same sort of thing we're talking about with that.

**CHAIR** - That sounds really interesting because that would be a way to provide the infrastructure.

**Mr BITOSSİ** - I will just continue on with a little bit of the run. In the ferry operations, currently we have 19 CityCats and we're looking at the additional two by 2015, and we have nine CityFerries, which are the mono-hull ferries and three double-deck ones and six single-deck ferries. There is some information there about the CityCats: they are 25 metres long, 7.6 metres wide, aluminium hulls, but with the two new CityCats we're actually looking at composite hulls - fibreglass resin compressed, which is what the top of the CityCats are made of. It will reduce the weight of the CityCats by about a tonne, hence there will be possible savings on fuel and so forth.

There are some issues; obviously it is not as robust as aluminium, so the likelihood if it impacts with a log or something there is a possibility of damage more so than to aluminium, but with the amount of flotation separation within the hull it would be extremely hard to sink. The beauty of CityCats and the river is, fingers crossed, we do have access from the river not being a massively wide river - there are points where they are able to stop at any time, so it wasn't a concern, but it's being looked at currently as an option. With diesel engines, they are high-speed, low-wash. It says 25 knot maximum

speed; 25 knots is the maximum speed that we travel on the river and that's purely a licensing requirement for the drivers. Once you exceed 25 knots it becomes a high-speed licensing requirement and different licence legislation and rules are required around the use of the vessel, so we limit them at 25 knots. Most of the travel is below that speed and through the city stretch it's a 15-knot limit.

Passenger capacity - because we have three generations, Gen 1, Gen 2 and we are currently operating Gen 3s, the capacity changes there from 149 to 162, excluding the staff - driver and deckhand.

**Ms VIVIAN** - Yes.

**Mr BITOSSİ** - Each CityCat carries up to 400 000 passengers per annum, so it's quite regularly serviced.

**Mr VALENTINE** - Sorry, 15 knots, did you say, in the city?

**Mr BITOSSİ** - Yes, prior to coming under the Story Bridge it's up around - near dockside down to the 15-knot zone and then it is 15 knots through the city area until they pass the last bridge, which is the Go Between Bridge - and then it's open speed again. I think 60 knots -

**Ms VIVIAN** - Forty knots.

**Mr BITOSSİ** - Forty knots is the maximum speed on the river. There are some specifications of each of the generations of the CityCats there for you, which I won't go through.

**CHAIR** - Thank you.

**Mr BITOSSİ** - With the patronage of the CityCats, the service is expected to exceed 6 million, which is a great number for us but is minor, I guess, compared to other public systems within Brisbane. The break-up there is what our patrons are. Seven per cent use the cross-river services. They are outside of the city area and we have three cross-river services in operation at the moment.

**Ms RATTRAY** - Are they the free services on it?

**Mr BITOSSİ** - No, that 18 per cent is the inner-city service and that's the CityHopper, which used to be a paid service. That has produced a great amount of growth within ferry travel. There is obviously some concern about a free service, how it operates and what it's doing. I guess the beauty with the free service, as it's being used at the moment, is that a lot of people are still coming into the city to get onto the service anyway. With the ability of the go cards as such, they've come from the same zone anyway, and within the two hours of jumping on another means of transport in our network within that zone, it's free travel anyway, so it's just transferring. Technically it's a free service and unless they've come in on public transport, they're still - obviously, some revenue is forgone from providing a free service but whether it's someone jumping over to the city going on a train then out west, there is some interesting data behind the true effects of that.



Seventy-five per cent are using our full network with the CityCats and Hopper service. Then, under there, the purpose -

**CHAIR** - What percentage of that would be concession?

**Mr BITOSS** - Good question.

**Ms VIVIAN** - I should know that but I don't, I'm sorry.

**Ms PHELAN** - Would you like us to find out?

**CHAIR** - That would be nice if you wouldn't mind. I think it's interesting to know how many people pay full fare and how many pay concession.

**Mr VALENTINE** - What was the cross-river percentage again?

**CHAIR** - It wouldn't matter.

**Mr BITOSS** - Cross-river of the inner city service or just the cross-river in the 7 per cent?

**Ms PHELAN** - It would give an indication of the breakdown of the types of people using and relying on the service. We can do it anyway and you can make up your own differences.

**Mr BITOSS** - There, the purpose is broken down so 40 per cent of the patronage is to or from work, 11 per cent is to go to study, 35 per cent is for leisure or recreation and 7 per cent is visitors or tourists.

**CHAIR** - Interesting.

**Mr FARRELL** - It's an interesting observation over 7 per cent visitors/tourists because there is probably some thinking with the existing ferry operators in Hobart who are tourist ferry operators, not -

**Mr VALENTINE** - At the moment they are by far the highest -

**Mr FARRELL** - Yes, there's just some concern that it may whittle their business down.

**Mr BITOSS** - We've had the same arguments with a number of service providers within the Brisbane River area but with our service, a lot were particularly complaining that we have offered a free inner city service but we're not really taking away from their core business. We're not providing lunch or refreshments, we're not going all the way up the river -

**Ms VIVIAN** - Or a commentary.

**Mr BITOSS** - Yes, or commentary. It's definitely for some people that want to just jump on and go for a ride and the area around South Bank is obviously a key point for tourists to go to, or to the city, whereas these core businesses are more likely not stopping at these areas but rather pointing them out. Then with our CityCats, the express service, more

people want to go beyond the reaches of where our services go, particularly upstream beyond the university at St Lucia; they want to go round to Lone Pine and places like that where their core businesses are. In effect, I guess our service is trying to key to the transport. It's a transport network; it's not a tourist network.

**CHAIR** - But you would find that some of that leisure and recreation of 35 per cent is actually related to tourism as well because I imagine that if visitors come to the city you'd take them.

**Ms VIVAN** - Yes.

**Mr BITOSSİ** - They would come -

**CHAIR** - If you lived here, you'd say let's go for a trip on the ferry.

**Ms VIVAN** - Yes.

**CHAIR** - The Lord Mayor was here before, and of course you met him too. He was talking about the increased percentage across the network since CityHopper had become free.

**Mr BITOSSİ** - Yes.

**CHAIR** - He was saying there was something like 25 per cent increase since that had happened in April, which is a huge amount.

**Mr BITOSSİ** - The 25 per cent would be the inner-city service; that has increased dramatically in terms of patronage.

**Ms VIVIAN** - The inner-city service or CityHopper patronage has more than doubled, but overall in the network it is up by about 25 or 26 per cent.

**CHAIR** - Which is amazing.

**Ms VIVIAN** - Although we need to remember last year we had a flood in January, so for one month we didn't operate at all, and then when we reopened in February we only opened 15 terminals and it is still building up.

**CHAIR** - It's taken a while for people to come back. But that's a pretty dramatic increase, since you put the free service on.

**Ms VIVIAN** - Yes.

**Mr BITOSSİ** - In terms of the total passengers for a month, October 2009 was the best that we have had and we exceeded the number of passengers for October 2012 over that month, so it's definitely on the growth and CityHopper is part of the growth on those services. It's hard to separate all of that. In terms of growth I think the inner city service in 2009 represented 9 per cent of that figure and in 2012 it represented 20 per cent of the figure.

**Mr VALENTINE** - Was there any particular reason? Did you analyse what activity was happening in the city at that time to find out why it might have been up for that month?

**Mr BITOSSİ** - In October no, and we tried to look at that. Our best day we know on our CityHopper service the highest number of passengers was Riverfire, which is obviously our big day on the Southbank, so we figured that is was going to be a particularly large day, whereas Friday last week I think we were only 200 or 300 people short of that figure from a major event and that was a nothing day. The sunshine is out. What really impacts us are special events and fares. We notice when fares go up there is a drop, maybe they gradually come back, but initially we're aware of that connection.

**CHAIR** - You've had significant fare increases the last three years, haven't you?

**Ms VIVIAN** - Yes, each year.

**Ms PHELAN** - Fifteen per cent each.

**CHAIR** - Sorry, we can't actually take evidence from Tina because she's not here, so you can feed them words, Tina.

**Ms RATTRAY** - Sorry, Tina, that was my fault I was just trying to help out.

**Ms VIVIAN** - As you are aware, Translink is responsible for revenue and pricing so I believe fares have increased by 10 per cent each year for the last two years.

**Mr BITOSSİ** - Our understanding is that the commitment of the 15 per cent moving forward for the next two has been divided, so it will be 7.5 per cent in January of 2013 and 7.5 per cent in 2014.

**CHAIR** - It does always, particularly if you have to do it year after year, but it's great to see that it's coming back. You do have an interesting system of who pays for what and Translink was really good yesterday. We took evidence from them yesterday and they were excellent.

**Ms VIVIAN** - They're a good partner.

**Ms RATTRAY** - They said the same about you as well. They said they have a very good working relationship with the Brisbane City Council.

**Mr BITOSSİ** - As it says there, we carry between 100 000 and 120 000 passengers per week. Our services operate between 5 a.m. and 1 a.m. seven days per week and in peak periods we have a CityCat service running upstream every seven minutes and a service running downstream every seven minutes, so it's quite a regular service. Outside of peak periods it is every 12 to 13 minutes. Obviously late p.m. it does drop out to around 25 minutes between services.

The bottom here is just a graph of some recent analysis that we did over a 12-month period - it doesn't show the months unfortunately - but it shows the definite periods between the peak a.m. and p.m. periods. You can see the spike in the number of

passengers between 6 a.m. and 9 a.m. and 4 p.m. and 7 p.m. and it drops off around 5.30 p.m. towards 6 p.m.

What you will notice is from around about 11 a.m. there is always a steady increase and that tends to be around the CityHopper and the inner-city services, so it's those tourists now coming out in that midday travel. That is what that steady growth is between the middle of the day growing up to the peak periods.

**Mr VALENTINE** - Is it likely that the higher number of travellers in the evening is simply because a certain percentage of the population gets dropped off at work through some other form and catches the ferry home or things like that?

**Mr BITOSS** - Yes. It wasn't understood why the major peak is in the afternoon. A lot is to do with what they presume is around university classes and so forth, so during that afternoon a lot are slowing travelling to university and finishing afternoon sessions and so forth and use the ferry services to come home.

**Ms VIVIAN** - Rob, picking up on that, Friday is now our busiest day so you have to wonder whether people are planning on going out after work - whether they do get a lift into work or they just get part of their transport into work that day so they can go out partying and then get the ferry back at night.

**CHAIR** - And don't have to drive home.

**Ms VIVIAN** - Yes. It's really interesting.

**Ms RATTRAY** - We actually came across some of those partygoers and it was only Tuesday.

**Ms VIVIAN** - Oh, wow.

**Ms RATTRAY** - I couldn't outdo a couple of the noisy girls that were there but I removed myself.

**Mr VALENTINE** - Very true.

**Mr BITOSS** - I went there on Friday for the first time. It is good.

**Ms RATTRAY** - It was delightful. We got outside on the balcony. It was beautiful.

**Mr VALENTINE** - The food was wonderful.

**CHAIR** - Was it full? Because Tuesday nights are usually not such a good -

**Ms RATTRAY** - A 40-minute wait for a table, Madam Chair.

**CHAIR** - Except I believe you didn't.

**Ms RATTRAY** - No. I found a friend, new friends.

*Laughter.*

**Mr BITOSSİ** - On the funding side of things, the asset is owned by council. However, we have now started leasing arrangements on vessels; that has been the last -

**Ms VIVIAN** - I believe eight.

**Mr BITOSSİ** - The last eight now are on lease arrangements so we finance it as opposed to paying for the assets outright.

**Ms VIVIAN** - Yes. We bought the CityCats, sold them to QTC - Queensland Treasury Corporation - and then we leased them back. That was mainly about cash flow. It is \$2.5 million per boat. If you buy more than one of those at once you have a big spike.

**Mr BITOSSİ** - The operations we contract out and the current contractor provider is Transdev, which is part of the Veolia group. There are currently eight years remaining on that contract. We have just gone through some negotiations of variations of the contract with them. We, Brisbane City Council, determined the routes and the service and Translink, which is state government-owned, sets the fares and zones. Because our network is limited to the length of our network, we remain within two zones, so I guess the cost of operations is quite high for a ferry service or a water-based service but our zone of operation revenue is quite small compared to buses, which can run right out to various other zones. The current operational budget for the current financial year is about \$31 million to provide the service of ferries.

There is a breakdown roughly of how that funding comes from. Fare recovery makes up \$11 million of that funding, as stated and known. Revenue goes directly to Translink and then Translink reimburse and fund the service. The state government prop up that \$11 million, you could say, by \$7 million; Translink are putting in \$18 million into that service and then the Brisbane City Council operation budget is \$13 million.

**CHAIR** - That comes directly out of Brisbane City funds.

**Mr BITOSSİ** - City Council, correct.

**Mr VALENTINE** - What life do you put on your ferries?

**Mr BITOSSİ** - Currently the mono-hulls have an infinite life. They will be going for a long, long time. I think they are still part of the 50-year plan of ferries. The CityCats, however, have a life expectancy of up to 22 years, and that is something we are currently reviewing. It's also part of finding out what is the optimum number of ferries to put into service.

We need to obviously have spares in case of an emergency, we need to know what will happen if we provide express services during peak times and also, once we bring in new terminals, what service we need to provide.

**Mr VALENTINE** - Do you depreciate your stock in the same way as you would, say, in the council trucks and road surfaces? Is it continually evolving?

**Mr BITOSS** - Yes, the whole-of-life management is looked at, so we look at many factors and what we will do with them at the end. Do they have a resale value, where do we sell them, how do we sell them, the maintenance costs, where is the optimum time to keep it in terms of resale versus the amount of maintenance? They're things that are ongoing and evolving, and we are currently working through a whole-of-life strategy and fleet strategy with the cats.

**Mr VALENTINE** - That includes refurbishment over a certain period of time.

**Mr BITOSS** - That's right. In our maintenance schedules we have *x* amount of years or hours that have standard major services, full refits, repainting - we look at all of those aspects of managing the CityCats.

**Ms RATTRAY** - Robert, how many of the 19 CityCats that you have would be operational at one time? Half of them?

**Ms VIVIAN** - No, during peak, 16 of the 19.

**Ms RATTRAY** - You just have three to play with as spares.

**Ms VIVIAN** - When one may be being refurbished or one is being serviced, you have limited spares and currently we are going through DDA upgrades.

**Mr BITOSS** - We have three out of the water being upgraded to become compliant and then, for instance last night, one of the CityCats blew a gearbox, so we were made aware of it and it was in this morning, so it's having its gearbox swapped out straight away. Through that we have people on call so Gaylene got the information last night, we advise all the appropriate people, media get the information out to the public, so that we know that the first services or second services are going to be missed, but because of the frequency of our services, particularly within peak periods, it's not a massive wait.

**Mr VALENTINE** - You don't have a floater. You don't have one sitting aside?

**Mr BITOSS** - We normally do, but because of this requirement under the DDA legislation we have three in dry dock at the moment being pulled apart.

**Mr VALENTINE** - I heard the three in dry dock and I heard 16 running and I thought no extras.

**Mr BITOSS** - At the moment, no we don't, and hence that's why this one with the gearbox breakdown last night means that we've missed a service this morning.

**CHAIR** - That's not normally how you normally handle it.

**Mr BITOSS** - Normally we have another boat straight in. When we do our schedule of services it's literally like what you would see at a dealership. We have our main maintenance facility down at Rivergate. The ferry comes in, we have a marine straddle carrier, so it goes in, parks in, comes up and they do a service within three to four hours; it depends on the type of service, it can be quicker, and then it goes back into the water and straight into service.

**Mr VALENTINE** - An out-of-water service.

**Mr BITOSSI** - They can do four of those a day, three to four a day depending on the type of service, so it's one in, one out. It is very much like what you would see operating in a car dealership. If one fouls a prop or something like that, they can get in, put it up, get it repaired and back in very quickly.

**CHAIR** - It's an amazing system, isn't it, they go into a wharf and there are these slings underneath and a crane over and they just lift the boat up in the sling and take it and drive it away.

**Ms RATTRAY** - Next visit, Madam Chair.

**Mr BITOSSI** - That's correct. I believe you're going down to the facility this afternoon, is that correct - they are coming here. Next time.

**Ms RATTRAY** - That will be the next visit to Brisbane.

**CHAIR** - When I did my reconnaissance visit earlier in the year as a private visitor, I did go and have a look at that, and was amazed.

**Mr BITOSSI** - The next slide just provides a small amount of information in relation to our current contract, which commenced in 2010. I won't go through it in depth, but it literally says about the council's requirements under the contract how we monitor, that we put KPIs around customer satisfaction surveys and so forth. Under the contract there are award payments for meeting the satisfaction and KPIs for the services. Then there are the requirements of the operator in terms of maintenance, terminal maintenance and so forth. It works very well and we have a good working relationship. This is Transdev's second contract. They were the previous contractor providers of the ferry services.

**CHAIR** - That's really interesting too, because you are the owners, but you contract out the service and it's really important to have clear -

**Ms VIVIAN** - Previously, the operator owned or leased the maintenance facility and we realised, going into the future, for competitiveness we needed to manage the facility ourselves so we ended up going out to tender and now we lease the big facility at Rivergate and that way we could go out to tender for the operations and maintenance, and we weren't relying on any one operator having a marine base on the river. Obviously, land is at a premium along the river now so we didn't want to be locked into one operator simply because they had a maintenance facility. It meant moving a little bit further down the river but it's working all right. It means a little bit more dead running as well but when we are more fully utilising the shore, then dead running will be minimised.

**Mr BITOSSI** - It's quite interesting. The contract as such is more like a labour hire contract so, by taking those risks away, their overheads on facilities and so forth, at the moment we are looking at whether it's an option to install a paint shed under the facility. Currently, with our painting of our CityCats, the CityCat comes into one of the sheds that

house the CityCats, they put scaffolding around it and then they have to tent the whole scaffolding and put circulation through it, extraction fans, and that's obviously to stop overspray and to comply with legislative requirements around painting. It's about a three-day set up and a three-day pull-down before they even do the painting. The option is about a \$1 million investment. Long term, how that will affect us on a three-day set-up and three day pull-down - there is almost a week we lose just in prepping for the paint work so if we can drive in and paint then it could possibly save a considerable amount of money.

**CHAIR** - Have you got room at the facility?

**Mr BITOSS** - We do. We have two full sheds that they work in so one shed is particularly for maintenance work and they can sort of put two behind each other and the second shed on the side is where they paint. At the moment no painting is being done due to all the DDA work. Apart from DDA work, some of the challenges we are also facing is all the new OH&S requirements for working on ferries. There are considerable issues around working at height because there is a bit of work to be done on the roofs of the CityCats and the mono-hulls with changing light bulbs and so forth. How do we do that? Particularly, we had ferry masters, while boats were on the river; if they blew one of their navigation lights on the roof, they were climbing up and just changing them out on the water. There are a lot of constant challenges with all the new legislation brought in around OH&S; they are things that we're visiting. It's a constantly changing environment like now, with hull LED lights and all the requirements around those types of things. We are trying to evolve to minimise all our risks and how we can build new CityCats so that, if we go down that way, what is the best option for the CityCats - bigger, shorter, double-deck or whatever it may be, to continue the future growth. They are things that are constantly looked at in the development.

**Ms RATTRAY** - Are the CityCats built locally?

**Mr BITOSS** - They are. Norman Wright, I believe, was the tender winner for most of the last -

**Ms VIVIAN** - Most of them. Norman R. Wright & Sons at Bulimba. He has built 11.

**Mr BITOSS** - They are constantly evolving, obviously, with all the new requirements for DDA. With the two new ones we're currently looking at, we have room in the current contract for a contract extension to build Gen 3 CityCats again. There are now a lot of modifications that have changed because of DDA works, such as the number of wheelchair spaces required under the act based on the capacity to hold passengers. The crewing requirement is an area of concern that we also look at because, based on the number of passengers that a CityCat can hold, it requires a three-person crew. We have a master who can never leave the wheelhouse, we have the deckhand who provides the service to attach the ferry to the pontoon and then we have our ticket sellers on board. That meets MSQ's - Maritime Safety Queensland's - requirements. However, in non-peak periods the option is there to start looking at managing when you have less than 100 people on board and dropping down to a two-man crew. They are all evolving constantly.

**Mr VALENTINE** - The cross-river ferry only has one?



**Mr BITOSSİ** - Correct.

**CHAIR** - But there are fewer passengers.

**Mr BITOSSİ** - Fewer passengers. However, we may find that under the DDA requirements, which we are currently looking at, we may need to have two on board. It's a major cost for the requirement to comply.

**Ms VIVIAN** - MSQ a few years ago did look at the one-man crew on a mono-hull ferry and we needed to do this assessment to show that we were managing the risk with one crew and they accepted that, but they are always updating the code, so we may find that in the future we may need two crew.

**Mr BITOSSİ** - One of the interesting things with the mono-hulls, because they are particularly old and when they were built under the current legislation and when they had their modifications done, they will now come under the new legislation in terms of buoyancy, stability and so forth, and because of the testing abilities now, with the computer-generated testing, we could lose a carrying capacity of up to 40 passengers on those CityCats because of the modifications and the changes in the requirements. It has a major impact on the ability, particularly with the CityHopper service because it is very popular already, so to lose the ability on our double-deckers to carry as many as possible - they are things we need to look at and how we will provide the service if it continues to grow at the rate it is growing.

One other aspect is what our target areas and market is of the ferry service. The ferry service particularly is a niche market and a niche area. In terms of the population - and this isn't in here, I am just adding this as a comment for you - we look at targeting residential patronage within a 400-metre radius of a terminal. As you are aware, riverfront property is at a premium and most of it is already developed. There are not really the facilities to put park and ride-type situations around ferry services. It's not really a service where someone would want to catch the bus to the ferry, to jump on a ferry. It is normally vice versa; they will catch a cross-river ferry to jump on a bus and go somewhere else. We concentrate on that niche area.

We also realise because of that, for the number of stops that we have along our corridor there will be a plateau level at which we will meet our expectations of maximum amount of patronage. That's where that whole total optimisation and utilisation comes in to the number of ferries we have in the service.

As development goes on through time around Brisbane, we will see whether the fleet grows or reduces to meet the service's requirement. For instance, at Hamilton Northshore, which is the main one we talk about, there are a number of residential towers currently being built there, so the potential growth for that area will be quite high. As for the new terminal at Milton, there is a number of residential apartments around the Milton area, so we expect some good figures of growing our patronage there. We also realise there will be a plateau because it's not something coming. I thought that's an interesting point about where you put a ferry station if it was to go down that time.

Our terminals are our infrastructure, and we have some diagrams here of some of the newer developments of our ferry terminals. The waiting areas there are DDA-compliant. We have safety in terms of emergency call points on the new ones and CCTV. We have a 50-seat undercover waiting area and we use solar panels to power the areas. The gangways are within the 1 in 14 slope. In the required time however, as we said, there are some areas that now we have discovered are not DDA-compliant. They are covered and also have solar panels on them.

The pontoons we are doing at the moment are dual berthing so it allows for an upstream or a downstream cat to pull in at the same time and unload. The majority of the dual berthing is for front exit off the boat so we have looked at options for front and rear.

**CHAIR** - Can we talk about costs at all?

**Mr BITOSSİ** - Yes.

**CHAIR** - Because you have a number of different ferry stops with pontoons. What's their cost?

**Mr BITOSSİ** - It's about \$5 million to build a ferry terminal.

**CHAIR** - Wow.

**Mr VALENTINE** - Five million?

**Mr BITOSSİ** - Five million.

**CHAIR** - That is even your simplest terminals?

**Mr BITOSSİ** - Yes. Currently, to be DDA-compliant and meet all other requirements it is around the \$5 million mark.

**Mr VALENTINE** - It is a lot of money.

**Mr BITOSSİ** - It is a lot of money. When you think of a house you can buy for \$5 million you think it is a little piece of steel floating on the sand.

**CHAIR** - You can buy a lot more house in Hobart than in Brisbane, let me tell you.

**Mr VALENTINE** - Some pontoons are only \$30 000 in Hobart.

**Ms VIVIAN** - When we built Regatta, two-thirds of the Regatta was funded by developers and that was \$1.5 million.

**CHAIR** - To the council or all up?

**Ms VIVIAN** - No, all up. That was in 2004 so obviously costs have gone up, steel has gone up. Now we've got the DDA compliance and -

**CHAIR** - When you are talking about Northshore Hamilton, you are talking about \$5 million, are you?

**Ms VIVIAN** - Yes.

**Mr BITOSSİ** - Correct, yes. Within that, also on costs, if we add a new terminal to our contract we add around \$20 000 to the contract value for maintenance per year. That is our standard figure for our maintenance on a ferry terminal and vice versa - if we are to remove a terminal permanently from the contract, such as what happened in the flood, some of the terminals have totally gone - it is equal value removed.

**Ms RATTRAY** - Is a pontoon and a ferry terminal the same thing?

**Mr BITOSSİ** - The pontoon is the berthing area as such and the terminal is the waiting area and then the gangway is the part that joins the two.

**CHAIR** - What is the \$5 million?

**Mr BITOSSİ** - The whole infrastructure.

**Ms VIVIAN** - It buys the access from the land over onto the water so you've got maybe a waiting area, a gangway and a pontoon.

**CHAIR** - And the waiting area is a building?

**Mr VALENTINE** - Are there toilets in the waiting area?

**Ms VIVIAN** - No. We've only got one terminal that has a toilet and when we were rebuilding that - that is at West End - there originally was a toilet there but we had a lot of issues. There was unsavoury behaviour going on and we had constant maintenance and cleaning issues so when we were building the new terminal we designed out their toilet but the local councillor wanted a toilet so we needed to build the toilets so we now have a unisex DDA toilet and there is extra cleaning. That is not part of our operator's responsibility. We get council's own contractors to clean that and lock and unlock the toilets.

**Mr VALENTINE** - The developer's one, they wouldn't have paid \$5 million surely?

**Ms VIVIAN** - Northshore, I think theirs might have been 3.-something million. We can find out if you like.

**Mr BITOSSİ** - The \$5 million, there is a concept drawing which I will talk about shortly and that has a lot to do with the higher figure because that's where they may be going in the future with terminal design.

**Mr VALENTINE** - A standard terminal.

**Mr BITOSSİ** - Yes. That picture shows the waiting area; you can see the access point from land, the waiting area, the gangway and then the pontoon where the CityCats are berthed so that is the full infrastructure that is provided in the building.

**Ms VIVIAN** - Rob, one reason why we don't see the need for a toilet at every terminal is that we've got toilets on board the CityCats.

**Mr VALENTINE** - Oh.

**Ms VIVIAN** - And on the ferries at the moment and it's only a short wait for the next service.

**Mr VALENTINE** - No, that's good.

**Mr BITOSSİ** - The second drawing of the Hawthorne terminal is a concept drawing of how one of the new major terminals - and this was probably one where we would talk about the higher figure - integrates a heritage-listed building, which is the old ferry terminal going into the new concept design. This particular concept has the berthing ability - for the CityCats to park up and berth behind there at night. Therefore, it has additional poles and pylons for the boats to dock. This is actually at the operations centre. The CityCat operations centre is at Hawthorne as well and that particular concept is a dual-berthing, front unloading-type scenario.

**Ms RATTRAY** - That's the Rolls-Royce model.

**Mr BITOSSİ** - That's the Rolls-Royce at the moment. The next drawing, which didn't come out quite as well on the design, is the concept design of flood-proofing future terminals. The idea here is a modular-type system, so the bottom left-hand picture says if you want just a one-vessel berth, two-vessel, two-vessel with front only, or two-vessel with front and rear, as I guess is the Rolls-Royce model. The design has, as you can see, the Regatta sign which looks like an aeroplane tail, which is upstream. That has buffers and rubber shockers in the front of it and it's designed as an impact zone for any debris coming down the river.

**CHAIR** - That would actually be standing in the water.

**Mr BITOSSİ** - It is. It's quite tall, about 9 metres high, so it's very prominent in the water.

**CHAIR** - Is this there now?

**Mr BITOSSİ** - No, this is a concept that we're looking at on what we can do to future flood-proof the river system and the pontoons. It deflects debris to the left and right of the main pontoon. The second aspect of this type of set-up is the gangway, as you can see, that goes up to the waiting area. It is a system whereby should floodwaters rise, it releases from the main area and then it will float down with the tide and come in. You can see, based on the drawing, this area here where it will disconnect and float down and sit in behind this structure here, so it becomes an arrowhead and all the debris will float to the left and right of the terminal.

**Mr VALENTINE** - So it doesn't wreck the terminal.

**Mr BITOSSİ** - It won't wreck the terminal. In that way the infrastructure [work] then is just a small amount of clean-up, reattaching the pontoon and we should be able to get facilities back and going within a shorter time, based on what happened in 2011.

**Ms VIVIAN** - That design came out of a design competition. After the flood we reinstated our terminals to their previous condition and then the state and federal governments ran a competition. They said they would fund \$70 million to rebuild some of the badly affected terminals, so they ran a design competition and this was the one that won it. Maybe seven of our terminals in the future may look like this and if it's successful we may look at that as we need to rebuild terminals. Eventually it would be nice to make all of our terminals consistent in design and standards.

**Mr BITOSS** - On the back there it shows how our terminals ended up in 2011.

**Ms RATTRAY** - We saw them floating down the river on TV.

**Mr BITOSS** - Restaurants, everything. As you can see, particularly Gardens Point was totally destroyed and wrecked, so that ability there to have that switchback in the gangway and then deflecting all the debris, which would have been the majority of why the damage was caused, would be magic.

**Mr VALENTINE** - Pretty powerful stuff, the old water. It doesn't stop for anyone.

**CHAIR** - Questions?

**Mr VALENTINE** - I think I've asked all mine.

**Ms RATTRAY** - No, I've found it very interesting. We heard a little bit of the overview yesterday, but it was good again to hear that and be able to ask questions about specifics about what we heard. Thank you.

**Mr FARRELL** - Just a broader question, and you might not have the answer to it, but what do you think helped make the service grow from small ferries up to 19? What encouraged people?

**CHAIR** - From the beginning, 16 years ago, when you had nothing except tourist ferries?

**Ms VIVIAN** - There were a number of factors. Congestion on the road, tourism was increasing, fuel costs were going up, -

**Mr BITOSS** - Our climate, our weather is a big driving factor as we see in our numbers on great days. The aspect of: on a road, if there is an accident you are stuck there for two hours trying to get through whereas on the water there is nothing really going to delay you unless something happens to the vessel.

**Ms RATTRAY** - Except the gearbox.

**Mr BITOSS** - That's right. On a beautiful day, sitting on the front of a boat, wind blowing through your hair on your way to work, the only thing missing is a beer and a fishing rod.

*Laughter.*

**Mr VALENTINE** - You can be so lucky, wind blowing through hair, it's nice for some.

**Mr FARRELL** - The thing that stood out was the difference between the older mono-hulls and the cats - the difference in ride. It was pretty seamless on the cats.

**Ms VIVIAN** - The other issue has been development along the river. I think it was in 1993 that the first strategy came out and they could see the proposed development in the future so they could see where there may be a need for public transport. The idea was to build it as the development was going on so that when people moved into the area the transport was already there. They didn't get into the habit of driving so they could move in and there was already a terminal there to catch public transport.

**CHAIR** - It was visionary at the time though to take the plunge and say yes, we will start a ferry service. You didn't have a commuter ferry services at all.

**Ms VIVIAN** - That's right. Even for Expo '88, the QUT terminal was built for that purpose, there was a little ferry cross-river service taking people from QUT over to Southbank to the Expo. People were thinking about it from then.

**CHAIR** - Obviously council, the state government or anybody wouldn't have known whether the service was going to be successful - you take a punt and think yes, this will work and do it. It's considerable investment even though you only started with four ferries.

**Ms RATTRAY** - And continues to be - \$11 million.

**CHAIR** - Take the punt.

**Ms VIVIAN** - Yes. That's a good punt.

*Laughter.*

**Ms RATTRAY** - You haven't got a CityCat that's still in order that you might throw down our way?

**Ms VIVIAN** - Well, actually, a lot of people are interested in them; they're already asking when we dispose of them what will we do. We can put your name onto the list.

*Laughter.*

**CHAIR** - I don't think that we are about to, not us personally.

**Ms VIVIAN** - How wide is your river?

**Mr VALENTINE** - A couple of kilometres.

**Ms VIVIAN** - I have been down there but I really can't remember.

**CHAIR** - We are at the mouth of the river, much further downstream.

**Mr VALENTINE** - It is big as Sydney Harbour in some parts.

**Ms VIVIAN** - That's what I am wondering, if it's considered open water.

**Mr FARRELL** - Yes, it is.

**Ms VIVIAN** - You may need a slightly different design to ours. Ours are certified for smooth water.

**Mr FARRELL** - We've had a lot of discussion with different people about what would be required.

**Mr VALENTINE** - It's very rough at times. In terms of consistency of service you need free board.

**Ms VIVIAN** - During the flood when we needed to get some of our CityCats out of the river to keep them safe, we needed to get special permission to go into the open water to take them to Manly. Ten of our CityCats went down to Manly.

**CHAIR** - Did you?

**Mr BITOSS** - Manly in Brisbane.

*Laughter.*

**Ms VIVIAN** - Sorry, about that. But it was beyond the mouth of the Brisbane River so we needed to get special permission.

**CHAIR** - You should have just let them float, you wouldn't have needed permission, they would have done it themselves.

*Laughter.*

**Mr VALENTINE** - A lot of the old-timers who have operated on that river for years would say it needs to be a lot of free board because it does blow up like that.

**Mr BITOSS** - When you look at the design of the Sydney Harbour ferries, they are designed for that because it is exactly the same - the harbour can be quite rough.

**Mr VALENTINE** - Mind you, we build the biggest wave-piercing catamarans in the world, it's 120 metres long.

**CHAIR** - But not always the most comfortable in choppy weather or so they tell us.

**Ms RATTRAY** - We've got expertise, it's just having the dollars behind it and the momentum and the wherewithal to make it happen, and that's what we're hoping.

**Ms VIVIAN** - Yes, here we had the chance to be visionaries and implement the service.

**Ms RATTRAY** - We are hoping that this committee with its final report might put some pressure on our leaders.

**CHAIR** - We would like to make some recommendations that are so obvious that it gives a way forward, progress.

**Mr VALENTINE** - We'll provide good information across the three main means of transport and that's the best aspect, isn't it? We are trying to encourage people to think integration.

**CHAIR** - And any one mode might not end up suiting Hobart but at least we will have had a good look -

**Mr VALENTINE** - They can't say it hasn't been looked at.

**CHAIR** - and give people some hard information to make decisions on, which is really what's required. Thank you both very much. Is there anything else you would like to add before we finish?

**Ms VIVIAN** - Not really, unless you want to plug CityCycle - that's another transport option with the hub put in.

**Mr BITOSSI** - That's our integrated bike share scheme.

**CHAIR** - Yes. Talk to us about it.

**Ms RATTRAY** - We saw the bikes last night.

**Mr BITOSSI** - The bike system is a bike share scheme and the idea of the scheme is to link particular hubs within Brisbane to the ability of CityCycle. We have 150 stations from New Farm through to St Lucia. We have stations approximately within 400 metres of each other.

The system works as: you go online, you subscribe, you join as a member. Then you get a card and you can go at any time, jump on a bike and ride anywhere. Your first half hour is free, so the idea of the regular stops is you should never then have to pay to use a bike. You can stop quickly, drop it, take it if you are going on a long ride, stop at cafes and so forth.

We particularly picked key areas around Brisbane, points of interest, by how that service may work. The service we used is an advertising scheme revenue service and JCDecaux is the provider of the scheme. With the bike stations we provided advertising signs, stand-alone advertising for JCDecaux and the advertising revenue funds that bike share scheme.

The revenue comes in, there is obviously a threshold level, and by that there is a point at which, if they don't achieve, council will fund it to prop up to that point to cover the cost of the scheme. If it makes the scheme revenue then it's at a break-even point and then if it goes beyond the scheme revenue from advertising, it's a revenue share scheme so then we, as council, receive some revenue back.

The scheme allows us to advertise. Part of the scheme gave us a dollar amount of international advertisement on JCDecaux boards elsewhere in the world so Brisbane City



Council has been able to advertise around the world on the beauty of Brisbane as well as advertising up and down the eastern seaboard with JCDecaux.

**Mr VALENTINE** - Do you have a pro forma contract for that, a standard contract that you enter into with advertisers?

**Mr BITOSS** - The advertising side of it is all done directly with JCDecaux. That's all their responsibility.

**Mr VALENTINE** - Or the contract with JCDecaux, is that -

**Mr BITOSS** - That is the contract. It's a 20-year contract with JCDecaux on the bike scheme.

**Mr VALENTINE** - Is it possible to get a copy, not of their particular contract because it might be commercial in confidence, but the pro forma?

**Ms VIVIAN** - Yes, maybe when we went out to tender there would have been -

**CHAIR** - That would be nice, the tender documents would be good. Is it working out to be self-funding?

**Mr BITOSS** - It's getting there. Compared to the European models, which are very successful given the density of the population within a city area, it is quite popular. With the relaxed helmet rules in Europe it is also very popular. We provide free helmets now.

**CHAIR** - I was going to say - you've got helmets, yes.

**Mr VALENTINE** - How do you do that?

**Mr BITOSS** - One in every three bikes has a helmet provided. Long-term subscribers we give a free helmet to and then we attach them through their locking mechanisms where you can leave the helmet on the bikes.

**Mr VALENTINE** - What about a protector? Don't want to share nits, you know.

*Laughter.*

**Mr BITOSS** - The likelihood is very slim apparently through studies on that. The life expectancy -

**Mr VALENTINE** - Yes, yes.

**CHAIR** - That's not the issue; health regulation are the issue, not whether it's actually true.

**Mr BITOSS** - I know they went through all the requirements with that and there hasn't been an issue. What we do find is when we put the bikes onto the scheme, a lot of regular users just take a helmet and keep it as their own helmet, and then just keep that with them. This morning we were going to use the CityCycles to come here, but we decided on the ferry otherwise we would be a bit on the nose.

**Ms VIVIAN** - He didn't want to get his suit all sweaty.

*Laughter.*

**CHAIR** - I did try them out a little while ago and I didn't find it terribly easy, as a tourist, to get into the system and pay for it.

**Mr BITOSSİ** - We realise that and we're constantly looking at evolving the system. One aspect and what a lot of the other integrated schemes have is something we're looking at and that is point of sale. For a tourist they can use a credit card to take a daily subscription at that point in time. That was an opportunity that we are looking at. One thing which will be launched on 30 November is we are integrating the ability with our go card.

**CHAIR** - Oh, excellent.

**Mr BITOSSİ** - What we are going to do is associate. What it will be is, as a subscriber, instead of having your CityCycle card and a go card, you can link the card to it. However, you can't hire, you still need to be a registered user of CityCycle and have a credit card and purse.

**CHAIR** - That's the hard part.

**Mr BITOSSİ** - Linking the purses and keeping the purses separate is something we are still looking at trying to do and there hasn't been that scenario done anywhere in the world with any bike share schemes. It's a totally new aspect and how we do that, how long that may take or the cost, whether it is a benefit or not, is still ongoing. The idea of only having one card is brilliant.

**CHAIR** - Get me an app, a phone app so that I can do it.

**Mr BITOSSİ** - That's probably the biggest thing, how we can pick up on our tourists. The positive is we're in year 3 now of the 20-year contract. It was a slow pick-up of the system, but literally in the last year we have probably increased our number of trips by - I would go as far as - 125 per cent. We have passed 300 000 trips now and it's continually growing. It is popular and you do see more and more people using it. The ease of using the scheme has been looked at and how we can make that happen better is being investigated.

**CHAIR** - I think it's fantastic for tourists.

**Mr VALENTINE** - We could have used it last night coming back from the restaurant.

**Mr BITOSSİ** - However, if you are still out after 10 p.m., we do lock the system from 10 p.m. and through to 5 a.m. to try to reduce or stop that risk of people drink-riding because it still is an offence. There are a number of hurdles to come around, but it's a great scheme and we are doing quite well. We have presented previously to delegations from Tasmania in relation to the scheme and a lot of international visitors to the council are particularly interested. We presented to the Ambassador of Hungary who is just

about to integrate a scheme over there because their population is very similar to Brisbane.

**Mr VALENTINE** - What's the cost then? You get the first half an hour free, but what is it per hour after that?

**Mr BITOSS** - It's incremented per half hour up to if you took a bike out for more than 24 hours, which is \$150, for which you could buy a bike cheaper and that's some of the debate. What if I just want to take the bike? The idea is that the bikes are returned within the required time. It's not about taking your own bike and keeping it. I think an hour or hour-and-a-half trip, which would be for the majority of people who might go for a ride, is about \$6 or \$8. It's quite a small proportion and that's the idea of having so many stations. It is for someone who might jump on up the road here, ride around the Botanical Gardens, across the walk bridge into Southbank to the pool or something at Southbank. That's going to take you 20 minutes maximum at a leisurely pace. There's a docking station so you dock it there, go and have lunch or something and then grab another bike and ride around somewhere else around the place. It is designed for short trips. You do see quite a number of people in suits or business attire during the working day just for the fact that if they need to go here and here it's a long walk and the cab is going to take forever to do the block because of one-way streets and so forth. Through the city there are a number of shared bikeways that are painted green stones along the road. There are signs to say that it's a shared roadway with cyclists.

**Mr VALENTINE** - In Paris they are free but they lose a heck of a lot. I think there was a quote of 30 per cent.

**Mr BITOSS** - They have lost a lot and there is a lot of vandalism and a lot of student revolt was around that. We have officially lost one bike in the scheme.

**CHAIR** - Really?

**Ms RATTRAY** - They probably know where it is though.

*Laughter.*

**Mr BITOSS** - CityCat missed it the other day.

*Laughter.*

**Mr BITOSS** - There is vandalism but it is very low. It might be that someone kicked a light off at the back of it or sponsorship stickers being torn off or something like that. In the system, all the bollards are GPS-recognised so they know if there are bikes parked at the stations or not. In the mornings we have forced distribution provided by the contractor, JCDecaux. They will collect bikes from where stations are full, remove bikes if stations are full, because they know that in the morning, that's where everyone rides into to park their bike to start the day. They'll take bikes from there and so there's a constant dispersing and taking and putting back of bikes within the system.

**Mr VALENTINE** - To keep it even, yes.

**Mr BITOSSİ** - All the bikes are registered and they pull bikes off to go and be serviced under regular service maintenance, which is all under the contract. Bikes will then go into their workshop facilities to get maintained, get upgraded or any minor maintenance requirements. There is a seven-year life on a frame so at seven years the frame gets taken in and replaced. It's not just that there is a bike there and it goes until it breaks; it does have a maintenance schedule that works with it.

**Ms VIVIAN** - Talking about advertising, commercial activities may be a way that you can reduce your cost of terminals. We allow our operator to advertise on our CityCats and we share the revenue. They sell water bottles on board; we share the revenue. We also allow them to charter the boats when available and you may look at advertising on the terminals as well. There are some other revenue streams that you can look at.

**CHAIR** - To help with the maintenance costs.

**Mr BITOSSİ** - I guess the major advertising scheme, 19 boats compared to 1 000 buses is not a major appeal for advertising whereas there are some schemes, say TVs where particularly if the terminals are around small businesses that's an opportunity.

**CHAIR** - Thank you both very much.

**Mr BITOSSİ** - Thank you.

**Ms VIVIAN** - Thank you.

**DISCUSSION CONCLUDED.**

DISCUSSION WITH Mr GREG BALKIN, TRANSIT SYSTEMS, AND Mr RICK METCALFE, OPERATIONS MANAGER, BRISBANE CITY COUNCIL.

**CHAIR** - Thank you, Greg Balkin and Rick Metcalfe from Transit Systems - sort of.

**Mr BALKIN** - Stradbroke Ferries.

**CHAIR** - I know you say Stradbroke Ferries.

**Mr BALKIN** - We're a subsidiary of Transit Systems.

**CHAIR** - Thank you. You know of course Rick has already presented to us to our integrated transport options inquiry talking about ferries and you have made a submission to us, which was very much appreciated. I understand that today you would like to talk to us about a possible or potential service? No. I don't know what you're going to talk about then. You are looking very blank there, Greg.

**Mr BALKIN** - Rick is very much involved in the project and dealing with our directors on possibilities. We have a very large fleet of vessels, some of which are available nearly immediately so they can be deployed on new projects. We are certainly looking to understand where you are on your time line and how we can tap into that time line by providing some of our expertise, which is quite considerable, both in a bus environment and a ferry operator environment.

**CHAIR** - I should say from the start, Greg, that we are purely a committee of inquiry, so we're not in a position to look at a potential service or service providers or any of that sort of thing. What we are trying to do is get information because, as you know, the only public transport system in southern Tasmania at the moment is buses. We think there might well be room for other modes of transport - ferry, light rail, whatever - and as a committee we are set up to get information and make recommendations accordingly to the state government. We are certainly not a decision-making body, we are an investigative body that then will make recommendations so, taking that into account, please speak to us.

**Mr BALKIN** - To put into context, Transit Systems itself is a very large operator of transport systems in Australia. We have 726 buses deployed on government contracts in Perth and also in Adelaide. We were recently awarded a contract for 200 buses in the western area of Sydney, Liverpool-Parramatta corridor. It's a bit of 'return to the future' because our owners actually had bus operations in Sydney many years ago. It's very much an evolving business. Our success has been on providing quality products to people in an innovative way.

I have run some really large businesses and recently I was running the CityCats and CityFerries in Brisbane through a significant growth phase. That was successful because of the buy-in from the local government and support from the state, which allowed that business to grow quickly. It was integrated as much as possible with the ferry business and with the local buses. That's where our success has been; wherever we have dealt with governments we've been able to work in partnership with them.

It's a matter of getting back to the basic principles of what people want and you have to be able to compete against other modes of transport, particularly the private car, which is very, very difficult, particularly if there is a very diverse travel pattern. If you have a large number of people going to a single destination because of a commercial precinct, or hospital, school or university, it makes the task a little bit easier. When you have to consider a wide range of competing products like - I've had kids and we've probably all had kids and we know how the taxi works in the morning trying to get people to various things that they do and then the afternoon you could never provide a transport network that can deliver that sort of personalised transport, unless it's a private car or some sort of government-subsidised taxi service.

In recent times I've been working with Transit Systems, both in the Gladstone operation, which Rick now looks after for me, but locally we have now purchased a very large ferry operator adjoining our business, which is Stradbroke Ferries. We're going through an integration process now of the two businesses. In Brisbane we have various products, such as Stradbroke Ferries' large barges, which takes cars and trucks across to North Stradbroke Island; we have a fast ferry service which operates on a similar sort of route, but caters for passengers who walk on; we have barge operations on Southern Moreton Bay Islands, which again has a different demographic; it's very much a residential community and not a lot of commercial activity on the islands, so it's people who travel to the mainland and that's where we interface with Translink buses at Redland Bay, and again when we build our timetables they are very much based on how we can make the best connection with the desired mode of transport and in that case it is the buses, and the buses link with the trains. It's a total network. It's very hard to get an ideal solution and I'm by no means saying that what we have now is an ideal solution, but it's evolving. We also operate the Moggill ferry -

**Mr METCALFE** - There's a car ferry that we have on the upper reaches of the Brisbane River.

**Mr BALKIN** - It's a cable ferry which must be 39 metres long and very, very old. We are going through a process now of designing a replacement barge and that contract is with Transport and Main Roads.

We have such a wide range of contracts. The Gladstone ferry contracts are very commercial. They are with large LNG proponents up there. With the Moreton Bay islands we have semi-subsidised fares with Transport and Main Roads where we get revenue forgone, as far as pensioner subsidy top-ups.

**CHAIR** - I was going to ask you to talk to the hearing about that because that's not part of the subsidised Translink whole; it's a private operator, isn't it?

**Mr BALKIN** - It's totally commercial. We have a contract with Transport and Main Roads and the only funding we receive from Transport and Main Roads is the revenue forgone by providing social benefits to people.

**CHAIR** - There's no other subsidy, just the concession top-ups.

**Mr BALKIN** - Correct. It's a non-exclusive contract, so the government can issue another operator a licence to operate, but it must be on the same conditions that we operate on, so

that keeps some goodwill. As you can imagine it's a pretty capital-intensive business with ferries and you always need to be in it with a view of what is going to replace this fleet when it has reached its age. That is where we are very strong - in the procurement. We are building currently \$95 million worth of vessels, which is a lot of money, for Gladstone. That includes five 400-passenger vessels and you can see that the larger ones are at Sydney. We took one of them down to Sydney to operate on the Sydney-Manly run. We had four of those and they are about \$8.5 million each. We have a paramedic vessel, which is the red one in the middle, specially designed it interfaces with the stretchers from the Queensland Ambulance Services. It's set up with three stretchers, it has -

**CHAIR** - This doesn't look like the one you have on Moreton Bay.

**Mr BALKIN** - No, this is the 'before' and 'after' photos. That one's name is *Duffy* and it has a long story, but the history is that that was Simpson's donkey in the First World War. That makes a lot of sense because it is actually evacuating people off the island. It has a very nice feel to it.

**Ms RATTRAY** - Nice connection.

**Mr BALKIN** - We built a purpose-built ambulance vessel, we've built eco-jet boats for Gladstone, taking into consideration specific marine protection requirements and so we're probably at the cutting edge as far as designs. If I get a chance to play a short video, these vessels that we are designing now are world-class vessels as far as efficiency goes, built for purpose and the ones from Gladstone have large uplift capacity of 400 passengers each time. The ones on Moreton Bay have been designed specifically for potential strikes of dugongs and turtles and so they have very rounded hulls, jet propulsion and are designed specifically to be low-impact. We have an older fleet which these ones are transitioning out of the fleet.

We've got a wide range of vessels but our strength and of any partner for the Tasmanian government would be a partner who can provide innovation but be cost-sensitive at the same time because I've been in transport for over 40 years and I haven't seen many operations that can be totally substantiated through the fare box. Normally there is some sort of government or social obligation because there is an expectation on certain levels of service.

You can't expect someone to catch a boat if it's going to be every two hours or if it meets their forward movements it has to meet the return movements, otherwise you are not going to go. There are certainly buses.

This is transport and you can put a survey out in the market place and you know what the answer is going to be. People want more services, they want it cheaper, they want it longer at night time - it's all predictable. Whether it is Translink or whether it's a private operator, and you've got to work within those constraints because it has to be sustainable both from the environmental and also from the financial perspective. Again, with the contracts we are very familiar with everything from totally commercial operation to a government-funded, cents-per-kilometre arrangement.

**CHAIR** - Greg, it is interesting that you can do it, that you can run a purely commercial service at the Moreton Bay ferries. How do you do that when the CityCats are obviously very heavily subsidised?

**Mr BALKIN** - Our cost structure would be probably somewhat less than the CityCats. We are the only ferry operator of any substance in Australia which actually has its own vessels. We don't manage other people's fleets. Every vessel you see of the 29 we have is fully owned by the company. We've got control over the vessels, we've got control over the maintenance programs and we've got a long-term forward plan.

We are not just looking for the contract term, we are looking beyond the contract term. For example, for the Moggill ferry the contract term is now in an extension. We see that there is a need for a vessel so someone has got to make the decision. You can't just wait for the end of the contract term and then say we'd better get a boat, so we are working with Transport and Main Roads on a replacement vessel. It's all about cost so we are making those commercial decisions.

With the ferry operation on the Southern Moreton Bay Islands, any fare movements have a significant impact on the residents. The demographics on the islands change somewhat if you change the fares. It affects the rentals on the islands because people who may be either retirees or people who are on welfare benefits and who are not working and who do not need to travel tend to find that island lifestyle very appealing and don't travel to the mainland.

Where the fares are cheaper or the employment market is strong you get a different demographic moving to the islands. The people who are looking for a lifestyle have got a solid position on the mainland and they can afford to pay. If we put the fares up on Southern Moreton Bay, we will probably get a fare reduction in our revenue because we have less people travelling. It's that price-sensitive.

We have incurred significant costs with manning level changes that have been imposed by various regulators. We have had an impact of the changes to the fuel excise which was introduced recently. We have impacts from increases in rental charges for land from councils.

We have all those things we are competing against, so we need to be very, very efficient to keep the fares to a level but also to be able to have sufficient funds to reinvest in the future because - these boats probably have a 15 or 20-year life span I suppose - technologies change so much. You've got to look at a continual improvement to get those technological advances.

The answer to your question is: yes, it's commercial. We are making a reasonable return on those services. We would like to do it cheaper. We would like to be integrated with Translink because that's where the benefits flow from an integrated transport network. We can provide connecting services to Translink services but when the passenger pays us the fare they are picking up the tariff, the flag fall, on the trip. Then they join the bus and there is also then the first section fare. Once they get past the first section fare the incremental increases are quite modest. To be able to add a product or be involved with a Translink model would add tremendous benefits to the community because it gives a wider reach for the integrated ticket.



The integration is there as far as operationally, but I think the next step is - not pre-empting what any government may say - it makes a lot of sense. If there is a bridge across to the islands and there is a bus going across there, it wouldn't be a question; it would be part of Translink similar to other areas and the Sunshine Coast. We can work within any sort of financial model. As a company we have to make sure we retain the viability, otherwise no-one benefits from it.

**CHAIR** - Absolutely.

**Ms RATTRAY** - Greg, what about the infrastructure that supports the ferries or the vessels that you have?

**Mr BALKIN** - Traditionally they are owned by the state.

**Ms RATTRAY** - Yes, pontoons. You don't have any role in those or you don't own any of those?

**Mr BALKIN** - We do. We have some sites that are either on long-term lease to us from council, which is the Toondah Harbour site and we have a stern loader, which is a facility to load cars onto a barge. We also have two major ramps -

**Ms RATTRAY** - This particular vessel has its own ramp and it doesn't need a pontoon by the look of it.

**Mr METCALFE** - That is particular to Gladstone because of the operational needs up there.

**Mr BALKIN** - That's being used in Gladstone - it's probably been now exited out - but because they are building the LNG projects on an island they needed to have the trucks and personnel to get across there to build the wharfs and the pontoons. We're getting to the point now where the wharves and pontoons are being built and now we are transitioning from - you see that beach landing ramp, it's transitioning to the vessels like the ones on top. It's a construction phase. Certainly that sort of technology is quite easily applied to a remote area where there is no wharf. Obviously we try, where we can, to provide disability access to people. When we design our boats we design them to disability access compliance requirements as much as we possibly can.

**CHAIR** - To the latest?

**Mr BALKIN** - As of 31 December the new level guidelines comes in. We are installing hearing loops and the rest of those subtleties. There are some things that we are still struggling with as far as tactile plates and so forth. Lighting is also a little bit subjective. If you have too much lighting in your cabin you distract from the master's and crew's ability to see things outside the cabin. There are all those things you need to balance, but we're proud with our track record, with the new boats particularly. We work with council. Council owns or has responsibility for the passenger pontoons on Southern Moreton Bay Islands. We are working so well with the council that in one instance particularly we're looking at rolling out CCTV cameras on pontoons, not owned by us, but working with council to be able to move that along. It's a way of us providing a safer

environment for our passengers. You have anti-social activities like most places do and it's a matter of trying to make it as safe as you possibly can.

We've worked in environments where the government provides the infrastructure and we've worked in environments where we own the infrastructure or we have the investment. On Southern Moreton Bay Islands we have a stern loader for the barge operations and the passenger ferries are the council's. There is that blend. Whoever has ownership or has an ability to push forward with it, we can work with them.

**Ms RATTRAY** - Would your company look at providing pontoon facilities?

**Mr BALKIN** - Yes, we have the capacity. We would work with designers, we're not a builder of pontoons, but there are some specialist companies that we would work very closely with. In Gladstone we worked very closely with a range of contractors because there are three, potentially four, LNG projects in Gladstone, all of which have a different structure of ownership, you might say. There are some crossovers, but we work with the various stakeholders to provide a critical evaluation of the design and the practicalities. We as the operator are the ones who have to do it. You can have designs that look really good -

**Ms RATTRAY** - But they don't function with your vessels.

**Mr BALKIN** - Exactly. It's important to get the right height, the freeboard height and making the docking of the vessel as safe as possible. There are a lot of competing priorities, costs to the client, the safety is paramount in our view and there are some very different operating environments even in Gladstone. Some are more exposed than others and some are not. We have a need now to procure two vessels out of Greece, two very large 80-metre boats, so they will be making their way from Greece, again because of the need to provide a product to our client and that was the most effective way of doing it. We can either build or we can buy. We'd prefer someone else to pay.

*Laughter.*

**Mr BALKIN** - We're a very progressive company.

**Ms RATTRAY** - As an aside, about the vessels you are getting from Greece; was that type of vessel not available in Australia? I am interested because I like to shop locally if I can.

**Mr BALKIN** - Yes, we'd love to shop locally. In fact, most of those vessels there that you see on the front page were built in Brisbane.

**CHAIR** - Are these the two new ones you launched earlier this year?

**Mr BALKIN** - That's right, yes.

**CHAIR** - They were built here, weren't they?

**Mr BALKIN** - They were and their three sister ships were built here as well. We've built all of the jet cruisers for Moreton Bay; we've built all of the larger vessels and the

paramedic vessels were built in Brisbane by Aluminium Boats Australia, all working in Gladstone or on Southern Moreton Bay Islands. We did have a journey where we built three vessels in China. They were 80 metres long - massive boats. We had a disappointing result with that in that the company that was building it went broke. We have a beautiful boat sitting in Dalian, China that is three weeks from being finished.

**Ms RATTRAY** - You can't get it out?

**Mr BALKIN** - Can't touch it.

**CHAIR** - That will teach you to shop locally.

*Laughter.*

**Mr VALENTINE** - When you want a 120-metre ones, just go to Incat.

**CHAIR** - Or 80-metre.

**Ms RATTRAY** - Thanks for that; I know it's a bit outside -

**CHAIR** - But we didn't hear the answer. Why are you buying two boats in Greece?

**Mr BALKIN** - We looked at building these vessels in Australia because we are an Australian company, we've got three owners who are all Australian family guys; we don't have shareholders overseas; we have nothing impeding us on our decision-making process. We looked around Australia; it's very hard to get large steel ship-building capabilities in Australia at the moment. The time lines that we were talking about building locally didn't fit what the project time lines were at the time. That has somewhat changed. The decision was taken under advice to build in Dalian, through a Korean shipyard. Like most things, you get promised a lot of things. We want to deliver a product to our client and the only way we can do that is to walk away from the boats in China until such time as the situation is resolved because bankers are involved. There are a lot of stakeholders. I have never dealt with people in China; gladly not; other people do that. It's very difficult to get a resolution.

In answer to your question, we'd love to build locally. We may well build the Moggill ferry locally.

**Ms RATTRAY** - Do you think at the moment you're effectively holding up the Greek economy?

*Laughter.*

**Mr BALKIN** - I think we're getting a few applications from Greek crew now who want to come out and work. That's where there are class requirements in Australia and certain internationally recognised ship-building, construction and so forth, and these vessels were available because we followed the situation in Greece. We had a need to meet our clients' needs in Gladstone. They need to move massive amounts of trucks and stuff and that was a solution. You can build in Tasmania.

*Laughter.*

**Ms RATTRAY** - We know. Thank you; that was interesting.

**CHAIR** - Going back to the terminals, we had a very interesting hearing just before you from Brisbane Council and Robert, in particular, was talking about the increasing burden of DDA compliance and how many of the terminals are now not going to be compliant with it. It was 20 or something.

**Mr METCALFE** - That's right.

**CHAIR** - That sounds to me like a bit of a concern.

**Mr BALKIN** - It could be. It's very difficult with the tidal range to meet those gradient requirements.

**Mr METCALFE** - That's where we're lucky in Tasmania with 1.3 metres maximum tidal range.

**CHAIR** - Isn't that Brisbane River as well?

**Mr METCALFE** - It's 2.7 metres.

**CHAIR** - Oh.

**Mr BALKIN** - If you look at the river, you would have seen the Riverside terminal.

**CHAIR** - Yes.

**Mr BALKIN** - To me, that is a very well designed, practical facility. However, if you look at it, it probably doesn't meet DDA requirements, which is astounding. It's quite funny, a bit surreal, when you get off a boat - and I did it for a long time - and most of the time you walk up.

**CHAIR** - Yes.

**Mr BALKIN** - But when it's very high tide, you're actually walking down to the walkway. It's really quite funny. It doesn't seem right. That's the tidal range in the Brisbane River. A lot of places are like that. I think it's a matter of - I don't think there's a facility unless it's going to be about 28 metres long and running along the bank that you're going to be able to get that gradient. We've got two passenger terminals that are actually owned by us - one on Dunwich on North Stradbroke Island and one in Cleveland. We are working now with the designer to try to take it to the next step as far as design. That may mean a longer walkway. We own the property so we can get a lot longer, graduated walkway but there is still that tidal movement issue.

**CHAIR** - It's the tidal movement, yes. Your pontoon, your wharf has to go out further but Robert was saying that one of the new compliance measures is that every 15 metres there has to be a rest place so you can have a long pontoon out, or a long way out to the

pontoon, but every 15 metres there is going to have to be a rest stop so that a person in a wheelchair can rest, so that is going to make -

**Mr METCALFE** - Because currently all the ramps are just a long corridor.

**CHAIR** - As long as they are 1 in 14.

**Mr METCALFE** - That's correct yes.

**Mr VALENTINE** - They've got a rest stop, yes.

**CHAIR** - You know you are going to have a rest stop every 15 metres.

**Mr VALENTINE** - A flat area for a person in a wheelchair.

**CHAIR** - Yes, a flat area.

**Mr BALKIN** - Which could end up under water at very high tides. As you know, there is a whole range of all that. We can certainly ensure that our vessels, wherever they operate, meet the local and federal requirements but it's still a bit - what happens when the person gets off the ferry? Is the roadway accessible? Is it accessible all the way to their home? Is every bus stop accessible? It's a whole range of things.

**CHAIR** - Yes, absolutely.

**Mr BALKIN** - The mono-hull ferries in Brisbane would be totally cost-prohibitive to make them accessible because of the turning area in bulkheads at the front of the vessel. Is that correct?

**Mr METCALFE** - That's correct.

**Mr BALKIN** - Whereas the CityCats, I think, are probably at the top end of practical design.

**CHAIR** - Yes. We all had a ride yesterday so that was good.

**Mr BALKIN** - It's a great experience.

**CHAIR** - The other issue raised this morning or yesterday which I found interesting when we were talking to Translink as well was about some of the new wharves now being developer-funded rather than paid for by government or the operator or whatever.

**Mr METCALFE** - They've been doing that for quite a while now, yes.

**CHAIR** - Which sounds -

**Mr BALKIN** - Contributions from - I think Northshore would have been -

**Mr METCALFE** - The Northshore is the last one. That's for the new housing estate that is coming down there. One of the earlier ones would have been the Regatta, from the Regatta Hotel, where they put in. That was in 2004.

**Mr BALKIN** - There are certainly commercial opportunities. I know there were opportunities along the Brisbane River for commercial development like restaurants as part of the terminal but then sometimes you have issues with the amenity. People don't like it, they'd like to have their ferry next door but they don't want the ferry next door - not in my backyard.

**Ms RATTRAY** - It is called NIMBY syndrome.

**Mr BALKIN** - That's right. In some of the places, particularly on the Brisbane River and I'm sure it's the same elsewhere, there are some beautiful vantage points that lend themselves to a nice cafe as part of the integrative process.

I know it's very hard to have a park-and-ride because traditionally, particularly in some areas of Brisbane, waterfront properties are at a premium and it's very hard to dedicate for the council unless it has already dedicated land for parks or whatever to be able to provide parking.

Then you have issues - you have a ferry and then you have people who want to drive to the ferry, they clutter up the roadways and you have residents complaining because they can't get out of their driveway. That means that ferry terminals have to be designed to be within walking distance. I used to look at 400 to 800 metres. Beyond 800 metres it's a little bit difficult, particularly in a warmer climate, or have a bus service that provides -

**CHAIR** - And if you are in Hobart, which means you go uphill.

**Mr BALKIN** - That's it.

**CHAIR** - So 400 is good, 800 is bad.

**Mr BALKIN** - That's right. I think it depends a lot on the climatic conditions as well.

**CHAIR** - Yes.

**Mr BALKIN** - You say we have an efficient bus service, a bus service that can bring people right to the terminal and continue on its way and integrated ticketing, the whole thing that makes it totally seamless. It's not much use delivering someone to a park and then having to walk through the park and in darkness; it's a difficult situation. I think there are a lot of opportunities, particularly in green field sites, to put commercial developments in - cafes and [inaudible] precinct.

**CHAIR** - I think the Northshore Hamilton one it is actually land developers putting blocks of units up that are funded by -

**Mr BALKIN** - That's right so you are growing your patronage right on our doorstep and the competing roadway at the back, Kingsford Smith Drive, is particularly difficult even with the current levels of traffic let alone introducing a large-scale residential development right at that doorstep.

The CityCat makes a perfect solution although it won't move the same number of people as you would with three or four buses but then you lose more road space. One thing about the CityCats is that you can generally see them coming a fair way away. There are very few impediments on them. You might have the odd fog a couple of days a year in Brisbane but generally you don't have the same impacts; you don't have traffic congestion or traffic lights. It's really a corridor that provides a very efficient way of getting from A to B. You don't have to build or maintain pavements. We've certainly got pontoons but they're the same as a railway station or a light rail station. That's the infrastructure provided. It's a very low-cost way of getting from point A to point B..

**CHAIR** - It's been raised a couple of times that Brisbane River is very different to the Derwent River, particularly at the lower reaches.

**Mr BALKIN** - The weather.

**CHAIR** - Yes, and Rob keeps saying we need a fair amount of - what?

**Mr VALENTINE** - Freeboard.

**CHAIR** - Freeboard.

**Mr BALKIN** - We operate across to North Stradbroke Island which is a seven kilometre -

**Mr METCALFE** - A stretch of water very similar to the Derwent.

**Mr BALKIN** - A big stretch of water; the prevailing winds are south-east and it just blows. There is no impediment for the wind gusts coming right up through the broadwater. There are significant waves, significant winds and we operate an appropriate vessel for that, which is a 24-metre, 150-passenger, high freeboard catamaran.

**Mr VALENTINE** - It is a catamaran?

**Mr METCALFE** - Yes. All the vessels are catamarans.

**Mr VALENTINE** - What length?

**Mr METCALFE** - 24.99.

**Mr BALKIN** - 24.5 metres.

**Mr VALENTINE** - That's long enough to get over the swells.

**Mr METCALFE** - Yes.

**Mr BALKIN** - Yes. It's a very high freeboard. Even in Gladstone, it can be very prone to bad water.

**Mr METCALFE** - It can be, yes. It's very susceptible to it.

**Mr BALKIN** - I'm not sure whether there's a picture in there but we have a boat, a big passenger and vehicular ferry, called Big Red Cat.

**Ms RATTRAY** - You've talked about it but I don't know whether there's a picture.

**Mr BALKIN** - There is a whole range of photographs we sent through to you. She is a large vehicle ferry. We have a range of vehicle ferries and some of them carry up to 400 passengers.

**Mr VALENTINE** - What page are we on?

**Ms RATTRAY** - We don't know.

**Mr BALKIN** - It's probably on the video. We had to take her off service a couple of weeks ago on a Friday because the wind gusts were 50 knots. Her windage, which is a side profile of the boat, is just like a block of flats.

**Mr VALENTINE** - That's the issue we've got. We get cross-river winds. Going up might be different but it's certainly a big issue. It's almost instant. The winds are so varied so you need -

**Mr METCALFE** - That's right. The Derwent is laid out north to south but what you're looking at is the westerlies that come across that have the greatest effect.

**CHAIR** - Across Storm Bay.

**Mr VALENTINE** - It catches out regulars who know the river. It's not uncommon for them to be caught out with weather conditions.

**Mr BALKIN** - Exactly. The same things apply to us as well. We monitor the weather regularly. Our operations control centre is at the departure point. We can look across seven nautical miles to where the destination is. We have AIS tracking of the vessels so we know where the vessels are at all times, the trajectory and speed and that sort of thing. We cancel a degree of cat services. She carries 58 cars, so you can imagine the impact when you take one of those vessels off on a Friday afternoon going to Stradbroke Island.

**Mr VALENTINE** - Yes.

**Mr BALKIN** - The advantage we had with our other fleet is that we had two other vessels operating to North Stradbroke which had a lower profile, so we were able to either defer passenger travel until the next day or later on the hope that the wind was going to abate, or move some of those people with spaces available on to the other vessels that didn't have the same wind issues. So we were able to continue operating. It's a matter of having an operator that has the flexibility to be able to make those decisions. They're our boats and it's our commercial decision; we won't put safety at risk.

**Mr VALENTINE** - The overall cost of running obviously would be higher with those sorts of vessels compared to say, a CityCat here, wouldn't it?



**Mr BALKIN** - Yes.

**Mr VALENTINE** - Significantly?

**Mr BALKIN** - Significantly, yes. The 400-passenger vessels and the smaller ones are all jets. The big passenger ferries have four engines. You can imagine what sort of fuel they use. They travel at 25 knots because they need to travel at a lower speed. They can do 30 knots plus but they're governed down to less than 25 knots. The traditional vessel; if you compared the top right-hand corner, is the same size as a CityCat, about 24.99 metres. She's aluminium so it's very similar with a similar carrying capacity. Her fuel usage would probably be about 20 more than a CityCat.

**Mr METCALFE** - Being a jet boat, yes.

**Mr BALKIN** - Again, if there weren't the marine environmental issues associated with that particular waterway with the dugongs and turtles, we would probably operate a propeller boat, which we have for years. Because of go-slow areas that are being introduced to protect the marine life we needed to look at a solution to be able to operate at speed and that solution was through a working group that involved naval architects, marine experts and hull and engine designers to deliver a boat that can move through the water and push a pressure wave forward that tends to move out of the way rather than slicing through. That comes at a big cost. The Queensland government, through Transport and Main Roads, did provide some funding for each of those vessels - a proportion of the build cost because they saw that it was necessary to maintain transport to and from the island. Doing 6 knots you take a picnic lunch and a sleeping bag to go the distance.

In the Southern Morton Bay Islands, our first island is 25 minutes distance, so it's about - what's that?

**Mr METCALFE** - Yes, 25 knots, you are going to get there in about 18 minutes.

**Mr BALKIN** - Again, we have a wide range of operations because once we leave the mainland we have 25 minutes of speed and then we go to a series of islands and then come back. That is similar, but not the same as a CityCat. It's very much more open water, so it's prone to probably more issues, although I've seen a lot of wind at times on the Brisbane River and you think, 'How did that get there, pushing boats up against the pontoon?' It is amazing when a westerly comes through.

**Mr METCALFE** - From my own personal experience, I drove the SeaCats for a very long time, so I can vouch that that is exactly what happens on the Brisbane River, so it's not too dissimilar to the Derwent in that regard; in those environments it is very similar.

**Mr BALKIN** - It is side on because most of the major pontoons -

**Mr METCALFE** - Because of the way the Brisbane River is very winding, unlike the Derwent. The Derwent does become winding in the upper reaches, but it is more laid out straight, whereas the Brisbane is very winding, so you are coping it from all directions and that's how it was as an operator.

**Mr BALKIN** - It gets back to the operator who can work with the contracts or the government to provide a solution. Not every boat in every area is going to be plug and play.

**Mr METCALFE** - We do have propeller-driven boats in our fleet too that are not being used at the moment, so we have those available.

**Mr BALKIN** – Again, with a fleet that is totally owned by ourselves, we have flexibility with availability. In this sort of business I can imagine there is going to be a ramp-up period. You do not change people's opinions and travel patterns overnight; they have to feel comfortable that the service is reliable, that it's going to be there every day when they go down to the boat, on time and it is going to get to where they want to go safely and there is going to be a service to bring them home. If you cannot provide that you are not going to get anyone out of a car. You need to have a fleet that is not going to be - if this was my money I would be saying, 'Let's start off in a modest way to get it right and then grow the business.'

We looked at doing some route designs and some timetables, but it's a matter of understanding what the people need and want and let it grow. With the CityCats, for example, the network grew so much - when I was there the passenger levels grew 78 per cent in six years - enormous growth, and that's because the timetable was predictable, it was the same basic timetable every day of the week, with supplementary service coming out at peak times. It was so easy to understand. As new stocks came on line you built that into your timetable, so there were improvements. Every time a new boat was delivered a new timetable would come in with improved services. That is what people are looking for, a predictable, reliable service that's going to be there all the time.

For our North Stradbroke Island service we have two boats: one in service and one sitting at the wharf in case, because people don't want to get to a location and someone's put a sandwich board up saying, 'Sorry, mechanical failure.'

**Ms RATTRAY** - No service.

**Mr BALKIN** - That has destroyed all the marketing and all the good relations that have been built by government instantaneously without having a solution, or a bus service arranged to take those people, or making that investment in customer service to make sure that the passengers are not disadvantaged. That is what is needed - a service that is going to attract people.

**CHAIR** - One of the interesting things that has happened in Hobart in the last six months, I suppose, partly as a result of talking about ferries and the publicity that Rick in particular has raised through the media and so forth is that the man who has been operating the water taxi for quite a long time has upgraded. He has now replaced his water taxi with a nine-seater? A 14-seater?

**Ms RATTRAY** - A 19-seater.

**CHAIR** - A 19- seater and he is just bringing on line in the next month or so a 35-seater as well, so he is going to be running a service just across the river from Bellerive and

Lindisfarne to Hobart docks and probably also across to Wrest Point for the schools and possibly the university market.

**Mr METCALFE** - It would be, being so close to it.

**CHAIR** - Absolutely, yes. That is going to be interesting and I think it is probably because of the interest in ferries that he has decided to make that investment and trial it. How successful that is going to be, of course, I do not know. It is, as you say, always a bit of a marketing situation as well. If you do not market it well and get the patronage then it is not going to be a viable service.

I understand that currently he certainly does not have any subsidy from the government and is not integrated with the current Metro bus system. They would be things that obviously he would be looking at down the track.

One of the things we have looked at is the significant opportunities a little further down the river at Blackmans Bay, Kingston, Bruny Island and South Arm but we understand that there is significant infrastructure needed. At South Arm, Rod Howard is not running a water taxi service - what is it going to be called? Hobart Ferries?

**Mr METCALFE** - You have the new ferry tongue jetty that has been built at South Arm.

**CHAIR** - He says it is too exposed?

**Mr METCALFE** - It is exposed.

**CHAIR** - He would not be able to guarantee that he could dock there quite a lot of the time.

**Mr METCALFE** - Something like a training wall or a break wall beside that, which is not hard to do, would be very easily achievable and give it the capability for ferries to run there. We have had the same at Moreton Bay at Redcliffe - they have an exposed situation there and that is exactly what they have done. They have put a wall out the front of it and the barges and ferries use that now.

**CHAIR** - That is right and that is what Rob has said too.

**Mr METCALFE** - It is very easy.

**CHAIR** - We will need a breakway.

**Mr VALENTINE** - Yes.

**Mr METCALFE** - It is not an expensive thing and it is not a great damage to the environment to do something like that.

**CHAIR** - Who would do that? Like the government, there would be a significant cost involved I would imagine.

**Mr METCALFE** - They would delegate this to TasPorts, who have the *Kulanda* and all those vessels that could do that sort of work, so they could undertake that work without

any question. There are other private operators down there who could do it. A lot of the dredge operators are capable.

**Ms RATTRAY** - They have not been able to get it operational on King Island, a break wall.

**Mr METCALFE** - No. King Island is a much different sort of situation.

**Ms RATTRAY** - You mentioned TasPorts having the capacity.

**Mr METCALFE** - Yes, no. They do have the capacity but the thing is that the *Kulanda* is not the sort of vessel you are going to be wanting to send over to King Island. It is a ports vessel.

**Mr VALENTINE** - Yes. It is a flat-bottomed thing.

**Mr METCALFE** - It is basically one of our barges.

**Mr VALENTINE** - A pile driver.

**Mr METCALFE** - It is like South Arm - that can be easily achieved. Opossum Bay is not too badly exposed there, so that is in a pretty well sheltered area. Even Dennes Point is accessible for the size of vessels we have, that would easily achieve those areas.

**CHAIR** - And the wharf at Dennes Point?

**Mr METCALFE** - At Dennes Point? I see recently it has just been downgraded from 150 tonnes to 100 tonnes capacity but it is in a good position and it is well catered for passenger use.

**CHAIR** - Would it be able to be used now?

**Mr METCALFE** - Yes, I could use it tomorrow without any problems. It is well set up. I have personally been on it. I have taken photos of it, I have been all over it so go and check it out.

**CHAIR** - I had a trip down Sunday a week ago on the seaplane down to Dennes Point for lunch from Hobart, which was fantastic, but we landed on the water and had to step off the pontoon of the seaplane through the water and on to the beach.

**Ms RATTRAY** - Gumboots.

**CHAIR** - Well no, we were going for lunch so I took my shoes off, yes.

**Ms RATTRAY** - Barefooted.

**CHAIR** - That was really good but you can see that kind of service would have potential.

**Mr METCALFE** - In our fleet we have a larger vessel, a 35-metre vessel that would be more than suited for operating between Bruny and up to Hobart and be able to stop. The only thing is there are limits of course because of the size of the vessel for things like the

salmon farm, so having the wall put in for protection would be good but simple things like driving a couple of extra piles for the vessel negates the fact that it has to actually touch the jetty. The jetty has a limit of 30 tonnes. Our vessel is 105 tonnes, so to negate that there are a couple of piles and then you can go alongside. The same at Opossum Bay; it has a 70 tonne limit. Again, a couple of pile;, they are not that expensive to do, so you have something to go against and operate safely. We can also look at operating out of Battery Point if there is a need for patronage to go from there into Hobart to Sullivan's Cove; we can operate from there. We can even extend it down to Kettering, if people want to go from Kettering to Dennes et cetera.

**CHAIR** - What sort of time frame are you looking at?

**Mr METCALFE** - This vessel has a top speed of about 35 knots. Going from Dennes Point into the city, including stops, you would be looking at 25 to 30 minutes.

**CHAIR** - That's quick.

**Mr METCALFE** - That's quick, yes. If you did it by car from off the island it takes you an hour and 11 minutes to get in your car, drive, get onto the Mirambeena, go into Hobart, it takes a substantial amount of time.

**Mr BALKIN** - Over a two-way journey.

**Mr METCALFE** - There is another advantage. I was talking to a couple of the residents on the island and they were saying that in the mornings they have all this island produce that they have to get into Hobart pretty quickly. This vessel has the capability of having a cold room on board, which means we could transport that up as well. We could get into Hobart much quicker than they could normally and then for the residents on the island who come back with their shopping and who are living on the island, put it in our cold room.

**Mr VALENTINE** - That's a good idea.

**CHAIR** - What would it take for someone like Transit Systems to want to come and do that kind of service?

**Mr METCALFE** - This is Greg's part.

**Mr BALKIN** - I'm not the financial modeller by any means, but obviously it has to be able to cover costs. I think that without committing the company too much, we would certainly look at partnering with stakeholders to introduce a trial service. We do have vessels. We have the 35-metre vessel Rick was talking about and we have some other vessels that could be deployed very quickly. It's a matter of there's a lot of models that have to be put in place where it's a costs plus arrangement, where there is a revenue and hopefully as the revenue grows the costs stays the same and eventually the revenue is self-sufficient.

As I said earlier, there are not many of those models around to be able to provide a cost effective solution. You would need the support of some sort of government. I feel confident that our company would love to partner with the Tasmanian Government. It

has to be viable for us otherwise it doesn't make any sense. I'm sure that we could put a very effective solution in place that is a win-win for everyone.

**CHAIR** - We'll pass your message on.

**Mr BALKIN** - As I said earlier, we work within a lot of different models. To me in a start-up business, a cost plus arrangement, so the operator knows his costs are covered with probably a very small margin and then as the patronage grows, the revenue grows and hopefully reaches close to being where the costs are, so the government's contribution is reduced.

**CHAIR** - That's not the case in most public transport, as you would be aware, and we have heard in the last day or two that CityCats operates on about a 30 per cent cost recovery. We don't have a government at the moment that has money coming out of its ears, so that is a fact of life.

**Mr METCALFE** - One of the things I have taken from the CityCats that I would like to apply is that it's not just a commuter service, it has the tourism factor as well. It's a combined service so you are showcasing Tasmania to the million or so people who come through Hobart every year. Those people say, 'I'm here, now what? We've gone to the major attractions, let's jump on and go down to Bruny Island or let's go up river and we will go up to the Entertainment Centre or MONA'. This is why the boat that is running to MONA is doing exceptionally well. In the first three months of operation the boat carried 45 000 people on it, so people want to do this.

**CHAIR** - He is charging them a reasonable price, it's not cheap.

**Mr METCALFE** - Yes, \$15 return.

**CHAIR** - \$20 I think.

**Mr BALKIN** - This what it was with the CityCats; you have the commuter peak in the morning and as the commuter peak is coming off you have your tourist peak, and that runs through to about 3 o'clock and then you have your afternoon commuter peak, so it's a beautiful model. If you can develop a model like that with complementary patronage - one of the boats that Rick was talking about has an upstairs open area with a bar and everything. She carries 250 people in luxury. She's available. She just came out of deployment in Gladstone, so there are vessels around that can do the job. If you only think about running one boat in the morning and one in the afternoon, it's a very large cost to be spread across two journeys, so you try to develop your off-peak and weekend stuff as much as possible.

**CHAIR** - There is no way that the current population of places like Bruny Island and South Arm currently could make such a service viable. The population is just not there. You are talking in terms of potential, I suppose, or opportunity.

**Mr METCALFE** - But this is where the population bases would grow in these areas. If they see a regular, reliable service going to these places, that population base will then grow. We have only to look at the Brisbane River -

**CHAIR** - That's the risk.

**Mr METCALFE** - Yes, that's the risk. It's a little bit of build it and they'll come to it. It's a little like that but it does actually work. You only have to look around at CityCat stops at population bases - when you see the real estate blurbs, they say CityCat within  $x$  amount of distance. You then see the value of those properties go up.

**Ms RATTRAY** - We even heard that when they advertise property, there is a picture of a CityCat -

**Mr METCALFE** - Yes, about 99 per cent of the time.

**Ms RATTRAY** - In front of what potentially could be a new home.

**Mr METCALFE** - Yes.

**Mr BALKIN** - There are areas of Brisbane which were quite low socioeconomic, weren't they?

**Mr METCALFE** - That's correct.

**Mr BALKIN** - Industrial areas.

**Ms RATTRAY** - Like Bulimba.

**Mr METCALFE** - Like Bulimba.

**Mr BALKIN** - Now having the CityCat integrated across to Teneriffe, although it's a funny looking movement of boats. It now provides a cross-river service at the same time as people riding up and down.

**Mrs TAYLOR** - As we were on the CityCats yesterday, I think someone that was with us told us that it was \$1 million dollar apartments now.

**Mr METCALFE** - That's correct.

**Mrs TAYLOR** - On the waterfront at Bulimba.

**Mr BALKIN** - Well, more than that for the waterfront ones.

**Mr METCALFE** - Another aspect you have also with tourism is that not only do the tourists come on during the day - and this is wonderful as an operator myself, I always used to say if you like it now, come back again tonight and do the same journey because you won't think you're doing the same journey. You could apply that same aspect to Hobart, get that aspect of Hobart from the water and at night it's a different thing; you get a double bite from the same people. Then they want to come back because they want to bring their friends.

**Mr BALKIN** - CityCats have been here since 1996. It's been a great success story. I think there were probably a lot of detractors to start with, saying, 'Why are you going to do this?' but now it's iconic. If you go to Brisbane, people take their friends on the river. It

is probably the best way to see Brisbane. I think it's a brave decision to start but it has the potential to add tremendous value to the city. You could start off modestly - don't go out and buy half a dozen big ones; we have vessels that could start the service up and let it grow, even short-term until you go to a tender process or something like that. There are a lot of ways we can do it modestly; some time there's going to be a brave decision made on doing it, because if a lot of people are saying they want light rail or they want this or that it is never going to work; well, Brisbane is a success story. Sydney probably missed out on a lot of opportunities over the years because it was government run and I think there is a lot of change and challenges. Sydney should have had a greater ferry service than it currently has.

**Mr VALENTINE** - Do you realise we had a lot of ferries on the river many years ago - when was it? In the early years before the pontoon bridge and before the main bridge went up.

**CHAIR** - We still have one of those ferries, haven't we?

**Mr VALENTINE** - Some of the ferries are still there.

**Mr BALKIN** - We can also manage other people's ferries.

**Mr VALENTINE** - Some of them are not in a very good state.

**Mr METCALFE** - People coming out of Hobart now go to other cities and say, 'Why haven't we got that?' Then they go back thinking.

**CHAIR** - There is no doubt that the people would like it but it's a matter of making it economic.

**Mr METCALFE** - Have a modest start to it. The city council service started in 1996 with four cats. At that stage it was a case of this is a slightly expanded community service; we don't expect it to go to great shape. Well, how wrong were they. Look at it today. I am not saying Hobart is going to go to the same length but there is definitely room for improvement.

**Mr VALENTINE** - There has to be the convenience factor. That is all driven by pricing of car parks and all sorts of things.

**Mr METCALFE** -Yes, that's correct, and pushing a lot of the Domain car parking, getting rid of it, pushing those areas out further and making it so that people want to get on the boats. Yes, we'll have free water; yes, we can have a café. These are all the little things that go along to make it successful so that people say, 'Oh, I like this - to sit down, have a coffee and do my laptop while cruising in.'

**Mr BALKIN** - The state government and the local council have done tremendous things as far as transport is concerned by working together, even different factions, and it's been a great result.

**CHAIR** - Thank you so much.

#### **DISCUSSION CONCLUDED**



DISCUSSION WITH Mr JAMES HALL, GENERAL MANAGER, AND Mr BRETT SMITH, OPERATIONS MANAGER, VEOLIA TRANSDEV.

**CHAIR** - Thank you both for coming. As you know, we are inquiring into possible options for integrated transport in southern Tasmania and I've had now two trips - we had another trip yesterday courtesy of Translink on the ferries, buses and whatever - and it's been very interesting really to have another look at it from a different point of view with the rest of the committee. We would really like to just have a bit of a chat with you about operationally where you think the touch points are and where are the bits that are important and bits to watch out for, if there were a ferry service just starting to operate on the Derwent as you have had success with CityCats and how the contracts work.

**Mr HALL** - The history of the company really is that some nine years ago Transdev bought the business and ran the ferries on behalf of the council. We had a seven-year contract, which expired some two years ago; we re-bid to win the contract and after protracted negotiations, which went on for over 12 months, we won the contract. At the last minute in the negotiations, instead of a five-year contract the council offered us a 10-year contract, which we accepted. There is some scope to renegotiate some of the terms and conditions at the mid-point.

In terms of winning the contract we had to be very - what's the word – commercially, we had to sharpen our pencil, but on our side was that we ran a very reliable, efficient, safe service with high levels of customer service. I think that's what got us over the line in the end. They thought we were a trusted operator, they know how we do things and they like how we do things. I think that helped us get across the line.

**CHAIR** - Would you mind explaining what the service is that you bought? What the contract entails?

**Mr HALL** – Essentially, what we do in terms of the contract is we operate and maintain the CityCats and the city ferries and the terminals. There are 19 CityCats, nine ferries and 24 terminals. The council in the last election announced there was going to be an additional terminal in the next couple of years and an additional two vessels. The biggest challenge for us after we won the bid was the flood. We were out of business for five weeks and I had to let all my casual staff go, which was very emotional, and then we had to get the business back up and running again.

Brett, using his initiative, managed to take about half the fleet across Moreton Bay into the Royal Yacht Squadron and moored the vessels there, so the fleet was saved during the flood. There is a funny story as the fleet steered into Manly there was a big crowd and they thought it was a new ferry service.

*Laughter.*

**CHAIR** - The entire fleet.

**Mr SMITH** - Somebody did ring up and it blew us away.

*Laughter.*

**Mr VALENTINE** - Did you say not this year, maybe next year.

**Mr HALL** - We were doing about 18 000 customers a day pre-flood and after being out of business for five weeks we started off at 4 500, so obviously people had decided to go elsewhere and find alternate means to get to work. The marketing was taken away from us in terms of the contract with council, so we couldn't proactively redo anything. Fortunately the business has come back and we are now doing about 19 000 a day, which is stronger than it was before.

**Mr VALENTINE** - It's even stronger.

**Mr HALL** - It has.

**CHAIR** - That is recent? Since the CityHoppers have -

**Mr HALL** - October's figures, which is very encouraging.

**Mr SMITH** - It's the first time it's gone over, which is really great.

**Mr HALL** - That is despite the government putting up fares, which hasn't helped, but I suppose it hasn't helped buses and trains either.

**CHAIR** - The free CityHopper has made a difference as well?

**Mr HALL** - The CityHopper has just taken off. In terms of our growth in our ferries and sea cats is about 8 per cent, whereas the CityHopper is up something like 22 per cent.

**Mr VALENTINE** - Do you operate the CityHoppers for free?

**Mr HALL** - Yes, we do. Free for the council. What is happening of course is we were getting quite a lot of complaints with people being left behind because the boats cannot service the number of people who want to use them.

**CHAIR** - So the hoppers are too small.

**Mr HALL** - Very successful.

**Mr SMITH** - There are two things happening there. You have a lot of people who were travelling on the older services that are now catching the hoppers because they are free, so it is distorting. It is a bit hard to tell how many are new customers and how many are people who are just hopping off the existing services and hopping on to the new one, but we do believe there has been growth as well. There is a combination of those two factors.

**CHAIR** - Robert was telling us that there is significant growth, he thought, on the rest of the service as well, not just the CityHoppers.

**Mr SMITH** - Definitely the numbers are showing that. It is interesting if you provide a free service they will come.

*Laughter.*

**Mr HALL** - I should just touch on some of the challenges since that time. There were 64 hidden objects in the passageways in the river and that stopped us coming back. The two Royal Australian Navy minesweepers cleared the river but we also got some sonar equipment from Sydney and we did work round our own terminals.

**Mr VALENTINE** - You located some?

**Mr HALL** - Yes. Obviously we had divers down there as well. Essentially, the river from the Story Bridge down to the river mouth was not so badly affected because there the river is wider and it flows up strongly. It was further up the river that we had the damage. Also we have four premises - we had four premises at the time. One was under water and one was flooded, so again we had to relocate at the time. The other issue was with the mining boom.

**CHAIR** - Was your operations centre flooded?

**Mr HALL** - Yes, in Hawthorne.

**Mr SMITH** - My place went under but I got new furniture out of it, so it was really good.

*Laughter.*

**Ms RATTRAY** - And the rest of Australia got an increase in insurance.

*Laughter.*

**Ms RATTRAY** - Thanks, Brett.

**CHAIR** - I do not think Brett did it just so he could get new furniture.

**Mr HALL** - Another really serious challenge to us was because of the mining boom we lost nearly half our masters, who have either gone over to the west or up north -

**CHAIR** - Really?

**Mr HALL** - so there were severe shortages of staff and of course people like Brett who is also a skipper and a lot of his supervisors and they had to go out on the river and do the work. What it did was put extreme pressure on us in terms of the EBA because they were in the hot seat.

What we ended up doing was giving them an additional duties allowance to compensate for the fact that there was this shortage and we were trying to keep them in Brisbane. I think it worked to some extent but what helped also was that the mining boom has relieved itself a bit. The challenge with the next EBA, which is in two years' time, will be how we get rid of that allowance. When you give someone something it is hard to take it away.

**Ms RATTRAY** - The old 17.5 per cent loading, a typical example.

**Mr HALL** - At the time also we had a merger with Veolia so last year was very busy for us. Despite that, in terms of our reliability and our on-time running in the high 90s, twice a year council do a mystery program for us to gauge how our customer service levels up.

**CHAIR** - Do they send Tina to go round?

**Mr HALL** - I think the last rating we got was 86. What that means is every time we get that sort of rating we get a \$50 000 bonus from council.

**CHAIR** - Wow, that is nice.

**Mr HALL** - The other thing is, of course, safety. It is an extremely safe business. We cannot afford to have an incident. Any serious incident and we would be out of business, so Brett puts a lot of emphasis on that in terms of the staff.

**Ms RATTRAY** - Staff training, Brett, is that one of the key areas -

**Mr SMITH** - Yes.

**Ms RATTRAY** - that supports that safety record?

**Mr SMITH** - It is.

**Ms RATTRAY** - That good quality safety record.

**Mr SMITH** - Yes. You have to make sure you maintain your drills, you maintain your competencies at the required levels. The maritime industry has moved towards more of a risk-based approach now. It used to be designated you must do this *x* times a year whereas now you do it, you streamline it to the needs of the business.

I am the chairman of the Brisbane Marine Safety Committee up here and we work with other industry members including the guys from Transit Systems who were in before to work together on making the systems work better for everyone as a whole and getting understanding out there through the industry as to what is going on.

At the moment with the federal legislation coming into being - and it is all being harmonised so that the whole of the country is going to talk the same language for the first time in the maritime world - which we are all very happy about.

**Ms RATTRAY** - I am not entirely sure that that is the case.

**Mr SMITH** - In maritime.

**Ms RATTRAY** - Because Western Australia is still not completely on board, is it?

**Mr SMITH** - No. It comes in on 1 January. It is all confirmed and it is happening.

**Ms RATTRAY** - They do things a bit differently over there.

**Mr SMITH** - Well some people say that about Queensland and Tasmania and various places.

*Laughter.*

**Mr SMITH** - I am a New South Welshman by birth so I can say those three things without thought.

*Laughter.*

**Mr SMITH** - Yes, I have been sitting on one of the working groups at the federal level and the harmonised laws are here and they take effect in a roll-out phase from 1 January so we have been having - it is interesting mentioning Western Australia; at the last workshop they did have a couple of interesting views on things but it does not mean they are going to win the argument at the end of the day. They are contributing to the argument, though, which is good.

**Ms RATTRAY** - Yes. It is interesting to sit at tables with Western Australians, particularly the elected representatives.

**Mr SMITH** - Okay.

**Ms RATTRAY** - It is always an interesting exercise. They do challenge your thoughts and ideas.

**Mr SMITH** - They definitely do.

**Mr HALL** - One of the other challenges we've had is with the new federal OH&S laws. We've had to re-look at ourselves. There are two areas that we really need to do something about. One is working at heights when people are working on top of the vessels and the other thing is working in confined spaces. We solved the confined spaces issue in terms of we know what equipment and design work needs to be done and we know what training needs to be done but working at heights is a real problem. The boats are built of fibreglass and we're not really sure what to put there that will hold people. It's a real engineering problem but we have to address it.

**Mr SMITH** - It's been a problem throughout the maritime world. The confined space issue is one you'll come across if you know the maritime world because engine rooms and void spaces which are traditionally working spaces under the legislation come under the category of confined space, so all of a sudden you have to treat them very differently to the way we have for the last 100 odd years. It's been quite challenging.

**CHAIR** - Why is that a challenge for you? I understand it's a challenge for the Brisbane City Council, which owns them.

**Mr HALL** - Well, we're the operator so I guess we brought it to their attention and are working with them to try to resolve the problem.

**Mr SMITH** - They finance the modifications but we do the groundwork -

**Mr HALL** - We buy the equipment and do the training.

**Mr SMITH** - The work and training that goes with it.

**CHAIR** - Okay.

**Ms RATTRAY** - And you're the ones without a ferry while all those modifications are taking place, so it really impacts on your every day working operations.

**Mr SMITH** - Yes, at the moment a good example of that is the DDA. The council here has adopted a very proactive stance with DDA compliance. At the moment we are without a spare boat as a result of that. That is great when it's all done.

**Ms RATTRAY** - The gearbox has gone out too, last night.

**Mr SMITH** - Yes, we lost a gearbox last night; how did you know that?

**Ms RATTRAY** - We know.

*Laughter.*

**Mr SMITH** - We lost a boat last night so we lost a full service this morning. That is the first time I've lost a full service in a long time. When I first joined the business, we had 12 CityCats and 11 had to be running to run the service so there was always one in refit; we didn't have a spare. I was really impressed with the company's ability to maintain the boats in such a way that we very rarely lost services. Since that time, now that we have 19 cats and since we moved to the Rivergate facility, we now have three spares, two of which are in refit and one is meant to be there to help out in the event that something like this happens but because of DDA the third spare has been removed for modifications. Last night was a bit of an unusual event.

**CHAIR** - Is it back in service now?

**Mr SMITH** - Yes, this afternoon it will be all right. They changed it over during the day today.

**CHAIR** - How long will all three be -?

**Mr SMITH** - This will be going on until - well, Christmas will be a bit of a declining slowdown for a few weeks and then back after the new year they'll continue to -

**CHAIR** - So you won't have a spare for some time.

**Mr SMITH** - No.

**Mr VALENTINE** - I would have thought Christmastime might ramp up with tourism.

**Mr SMITH** - We still run the same number. We need 16 cats to run in peak hours. We only need 13 cats to run the middle of the day and in peak hour you have an extra three to do the extra services. It's only during those peak periods. That's why, if we do lose a boat,

we can drop the most insignificant impact which means somebody is going to have to wait 12 minutes instead of 6 minutes for maybe a couple of hours in the morning on one or three runs this morning.

**Mr VALENTINE** - Obviously spoilt.

**Mr SMITH** - It's very well - they get a lot of frequency. When you have that much frequency, if you lose one it is not going to have a huge impact; not like where I used to work at Sydney ferries; if you lost one where there was only a 20 or 30 minute frequency, that was a significant disadvantage.

**Mr HALL** - You don't really even need a timetable during peaks.

**Mr SMITH** - No.

**Ms RATTRAY** - It's coming all the time.

**Mr SMITH** - Quite often we're bunched up because something has happened to delay the one in front and all of a sudden one is following the other, so as far as the customer is concerned, they can see one here and there, there are plenty.

**CHAIR** - That is the other nice thing, Brett, that you can actually see them and you know.

**Mr SMITH** - A lot of people like ferries and trams because they can see them coming or they know that there's a track there that it's going to come on. With buses, they get scared because the bus can go anywhere.

**Ms RATTRAY** - Into nooks and crannies.

*Laughter.*

**Ms RATTRAY** - That's the new definition of what a bus can do that other modes of transport cannot negotiate - those nooks and crannies. We're going to leave it with Tina and we feel sure that is going to be a marketing tool in the future.

**Mr HALL** - A few other challenges: one is that it's a working river. Some people have houses on the river and also people do work on the river, so often we have to have go-slows, or we get people complaining that the wash is causing a problem with their property. We have had one at the Bulimba Terminal, in particular, that became an issue and council ended up settling that financially with the owner. It is just highlighting that there are issues like that that do come on the river. When there are go-slows it can affect the timetable and when people lodge complaints there can be legal matters.

**Mr SMITH** - A lot of it comes down to who was there first in the argument. There is a major marina just down from the Story Bridge called Dockside and they have been there for a very long time and the CityCats came after, so they had quite a legitimate gripe occasionally that our wash could be causing them some issue. There has been a lot of development since that time and the CityCats were already operating. The argument then gets put: 'You built that knowing that that is the operating environment that you

built into'. They are treated in two slightly different ways - a bit like people who move under a flight path for an airport and so on.

**Mr FARRELL** - Build a house next to a disused railway line and then all of a sudden it is reopened.

**Ms RATTRAY** - Or buying a house next door to a farming operation and then say we don't agree with cattle mooing early in the morning.

**Mr SMITH** - Yes, it's the same thing. We have an issue on the river in noise - not just in wash - but in noise generation too. We need to blow our whistles for various legal reasons to comply with legislation to be safe.

**Mr VALENTINE** - Three blasts in reverse.

**Mr SMITH** - Yes, going astern. If there is a rower out there and we can't see it, they can hear that we are moving, and you get complaints from the residents about that.

**Mr HALL** - We have particularly acute problems with the rowers.

**Mr SMITH** - Yes, the rowers are the biggest issue.

**Mr HALL** - First thing in the morning and first thing in the evening when it gets dark. There is a code of conduct, which unfortunately not all the rowers are aware of or abide by and I suppose we have to try to assume -

**Mr VALENTINE** - Are they supposed to steer clear of you are they?

**Mr SMITH** - No, there is a certain sharing. We developed the code of conduct with the rowing fraternity and MSQ, Maritime Safety Queensland. We came up with some agreed principles by which we will share the river. I won't go into it in depth. Basically our bit of the river is the centre third and their bit of the river is the outer thirds. When we are going into a terminal we have to approach at certain angles as best we can, and there is an arrangement between whether or not they can pass a terminal or we can go into a terminal until the other is clear. They are the basic parameters around which this was developed. It has worked very well when you consider the number of services we operate. We had an incident earlier this year in June, which thankfully was only minor in its result to the people who got hurt in the rowing scull, but when you consider how many rowers are out there every day and how many boats we are running, I think it's working very well.

**Mr VALENTINE** - There is opportunity for conflict there at some point.

**Mr SMITH** - Yes. To be honest, I would never allow my child to row on the Brisbane River in the CityCat network. I think it is absolutely ludicrous that it happens, but they were there first and there is that old argument again. The schools have their rowing clubs set up along the river and there is plenty of river further upstream for them to use, but there is a cost for them to relocate there.

**CHAIR** - That's right.



**Mr SMITH** - What we have formed - and we had the people from London a couple of years ago in the lead-up to the Olympics, and they have the Thames Clippers over there, which are a very similar operation to ours.

**Mr VALENTINE** - Thames?

**Mr SMITH** - Thames Clippers. A number of them were built here in Brisbane. They came out, the deputy harbourmaster came out and spent a day with me and they were looking for solutions for the same thing - the rowers - and they took away our ideas as being world first, so that was really good.

**Ms RATTRAY** - The middle third and -

**Mr SMITH** - Yes, those sorts of concepts of how you can work in. I have a direct line to the head of Rowing Queensland and we talk all the time, and share and collate information and inevitably we will hit one again unfortunately.

**Ms RATTRAY** - You cannot remove the risk entirely.

**Mr SMITH** - But you can mitigate it to an acceptable level.

**Mr HALL** - The other thing to say is it's quite an unusual set up in the sense that the contract is between us and the Brisbane City Council to operate and maintain a service, but the fare box is controlled by the state government and Translink, so we essentially collect the money on their behalf and then submit it. I think it is probably true to say that we would prefer more dialogue with Translink but council prefers us to have less dialogue with Translink and that can be an issue sometimes.

**Mr SMITH** - There are only a couple of third party set-ups in the Translink network. Most arrangements between private and Translink are direct relationships. Our bus company in Capalaba is in a direct contract with Translink so we are one of only a couple that have this middle person between us and the fare box at the state government level. I ought to concur with James's comments that I think it probably adds a level of complication that is not necessary.

**CHAIR** - It does seem very complicated to us as well.

**Mr HALL** - Believe me, it is complicated.

**CHAIR** - But on the other hand Brisbane City Council puts a lot of money into the system.

**Mr SMITH** - They do. They are the ones who are picking up -

**Mr HALL** - They get a lot of money from the state government.

**Mr SMITH** - substantial sums from Translink.

**CHAIR** - We have the figures and they put more in than they get.

**Ms RATTRAY** - Get back.

**CHAIR** - I mean, is it a local council's responsibility to provide transport is the thing or is it a state responsibility to provide public transport? It is that kind of argument. Obviously there is a compromise here.

**Ms RATTRAY** - When you see the amount of people that were just dining on the waterfront last night and probably a lot of those would use the facilities to go back to their residences there is probably a fairly strong argument that the Brisbane community does have an obligation.

**Mr HALL** - If there were a park and ride facility our patronage would probably go through the roof, but there isn't so we tend to get the residents from the areas where we go.

**CHAIR** - Okay.

**Mr VALENTINE** - There is an opportunity for growth, surely.

**Mr SMITH** - It certainly is.

**CHAIR** - Except you cannot acquire the land.

**Mr HALL** - Except council has made it very clear they are not going to move in that direction.

**Ms RATTRAY** - Too political, James?

**Mr HALL** - I think it is too political in terms of creating the park for people to park.

**Mr VALENTINE** - What is the percentage again of *go* card to just normal fare paying passengers?

**Mr HALL** - I think it is up to the 80 per cent line now. It could even be 85 per cent. It is very high.

**CHAIR** - Really? So not many people just pay as they go.

**Mr HALL** - Probably visitors.

**Ms RATTRAY** - Brett has the numbers.

**Mr VALENTINE** - He said he cannot say it.

**Mr SMITH** - Yes, 80 per cent looks like it.

**Mr VALENTINE** - 80 per cent.

**Mr SMITH** - We can verify that ourselves. We have noticed that since the *go* card - in the last two years more so than ever there has been a huge takeup - and why wouldn't you because it costs a fortune not to use one.

**CHAIR** - Yes. It is so much more economical.

**Mr SMITH** - It is and that is why the government did it - to force people on to the *go* card.

**Mr VALENTINE** - They need it for the statistics too don't they? Without the *go* card you do not get the statistics, do you? Or is there another way of getting that in?

**Mr SMITH** - I would suggest that the statistics are probably a lot more accurate with the *go* card but with paper tickets our ticket sellers on board our boats are hitting a count button and it goes into the system as well through the machine.

**Mr VALENTINE** - It goes into the *go* card system.

**Mr SMITH** - That was our main way of doing the counts in the old days before *go* card became prevalent so we have always had that in place but it is becoming less and less the norm I guess.

**Mr HALL** - We used to have a day ticket which was very popular, particularly with visitors, and the state government has decided to take that away even though we and the council did not think that was a good idea because now, provided that you stay on the vessel, I think it is about a two-and-a-half-hour round trip, your ticket can handle that. But if you decide to get off somewhere, say at Bulimba and go for a coffee, then you have to buy a new ticket.

**CHAIR** - Is it simple for a person to acquire a *go* card? A visitor who is here just for a day or something.

**Ms RATTRAY** - And does not know Tina really well.

**Mr SMITH** - Since we started giving them out on the CityCats you can get one on a CityCat.

**CHAIR** - Okay. You can get one on a CityCat now.

**Mr SMITH** - Where there is a ticket seller on board, which is most of the time, it has become very easy. As Tina was thinking in her head what I was thinking before and James mentioned the removal of the weekly or the dailies - that had a huge impact upon us negatively because we are a commuter service but we are also a tourist and day tripper service more than any other form of public transport

**CHAIR** - Yes.

**Mr SMITH** - That's why we got hit so hard when that was removed because all of a sudden it started to cost people a lot more to travel on the CityCats. If you combine that with the recovery from the floods it probably slowed down the recovery.

**Mr HALL** - We have now introduced a visitor pass for three to five days. It's too early to say whether that's successful. I'm a little concerned it might be too expensive but we'll wait and see.

**Ms RATTRAY** - What sort of price is it, James?

**Mr HALL** - I think it's about \$120.

**Mr SMITH** - I think it's \$70 for three days.

**Mr HALL** - If you're going to do a lot of travelling, we worked that out it's actually quite good.

**Mr SMITH** - It's \$129.80.

**Ms RATTRAY** - I think James and Brett are learning as much as we are, Madam Chair.

*Laughter.*

**Mr SMITH** - I think it's something that highlights an interesting point. As far as the costs of travel and the ticketing are concerned, we have no control or management of that side of our business so we don't tend to focus a lot in our heads - our staff do because they have to be able to deliver the product but as far as the actual operating and maintenance of service -

**CHAIR** - You have no incentives to grow your -?

**Mr HALL** - There used to be an incentive for patronage; that was in the early days when the increase was linear. I think we just negotiated that that would no longer exist.

**Mr SMITH** - It's probably a lot of the public perception when they see a private operator in public transport, even to this day, that in some way we are redeeming our earnings from the ticket box. Of course, that couldn't be further from the truth. One has absolutely nothing to do with that part.

**Mr HALL** - I think also a lot of people think we're part of council -

**Mr SMITH** - Yes.

**Mr HALL** - rather than private sector operators. That was the other challenge -

**CHAIR** - That's not bad; they can always complain to the alderman or mayor or someone.

**Mr VALENTINE** - As a service provider you don't want to wear the grief of the council.

**Mr SMITH** - If we do a good job, the council takes the credit; if we do a bad job, we get the blame.

*Laughter.*

**Mr HALL** - We have a very low level of customer complaints. We get about 20 customer comments per month and probably only about four or five of them would be complaints and probably only two or three of them stand up when you really examine them. So generally people are -

**CHAIR** - What kind of complaints?

**Mr HALL** - A good one is, the vessel left two minutes early or I was running down the gangway and I waved to the deckhand and he ignored me.

**Ms RATTRAY** - And he waved back.

*Laughter.*

**Mr SMITH** - Because we have a tracking system on all the boats, we can pinpoint exactly when the boat left so we do a quick investigation and most of the time it is proven that their watch was wrong or something. In regard to that, probably something unique to ferries, is that when a ferry is departing, there is a deckhand who is still putting his gangway, his gate or his line away or whatever, and as a result the customer who has just missed the service has somebody to vent their frustration at and they think - and you often get this: 'Oh, he stared at me rudely as if he was glad that he left me behind'. It's absolute nonsense; he's just feeling there is nothing he can do because the vessel has left. It's no different to closing the door on a bus or train except they can see you.

**Mr HALL** - The other frustration is that we need to know at any one time how many people are on the vessel and sometimes we say, 'Sorry, but the vessel is full'. That causes a lot of problems.

**Mr VALENTINE** - I imagine it would.

**Mr HALL** - People say I had to wait for six minutes until the next ferry; I was late for work.

**Ms RATTRAY** - Can't you squeeze me on, I'm not so fat?

*Laughter.*

**CHAIR** - Do you actually count people on.

**Mr HALL** - We have a manual count.

**Mr SMITH** - The deckhand must always know. The law is that the master must always know how many people are on board his vessel. We do that by allocating the deckhand the role of having a counter -

**CHAIR** - All the time for every trip?

**Mr SMITH** - Yes. Every time you get on and off, the deckhand is meant to know exactly how many people are on board. They have up and down counters to help them out which are great in the dry but they don't like the rain much. They keep a running count and once they're getting up near that full point they are very conscious because they can't let anyone else on. If you let three off when you're full, you can only let three back on.

**Mr HALL** - The other big challenge was that 18 months ago we were involved in a merger. We were Transdev and we merged with Veolia; now we are Veolia Transdev. Transdev

had a very hands-off approach in that we basically ran the business here and they didn't really interfere or intervene. Since we have merged, we get a lot of attention, people visiting us, reports to prepare, corporate guidelines and it's just part of being a bigger beast and that's caused some tensions and teething problems in the business.

**Mr VALENTINE** - Veolia is into transport in France, isn't it?

**CHAIR** - They are into transporting everything.

**Mr HALL** - We are the largest transport operator in the world. We also run Sydney Ferries. We won that contract quite recently. It's a small world; Greg and Rick who were just in here, Rick used to work for us - he was our harbourmaster - and Greg was my predecessor.

**Mr SMITH** - Greg employed me into this job when he was at Brisbane Ferries.

**CHAIR** - He has had experience in Sydney, too, I think running the train network.

**Mr SMITH** - Yes, Greg does. He grew up in Sydney buses.

**CHAIR** - Sydney buses, was it?

**Mr SMITH** - Yes, he was down there in the government buses for a long time, then he went private for a bit.

**CHAIR** - I think it might have been his wife in the trains.

**Mr SMITH** - I'm not sure about that. We're a pretty small world. The transport world is small enough, but then the maritime world is even smaller.

**CHAIR** - The previous people were from city council, Robert and Gaylene, so as Rick and Greg came in -

**Mr HALL** - That's where we are going to meet next with the council. We're very small. There are about 200 of us; about 170 would be ticket sellers, deckhands or masters; then we have about 20 people in the maintenance area, mainly tradesmen and engineers; and an admin staff of about 10, so we're pretty thin on the ground.

**Ms RATTRAY** - Seems a pretty lean organisation with 10 -

**Mr HALL** - Our resources are out there on the river.

**Mr SMITH** - Put it this way: I think the people of Brisbane are getting good value for their money. I mean that quite sincerely. There is no wastage in this little operation, that is for sure. That is what you want. I have worked, as I say, for Sydney Ferries for 12 years and I saw what it can get to when there are no KPIs, the government and the bureaucrats are running the show and nobody is accountable or responsible for anything, whereas in a private company you are compelled to do things far more efficiently.

**Mr HALL** - You'd know better than me, but governments are very good at doing certain things, but I don't think they are very good at running businesses.

**CHAIR** - You think your system works better where government owns and then contracts out services?

**Mr SMITH** - Yes, because as far as the commuter or the customer is concerned they are still getting the government service, but there is a compelling quality control for delivery of that service, those KPIs and those expectations can be better met.

**CHAIR** - In Brisbane the state government still runs the railways, doesn't it?

**Mr SMITH** - Yes.

**CHAIR** - It's an interesting mix. Brisbane is very interesting in terms of the mixes.

**Mr SMITH** - New South Wales is certainly heading towards the public-private arrangements throughout. There is no doubt that that is where it is heading in the rest of the bus contracts.

**CHAIR** - That happens in South Australia as well, I think, and Western Australia?

**Mr HALL** - I've been around the trams in Adelaide and that was an unusual set-up because the minister was in charge but then he had a private sector board, and the executives were all from the private sector on contracts, but all employees were state government employees. In my opinion it was a recipe for disaster. What happened there was that historically I think the Liberal Government at the time was looking at privatising all forms of transport in Adelaide. They got as far as privatising the buses and then I think the Labor government came back in. In terms of privatising railways and trams it just wasn't on the cards.

**Ms RATTRAY** - A different focus.

**CHAIR** - Questions?

**Ms RATTRAY** - I just wanted to ask Brett and James - there has been virtually no infrastructure for ferries in Tasmania in the Derwent River and so I asked about -

**CHAIR** - We don't know that, we keep asking what there is and we keep being told, 'We don't know.'

**Ms RATTRAY** - Effectively, there doesn't appear to be much and I haven't done a lot of reconnaissance on that, but from what I understand, we were told that a pontoon or a terminal can cost in the vicinity of \$5 million.

**Mr SMITH** - Yes, that's correct.

**Ms RATTRAY** - Do you see that you can have a Commodore model rather than a Rolls-Royce model?

**Mr SMITH** - You can. It depends on what level you want to go to.

**Ms RATTRAY** - And comply; there is that compliance issue as well.

**Mr SMITH** - It really comes down to what level of safety you want to provide to your customer. You have been on our network. Brisbane no doubt leads the way when it comes to terminal safety, because they are fully enclosed, fenced off, insular units, so it is very unlikely that somebody or a child could sneak through a crack and end up in the water. Go down to Sydney Harbour and you have beautiful open wharves, no fences, nothing, but they are still running a very safe ferry service in reality.

**Mr HALL** - If you look at somewhere like Riverside, which is right on the CBD, you probably are talking about a \$5 million terminal, but then if you look at Apollo Road, which cost about \$1 million four years ago, it might be \$1.5 million now.

**Mr SMITH** - I asked the question of my maintenance manager when he might have been up last. He came to me and said you would be looking in the vicinity of \$2 million to \$3 million for a small, not too complex terminal. You do not have to get all architecturally savvy and whatever else. I am sure there are ways of doing it in a more cost effective manner.

**Ms RATTRAY** - Recycled plastic or something like that. At Bicheno we opened part of the wharf a couple of years ago and it was completely made out of recycled plastics. That worked a treat.

**Mr SMITH** - A simple pontoon set-up with appropriate - and I do believe the railings are a very important thing to have that as a sealed unit - they are not going to cost a lot to put on a pontoon. You can do it fairly well.

**CHAIR** - That is a question we've asked a number of times in the last couple of days and we keep being told fairly high figures, really. That is what I understood, Brett, when I did the trip with you some time ago, that there is a variety depending on what you want; it depends on the cost.

**Mr HALL** - Our cheapest terminal would be about \$1 million.

**CHAIR** - And that is Apollo Road, you think.

**Mr HALL** - Yes.

**Mr SMITH** - That is a very simple basic terminal that has safety features that are sufficient, but they don't have all the frills.

**CHAIR** - What do you call frills?

**Mr SMITH** - Covering, for a start. Double berth so you can get two boats in at once. Seating. Apollo Road was basically attached to an old cross-river terminal, so that has the old structure up on the road, which has been restored for historic reasons and has a couple of old timber seats looking lovely, but the actual wharf itself is very simple, one ramp, one pontoon. You have to consider your DDA.



**Ms RATTRAY** - We've heard about that compliance.

**Mr SMITH** - What your government's time frames are going to be on that in complying, but the issue you get is in the -

**Ms RATTRAY** - The grading?

**Mr SMITH** - It is not in the grading, the grading is fine if you get the ramp long enough, you have every  $x$  metres -

**CHAIR** - Fifteen.

**Mr SMITH** - You have to have that platform and we are not even going to be able to comply with that. We have no idea how we are going to do that. That is a very difficult one to get around in the maritime -

**Ms RATTRAY** - You would end up in the middle of the river.

**Mr SMITH** - Yes, the terminal is going to be so far out in the river it is impractical.

**Mr VALENTINE** - Our river is quite deep and steep-sided, so some of ours would not have to be as long.

**Mr SMITH** - Your tidal range isn't as large as ours either I think.

**Mr VALENTINE** - It's about 1.2 metres.

**Mr SMITH** - We're ranging up to 2.5 metres, so you have less movement, which makes it easier for you, which is good. You have a lot less challenges in that regard.

**Ms RATTRAY** - One of the hopes for having an efficient and cost effective ferry service, particularly for commuters on the Eastern Shore, is that you have a number of stops. We were thinking - I was thinking, I had better not speak for the other members of the committee - that you are going to need a number of pontoons. If they are effectively \$5 million I was almost on the floor this morning when that figure came across, because I thought it is going to be very difficult to provide that service up the river if -

**Mr HALL** - You could put five or six in for that price. You would think so.

**Ms RATTRAY** - I'm heartened by that; thank, James.

**CHAIR** - I suppose potentially because there is already something on the ground at most points, but then it needs a pontoon going out.

**Mr SMITH** - Yes, that is right.

**CHAIR** - You are not starting from scratch with nothing there.

**Mr SMITH** - No, that is right. I have not examined the Hobart situation as closely as my former employee Rick has. I used to ask him all the questions about Hobart.

**Ms RATTRAY** - And he has all the answers, by the way.

**Mr SMITH** - He does, he does. He has been very enthusiastic.

**Ms RATTRAY** - He has.

**Mr SMITH** - He has had many years on it. As I said, when you were up I think it is a very good idea. I think it has potential. If I can only say your secret to it being a success is frequency and what I have learned from moving from Sydney ferries to Brisbane ferries is that -

**Mr HALL** - And patronage.

**Mr SMITH** - Well yes and frequency will bring patronage because down in Sydney where you have only half-hour frequencies going up the Parramatta river it is not a user friendly service because if you miss one you have to wait a very long time, whereas if you can get it down to anywhere between 15 minutes and 10 minutes in your frequencies it is encouraging people to use it and then they will come and they will start using it, so it is a bit of a -

**CHAIR** - Yes.

**Mr HALL** - A couple of other issues we have on the river - when we have heavy rain over a period of time we have a lot of debris coming down the river and we have to stop the service sometimes, particularly at night, because it is just too dangerous.

**Ms RATTRAY** - And you cannot see it.

**Mr HALL** - Boats get damaged, propellers get broken. The other issue we have is sometimes early in the morning there is quite bad fog. It tends not to be across the whole river, it tends to be in locations.

**Mr SMITH** - It is in pockets.

**Mr HALL** - But that probably only happens half a dozen times a year at the most. I do not know if you would have those issues in Hobart or not.

**CHAIR** - We probably do not have it at the bottom end of the river, do we? The top end of the river we do, probably further than we would be going on a commuter service unless we get commuter to New Norfolk, as some people would probably like. You could commute.

**Mr FARRELL** - I could commute, yes.

**Ms RATTRAY** - The leader is okay; he has a driver. He is fine.

**CHAIR** - He can drive through the fog but he would like to travel on a train, on a trolley.

**Ms RATTRAY** - I know he would.

**Mr VALENTINE** - I have a driver too, who sits besides me telling me what to do.

*Laughter.*

**CHAIR** - I do not think it is government employed though, is it?

**Mr VALENTINE** - No. Sorry, I should not be so frivolous.

**CHAIR** - Thanks for your frankness, because that is the kind of things we need to hear - where are the pitfalls.

**Ms RATTRAY** - What are the challenges.

**CHAIR** - Where are the challenges, yes, because there is no point in us -

**Mr HALL** - If there is any way we can help in the future we would be very happy to -

**CHAIR** - Thank you.

**Mr HALL** - whether it was information or if you were interested in something we would be very happy to pursue it.

**Mr VALENTINE** - Just one other question with respect to the crew numbers. I was touching on this this morning with the cross-river ferries. You manage to get away with one crew member.

**Ms RATTRAY** - Sean did a fine job.

**Mr VALENTINE** - A heart attack or stroke or something might be a dangerous situation.

**Mr SMITH** - That is a historical set-up in Brisbane. The cross-river ferries have always only ever had one person on board. Under the new legislation, coming in on 1 January, those vessels still will technically be able to have one person on board for sheltered waters operation.

**CHAIR** - Just because of the numbers.

**Mr VALENTINE** - Because of the size of them.

**Mr SMITH** - The size. It is 12 metres from the cut-off. However, the three City Hoppers you have seen going around under the new legislation for new vessels, not for existing because existing vessels will be grandfathered, would require a deckhand. If you are starting up a new service anywhere from about 12 through to 35 metres, the core complement or the minimum complement on board will be two, whereas previously we have had one up to 15 metres and two after that.

**CHAIR** - What sort of length are the CityCats?

**Mr SMITH** - They hover between 24 and 25 meters long. This was one of the issues we were having under the new legislation - the cut-off was at 24 and we had our first generation cats at 23.95 metres and the rest of them were all over 24 metres. They were advocating originally a three-person minimum crew for over 24 metres.

We have now had that lifted up to 35 metres before that three-person requirement kicks in, which is purely mirroring what happens in reality, not just here in Brisbane but in Sydney and in other ferry operations. It has been proven to be perfectly safe. The only time you ever really want an extra person on board is when it goes very badly wrong.

The way we mitigate our risk on the river is that we have 16 cats out there at peak hour plus another seven ferries, so if somebody needs assistance we'll be able to get them assistance very quickly. That's how the risk assessment was done for those one-man operations. It relies on the fact that there are other vessels within minutes, if not less, that can come alongside to assist the master. We have little signs on the ferries, that if a passenger had the nous to actually read - I'd better amend that, it sounds terrible -

*Laughter.*

**Mr SMITH** - Not the nous because they can read, but some people do not want to read.

**Ms RATTRAY** - If they weren't admiring the view.

**Mr SMITH** - That's exactly right; that's a more politically correct way of putting it. It says if the master suddenly collapses in front of you, pull this lever back to the stop position and pick up that radio or press the button on that radio and it goes through to the call centre and things like that. So, you can put in these risk mitigators.

**Mr VALENTINE** - Did you say you have those signs?

**Mr SMITH** - Yes.

**CHAIR** - I am a bit concerned because I don't think any of us had the nous yesterday. The leader did read them.

**Mr SMITH** - It depends which boat you're on but they're in the vicinity of the helm area. It's more about having so many vessels within proximity that we feel it's the way we can deal with that.

One issue we have here in Brisbane is that, by virtue of the fact that we are the main operator at this end of the river, we are the police, ambulance, fire brigade and everyone else of the river. The police base is down at the entrance to the river and their scope is the whole of Moreton Bay plus the Brisbane River and at night there are two officers on duty. So we rely on the land police. If we need to get somebody down quickly, it will be the land police coming down and using our boats to get out to the problem; it won't be the water police because it takes them half an hour to get to us. They used to have an office in the city but they closed it down and moved.

**Mr HALL** - I also think that because we are the biggest operator, if there's any new legislation or any checking that needs to be done, it's much easier to pick on us.

**Mr SMITH** - Yes, they do that too.

*Laughter.*

**Mr HALL** - Rather than a single operator.

**Ms RATTRAY** - That's all right, Brett. We have a police vessel that's not seaworthy.

*Laughter.*

**CHAIR** - It's not fit for purpose.

**Ms RATTRAY** - Not fit for purpose.

**CHAIR** - This morning I thought that the Brisbane council people said that you had three people on board. I was thinking that's not my experience.

**Mr HALL** - On the CityCats?

**CHAIR** - Yes.

**Mr SMITH** - Most of the day on the CityCats there are three because the ticket seller is the third person. For the quiet times late at night from about 10 o'clock onwards, you'll often find there are only two, depending on when the shifts are finishing. Legislatively, we don't have to have them on board but we do. Our risk assessment -

**CHAIR** - So you're telling us you could have two.

**Mr SMITH** - Yes. The risk assessments we do with the risk-based approach is that if we go over 100 passengers on board, we will go to a third person on board. That's our own rule; it's not a legislative rule. That's how it works. Occasionally, you'll hop on one and if for some reason we've had a staff member not turn up at the last moment, we will still run the boat to the service runs but we'll cap the passenger loadings to 100 until we can get a relief to hop on that boat. It's better to have the service running than not at all.

They are correct; for the most time it's three. If you did this little exercise in Sydney, you'd find the same boats only running with two. It shows the differences that hopefully this national legislation will harmonise in that regard and get us all on the same page.

**CHAIR** - Except you're saying that for a 24 or 25-metre boat you're only going to be required to have two but you'll still have three.

**Mr SMITH** - We'll still have three for what we do. We're not going to change our risk assessment at this time.

**Mr HALL** - Try to have a look at Apollo Road and then you can get into your mind what you get for \$1 million.

**Mr SMITH** - A simple terminal that can do the job for you.

**CHAIR** - Thank you and nice to meet you.

**DISCUSSION CONCLUDED.**