

**INTEGRATED TRANSPORT OPTIONS**

**Mr JAMES McINTOSH**, LAND USE AND TRANSPORT PLANNER, WAS CALLED,  
MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** (Ms Taylor) - Welcome to our select committee. The evidence taken at this hearing is protected by parliamentary privilege while you speak here, but any comments that you choose to make outside of this hearing may not have privilege so I just need to warn you of that. Have you received and read the information for witnesses, which we sent to you?

**Mr McINTOSH** - Yes.

**CHAIR** - Good. The evidence you present is being recorded and the *Hansard* version will be published on the committee website when it becomes available. Would you please advise the committee of your field of interest and expertise first of all?

**Mr McINTOSH** - My role at the moment is I'm doing a PhD at Curtin University in Integrated Land Use, Transport and Financial Planning. My qualifications are I'm a registered cadastral surveyor. I'm also a qualified land use planner and a transport planner, and my area of interest is on seeing how transport infrastructure integrates with land uses and economic activity.

**CHAIR** - You know what this committee is about, so did you want make a verbal submission to us?

**Mr McINTOSH** - Yes. I think this project, the Hobart Light Rail project, has been going for a long time with a lot of discussion around it. I think the major benefits that this project brings to Greater Hobart are in increased economic activity, particularly looking at the redevelopment of the corridor. There are some distinct characteristics that are brought by this particular mode, which you don't get from other modes - light rail or rail in particular, but light rail integrates with its surroundings and surrounding precincts very, very well and the development community - and we've done vast studies in this space - then respond to that transport accessibility that is provided and that is where you see more economic activity. You basically see development being attracted to these areas, not in a top-down approach by forcing things, but more that the development community recognises the increased amenity and go through and develop areas around the transport infrastructure.

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

railway infrastructure and the benefit streams that are accrued to the investment in infrastructure by the government.

**CHAIR** - Your experience is not just in rail, though, is it? It is in integrated transport which is what this is about, so we're looking at how buses and rail might integrate and also ferries.

**Mr McINTOSH** - Yes. The core of what public transport is for Tasmania and its role is still the centre of the whole discussion in that I don't think it has been terribly well defined. The role of public transport historically in Hobart has been more of a social welfare perspective, rather than being something that will provide an alternative to the car. In that environment and the way that it has been provided to date - by the way, this is absolutely no slight on the Metro, this is just the role that they have been doing and they've been doing it very well, I believe - but I think that the bus-based infrastructure and the bus-based modes that are currently there, rather than activating the areas around them they serve the areas that are there in their capacity that they're given. I think that something like the rail corridor there will form a high-activity spine which would integrate with the buses. You would have what is commonly called a feeder bus service, so the buses would feed into there and then it would transfer on to the rail and head into town or to Glenorchy, and would also connect into the ferry services.

**Mr VALENTINE** - Do you have an understanding as to what might be optimal in terms of the size of the population - sorry, not the population, the size of the feeder buses, coming into a node. Have you done any study, or do you know of any figures, that actually show what the optimum number of houses or households or people that each one of those little spines needs to service?

**Mr McINTOSH** - Stepping back just a little bit, understanding the role of each one of the nodes and getting the hierarchy of the nodes set up at the front end is really important.

**Mr VALENTINE** - Critical.

**Mr McINTOSH** - In understanding what you are saying, getting feeder services to work really effectively has only really been done predominantly very well in WA, in that they have a total internodal system with -

**Mr VALENTINE** - Are you talking about -

**Mr McINTOSH** - No, this is about the role of the buses as the bus connects into the rail service. You have the bus-based services interzonal trips so basically in what we call generalised cost. If you get on to the bus at one location - on a feeder bus - you travel to the rail. Because that trip in the whole journey length is an intrazonal trip it is effectively free and then when you get to the other end and you get off you are paying for door-to-door service, but you are only paying for the number of zones that you transfer through. So if the feeder bus service is structured appropriately to minimise the financial cost of the whole trip, then you induce people to use them. Where it is done in WA and done very well is one example, which is Murdoch train station. It is on a fast rail network arguably so it is quite quick, but the feeder bus services go through very low density suburbs so they are in ten dwellings per hectare -

**Mrs TAYLOR** - Really?

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

**Mr VALENTINE** - What is the length of that main travel that they use the train for?

**Mr McINTOSH** - It is about six kilometres. Sorry, the feeder bus services generally have a perimeter of five to six kilometres on their rail service and it is about 15 kilometres from there into the CBD.

**Mr VALENTINE** – Okay, so it is a 15-kilometre spine fed by buses.

**Mr McINTOSH** - It actually goes 72 kilometres all the way down to Mandurah so it is a very long line and it has a dozen or 15 stations along its route. There are 70 000 daily boardings on this line with no pedestrian catchment. All of it comes through the bus depot. It has I think about 5 500 park and ride daily.

**Mr VALENTINE** - I presume there was a business case for this?

**Mr McINTOSH** - Yes.

**Mr VALENTINE** - Did the business case talk about the lower level of patronage that needed to be achieved to make it payable?

**Mr McINTOSH** - Yes it did. The southern rail line replaced an existing bus service. That bus service was seen to be running at the optimum level that it could and it was widely viewed that no other public transport service would increase on that patronage. It was doing 14 000 daily boardings on the bus service. The business case had the 2031 patronage forecast out to 68 000.

**Mrs TAYLOR** – Wow. And what are they doing now?

**Mr McINTOSH** - 72 or 70. It has far exceeded any of the forecasts that were done. The patronage modelling that they did was based on the current perceived value that people put on public transport at the time of the business case. What you are having now in West Australia, and we have just seen a public transport election - that is what it was. You had two parties vying for who could have the biggest public transport projects. These projects are very large and very expensive, like the light rail project over there. I

have been working with the West Australian government and it is going to cost a \$100 million a kilometre.

**CHAIR** - Because they have to still buy land and put the infrastructure in?

**Mr McINTOSH** - No, this light rail will be running through the city streets of Perth, so there is no major land acquisition required. Most of it is at grade, on the street, a very similar though arguably more expensive version of what we have here. They are doing \$100 million a kilometre.

**CHAIR** - So why is it costing a \$100 million per kilometre?

**Mr McINTOSH** - With rail infrastructure, particularly when if you are doing it in the street reserve that is active, you have a huge amount of disruption to services, to traffic and you have to go through and in some cases there is some land acquisition to do with electrical infrastructure and other things like that. It is very expensive when you get into the city, and this goes through the heart of the city. Gold Coast rapid transit - again, I think that was something like \$90 million to \$95 million per kilometre. Canberra, even on some very wide routes going through there, is still pushing around the \$100 million per kilometre.

The main reason why this project here is so attractive is that you get all the transport-related benefits and you have the renewal benefits because it is going through a growth corridor, really at bargain basement prices. It is surprising that you have the corridor; you have the core infrastructure there and you are only paying for the more expensive and difficult parts when you get into the city. I think, aside from the transport task, the agglomeration or the economic activity that happens around rail infrastructure, particularly in cities - and I would put Glenorchy and Hobart as being the two major economic centres on the route there - what that will do to businesses and to future development in these areas is significant. The difficulty in Tasmania is that we do not have anything to base that on. You see a lot of things in the media and a lot of the perceptions that we are too small, or we are this or we are that. Hobart has 220 000 people living here; that is only marginally smaller than the Gold Coast and certainly marginally smaller than Canberra.

**Mr VALENTINE** - We are only dealing with probably 60 000 to the north where this will service. We are not talking about 220 000.

**Mr McINTOSH** - No that is true, but neither are the other services either. Look at what the Gold Coast, or particularly Canberra. Canberra's line that they are looking at putting in is only to about one-third or possibly even a fifth of Canberra, so the catchment size that this is servicing is probably about the same. What I would say is that when the feeder services are brought in, you will bring the whole northern end of the catchment into Brighton. You will be able to get crossing services at bridges, you will be able to bring people in, you will be able to extend the benefits far beyond the traditional pedestrian focused catchments.

**Mr VALENTINE** - What was your experience with regard to the services that needed to exist at the nodes to actually get people out of their cars?.

**Mr McINTOSH** - It depends. If you look at the development oriented transit side as one aspect, then you have things such as more economic activity. There are good examples around plenty of places in Sydney, at St Leonards and Chatswood and other places like this where you have a lot of economic activity, a lot of business structures and other things like that where it is its own focus point, its own node. Western Australia has Subiaco's facilities as well. The reverse of that is that when you look at some of the train stations. Good examples are Southern Rail or Northern Rail in West Australia; they are in the middle of a freeway, they really have no economic activity at them at all. Murdoch train station has, nearly 1 500 metres or 2 kilometres away, Murdoch University and the whole hospital precinct with Fiona Stanley is again about a kilometre away. They are near but they are not, they're not too near. At these points the main activity there is transport-related, because you have a large, very busy freeway, park and ride facilities for people to drive there and then transfer on to either the bus or the train, cycling facilities and you have maybe bus interchanges there as well.

**Mr VALENTINE** - Child care is one thing. A lot of people take their kids to child care - I keep saying this but -

**CHAIR** - Yes, you do. You're right in that, people tend to get in their car, take their children to school or child care, afterwards pick them up, to have to do the groceries, all that sort of stuff.

**Mr McINTOSH** - I think line haul public transport is particularly focused on the journey to work or the journey to the activity centre. I have two children, and a very similar scenario, where, if I chose to live in a location where I need to drive around, then I would, but in these cases one of us will either catch line or public transport to work, and the other person will need to drop the kids off and do all the rest of it. So this is not going to solve all the transport solutions for the whole catchment, but it will for those people who are going to work in these centres.

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

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

**CHAIR** - And that's what we've heard, I suppose, as the negatives, that we're not big enough, not everybody will use it, all those sort of things, a lot of which is true. As you say, it's

not going to suit everybody's needs and it doesn't have to be a transport system that suits everybody's needs, I suppose.

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

But they have approached their public transport system very cleverly in that they have understood both the benefits of public transport in getting people out of their cars and not having to fill these centres with car parking. They have also understood the funding aspects of it as well, so they have what's called a Perth Parking-Management Act - an act of parliament that sits over the Perth CBD or the Perth municipal area and they have parking charges in there. They're a touch under \$700 per space per year, a couple of bucks a week.

**CHAIR** - So that's not managed by the City of Perth, by the council?

**Mr McINTOSH** - No, it's managed as a state charge. The revenue is hypothecated 100 per cent to the provision of an alternative. In the Perth City area they have the free transit zone which basically means they can provide the cab buses, but all intra-area train journeys are free and all of it is paid for by the parking.

The centre parking strategy is done in Melbourne and Sydney as well, but the hypothecation of it in Perth has been particularly effective about doing the last mile of travel around the buses. When people travel from, say, Mandurah, which is 70 kilometres away then the train when they get there - Perth CBD area is quite large so it basically gets people to where they need to go - and this is used. This is a seriously busy system. The light rail is going to replace some of this.

**CHAIR** - That is interesting, isn't it, because Hobart City Council owns and operates the parking within the city on the street and a number of the car parks, and I hadn't thought about that. I do not think Hobart City Council would like to lose its parking.

**Mr VALENTINE** - I don't think it would.

**CHAIR** - So how do you do that?

**Mr VALENTINE** - The main reason being that it's the only way they can encourage people to come into the city. They give 90 minutes free, for instance. The state government is not going to do that.

**CHAIR** - It might.

**Mr McINTOSH** - Parking in Hobart City now is no more expensive than Perth.

**Mr VALENTINE** - It is not expensive at all, really.

**Mr McINTOSH** - It is arguably about the same.

**CHAIR** - Is it? Really?

**Mr McINTOSH** - Yes, about \$3.20 per hour in Perth, the same here.

**Mr VALENTINE** - Unlike Sydney, of course.

**Mr McINTOSH** - That's right. If you were to introduce the levy here - Hobart has doubled its parking charges over the last couple of years - it is only a couple of dollars a day in the scheme of it all, so the marginal cost increase on the parking amount would probably be something in the order of 20 cents to 30 cents an hour. If the message were sold to the people of Hobart and said, 'Okay, we are going to put this levy into place; the revenue generated from this will be used to provide an alternative to you'. Currently all of it just disappears into -

**CHAIR** - Council profits.

**Mr McINTOSH** - Which is important too. The council needs to generate revenue for its operations, but if an additional charge - and this has been very effective in WA - increases the cost of parking on one hand, it lowers the cost of the alternative in the other.

**Mr MULDER** - This is time for me to introduce my favourite little topic. We have here in Hobart a fairly small catchment, which I accept you say would do it, but the fact is that at the end of that catchment is a huge big free car park sitting on top of the hill. The question is, what incentives or disincentive does that produce for getting people - because we're talking here about a switch from cars to public transport.

**Mr McINTOSH** - Correct.

**Mr MULDER** - If you have this huge big thing there I am just wondering what impediment that is to actually getting people to park at Glenorchy instead of another 15 minutes, 20 minutes, half an hour or whatever it is in peak hour and parking on the Domain?

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

**CHAIR** - In actual fact it might be a persuader for, say, Hobart City Council to control that better or to not have free parking because their purpose is to get people into the CBD. They do not want to do anything that would make fewer people come into the CBD.

**Mr VALENTINE** - It is two-part, isn't it? You are talking about commuters and shoppers. It's the shoppers they do not want to disadvantage.

**Mr McINTOSH** - Absolutely.

**Mr VALENTINE** - The commuters basically have to come because they have to come to work, so it is probably the ones from the south who are using the Domain for their car parking and walking into the city, and some of the east as well. If you were to stop that - and that is mainly commuter parking, not shop and park, because with shop and park they get 90 minutes free anyway in the car park. I cannot see why the Hobart City Council would not consider it, especially given the fact that Queens Domain is there for the quiet enjoyment of the people, not as a car park; a lot of people and the major management plan for the Domain would reiterate that.

**Mr McINTOSH** - It does.

**Mrs TAYLOR** - If you made it easier for commuters and a good balance in terms of -

**Mr VALENTINE** - As long as you are not upsetting the shopping. It is the shopping that the council would be concerned about.

**Mr McINTOSH** - And it is how you sell the message to everyone - that this is not just a cost but there is a significant benefit in this in that you increase the accessibility for the northern corridor but I would not see the investment decision for the rail being exclusive to that. I think it is part of a broader public transport investment strategy for Greater Hobart and there are a significant number of things to do with park and ride but also how the feeder bus services and everything integrates.

**Mr VALENTINE** - If you improve their experience at this end so instead of having the Domain as the car parking you have these peripheral car parks further out -

**Mr McINTOSH** - Yes.

**Mr VALENTINE** - You might even ride out to Brighton, I reckon, and even right up the Derwent Valley. There is no reason why you could not incorporate some of that.

**Mr McINTOSH** - I agree.

**Mr VALENTINE** - You could put the peripheral car parks out there and then you bring in the passengers and deliver them closer to their workplace anyway.

**Mr McINTOSH** - Correct.

**Mr VALENTINE** - Maybe with a bit of a walk - and would you say it is 400 metres or something that people are prepared to walk?



**Mr McINTOSH** - It is between 400 -

**Mr VALENTINE** - Or is it 800?

**Mr McINTOSH** – Well, 800 metres, because 400 metres takes about a five minute walk so people generally perceive their walking catchment to their infrastructure is about five minutes. Most people extend it out to 10 minutes if they value it, so for instance where we are right here is significantly further than 800 metres' walk to the Domain. I think if the infrastructure and the park and rides - I will be honest, I am not a massive fan of them because they tend to annex areas around your transport infrastructure -

**Mr VALENTINE** - Which could be used for more, yes, more valuable -

**Mr McINTOSH** - More valuable development, but they do have a role in the staging of the roll-out of the infrastructure because they are a huge transport disadvantage for further out. If you have high frequency bus services going to Brighton, Gagebrook and everything else, at the end you have a large park and ride, at Claremont or wherever it is, so people can drive there and drop their cars, zoom in or the bus services are doing it.

What we are seeing all over Australia is that though the park and ride is effective at extending the catchment far beyond the walking catchment, the marginal daily cost of the provision in capital and operating is about \$4 or \$6 a day in WA per space and there are 16 000 of them.

The cost of those is comparable to what they are running for their bus system and they do not get any congestion out of the bus system; they do not get any of the other negative outcomes of all these people flooding in, so I think the more you focus on your bus network to feed the rail and you structure your system such that it is done on a zone-based fare and that when there is no financial cost in people's whole trip length because they have electronic ticketing, then you will find that it lowers peoples' cost significantly.

It is not just WA. WA is a good example because they do that side of it fairly well. They do the land use side quite poorly I believe because of the way they have integrated the transport side, they have got it structured it really well.

**Mr VALENTINE** - Tony's question - he always asks about the difference in cost between bus and train and car

**Mr MULDER** - I think you have already provided that to us.

**Mr McINTOSH** - I have. It is really hard to find. That information is from the USA. One of my mentors or supervisors for my PhD is a man called Tim Prayne. He works at Price Waterhouse Coopers in Brisbane. He has done the business case for the Cross-River Rail and he was the business case manager, the financial transaction manager for Gold Coast. He ran the process of looking at what a BRT high frequency busway model would be for the Gold Coast when compared to light rail. Light rail came out cheaper, because busways are not just a bit of road, they are a very serious bit of road. When you look at they busways in Brisbane, they are very expensive bits of road as well. So when I looked at the capital cost of that, it was higher than the LRT. More importantly, given

the number of buses that they had to funnel through there, and the capacity of the buses when compared to the light rail for that particular corridor, light rail was cheaper. They chose the light rail on the basis of cost.

**Mr MULDER** - The other point that is made from time to time is that the fact that with the light rail, and I suggest from the figures of takeup that you gave us right at the beginning might answer this question. There has been some concern that if the light rail ran from, say, Claremont or Granton straight to Hobart, whilst there is a five-minute Metro bus service that runs down the same corridor, not on the same land but basically in a similar transport corridor, that people would still go for the bus because they can walk down to the main road and then catch their bus on the main road, and that has probably led to some of this thinking that it should be nodes with small buses running towards them.

**CHAIR** - Feeder buses, yes.

**Mr MULDER** - On your figures there, maybe we can argue that those people who want to commute and want the quick run to work, would leave their cars at home and jump on to this thing rather than catch the bus. They are not competing for the same market share; in fact, this may be one of the things that Metro is deeply concerned about - that a significant number of the public transport users who are now using the buses for commuting will jump on to this thing, thereby making Metro totally unviable.

**CHAIR** - If they were also running the rail it would not matter, would it?

**Mr McINTOSH** - You are absolutely right in that people will chose the lowest cost in this. At no stage think that the public transport for that entire catchment, in fact greater Hobart, would not need to be completely restructured when this goes through.

**Mr MULDER** - What was interesting about your loading figures, like for 14 daily boardings leading up to 72, that sort of thing suggests to you that this is not about how we carve up the pie.

**CHAIR** - Growing the pie, that is it.

**Mr MULDER** - That then leads me on to my other issue. There is a defined catchment; we can have increasing density of population out there, but if we are going to think forward to the next half-century or century, we really have to be recognising the fact that the only real land available in that direction is up through Brighton towards Kempton.

**CHAIR** - There is still a lot.

**Mr McINTOSH** - There is a huge amount of land in the corridor.

**Mr VALENTINE** - There is a lot in the corridor.

**Mr McINTOSH** - I think if you focus - my other major thing is that if the Glenorchy/Hobart councils focus their redevelopment strategies, and all the government agencies, like the Department of Housing -if everyone focuses their redevelopment strategies along this corridor, you can fit a hell of a lot of people in. One of the things that we are now seeing

in all Australian cities is the crying latent demand for high-density living for students, for the elderly and for people that are, as they get older, your big public transport users.

**Mr MULDER** - What you are saying is you do not see the maintenance of the rail link across the Derwent at Granton to Bridgewater as critical to the success of this project.

**Mr McINTOSH** - I believe the project could be staged. I believe it is a very difficult thing to say that we could cut the rail. I do not believe in the longer term that that necessarily is a good idea.

**Mr MULDER** - That is what is being planned.

**Mr McINTOSH** - That is what is part of what is being discussed.

**CHAIR** - The business case.

**Mr MULDER** - No, no, I wasn't talking about that, I was talking about the new Bridgewater-Granton bridge.

**CHAIR** - Bridge, absolutely.

**Mr MULDER** - They would take the old causeway away.

**Mr McINTOSH** - Yes, I know.

**CHAIR** - Certainly the new bridge won't be suitable for rail.

**MR McINTOSH** - No.

**Mr VALENTINE** - Because you cut the Derwent Valley off if you do that, that's the other thing. How many people live in the Derwent Valley? Tell me they won't want to catch a train. They would love to catch a train, I'm sure, into Hobart.

**MR McINTOSH** - But I think the main thing is -

**Mr MULDER** - That's what they are saying, is that that goes, the rail link goes.

**MR McINTOSH** - But you can't take the rail to everyone's front door. That's not what it's there for, but it's there because you do the catchment analysis and the role of the different public transport forms; then you have buses forming a critical part in the public-transport network and the success of it is that for the foreseeable future the buses could get the lion's share of people from the Derwent Valley and out into Brighton. You could get people from those areas very quickly and efficiently to each modal facility at Granton or elsewhere..

**CHAIR** - You wouldn't want to be much closer in than Granton, because if you go Claremont, then you're already on the highway really, and you're not going to come off the highway to go down into Claremont.

**MR McINTOSH** - I agree, and it's a natural point where you have the Derwent Valley on one side and Bridgewater there, but it also forms part of the gateway to Hobart, so if you're on the western shore, you're there, and if you want to - and depending on where you work and what your transport path is, whether it's school, work, leisure, how you're structuring it - most of the trips that are coming into Hobart from that northern catchment are either going to Glenorchy or Hobart.

**CHAIR** - Yes.

**MR McINTOSH** - So if the bus services can be structured in such a way that they were to have an intermodal facility at Granton and I also believe another one picking up the Bowen - doing Risdon Vale and that part of the city, and having another major one at Elwick Road or something like that there, and that's obviously Glenorchy, KGV area, and you have the feeder buses coming into Glenorchy, but also going in there.

That will make the catchment start to significantly increase, as does people's transport cost in time and in money, but in time in particular, when you look at what the congestion is, and when you look at what DIER and the councils are going to have to do to their roads to be able to get people to work, as you have increasing development. Congestion and fuel costs have doubled in the last 10 years. What you will find is that for people who are already living on the margins, in the next 10 years fuel costs are not predicted to go anywhere else but up, and you will see people choosing to change modes, that's where all the ...

**Mr VALENTINE** - Would it be possible to put a rail line across the Bowen Bridge or across the highway?

**Mr MULDER** - No, no, no, that's a whole -

**CHAIR** - That's a whole different ball game.

**Mr MULDER** - And this is pie in the sky.

**Mr VALENTINE** - I'm just saying if Bridgewater were not an issue.

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

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

**Mr VALENTINE** - The closer suburbs are an issue because everyone lives west of the rail corridor, and you have to come east to go south. And that, to my mind, just doesn't work in people's psyche, so I think aren't we really trying to cater more for those who are further out in this to make it viable, rather than the suburbs that are closer in?

**Mr McINTOSH** - I don't believe so. I think you see the gentrification of Glenorchy as its stepping out. This is your -

**Mr VALENTINE** - I'm talking of your Kemptons, future growth.

**CHAIR** - We're talking about inner suburbs like New Town.

**Mr VALENTINE** - I'm talking about future growth. Aren't we looking at trying to engage those into a rail corridor through into the city rather than the closer suburbs?

**Mr McINTOSH** - There is a role for both. The role of greenfield development as opposed to infill development in this discussion is really important. As is the discussion about how you provide sufficient accessibility for people in this area. If you lived in Kempton now and you don't have a car, you are out there on your own.

**Mr VALENTINE** - This is the point. A lot of people who are lower socio-economic are being forced out to those places because that is the only place they can afford to buy land.

**Mr MULDER** - We'll talk about Dodges Ferry shortly. That is why there has been a boom in population down there.

**Mr VALENTINE** - It's exactly why Dodges Ferry exists.

**Mr MULDER** - All those low socio-economics get out there, they think they're saving a few quid on rent and suddenly they are confronted with having to get to the Centrelink office, which is in Sorell.

**Mr VALENTINE** - It's exactly what I'm saying.

**CHAIR** - We need good bus services to these places.

**Mr MULDER** - By Dodges Ferry I meant the southern beaches.

**Mr McINTOSH** - The major issue there is you can't constrain that, but it's about affordable housing in your core centres where there are all the essential services, Centrelink being one of them, and if you look along the corridor, the amount of developable land or under-utilised land or non-strategically located services in these areas, there is a huge amount of land out there that isn't too far away from either Glenorchy, Moonah or northern parts of Hobart, but all of it is within the pedestrian walking catchment of this new piece of public infrastructure that will get them very quickly and at a low cost to where they need to be.

The problem with the southern beaches, and up to the north as well, is that it is extremely challenging to provide sufficient accessibility for people to get out there.

**Mr VALENTINE** - At the right price.

**Mr McINTOSH** - Arguably what you will be doing at that time is inducing more in that area where arguably -

**Mr VALENTINE** - You want to do it the other way around.

**Mr McINTOSH** - You want to encourage them to come back.

**Mr MULDER** - Not quite as difficult as it would seem. A short bridge across the spit from Seven Mile Beach to Tiger Head would get them.

**CHAIR** - That would help. James, when we talked to Professor Newman, mostly by phone, has been - and he suggested that we talk to you about this because you are the expert on this in his opinion.

**Mr McINTOSH** - I don't claim to be an expert on any of this.

**CHAIR** - Is the notion of value capture. When you put a rail - I'm not sure I understand it totally - but when you put a rail line out then you're talking about real estate. For us it's been certainly a matter of cost that the government and department has said we can't make a business case because it's too costly for the few people that it may serve.

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

**CHAIR** - One of the things it came up with was that you would not take it out as far as Granton because there would only be five or nine commuters who would catch it from out there because of the catchment area within walking distance.

**Mr McINTOSH** - I will say that I don't agree with their catchment models. I am not here to criticise the department -

**CHAIR** - No, no, of course not.

**Mr McINTOSH** - but I do think that when you look at this in a more broader sense around the role of buses and other things like that, the catchments themselves will be increased. I think when you look at what the impact of the rail infrastructure does - and we have seen this particularly in Brisbane when they did the Cross River rail, so the guys from PWC did their model - I think it was about 25 per cent KPMG came up with there - of the introduction of the new infrastructure.

We have run very large hedonic pricing models across Western Australia and looking at Perth and the suburban rail network and whether you are in catchment or out of catchment, but we also did a time series analysis looking at pre, post and during annual analysis during the investment into southern rail.

All of this was during the GFC and during major fluctuations in property markets all over there as well, so our models were discrete from those - we were doing comparative analysis within the different catchments whilst the rest of the market is going; they had something like a 250 per cent increase in property values in five years and then a 30 per cent decrease in the subsequent two years, so they have had a roller-coaster ride of property values. But we were able to look at the catchment over that time and to see a 35 to 40 per cent increase in property values that is solely related to the introduction of the new rail.

**CHAIR** - Solely related to the introduction of the new rail?

**Mr McINTOSH** - Correct. We had done hedonic pricing models looking at all the other aspects of the investment so -

**CHAIR** - Is that what you are talking about when you talk about value capture?

**Mr McINTOSH** - That is the value created, so what you then have is the impacts on the taxation system from that; all the land based taxes go up, so capital gains tax, stamp duty, land tax and council rates all go up associated with this and there are different revenue streams that obviously peel off to the three tiers of government.

**CHAIR** - Is that what you would use as part of your business case rather than your financial -

**Mr McINTOSH** - Well that is part of the value creation; it is understanding the tax implications of positive increases in there. Some of the active things that can be done also are active mechanisms to induce the sort of development you want around there whilst generating revenue; what we have seen is activity and density bonuses that you would basically incentivise development around these areas to allow higher levels of development in there but put a small per-metre rate on there and then that gets returned back into the project.

There are a whole lot of different mechanisms for different tasks that can be done, so what we have seen is local government recovering some of its costs for a surrounding precinct amenity benefits or investments from around these pieces of infrastructure and recurring costs and other things through that.

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

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

**CHAIR** - One of the things that is the fear that has been expressed to us I suppose is that it is the 'Build it and they will come.'

**Mr McINTOSH** - Sure.

**CHAIR** - We do not have experience of that here so people are saying, 'Yes, I know it has happened in Perth, we know it is happening on the Gold Coast and we know it has happened in Wellington, New Zealand, and Brisbane but there is no guarantee it will happen here because - '

**Mr VALENTINE** - They love their cars.

**CHAIR** - That is the thing, because Tasmanians love their cars and because we are a small population and there is free parking in the city and -

**Mr McINTOSH** - No-one could love their cars more than West Australians. You only have to go there; I think their per capita car ownership is the highest in the Australia.

**CHAIR** - So you think it's an unfounded fear?

**Mr McINTOSH** - Absolutely. The main reason why everyone says they love their cars here so much is because they are not given an alternative. Yes, I drive my car to do a whole range of different tasks, but if I had an alternative - as would my family and others - you would do that. In the absence of a viable alternative to meet my needs, I have no choice.

**Mr MULDER** - On that point, I have taken four kids through university and another one through TAFE. There all have access to cars but they catch public transport when they go to university for one simple reason: parking. You can't park there, so you have to catch public transport.

**Mr VALENTINE** - Or ride a bike.

**Mr MULDER** - That is a huge disincentive to get on public transport.

I want to pursue the same sorts of ideas, but around the ferry service. We've heard from Rod Howard and the bottom line is that he puts on a service and advertises it - everyone wants to see them on the river but they don't want to go on the river. I am wondering whether that's because we only have one or two spots; people can't easily ride their bicycle to a jetty. That is providing the same thing that a light rail would - an alternative means. Do we need 1 000 jetties on the eastern shore or do we need a park and ride?



**Mr McINTOSH** - Again, it comes back to the generalised cost of the trip. People choose based on three things: time, money and the opportunity cost for congestion.

**Mr MULDER** - Congestion is a time factor?

**Mr McINTOSH** - Yes, it's an added time factor. One of the things you see for the generalised cost for people using ferries is that most of the time they can get to the CBD quicker in their cars. The parking is a discrete part of all alternatives to the car. Free parking or very low cost parking reduces the generalised cost of the trip to activity centres for the people using the car. With public transport services, the access time to ferry terminals, if you have to ride or walk it could be significant. If the bus services were integrated with the ferry terminals as well and dropped people off there and it was built in to a Metro fare structure such that the whole cost -

**Ms RATTRAY** - One ticket?

**Mr McINTOSH** - Yes, one ticket.

**Mr MULDER** - But here comes the point. Why would you get on a bus, travel to the Rosny bus exchange, get on another bus and travel to Kangaroo Bay Point and then get on to a ferry? No-one's going to do that. Unless the bus went straight to the ferry wharf and you could not simply stay on the bus and go over the bridge to get to where you are going, I think that's the issue. The problem is probably more pertinent to the ferry service - the duplication of a bus because it is getting on one and then having to get off it.

**Mr VALENTINE** - So you're almost forcing your passengers to catch the ferry instead of a bus over the bridge, aren't you?

**Mr MULDER** - No, I wouldn't, because I don't think that will ever work, forcing people to get on a ferry. The bottom line is that this is probably why ferries are always going to be a nice thing to see but no-one is going to use them. If you're on the bus, why would you get off it?

**CHAIR** - That's true. When we were in Brisbane most of the people who catch ferries are people who live within that 500-800 metre radius, so they walk to the ferry.

**Mr MULDER** - That's my point. I led in the proposition with the idea we need a lot of ferry terminals where people can walk to.

**Mr McINTOSH** - The trip lengths are very short in Brisbane, too. The river is a creek compared to the Derwent. You don't ever have a rough-weather day on the Brisbane River, where you can on the Derwent. If the trips are longer, the cost in time and money for those trips when compared to the bus is, as you say, to the bus you are better off.

**Mr MULDER** - It's a disincentive.

**Mr McINTOSH** - It is a disincentive. The only way that, as you say, could work is if there were buses that, as part of their route, did go down to the ferry terminal and had an intermodal facility there. That is the only way they work in Sydney and it is the only way they work in Brisbane. You have to enable people in generalised cost to

minimise their cost from door to door. I think until that is understood for public transport in general in Tasmania, the social welfare discussion that we were having before - that it is provided to people who effectively do not place as great a value on their time - then they are going to do that. If you minimise the time constraints then people will say, 'It takes me 20 minutes if I take my car by the time I drive to the city, find a park and walk to work.' If you can do it in 15 minutes and it is about the same sort of cost or there is a greater disincentive for people to use their car, like constraining car parking.

**CHAIR** - Free car parking.

**Mr McINTOSH** - Yes. Constraining all free car parking. I believe some sort of hypothecated charge to enable the finances - otherwise you have to go cap in hand to Treasury every time you want to spend \$5.

**Mr MULDER** - It costs you \$2.50 to take a bus from Rosny Park to the city.

**CHAIR** - And free parking.

**Mr MULDER** - It takes you \$6 or something to catch the ferry over. One is subsidised to the hilt and the other one is not. On top of that you have to then find somewhere to park your car because the bus isn't running within 500 metres of your front door.

**Mr McINTOSH** - I think you are right. The difficulty there is you have the private sector trying to compete with the public sector. It does work in Sydney. There are new fast ferry services operating on Circular Quay and Manly that the private sector has been operating and they are doing very well.

**Mr MULDER** - That, once again, is their market segment where time is more important than money.

**Mr McINTOSH** - Correct. You go on it and every single person on it has a tie or a suit. It is very much people who value their time and want to get home really quickly and they are right. Some people have a drink on their way home and they can charge drinks to their travel card, and it comes off their tab. It is structured very much for that discrete market. I agree. If the ferry system was worked and viewed as a critical part of the public transport infrastructure and public transport in Greater Hobart was seen as a direct competitor for the car and structured as such, and invested in the way that it was, then you would see significant -

**CHAIR** - You would have a public integrated system, ferry, bus, rail or whatever as our public transport.

**Mr McINTOSH** - In the network the transport task is invested in such a way that it was viable in both time and cost compared to the car.

**Mr VALENTINE** - Do they carry bikes in Perth on buses and trains?

**Mr McINTOSH** - The only place you can currently do it in Australia regularly is in Canberra.

**CHAIR** - On buses?

**Mr McINTOSH** - Yes.

**CHAIR** - Trains?

**Mr McINTOSH** – On trains you can outside peak times.

**Mr VALENTINE** - Do you know the reasons?

**Mr McINTOSH** - Safety.

**Mr VALENTINE** – What, putting the bikes on and off?

**Mr McINTOSH** - Yes.

**Mr MULDER** - It is harder to run over them when the bike is on the bus.

*Laughter.*

**Mr McINTOSH** - You have raised one of the scary parts of all of this. The cyclists, and there is a great example of mine: we moved to Western Australia and lived in Fremantle. When we arrived in Fremantle my wife worked in the city and she would catch the train everyday and she would ride her bike to the station. When we arrived there two and a bit years ago, they had room for 20 bikes at the station and it was always full. Then they opened up another section that could take about 100 bikes and after a week it was full. Then they opened up an old shed part of the station and they said they would open up that and added to it with 500 additional bike spaces and within a week it was full. Then they opened up another whole shed that had been used for storage and they opened everything else up so they had room for over 1 000 bikes at the station. Within two years and within two weeks of opening that other part of the station it was full.

**Mr VALENTINE** - How did that affect the feeder bus services? Did that make them unviable because everyone was using their bike?

**Mr McINTOSH** - Hardly. God no, because the feeder bus service catchments are enormous - six kilometre sort of range. They go out scouring the suburbs and bring people in. The bike catchment for the train stations is probably only about double the pedestrians. People are only going to ride -

**Mr VALENTINE** - Five or six kilometres, two kilometres.

**Mr MULDER** - You are getting people who would normally drive into work and pay their parking expenses. Now they are saying they will ride the bike to a station and they are getting a bit of exercise during the day.

**Mr VALENTINE** - And they are not paying \$200 a month for a car park.

**Mr MULDER** - I lived in the eastern suburbs of Melbourne for about three years and that was how I got to work most of the time - ride a bike probably a couple of kilometres to the train station. There was no bicycle parking, of course, but being a good cop you go and door-knock until you find someone near the train station who will let you park your bike down the back of their house.

**CHAIR** - I presume that that bike parking is supervised.

**Mr McINTOSH** - Yes. It is inside. Each one of the train stations now has a bike cage. The biggest issue is exactly what Tony said. It is quite unsafe in WA to ride on a lot of these roads to get to train stations because they are high speed, high frequency corridors, so it is about providing sufficient bike access to the areas in bike lanes. I would argue that that needs to be an in -project cost and then in -project part of the internode facility.

**Mr MULDER** - So we are now talking about ride and park and ride.

**Mr McINTOSH** - Absolutely, but that is a critical part of the access to most of the train stations around Australia - that the cycle parking where it is safe to get to and you are not competing with buses in particular but with trucks and fast cars trying to get to the station. Where you have a bit of room and it is safe to get there people will use it and it is the lowest financial cost provision of a trip. A bit of mesh, a camera in the corner and a bit of undercover parking for your bike, probably if there is a bit of spare land, would probably cost \$2 000, maybe \$5 000. If it is undercover parking it costs \$15 000 a space so even at grade car parking is costing you \$5 000 per space, so the provision of bike parking in all of this is the lowest cost and highest return.

**Mr MULDER** - It always says something about the bicycle strategy. We are always talking about the big long runs here, there and everywhere; we are now starting to talk about perhaps how bicycle lanes need to be radiating from hubs.

**CHAIR** - To the nodes.

**Mr MULDER** - Up through suburban areas.

**Mr VALENTINE** - Bicycle hire is a feature of a lot of places, so you don't have to worry about the security so much because they are monitored?

**Mr McINTOSH** - Bike hire is a very interesting thing, particularly in Brisbane where people are using the last mile trip where they have bike hire at each end of the station. People are using that, so they are catching the ferries, grab a bike and often do these last mile journeys if they are only a couple of kilometres here, a couple of kilometres there; they grab a bike, tag on, tag off - very quick and very cheap.

**CHAIR** - The helmet thing is an interesting one, though, because in some cities you get helmets, as you do in Brisbane, with the bike and in other places they say no because of health and safety and not many people are going to carry their helmet with them everywhere.

**Mr McINTOSH** - I have a significant number of colleagues and friends who believe that no helmet is a good idea.

**CHAIR** - That is a totally different question.

**Mr MULDER** - I have got lots of friends and colleagues for whom I think no helmet is a good idea.

**Mr McINTOSH** - I lost two friends of mine in primary and high school who were killed cycling with no helmet. I don't think it is a good idea, but I do think there are alternatives. There are several schemes throughout Europe where they have disposable helmets and you can rock up and buy one of these. There is no difference between an Australian standard helmet and a cheaper version of an Australian standard certified helmet. The polystyrene that goes in them and the webbing around your neck is exactly the same. You can get a black, orange or yellow version.. You can buy them from China for about \$1 each and have a vending machine at each one of these bike things there, sell them for \$8-\$10 each as a disposable thing you use for a couple of days. You can keep them, you can recycle them, you can do whatever. People do not like recycling helmets but you definitely could. You could get a refund if you chuck them back in the box; someone hits it up with a bit of spray, puts some new rubber inside it and you recycle it. The disposable market for these things is only just starting to come into Australia and I think that is a very important part.

**Mr VALENTINE** - Just needs a disposable mat inside the helmet, I reckon.

**CHAIR** - Mr Mulder, any further questions?.

**Mr MULDER** - I think I am just about done. It is interesting to know that we could sit here, *Hansard* or not, and continue to kick these issues around and I do appreciate that the Chair has to say this, but just from my perspective it is great to see you here. I am sorry that I was partly responsible for the delay in the start of proceedings, but it is a great discussion and it was good to explore some of the issues that we did on the phone, and for the few to provide the information and I particularly did take great pleasure out of it. I do not know if Derwent here wishes to suggest that the train be powered by steam instead of electricity.

**CHAIR** - You did not get to meet Craig Farrell, the Minister for Derwent but

**Mr MULDER** - Sorry, apologies I had a meeting that ran over and I was particularly keen to listen, but I will go back and read thorough the records.

**CHAIR** - So any other questions, Craig?.

**Mr FARRELL** - No, until I read it through, then I might have some questions, I might have to give you a call.

**Mr McINTOSH** – Yes, that is fine. The only thing I would follow up with saying is that with a lot of the work that we have been doing in this space, we have released a couple of reports, which we have downloaded online, that look at optimised operations in public transport systems, alternative funding strategies for public transport and how the benefits of public transport can be captured by government. If you want any of these things they can be downloaded online. I can provide links to those or I can send copies of them.

There is plenty of information if needed; they are publicly available and we are continuing to do work in this space and continuing to release information. As a statement at the end, I would say that I am not one of these people who are modally specific in this environment; I do not believe that the investment in rail is just for people who play with trains. I do believe wholeheartedly that with investment in rail-based infrastructure for Hobart, the impacts on the surrounding land uses and on the catchment in particular will be enormous. They will create the sort of place that I want to grow up in and I want my kids to grow up in. I think one of the problems that has been for Greater Hobart is that the focus has been on Hobart and we have left a lot of other places behind. Having worked as a project manager for Sinclair Knight Merz and for Pitt & Sherry over a number of years, you can see that every time you do some good things in Glenorchy the market for people and the whole community respond to it very quickly. With this level of infrastructure investment for this area, the return on the investment for the land use and for the economic activity that it will generate would be far over and above any of transportation benefits. As I said, what is being assessed currently by DIER, though important and which could be optimised, is only part of the discussion and investment decision around this. Without looking at all the other benefits that are created by this project, you just would not do it on transport economics alone; you will only do it when you understand this.

Huge benefits are created and I would really like to see this project go ahead so Hobart can change and develop around this. Though everyone says Hobartians love their cars, it is only because they have to.

**CHAIR** - Thank you, James. It has been very helpful.

**Mr FARRELL** - I just want to ask James - and I may have missed this before - in a percentage form, if we were looking at a northern suburbs railway to be established, how far advanced to you think you would be by just having that piece of rail infrastructure sitting in place now?

**Mr McINTOSH** - It is enormous. I would say the enormity of it is not in what is physically in the ground, it is the fact that you have an existing rail-based transport corridor there and the fact that it sits in the optimised location for rail to go through that whole area. It is in the heart of the area and it is within walking distance of most of the activities.

Where we were talking about the light rail for other cities around Australia that is being built, they are all cruising around \$100 million a linear kilometre and this project is in the order of \$100 million. Even if you could say that \$100 million to \$200 million for a 16 to 18 kilometre length, it is a bargain basement price that anyone would take. If it is always seen that Tasmania cannot afford the big ones and cannot afford this and cannot afford that, we can afford a bargain basement version of it.

**CHAIR** - We did also talk about the rail line out to New Norfolk, you will be glad to hear, before you came. We just extended it.

**Mr McINTOSH** - The Gold Coast is 11.5 to 12 kilometre project; \$1.21 billion for the project. Canberra, I cannot remember exactly what it is, but it is somewhere between \$70 million and \$100 million a kilometre for that length.

**Mr VALENTINE** - \$70 million to \$100 million a kilometre?

**Mr McINTOSH** - Yes. Here is purported to be \$100 million for the link to Glenorchy - or is it to Claremont? I cannot remember. Even if you double it or they are out by a factor 100 per cent. The maximum light rail in Perth is 18 kilometres or something like that in full linear length and that is \$1.85 billion. They are all about \$100 million a kilometre. They are expensive things but one is being built, two have funding committed, so wait to see what happens.

**CHAIR** - Thank you very much, James.

**Mr McINTOSH** - That is okay.

**THE WITNESS WITHDREW.**

**Mr JOHN LIVERMORE** WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED.

**CHAIR** - Welcome, and thank you. You know that the evidence taken at this hearing is protected by parliamentary privilege, so you can say whatever you like to us, but I have to remind you that any comments you make outside of this hearing may not be afforded that privilege. Have you received and read the information for witnesses? We probably sent it to you, I think.

**Mr LIVERMORE** - Yes.

**CHAIR** - The evidence is being recorded and the *Hansard* version will be published on the committee website when it becomes available. First of all, would you like to tell us your field of interest and expertise for the record?

**Mr LIVERMORE** - For 28 years I was a senior lecturer in commercial law at the University of Tasmania, and I retired in 2002. From 1990 I have been the title editor of transport for *Laws of Australia*, which is published by Thomson Reuters. I am currently, and have been for some time, a fellow of the Institute of Transport and Logistics. I am also a fellow of the Australian Marketing Institute, and I was in charge of a public inquiry into road/rail freight in 1992.

**CHAIR** - Thank you. Now, you have put a submission - you know this of course is about integrated transport options for southern Tasmania.

**Mr LIVERMORE** - Absolutely.

**CHAIR** - You have given us a submission, but you obviously wanted to address us as well, so would you like to address us?

**Mr LIVERMORE** - Well, I felt that given that I had provided a fairly brief outline submission - I think in July or August last year - I thought I would update that. And also too, I had the benefit of reading the submission from the CEO of Metro, Heather Haselgrove, and I found there were a number of points there that I thought needed highlighting and perhaps comment. So if you would like me to just run through.

**CHAIR** - Yes, that would be great.

**Mr LIVERMORE** - I think the background, as I put it in my submission, is that currently we don't have an overall integrated transport policy at state government level. If one criticises, that it essentially means that you have a piecemeal approach to transport issues, so that if the issue of freight transport or Bass Strait comes up, then you have a special committee or you convene a group to look at that, and this gets repeated and repeated.

On the other hand we have plenty of documentation from DIER, and I noted particularly the southern region overview report 2007. That gave a picture of a widely dispersed community outside Hobart and the southern region with an ageing population and certain transport disadvantaged sectors within the region. Now, this, I believe, is fairly



typical of the rest of Tasmania, and I know in my submission I went beyond the southern area, but that was simply because I thought some of the points I made have application elsewhere.

We are now beyond the old system where we had trams running through Hobart and the rail provided passenger transport, and railway is now entirely a freight-only mode. But we are, I think, at a key position, we are past peak oil, and even if we get the occasional drop in the price of petrol at the pump, it is a brief relief because the general trend is upwards in price, diesel and petrol. We still have an advantage in Tasmania that when we eventually get electric vehicles within the pocket of the average battler, we have provisions available for a charging system throughout the entire state, and I would like to think that eventually we would get somewhere close to that.

Until very recently I was on the committee of the Northern Suburbs Light Rail group, and also I am a member of Future Transport. Both these bodies, I think, have made submissions, and I essentially endorse the view that has been expressed by these bodies, that the ACIL report on light rail, the northern suburbs light-rail project, was seriously flawed and included a failure to undertake the market survey of potential users, and essentially relied on Metro passenger numbers that DIER supplied. Also too, the ACIL study omitted the effect of potential housing development along the line of rail.

I know that you have already had a submission from one of the consultants who was in here previously, and I was privileged to hear his presentation at a meeting of the Northern Suburbs Light Rail group and found it interesting. Essentially what that indicated - this is James McIntosh of Curtin University - he looked at the effect that passenger rail in Perth and Melbourne and a survey of other work showing that proximity to rail services generally increases property values across residential and commercial sales somewhere between 10 and 20 per cent.

In addition we have had comment, in fact research, by Hobart Architects Paul Johnson and Wesley Hindmarsh stating that the light rail project would increase the number of potential sites for affordable housing development and create a string of high-value communities and economic activity along the length of the corridor. I think these particular pieces of research are quite crucial and as I say, it was a great pity that the ACIL report did not take any of this on board at all.

The Minister for Sustainable Transport, Nick McKim, took on board representations regarding the shortcomings of the ACIL report and it was then reviewed. However, I think the minister came to the same conclusion and simply advocated a Hobart-Glenorchy link rather than a link direct from Hobart to Bridgewater, which is what the northern suburbs light rail group argued for. He has yet to indicate that funding for the project will be provided for in the Tasmanian government May budget. Obviously, the light rail project will only become a reality, even on a truncated basis, if the minister provides funding to provide one key stage.

Later on I mentioned the link with tourism because I feel that to run a light rail system short of MONA, this is not just on potential passengers but potential growth.

In relation to buses, I was interested to read the submission from the CEO of Metro, Ms Hazelgrove, and I was interested in the exchanges between the committee and

herself. She stated basically that Metro has a contract to deliver passenger transport services with the Transport Commission.

I think one member of the committee suggested this was not [?indistinct TBC 4:22:47], that Metro is the provider of last resort. According to the CEO of Metro, 75 per cent of funding came from government contract, 25 per cent from fare revenue and bus advertising and Metro is not a commercial business. The loss for last year - I think there was some degree of uncertainty about the exact amount - I think \$34 million was mentioned. Metro, according to the CEO, had not thought of branching out beyond road passenger transport, that is to say ferries or light rail, and Ms Hazelgrove made it clear that any extension beyond its current charter would be a policy decision for the government and not one for Metro.

One interesting aspect of Ms Hazelgrove's submission was that the Adelaide passenger bus service is novel, operated where the government owns most of the buses and depots, ticketing, infrastructure and road network, the provision of bus services using these assets were competitively tendered.

She raised the scenario where - I do not think she was necessarily saying this should happen - but she indicated that the Tasmanian government could sell the Metro and it could keep the assets and contracts and contract out the services. This seems to be possible for a number of other people as well - that it is an option worth examining for a restructure of delivery of passenger bus services statewide. There is obviously, too, a rather concerning drop in the passenger task, which is measured by the number of persons boarding and the Hobart task dropped by 1.2 per cent and the overall statewide decrease is 2.1 per cent.

One thing to come out of this is that Metro have a network plan as a result of analysis by Parsons Brinckerhoff. DIER has under development, and I don't think it is finalised yet, the Tasmanian Urban Transport Framework. As part of this, DIER is looking at a series of transport corridor plans; one for Glenorchy to Hobart CBD. Unfortunately, from my point of view and I think of those who advocate light rail, the DIER outline of the plan is proposed as an alternative for delivery of public transport by a Northern Suburbs Light Rail Group proposal. While the improvement to the northern suburbs and its service is the main road bus routes were seeking with community input, my view is that it should be matched with the light rail proposal which has renewed stations on the northern suburbs line linked to Metro services. In other words, you get integration between Metro and light rail and not a conflict.

The other point that I picked up from Ms Hazelgrove's submission was that she felt that the rail corridor should be preserved; according to the minister, apparently it will be preserved.

The other point that I found interesting was that park and ride has been proved popular and DIER is currently investigating this. I have experienced this, particularly in the UK, where most of the major cities have this system as an integral part. I will cite Cambridge and Suffolk and Ipswich and Suffolk as examples. The bussing of North Hobart football fans does show that the mass transit system can work for peak crowd events.

One other aspect that tends to get left off is what you do in a rural area where you've have no regular bus services at all. At the peak fuel summit I attended, which was run by Premier David Bartlett in 2006, there was a young woman from Fingal who advanced the concept of car pooling to fill the gap. I believe this has had some success but it probably needs revisiting with government encouragement. Issues like security and insurance could be overcome.

In relation to passenger rail, passenger services are off the menu as far as Tasmania's railways are concerned. The only passenger usage in recent times has really been by charter and the work of groups such as the Derwent Valley Railway and the Don River Railway. Some chartering was done along the north west coast with the Emu Bay Railway but unfortunately both Sterling Valley and Don River always had to suspend their tourism activities under the Pacific National set-up, which placed heavy insurance costs on them. I think they were asked to pay \$1 million up front for the insurance but that would have to be checked. If you could resolve the insurance issue, because part 3 of the Competition and Consumer Act 2010 includes provision for access to rail infrastructure. it seems to me that if you could get other organisations and potential operators to run passenger services, even purely on a tourist or charter basis; these could be at an initial beginning but demand might be built up by targeting marketing and working with tourism, accommodation and hospitality industries. At one stage, I remember talking to a member of the Federal Hotels Group, their tourist development consultant, and I said why don't you build an eco-friendly lodge at Mt Field on the other side of the river and revitalise the railway by running tourism services directly from Hobart. I think that fell on stony ground. We know where their money went; of course; it went up the west.

I think linking the Derwent Valley railway with an extended light rail to Brighton would further test the possibility of passenger rail to New Norfolk and locations further up that line. Again, what applies with this particular scenario would also apply to the west coast, north-west coast and the Launceston regions. That's for another occasion.

In relation to ferries, obviously Sydney is the ferry capital; it's an integral part of public transport. Now, whether ferry services in Tasmania, or particularly in the Hobart area, would be viable is an open question. Obviously in the response after the bridge went down in 1976 you had developed services there. But once the Tasman Bridge was restored the response fell away. One sort of catalyst to this is the MONA ferry link operated by the Roche Brothers from the Hobart wharf. This has proved very successful with a second ferry carrying 200-plus passengers on each trip coming into service shortly. The establishment of a proposed floating jetty on the Hobart wharf to replace the ageing infrastructure may further boost services.

The main concern here is the financial cost of new and refurbished jetties. One example: MAST refurbished the Opossum Bay jetty at a cost of over \$1 million a few years ago and ran an experimental service into Hobart. The passenger numbers weren't particularly encouraging, given that you already had a good Metro service operating at 9 a.m. from Opossum Bay, so this could have been a factor. The Opossum Bay example raises the issue of jetty and related infrastructure costs associated with reviving the ferry option. Kingborough is a future link, for example, which has been raised. It would require a jetty. I believe the ferry operator who raised this said it would cost about

\$500 000, but I would have thought possibly it would be rather more than that, maybe even more than the Opossum Bay one.

So my view is that private operation is essential for ferry operations, and if the proposed floating jetty at the Hobart wharf is completed, this could spark off a privately-funded revival of ferries, but I believe it is entirely up to private enterprise on this one.

Finally, if we do get a revived ferry system and a light rail operating more or less at the same time, but certainly together, this needs to be integrated with Metro. I was impressed with the Metro ticketing system, which they already pass across to their private operators, the Greencard. Now, whether Metro would eventually run the light rail system is a local question, and if it did, it would obviously need to change its charter. So I could see a ticketing system operated by Metro extending to light rail, and also services run by private operators exclusively, such as ferries. At this point I would like to congratulate the committee on its formation, and appreciate the opportunity made to give a submission, and I would hope that other areas of transport policy could, at some stage, be reviewed by the standing committee in future. Thank you.

**CHAIR** - Thank you, John. As you know, of course, I know you have been reading *Hansard* and keeping up with the submissions and the witnesses we've had. And we have had a range of people, as you say, and we've gained lots of very good information which hopefully our report will reflect and we hope to have some findings and recommendations that will be easy to carry out even; that would be really good. So thank you for that. Any questions, members?

**Mr MULDER** - I would like to explore the ferry terminal options. I noticed you mentioned Opossum Bay, which is one where the infrastructure went in and then someone decided to try to take a trial and it was a failure. I also note your comments about Kingston, and I think there is another trial planned soon, or another ferry.

**Mr LIVERMORE** – They have to get the jetty up there first.

**Mr MULDER** - But Ron Howard does have jetties, and in every attempt he has made to get the ferry service up, people just don't come to them.

**Mr LIVERMORE** - This is where I think MAST could be helpful, because they put up the jetty in Opossum Bay, as to what the costs are. As I say, I think it may be one of the Roche Brothers who actually raised this issue of getting a ferry operating in Kingston and came up with a \$500 000 figure. I do not know where that came from.

**Mr MULDER** - We have had other evidence that basic ferry facilities of the floating type are about \$250 000 I think, from memory.

**Mr FARRELL** - John, I know you have been involved with the Northern Suburbs Light Rail Group. Their big plan is like the gold-plated version.

**Mr LIVERMORE** - Yes.

**Mr FARRELL** - Do you think there would be any scope to, say, run a less sophisticated system using, say, diesel-powered railcars from Bridgewater into Hobart and having

maybe one crossing point at Derwent Park initially to get the service going. Do you think something like that - does it need to be the full-blown system to start with? Or do you think there is opportunity to do it with the same amount of stops but with fewer crossing points rather than looking at the fairly advanced battery system, to use diesel? Would it be better to go that way, do you think, or to wait until we can afford the whole -

**Mr LIVERMORE** - I do not think you would necessarily get the speed that you would from an electrical system. Remember, Ben Johnson has considerable experience in the UK where in his capacity as an electrical engineer he helped the construction and development of an extension electrical rail system around London and the southern part of the UK.

The trouble with a diesel driven passenger system is it would be much slower. I think you are right that it would be cheaper because although you have the existing system, you would still have to spend some money on the infrastructure. You would have to maintain all the signalling equipment and so forth. If you had two trains operating, you would have to have loop passing. I am sure Ben Johnson has outlined all this. The gold-plated version in many ways is preferable. The problem I would have with the diesel is unless you were going to hire it from TasRail, would you expect them to run it?

**Mr FARRELL** - No. I was just thinking whoever ran it, like in Victoria and in New Zealand now, as well as Western Australia, they have the high speed diesel railcars that run in a paired set of 100 passenger capacity that get along quite well on the non-electrified routes. I just wondered if that would be something to start off with - a less frequent service. Do you think that would work or do we need to go to the full kit and caboodle straight away?

**Mr LIVERMORE** - I think the person you should ask that of is Ben Johnson. I am certainly not a rail engineer, though I do know that the speed difference between a diesel electric which is currently the model you have on TasRail and the type of passenger train that the Northern Suburbs Light Rail Group have envisaged operating.

There was a proposal for concreting over part of the rail system. The problem with that, the Pitt & Sherry study which produced that, I think in 2010, envisaged essentially a bus rapid transport system and basically tearing up the rail system. If you have the undertaking of the minister that it is not going to happen I would think that that one is not necessarily on the agenda. I may be wrong. I think the advocates for the light rail have done a lot of groundwork and I think having somebody who has the experience like Ben Johnson is a plus.

In other words, it is not just another rail nut who is keen on rail and wants to see it run. I must say I have a lot of time for rail nuts. One of our friends is a retired railwayman and he has presented me with a rail spike and memorabilia from the old days of the railways and I am not one to knock out nostalgia but I do not think the light rail advocates are really entrenched in the past, I think they are looking forward to the future, where you have clean, green electricity generated by the Hydro which can do the job of recharging the trains. The costing, I think, is there, and we know that it is roughly somewhere between \$68 million and \$100 million, so to -

**Mr VALENTINE** - Recharging the trains, did you say?

**Mr LIVERMORE** - Yes, but it will only take about a minute. You have the information from Ben Johnson, I think he would have said that it was basically only per trip. So in other words you go -

**Mr VALENTINE** - That's all right, I just wanted to make sure you were on the same track in terms of it not being overhead.

**Mr LIVERMORE** - I try to be on the same track if possible; I don't specifically always agree with everything. I would regard that - the rapid bus transit system was projected to be \$115 million. So in other words, provided you can keep within the parameters of \$68-100 million light rail is actually cheaper. I remember this one, this note I have stated, *The Mercury* April 2010, and it has replied, 'Look at Christie's enthusiasm for a rapid bus transport system.' It is one good reason why I don't throw away all my emails because sometimes there is something there I want to remember.

**Mr VALENTINE** - I think they were going to leave the rails in place, though, and concrete around them.

**MR LIVERMORE** - Yes.

**Mrs TAYLOR** - You can't do that, we've had evidence to say -

**Mr VALENTINE** - No, we had evidence.

**Mr LIVERMORE** - But I don't think anything has happened about that, you see. The whole concern that I have about transport in Tasmania is that you don't - this is a committee dealing with the integration of public transport - we don't have a policy dealing right across the board. As a specialist in transport policy and writing on transport regulation on the very frequent basis that I do for my publisher, what I understand is that you can talk about links between New Zealand and Hobart by air, but you don't link that up with freight issues, you don't link it up with port connectivity. In other words, all these bits are considered separately; you can never get an overall picture, and I think that's largely because governments of any hue tend to respond to constituency or lobby or interest group pressure. You never get anyone who is going to put it all together in one bed.

**CHAIR** - Well, that might be one of our recommendations, you never know.

**Ms RATTRAY** - No, I don't have any more questions, I've just appreciated your presentation, thanks, John.

**Mr LIVERMORE** - Thank you very much.

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

**THE WITNESS WITHDREW**