



# **PARLIAMENT OF TASMANIA**

## **TRANSCRIPT**

### **LEGISLATIVE COUNCIL**

### **GOVERNMENT BUSINESS SCRUTINY COMMITTEE A**

**Metro Tasmania Pty Ltd**

**Tuesday 29 November 2022**

### **MEMBERS**

Hon Nick Duigan MLC  
Hon Luke Edmunds MLC  
Hon Ruth Forrest MLC (Chair)  
Hon Mike Gaffney MLC  
Hon Dean Harriss MLC  
Hon Sarah Lovell MLC (Deputy Chair)



## **WITNESSES IN ATTENDANCE**

**Hon. Michael Ferguson MP**, Deputy Premier, Treasurer, Minister for Infrastructure and Transport and Minister for Planning (via Webex).

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

**Ms Katie Cooper**, Chief Executive Officer, Metro Tasmania Pty Ltd.



## **The committee met at 3.15 p.m.**

**CHAIR** - Thank you minister, and welcome back for our business scrutiny for Metro Tasmania. I invite you to introduce your team at the table here and to make any opening statement you would like to make.

**Mr FERGUSON** - Thank you. First of all, Chair and Committee, good afternoon and I introduce to you Mr Tim Gardner, Chair of Metro Tasmania and Katie Cooper, Chief Executive Officer. By way of a brief opening statement, the committee would be aware that Metro plays a key role of our Government's progression of many initiatives to boost public transport patronage and to reduce traffic congestion. Metro provides a very important service that enables Tasmanians to get to work, to school or training and connect to family, friends and their community.

While COVID-19 heavily impacted on patronage and resultant fare revenue, I believe Metro's key accomplishments in the reporting period included the best ever result in its annual customer satisfaction survey and a restructured training program for bus operators. I wish to quickly mention that Katie and her team, in something of a record-breaking time, have actually trained 40 new drivers. Everybody would be aware of the number of dropped trips that occurred in recent months prior to that recruitment drive, and getting our workforce improved by that number was a very significant achievement.

Metro delivered more than nine million on-road kilometres in a challenging operational environment while still delivering even more services and progressing several critical organisational improvement initiatives that are in the strategic plan. In the reporting period there were 6.96 million passenger journeys. This was 18.8 per cent lower than the last full normal year prior to the pandemic. I think that again demonstrates the lingering effect of the pandemic on public transport. Patronage recovered to 83 per cent, that means a loss of \$2.4 million in fare revenue.

In April, Metro released a request for expressions of interest for the supply of goods and services to support the commencement of zero emissions bus trials, the battery-electric and hydrogen fuel cell buses. Metro also continued to progress the procurement and implementation of a new statewide ticketing system, which included the appointment of a project director, putting in place the project governance, and detailed customer research.

The new system will provide greater payment options and real time passenger information, with live service updates making travel planning more convenient and efficient. To pre-empt the inevitable questions on that, while we are at a sensitive stage on that, we hope to have something very firm to announce in the near future.

During 2021-22, Metro developed an ICT strategic plan, which was informed by a full review of the company's systems and infrastructure. The ICT plan includes a program of investment in modern intelligent transport systems to enable this business to enhance the customer experience to operate more efficiently, to complement the implementation of the new ticketing system and deliver capital and service initiatives.

Metro was very pleased to be a major partner of the Tasmanian JackJumpers basketball team as the home game jersey sponsor for the inaugural and very successful season in 2021-22.

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I will close by thanking the chair, Tim, and Katie, the CEO, their respective board and executive team, and all of the staff at Metro for what everybody has put forward to give us some very strong reasons to be proud of them. They are delivering an essential public transport service, and progressing to really modernise this company and improve our services for the Tasmanian public.

I might throw now to the chair, Tim, if you wanted to add to my words? Otherwise, we can go straight to the questions.

**Mr GARDNER** - Thank you, minister. I am happy to progress to questions.

**CHAIR** - I will lead off, if that is all right? With regard to the financial position, we know that most of the revenue for Metro comes via service contracts with State Growth and page 33, in the notes of the Financials, describes that about 15 per cent comes from ticket sales. This makes it hard to actually assess profitability without knowing what is in the terms of the service contracts. It is a bit difficult to assess Metro's performance in that regard. Any profits could be a result of a favourable deal with State Growth, for example. So, how are these service contracts framed and determined?

**Mr GARDNER** - Chair, we have a contract which uses a standard costing model that is built up via the agency. Our contract payments are determined in a form that is consistent across the industry. Metro does not have a particular, unique or bespoke model. There is a standard bus cost model, which builds up, both in terms of operating costs and capital costs of a business. Then recognising that Metro has particular overheads which are unique to the organisation, there are specific allocations for those because we have to run, for example, some network planning service, planning capability, which other general access operators don't have to operate. In effect, our contract is built. The contract we have is consistent with the contracts that are provided by the agency to general access operators.

**CHAIR** - Just to follow-on from that perhaps in page 34 on the next page of your -

**Mr GARDNER** - Just one addition, sorry. The only difference is that Metro retains its fare revenue. That is the only fundamental difference. The GA operators, they are paid under the contract, whereas we receive payments but we also retain our fare revenue as well. Hence, why COVID-19 has an outsized impact on Metro as to the other operators, because we are 20 per cent down on that revenue pre-COVID-19.

**CHAIR** - What was the revenue pre-COVID-19 in the ticket fares?

**Mr GARDNER** - In the order of \$15 million.

**CHAIR** - Okay, so it is heading back up, but still well short.

**Mr GARDNER** - But still well short.

**CHAIR** - On page 34, it talks about the Metro service contract with the Department of State Growth that expired on 31 December 2018. An extension has been negotiated to 31 August this year, which we have now passed, obviously. At the date of signing the financial statements, Metro and State Growth were finalising negotiations - that the minister was

referring to - with a new service contractor to have an initial term to December 2024 with an option to extend for another five years.

**Mr GARDNER** - Yes.

**CHAIR** - It seems to me that Metro hopes the service contracts will allow it to make future profits. I am trying to perhaps read between the lines a little. Hence, past tax losses can be recouped if that is the case, meaning it still makes sense to carry forward the tax on the losses as an asset, the deferred tax losses, unlike TasRail, which we talked to earlier. Is that the approach that is being taken with the agreement, the service level agreement? Or service contract?

**Mr GARDNER** - Yes. Our expectation is that over the life of that contract that we do return to a profitable position. Otherwise we continue to go backwards as an organisation. So, we have to. We have been challenged through COVID-19.

If it had not been for the COVID-19 impact, we were on the right path. COVID-19 has presented a specific and unique impact on us and we have been working with State Growth, hence you will note the profit that we recorded this year was the result of the one-off payment in part to address that COVID-19 impact.

There is ongoing work between the agency and between Metro about what our sustainable funding level looks like, but that is effectively to address that hole in patronage that has appeared and it seems to have a long tail off the back of it, it is not bouncing back. People are changing their living patterns, their work patterns. Through the investments we are making, we have to change the business and provide the sort of investment in a real time information, modern ticketing system. These things are to attract people back into public transport, get our fare revenue up and get us back into a more financially sustainable position. That is absolutely our expectation over the life of this contract.

**CHAIR** - Lots of people got financial support during COVID-19, so it is not unrealistic that Metro did also, because you were significantly impacted as many others were. Are you doing any work in regard to the people who may not have returned to using public transport? Is that because they are now working from home or is it they decided 'too hard, I am going to use my own car'? Some people were very nervous about using public transport when we first opened our borders again, for example. Do you know what is driving that slow recovery?

**Mr GARDNER** - There is a mix of things, it is not only a single thing. There are actually people who have changed their work patterns. A lot of people are still working from home at least a number of days per week and certain people have made decisions not to use public transport. What we are more concerned about, more interested in, is actually looking beyond that historic patronage base to the broader community. What is the future opportunity?

We have been undertaking broad customer research, market research, beyond the customers we have, to identify in the community who are the cohorts we are not getting to, who we are not appealing to and who can we attract into public transport.

**CHAIR** - New users, effectively.

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**Mr GARDNER** - Absolutely. Who can we convert and why are they not using public transport at the moment? We have identified a number of market segments. Within those there are a couple of market segments that have identified with some additional incentives they would be more likely

**CHAIR** - Who are these people, who are the cohorts and what might work?

**Mr GARDNER** - The key things are the basics of what might work. There are some headline pieces, but the technology investments we are making, pieces on real-time information. Where is my bus? Can I find out on my phone where my bus is right now and I can track it as I can track a pizza or an uber. That is a critical piece of technology improvement to put information in the hands of our customers.

Improving our app and our website regarding access to information, regarding timetable information making all that easier to navigate. That stuff we are working on at the moment. Having a modern ticketing system which allows people to pay with their phone, credit card, watch is another part of it.

Another part is working on safety and actually people's sense of safety both on the bus, but also waiting for buses, bus stops, in interchanges, coming to and from the bus. That is another key piece we are focused on working with the agency, because that is a key part of it.

**Mr GAFFNEY** - Chair, you might want to stop me after the first couple of questions because it is somewhat COVID-19 related. I do not know whether this is when you want to deal with that or deal with the financials?

**CHAIR** - No, keep going. You are right, I can circle back.

**Mr GAFFNEY** - You mentioned about gathering information, what are your biggest user groups at the moment? Let's confine it to the Metro down here in Hobart. What are your biggest user groups on the buses demographically? Are they students, are they old people, are they working class people? Do you know what I mean? How do you do that research and what does your research tell you?

**Mr GARDNER** - There are two parts to that. One is what is our mix at the moment and we have a strong mix across full fare paying adults who are travelling either for work, either commuting or they are shopping, visiting friends and relatives, so there is that cohort. There is a large student cohort, getting to and from school everyday. Then there is a significant amount of concession holders, of either older age, on social security or who get a concession to ride. Now, we split across those three cohorts. Really, the work at moment is seeking to unpack in more detail where there are opportunities within those specifically to attract and convert users. We have started some market segmentation which is where things get a little complicated.

We break up our data in a certain way that across full fare-paying adult students and concession, we have started looking beyond our customers to the broader market. We have broken that up into different market segments. There are a couple of market segments where specifically, the feedback is that we have the opportunity to grow those through a range of the initiatives we have talked about.



**Mr GAFFNEY** - Okay, and the next couple of questions. Katie, you might want to chip in here because it is a bit more numbers-wise. Tim, you did mention about safety being an important issue for some and you did mention the elderly, and so, my next lot of questions are around the COVID-19 situation. It was probably just under 12 months ago when the national lift of isolation came into play, as in having COVID-19 drivers on buses, that sort of thing. In the past 12 months, how many drivers have been off sick with COVID-19-related illnesses? You said you had 40 new positions. We were given some information that said quite a number of people left in the last 12 months. Katie, you might update us on some of the numbers there about drivers who have left and drivers who have taken on board and those who have not been able to work because of COVID-19-related issues?

**Mr GARDNER** - Before Katie can refer to some more detail, I will give some broader context to that. We have certainly been experiencing turnover in our workforce, it is undeniable and the data shows it. However, it is important to highlight our turnover is no higher than any industry average or, in fact, across the broader economy at the moment at the level of turnover of workforce. In fact, ours is below the levels some sectors are experiencing. Secondly, nationally the transport industry is 25 000 drivers short and we are just part of that, experiencing many of the same issues the transport sector is experiencing across the country. It is incredibly difficult to attract and retain people when you have our drivers, and we have some really good drivers, very capable people, who are attractive across all parts of the transport sector, including freight and the like. That is a challenge for us as it is a challenge for everyone, but Katie, did you want to point out some more detail?

**Ms COOPER** - Thank you. The numbers we have, like everyone, members and staff are affected by COVID-19 the same. Since we first started recording COVID-19 cases in January 2022, we had 192 positive cases amongst staff. We have a workforce of circa 500 in round figures. During the reporting period though, we have 112 cases amongst our staff and that does not include those who are close contacts, just the actual people who are positive.

We had a number of measures in place to try to support staff during that period particularly, and still masks are optional. They were mandatory for a long time for public transport, now they have an option and a choice, and we still continue to provide them for those staff who choose to do that. Obviously, like everyone else, we and other businesses are just continually looking at our COVID-19 management plan to see how we actually manage that and what that risk looks like for us in the business.

With regard to your other question regarding staff turnover rates, to clarify, there is a difference between what the minister referred to, and what we have colloquially termed, 'operation 40', which was, how do we get 40 people in? We were certainly feeling the challenges earlier this year when, around the March, April, May period, we had dropped trips and what that looked like. That was absolutely challenging. That was related to COVID-19 absences, but it was also related to non-COVID-19 absences and people just being unwell with non-related instances and also staff shortages. There were a number of factors that came into play there, but overall, over the last period of time we recruited and trained statewide - I know you have asked for it in Hobart, but I think I have numbers statewide if that is okay - we are talking about 108 we have trained statewide. We have also had some leave via resignation, retirement or termination and that has been about 113. That relates to bus operators specifically. We have recruited staff into other roles outside that, but that's the majority of our staff.

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**Mr GAFFNEY** - Okay, just on that, thank you. What is Metro's policy regarding COVID-19-positive drivers on the buses?

**Ms COOPER** - At the moment, we are in that state of change where we are looking at that. We have been offering special related COVID-19 leave, and when the change came across, we are now transitioning to annual leave for staff who are actually COVID-19 positive. They are using that in that circumstance. We do not want people working when they have COVID-19.

**Mr GAFFNEY** - Any COVID-19 infected driver, who has the right to drive, is my understanding under the national isolation requirements, do they have to mask?

**Ms COOPER** - We are encouraging them to actually not come to work.

**Mr GAFFNEY** - Are they required to mask if they are at work and they are COVID-19 positive? Do they have to wear a mask?

**Ms COOPER** - If they came to work, yes; but we are actually encouraging them to not to come to work.

**Mr GAFFNEY** - That's fine, I just wanted to know because we have had a complaint that drivers who are COVID-19 infected have not been masking up. I wanted to know what the policy was, because that would impact on some of your passengers who are elderly.

**Ms COOPER** - Absolutely, we have had staff who have come to work who are COVID-19 positive, and we have asked them to return home so they are not actually at work when they are in that circumstance. This depends on the role of the person across the business.

We have a staff member at the moment, who works in a corporate level role, they can work quite effectively from home. They will work from home, and we will not require them to mask up, because they are in their own residence and working from home, but they are still working.

**Mr GAFFNEY** - Are masks still provided for people on buses?

**Ms COOPER** - Yes, for staff.

**Ms LOVELL** - Can I ask a follow-up to that question? In the circumstances, I understand that if somebody had tested positive to COVID-19, particularly a driver who is face-to-face with the public, they are encouraged to stay home and I understand use their personal leave, annual leave or sick leave. Is that what you said?

**Ms COOPER** - Yes.

**Ms LOVELL** - When they do not have any leave available to them, or where they choose not to use leave their annual leave -?

**Ms COOPER** - We are currently reviewing that at the moment, because we have had COVID-19 leave available. We are in that transition mode at the moment of looking to amend that.

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**Ms LOVELL** - So amend it to what?

**Ms COOPER** - To being from COVID-19 leave to sick leave or personal leave or annual leave, whatever is appropriate for their circumstance.

**Ms LOVELL** - If there was a driver, for example, who had used all their sick leave, had no sick leave, and either had no annual leave or did not want to use their annual leave for COVID-19, what would the expectation be?

**Ms COOPER** - The manager would manage that on an individual basis with that employee.

**Ms LOVELL** - Is it possible they would not be paid? Would they be allowed to work or would they be required to stay home?

**Ms COOPER** - Each circumstance would be reviewed on its own merits, but we would be strongly encouraging people who are COVID-19 positive to not be driving in public transport on our buses. If they needed to and that was a financial circumstance, we would look at that circumstance to make sure the person was okay. We would do that through a number of channels, depending on how we need to support that individual. It depends on their employment status, depends on how much leave they have, depends on their circumstances, and we would assess that to try to support our employees as best we can. However, the blanket overall policy would be that people need to use their sick leave because it is an illness.

**Mr GAFFNEY** - Katie, you mentioned earlier, and it must be a nightmare, when you have February, March and April and you have staff out. How do you work that out, impacting on your rostering and Metro's ability to provide the services? You're going to have to say, we can't run that because we do not have a driver. How long before - and going back to Tim's point where he said once we get better technology so people can see where the buses are - what time frame are you allowed to let people know that sorry, that bus is not going to run, or that service is not available? How do you do that?

**Ms COOPER** - It's a normal everyday activity in the sense of our operations officers, who are our team leader level staff, who run the operation on the day. They do an amazing job of what we call 'patching'. They are trying to look at the entire network, to see how do we actually juggle? We can ask other staff who are well to stay back. Would they be prepared to do some extra shifts?

We might realign how a particular route is covered from a staffing point of view so we can add it on to other duties. We would have some staff, if they were available, on standby who may go in and do other duties. We may call people in on overtime and put a call out to see if anybody is available to work. The last resort is do what we call a 'dropped trip' or to not operate the service. There's a lot of work that goes into preventing that from happening.

As for time frames, that can be anywhere from instantaneous or even mid-route, through to being done in advance. I'll explain the reason why. Dropped trips can occur - it depends a little on how much notice we're notified of an employee being unwell. If they give us a bit of notice and we know, hypothetically, calling in sick at 9 a.m. on a Monday, we know that they're going to be off for four days, we get a lot of notice to do the Tuesday, Wednesday, Thursday.

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Sometimes an operator, or a bus driver, may call in at very short notice. It might be 15 minutes before the start of their shift and they tell us they're not available to work because they're unwell. There are a number of practices that our staff go through to try to cover those duties as much as they possibly can.

What we have been doing - and I think it's a really good step forward - is Metro has been very transparent about what it is being able to do with its dropped trips. Prior to February this calendar year, we didn't notify passengers about how that operates, or we didn't notify them necessarily that we were changing all those services. They didn't arrive, they just didn't come.

Since February, Metro has been diligent about notifying on our Facebook page, when services are not operating. Now, that's certainly resulted in people thinking all of a sudden, it's a brand new thing. It's actually not. It's just we're being really open and transparent, trying to be clear with the customer about when those services are or are not operating. It does bring it more to the reality of people's minds as well.

Sometimes dropped trips can happen for other reasons, not staff absences. It might be that there's been an accident, or a road closed somewhere and that can be very last minute and we then need to also rejig our services as to what can operate, or if we need to reroute it via a different road network to get there. There are a number of factors that we consider.

**Ms LOVELL** - Just a follow-up on dropped trips. Some data was provided to the Legislative Council for a question on notice in relation to dropped trips, with a breakdown by day, up to September this year. Would you be able to provide the committee with an update for the last two months on the number of dropped trips per day, and by region if you've got it?

**Ms COOPER** - Well, I can read you all the numbers for September and October, by each region, if that's what you'd like, or I can give you just an overall summary.

**Ms LOVELL** - So, the numbers for the month, by region, are they?

**Ms COOPER** - Yes.

**Ms LOVELL** - Do you have the breakdown by day, at all?

**Ms COOPER** - No, not in front of me.

**Ms LOVELL** - Okay, are you able to provide that to the committee at a later date? Would the minister be willing to take that on notice?

**Mr FERGUSON** - Thanks, Ms Lovell. I'm just aware of how much work went into that last opportune time where that question was placed on the House's Notice Paper. I'm happy to take it on notice on best endeavours, but I can tell you, I know that the business went to a lot of effort to compile that. So, I don't necessarily want them to have to go back and do it all again. I wonder if we could start with the highlight, or the headline data and see if that might possibly satisfy your request. If not, we can take it further.

**Ms LOVELL** - Okay, yes, I'm happy to start with what you've got there.

**Ms COOPER** - Sure, okay, for the calendar year up to 31 October 2022 Metro delivered 99.03 per cent of all general access services across the state. In March, April and May we saw the high increase in service disruptions, which we've covered earlier. In September, this year, Metro delivered 99.9 per cent of its scheduled general access trips statewide, and in the month of September, to equal that, we delivered 58 136 trips during that time. The percentage that we didn't deliver, or the number of trips we didn't deliver was 59. So, in October the same year, Metro delivered 99.88 per cent of its scheduled general access trips statewide, and Metro provided 55 538 trips. It did not deliver 77 during that time.

**Ms LOVELL** - So, 77 in October?

**Ms COOPER** - Yes.

**Ms LOVELL** - Did you have a breakdown by region at all, for October?

**Mr FERGUSON** - Yes, we do. I was just going to leap there for you, Ms Lovell. The data I have - it is only by month - is 75 Hobart to Burnie, 0 Launceston. I know this is not what you've asked for, but to give it some context, that's coming off some very high numbers, hundreds and even thousands earlier in the year. That has been a very significant turnaround in terms of the workforce that had to be rebuilt and bring the new numbers up has actually significantly mitigated that. At the start of the year it was 127 and peaked in March and April at 1000 and 2000; to get it down to that 77 compared to September which was 59 and August which was 116, that is the information that we have. Noting that, Metro delivers millions of trips a year and 99.03 per cent have been delivered to October.

**Ms LOVELL** - Thank you, I am happy with that.

**Mr DUIGAN** - Noting all the challenges that have just been outlined, I am wondering how the customers are responding and reacting to the issues?

**Mr FERGUSON** - Again, coupled with the question from Ms Lovell and Mr Gaffney it has been a time of significant disruption and the business has always been quite upfront. When we saw significant numbers of trips being dropped because of workforce availability issues only - it wasn't the bus or the architecture that failed; it was the workforce which wasn't there to deliver it with a large number of absentees for a range of reasons, including COVID-19 related absences and enforced absences.

Metro very rapidly, and at my urging as well, improved its communications with the public - because moving from very small numbers of trips that were being dropped to hundreds was a really big challenge to people who relied on Metro. Learning the difficult way, I still commend the business for responding as quickly as it did to try to get the message out as early as possible which is one of the frustrations that people did express to me. They accepted, to an extent, that services would not be available because of workforce absentees which were enforced because of COVID-19. They did expect that the earliest possible notice be provided, which were lessons learned and quickly delivered on, particularly through social media.

Interestingly, in all that context and with me being very praiseworthy about the number of trips actually delivered, I am very pleased that Metro customers seem to have responded in a similar fashion. Metro achieved its best ever result in -

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**CHAIR** - There we go again. You we lost you and you might want to come back when you are back on. Metro's best ever year?

**Mr FERGUSON** - Yes, an impressive 82 per cent of commuters expressed their satisfaction with Metro, which is a Metro record, and that is up on 6 per cent on the previous year. That result is testament to the hard work of the team who delivered millions of services in that very challenging environment.

A quick breakdown, the survey showed that satisfaction was the highest with the service provided by the bus drivers at 84 per cent; personal safety, 81 per cent; cost to use the service 80 per cent; and the route directness 78 per cent. Noting that State Growth has redesigned the network so that they are more direct and get people to destinations quicker.

I am pleased to see that response to the last metric, as that has been a significant piece of work; not universally endorsed because service changes always lead to mixed feedback. We have done what most customers said they wanted - which is more frequent and more direct routes. That is just one aspect of our work to transform public transport in the state. Thank you, Mr Duigan, for the question. I am happy to elaborate further if anybody would wish to.

**Mr EDMUNDS** - I want to follow up on that survey. When was that conducted?

**Mr FERGUSON** - It was in 2021-22.

**Mr EDMUNDS** - The customer satisfaction?

**Mr FERGUSON** - That is right.

**Mr EDMUNDS** - Which months?

**Mr FERGUSON** - Okay, if you have the detail.

**Ms COOPER** - We do an annual survey and have done for about the last decade and it was done in October to November 2021. That found that four out of the five respondents reported that they were satisfied with the services provided with Metro overall.

**Mr EDMUNDS** - Thank you. Circling right back to what you said, Tim, about the demand on the workforce nationwide. When you had the exit interviews with your drivers, was that the feedback they were giving - that it was a competitive market - or was there feedback directly about their jobs that they were moving on from?

**Mr GARDNER** - There was a mix of feedback. Some of it is retirement; there are people we have who are an older workforce so they're ageing. There are people who are choosing to shift out - resigning, to do other things and other work. Remuneration is part of the mix of decision-making. It is a competitive landscape. There's a mix of things that people are choosing to leave for - generally, either retiring or attracted to other things.

**Mr EDMUNDS** - Was antisocial behaviour mentioned?

**Mr GARDNER** - Not in any scale. That is not to say we don't have concerns in our workforce, or concerns about antisocial behaviour. It's a very active piece in our organisation,

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as it is for bus operators across the board, and as it is for frontline workers across the board. This is a broad societal issue that we're dealing with but, it is fair to say, and Katie, correct me if I'm wrong - our exit interviews are not pointing to that as a reason for departure.

**Mr EDMUNDS** - How is staff retention going at Metro management level?

**Mr GARDNER** - It's challenging, to attract people in. It is a challenge to retain people but no more than what we're seeing and hearing across the broader economy. We're constrained as a government business. We can't operate as commercial organisations would, so we have lost some staff to commercial organisations that have much more flexibility and freedom to pay. That is the reality; that is absolutely an element; but broadly speaking, that is one of a mix of things that we are dealing with. We have people leaving during the year.

In terms of management, we have had four managers leave in the period; we've had two members of the executive team - one of those left for family reasons and moved interstate. One of those was attracted by an offer to a commercial organisation by pay and we've had one poached by another operator interstate who we were very sad to lose - as we are sad to lose a lot of our people - and one chose to leave the sector altogether.

There isn't a specific thing that is contributing to loss. We are in a tough labour environment.

**Mr FERGUSON** - Mr Edmunds, I wasn't sure if your question may have been a question specifically about management which is what I think the answer provided was, or if it was the broader piece around the drivers as well so I hope that it answered the question.

If I can add extra context, I remind the committee that bus drivers, also known as 'bus operators' - most I speak to prefer to be called 'bus drivers' - they are part of a very particular workforce skillset in Australia. Like truck drivers, they're heavy vehicle operators and their skills are very highly in demand now and if you were to ask any bus company or truck company, this would be a key issue for them, and Metro is no different.

**Ms LOVELL** - I might have missed this but you said 'four managers had left' - out of how many managers?

**Ms COOPER** - At a rough count, I'd say, 15 or 16 - without doing an actual count.

**Ms LOVELL** - That is fine. Thank you.

**CHAIR** - Can I go back to some of the financial information? I noticed that \$5 million was borrowed from TASCORP in the last year - 2021. Given that Metro's profits pretty much depend on money from State Growth, particularly until you can raise the fare revenue, it doesn't make a lot of sense to me that Metro will borrow from TASCORP. Why not do what TasRail does and just get money from the Government rather than have to borrow it; and is borrowing to be the way of the future for Metro?

**Mr GARDNER** - It is an order of things. If I may, Chair, in the first instance, we had an immediate impact from COVID-19 and the loss of our fare revenue. In that period, there was engagement by Government across all the government businesses about support mechanisms. We drew on that support. We established a facility with TASCORP and we drew

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down on it to give ourselves immediate relief and to support the ongoing rollout of vehicles, purchase of buses. We continued to then work with State Growth on our ongoing funding and that is a work in progress. We could not wait around, we are a government business and contracted to supply a service, we have to provide that service day-in, day-out. That was a one-off drawn down on a facility. We clearly cannot use that to fund recurrent operating cost. We did that as a one-off, now we continue to engage with State Growth on our funding.

**CHAIR** - Okay. Looking at the \$6.8 million spent on capital expenditure, on page 42 of the annual report, of which \$3.8 million was for buses. Is this the eight buses being built partly with Elphinstone's at \$450 000 each roughly, or is that amount? Or are there other CAPEX in that?

**Mr GARDNER** - Sorry, the six point - ?

**CHAIR** - The \$6.8 million on CAPEX.

**Mr GARDNER** - Yes, that is without the specific split. That is predominantly buses. Largely, the buses, from Elphinstone. Bus Tech actually.

**CHAIR** - Yes, with Bus Tech. Can you outline the reasons why that contract fell over?

**Mr GARDNER** - No. It is a commercial arrangement between Metro and its supplier. There were contractual conditions. Those contractual conditions were not met. I cannot give you any more information for that. There was \$4.8 million that directly went into purchasing of buses. No, we came to an agreement with the supplier to terminate that supplier.

Just noting that, can I come back to the question about the draw down. We had a fare-free period. Remember, in the middle of COVID-19 which was fare-free? When we immediately lost revenue is when we drew down. It was responding to that specifically to bridge ourselves through that period. We also then needed that funding upfront, because we went fare-free. We lost that chunk of revenue. We actually have a mechanism within our contract with State Growth which actually factors in capital payments. We have continuing capital payments against our buses.

It is not as though we need to keep drawing that down. We did that to fix that and deal with that specific issue. However, our funding mechanism actually addresses our funding of our capital costs of buying the buses.

**CHAIR** - What will happen to that money, then? Will it just sit there, or will you repay it? What is the plan? It sounds to me, from what you have said it was basically a COVID-19 contingency to fund the immediate expenses and the lack of fare income and that sort of stuff, at a point in time.

**Mr GARDNER** - That is right. Our outlook is to pay that down. That is our plan. To come back to the earlier comments, our path is to invest in the business and rebuild our patronage and to return the revenues to a level that ensures we can sustain the business and ultimately pay down that debt. That is factored into our financial planning.

That does not put us at any particular risk at the moment. What it means is we just are constrained in terms of our forward investment into business, until we can build the fare



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revenue or address our contract funding and get any adjustment to our contract funding with the department of State Growth. They have indicated to us as part of our all of our engagement with them, they are very much open and happy to work with us on that and is what we are doing.

**Mr FERGUSON** - CEO and Chair, you might assist me so we give a complete answer on Bus Tech. The committee will respect your commercial-in-confidence comment earlier in relation to Bus Tech, but the committee would not be aware that since there was last news on this matter, Metro did already receive 100 of the Bus Tech built buses. A further eight have been received and if either Tim or Katie would give an update on the issue on the additional 10. That would not be on the public record at this time and it is worth for completeness, rounding that out.

**Ms COOPER** - As has been alluded to, the 100 buses was the original order. They have been received and they have been and are in service and in use at the moment. There was an order placed for the 26 buses. That was the one we received eight of those buses and then we suspended and terminated that contract. At that stage, there were 10 that were partially built that were still in the production line up in Elphinstone.

Subsequent to the announcement we had stopped the contract with Bus Tech, we have now reached an agreement with them and those 10 buses that were mid-built are being repurchased by Metro and we have actually had three of the 10. The third arrived last week so we are pleased.

**CHAIR** - The rest will be completed?

**Ms COOPER** - The 10 will be completed.

**CHAIR** - Do you have a time frame for that?

**Ms COOPER** - We have the three already and they should be done by the middle of next year.

**Mr GAFFNEY** - I have a question if you are going to the free fare period that Tim mentioned.

**CHAIR** - I was going to ask in relation, not the free fare period related to COVID-19 but the free fare period related to the Cam River Bridge partial closure. What did that cost the business and how is that to be funded? It may be too early to actually give some sort of indication of whether that is going to encourage people who may never have used buses. You did some work on it, first time users used those buses at the time, or not?

**Ms COOPER** - No. If I can give you a summary of what we did, if you are happy, minister, with Cam River. That is outside the period we have for reporting -

**CHAIR** - I understand that.

**Ms COOPER** - but we received a call to say could we assist with the Cam River problem or challenge that was in Burnie, and Metro did. We relocated some of our buses and did extraordinarily well. A couple of our drivers from both Launceston and Hobart on a couple

occasions actually moved up at very short notice to help provide those services, which we and the community were very grateful for. That was also, at least from my memory and Tim, correct me if I am wrong, the first time we have done bus prioritisation in traffic management in Tasmania, which was fantastic.

In that circumstance, it was really an arrangement we were asked to support by the department. The department had asked could we assist with moving traffic along there so we could keep the community moving. That was what we achieved and what we delivered. We were not using it necessarily as or tracking who will be the first-time users for the Cam River. We were doing it to keep the community connecting from one side of the river to the other. We had great positive feedback from customers around how that level of service was appreciated.

**CHAIR** - With regard to feedback from drivers there, the priority route was basically put through the town which is fine. However, it did mean it had to engage with a number of intersections through the town that was gridlocked, particularly the Falmouth Street intersection with Wragg Street or Simpson Street, whichever one they came out of there and then had to go into the other side of Wragg Street to get onto the Murchison to get into the priority crossing for the bridge along with the ambulances and others. What was the feedback from the drivers about that? I did hear of buses being held up at those key critical intersections.

**Ms COOPER** - The feedback I have had when I was in Burnie the week before last from our operators, was actually positive in the sense certainly, the first day there were a few teething issues as people were trying to navigate how they got through and for our staff to get used to it as well, but I have not had any concerns raised with me from our staff. I have just had positive feedback.

**CHAIR** - A school bus was stuck right back at Doctors Rocks and the police had to go and pull them through; mostly school buses, they weren't Metro.

**Ms COOPER** - I'm not familiar with that I am afraid, I can't answer that.

**CHAIR** - No, they were the school buses. It was hard, because that is where the road works are, which we talked about earlier, and it is not wide enough to have three lanes to get the police car through and pull the bus through. Mike, you had a question on that?

**Mr GAFFNEY** - No, I have a question on the annual report. You mentioned the free fare period; was there an assessment after that period with bus drivers about how that was received, how that worked? Did it take away some of the angst with the exchange of money and that sort of thing? It would have been well received by the public.

**CHAIR** - No fare evaders, anyway.

**Mr GARDNER** - Broadly speaking, the feedback was very positive. Clearly, the community was very accepting and pleased about the Government decision to provide a fare free period. It was very well-received and that was reflected with our workforce as well.

**Mr GAFFNEY** - There is a push from the Tasmanian Association of State School Organisations, they believe that bus travel for students should be free. That would take away a lot of the angst. For the amount of money you get through that, which is not a huge amount

of money, because you are trying to get kids to school. Is that something that you have considered, to go down that path? That is probably one for the minister; it is something that needs to be considered in the bigger picture of what we are trying to do with education, helping people through the cost of living issue, and the cost that imposes upon some parents. Would the minister like to comment on that?

**Mr FERGUSON** - I was about to jump in, Mike, and thank you for the question. I appreciate that the question is coming from a very good place. The reasons for not moving on that is because the Government already provides something over \$100 million a year per year as a direct subsidy to Metro and other public bus providers, not just the government owned ones, for buses around Tasmania, including for school children. If any move were to go toward, for example, having no charge of buses at all, you would be withdrawing that amount of money out of the system. We would much rather have our targeted approach which actually supports people, particularly those on lower and fixed incomes who need that extra subsidy to make the trip worthwhile. If we were to just go to blanket free, then we are taking all the fare money out of the system. That would require the state to top it up, and you wouldn't have created any more services or any more direct routes or additional supports.

So, that is the position that we have taken. We did specifically make the decision to do the free bus incentive or free fare incentive, I believe it was back in April of this year, as a deliberate measure to support people with cost of living. Fuel prices were the biggest driver for us at that time. I got the month wrong because it was actually earlier than the federal budget when the then government announced the fuel excise reduction. So, when the federal government did not move on that, that was a good thing; but our steps were taken in the context of trying to do something to help people with the very rapidly escalating fuel prices at that time. We did also say that we hope that it would drive further patronage in people who weren't regular users of Metro or the other public transport providers to give them a go and, perhaps, even find that it's a good value proposition for them.

**Mr EDMUNDS** - Did patronage go up after the free fare period? Did people say 'oh, I've had a taste of this' and stayed in the system, or did your data show that people dipped in for five weeks and dipped out?

**Mr FERGUSON** - The figure I had in my mind was 11 per cent but I may need to double-check that. I believe it would be fair to say that it hasn't been sustained because at this date, we are still lower than pre-COVID-19. There is still a level of disruption that has perhaps persisted in the community, and I believe that in part, that can be a change in the way people are working and commuting around the state. Our anecdotal feedback, particularly from older customers via our managers, is that there is still a concern out there around travelling on buses. I don't want to perpetuate that, but that is a perception that has been reported to me. I am sorry to jump in again and do this to you, but I am just checking my facts, and I am advised there was that temporary increase of 15 per cent during that incentive period.

**Ms LOVELL** - I had a question about the bus driver safety trial that was conducted at the beginning of this year. I understand there was a two-week trial to reduce anti-social behaviour across the network. Do you have an update on that trial and what the results of the trial showed, and what actions are being taken?

**Ms COOPER** - We never held a trial. Can I clarify, are you referring to the security guards?

**Ms LOVELL** - Was that at the beginning of the year?

**Ms COOPER** - We did a period where we had a security guard on a couple of targeted services for two weeks, but it was never a trial.

**Ms LOVELL** - Yes.

**Mr FERGUSON** - We'd want to be careful about how much we say publicly about that, Ms Lovell. I do totally respect the question as well. The business needed to send a pretty clear message to some communities, and we tried to do that in a way that didn't name them up and didn't stigmatise their suburb and names. There was a real issue with a couple of locations, so I am just quite comfortable having a discussion in that context; noting that bus driver abuse and abuse of other customers and antisocial behaviour generally, is a problem for every public transport provider. However, Metro is the biggest, so therefore for us and for this business it's something that we are putting a heavier emphasis on, and it's unfortunate as a sign of our times that we have to do that. It does have an impact on our bus drivers, it has an impact on our passengers, and if not dealt with, can have the effect of affecting our drivers' satisfaction with their employment and, of course, with customers potentially not feeling comfortable.

I will be high-level and then throw to the CEO about the security officer work that was done earlier this year, in a moment. All metro buses are fitted with CCTV, which has assisted in safety and security onboard, and it allows the company to investigate incidents of antisocial behaviour when they occur. We also have a longstanding partnership with Tasmania Police for resources with officers actually following buses, on occasion - customers might not always realise this - and operating plainclothes campaigns on buses, that allow them some targeted enforcement to take place, particularly in those areas and on those routes with higher prevalence of antisocial behaviour.

I can tell the committee that identified that offenders can be banned from travelling on Metro buses, and they can be charged, depending on what they've done. The committee may also be interested to know that I have asked the Department of State Growth and Metro to work co-operatively with Tasmania Police, and more assertively, on developing a possible operating model for some stronger powers to be able to deal with antisocial behaviour for our staff. So, that's under consideration.

I don't have the advice back to me yet, but I'm just not prepared to leave it as it is. I hope that you would expect me to say that. The level of enforcement that we can do at the moment doesn't quite seem to be working with a small number of people on and around our buses. We want to make sure that we do everything that we can to mitigate that risk right down and make it a nicer environment and a safer environment for our workers and our customers. Katie, I'll throw to you in relation to the use of the extra security officers, noting my earlier context.

**Mr COOPER** - Thank you Deputy Premier. We had a couple of security guards on a couple of services in the highly vulnerable area for a period of two weeks. That was done at the union's request who we had on board the buses. It was not a trial. I am not sure if you have a specific question about them but that was back in March, from memory, but I will check that. Sorry, it was the February/March period.

**Ms LOVELL** - There might be a different expectation amongst drivers about what the purpose of that was and what outcomes might come of that, but with the indulgence of the Chair I will add to the comments of the minister. The routes we have spoken about are areas in my electorate; I know them really well. The vast majority of people in those communities absolutely do the right thing on buses and it is a small minority who cause a problem, but it impacts as much on those members of the community as it does on the drivers. It is a significant concern for people in my electorate.

**Mr FERGUSON** - I am agreeing with Ms Lovell and thank you for those comments. We have tried to take that approach and it was a suggestion from the union that the business followed up on. We tried to do that and conduct our public messaging on this in a way that really does treat people fairly in those communities.

**Ms COOPER** - This issue is much broader than Metro and I think that is where it is really important. It is a societal issue and we are very active in this area and it is not just linked to one suburb. I want to be really clear and respect it is in your electorate we have probably got a little bit more publicity than others, but it actually is a general issue we are experiencing in the number of areas. We are very actively trying to work through it. There is also a misconception it is all youth. Actually, we do not believe that to be the case; there are also some adults who perhaps are not behaving in ways we think are appropriate in the community. We have a number of activities we undertake with both local Tasmanian Police & Citizens Youth Club, with local councils and community centres. We are actively working in a number of ways. It is an issue we stand with our staff saying it is not acceptable. I do not think there is any dispute between us and our organisation and our staff it is just not acceptable. I would also put on the table there are things that Metro just does not control.

We had a recent incident where our bus, our driver, our customers were driving down the street - I wish this was an isolated incident but it is not - and rocks are thrown at the bus. They are not our customers; they are not our people; we have no engagement with them. For us, the more appropriate approach which is what we have, is our contracted service with Tasmania Police where we have four officers who are based in our Springfield depot and they are targeting these sorts of services. As the minister referred to earlier, the CCTV is really important because that gives the police the opportunity to see what is going on and something that quite frankly, our staff or our customers should not have to put up with.

**Ms LOVELL** - Is that police presence seven days a week?

**Ms COOPER** - Yes, they have varying shifts. They do some evenings some days so it is a rotating shift coverage. We are currently trialling a change to that shift pattern to see if they can target certain known hotspots, to try to be an influencer of some of that behaviour before it happens. That is how I would describe it.

**Mr DUIGAN** - I have a question on the trial that is going on zero Metro bus emissions, which is something that everyone is very excited about seeing and when we might see them out on the road?

**Mr FERGUSON** - Thank you, Mr Duigan. I will ask Katie or Tim to jump in with any time frames if I may miss them. We are aiming for some buses and equipment to arrive in late 2023 in relation to the Government's initiative on zero emissions bus trials. This will be very new for this business. It is not new for public transport in the world but it would be very

significant for us in Tasmania, particularly given that - one, we do not have a track history in this space. Secondly, because we are proceeding not just with testing the market on electric buses but also, we have specifically named up hydrogen electric and that at a time where hydrogen is very nascent in this country and in Tasmania. Metro intends to conduct two simultaneous trials for zero emission buses, hydrogen fuel cell in the south and battery-electric in the north.

Metro developed a road map which informed the allocation of \$6 million in the state budget for Metro to undertake these trials. The Government has also approved other funding through the Hydrogen Industry Development Funding Program.

Metro, together with RECFIT, which is based in State Growth department are working closely in the planning of the trials, with representatives of both entities in the project steering committee and the project delivery team. The request for expressions of interest went out in April for the supply of the goods and services required to run the trial. A pleasing number of responses were received from a broad range of industry suppliers, encompassing battery-electric buses, hydrogen fuel-cell buses, also hydrogen refuellers and battery rechargers, which of course, will be necessary.

I am advised that an evaluation for the EOI was completed in August and short-listed respondents were then invited to participate in the formal tender process and tenders closed in October. Three separate requests for tenders were conducted for supply maintenance of three battery-electric buses and charges for Launceston; three hydrogen fuel-cell electric buses and a hydrogen refueller station for Hobart. Those are the three pieces. We do aim for the buses and equipment, based on the tender spec, not on the outcome of the tender, we hope it to be favourable to arrive in late-23.

I do not know if Tim, or Katie, if you have any further update on that. We see this as a really exciting initiative for both the Government and for Metro Tasmania, demonstrating leadership in innovation; renewable energy and climate change. It may well pave the way for other non-government owned providers of public transport and possibly even the truck industry in Tasmania, as other players in the heavy vehicle industry. I might just look to our executive and board chair on dates.

**Mr GARDNER** - Thanks Deputy Premier. Only to add that, as an organisation, we are incredibly excited about this and this is a material initiative to shift our organisation and the perception of public transport and the place of public transport in a clean economy. We are now in the final stages of assessing the tenders that have been submitted. We expect that they are scheduled to come to the board in December, for assessment, so the expectation is in the new year we will be up and running on this project in a consistent way with the time lines outlined by the Deputy Premier.

**CHAIR** - Okay. I just wanted to look a little bit more about the integrated ticketing project and once that is implemented you will be able to pay with your smart watch, smart phone, credit card - things that most people now use, rather than a ticket or cash. To facilitate that, what sort of data will you need to collect from customers?

**Mr GARDNER** - To facilitate that?

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**CHAIR** - The reason I am asking is because when you are collecting and keeping client data - obviously the next question is around cybersecurity.

**Mr GARDNER** - Deputy Premier, do you want to respond?

**Mr FERGUSON** - If I can just clarify the question please, Chair. What you are asking is what will be the nature of personal information, potentially, that customers would be providing when they are using the new platform. I did not think you were asking about what information we will need now as we are procuring.

**CHAIR** - No, once it is being used, yes, that is right.

**Mr FERGUSON** - Alright, I think what I will do in terms of guidance here is, I will just provide a coverall. First of all, Metro are running this project on behalf of the state and when I say the state, I mean also the other public transport providers that are not government owned. Metro is making progress and is negotiating with a jurisdictional partner and its supplier. Due to the commercial nature of those discussion I am personally not able to comment much further, but I do expect to be able to make a further announcement soon. With that said, because that is the procurement piece, I am very comfortable with Mr Gardner outlining, to the extent he can, about how privacy arrangements will be protected while we can identify our customers and have an affective real time time-tabling model, as well as a painted model in place.

**Mr GARDNER** - Thank you Deputy Premier. If I may, as has been outlined, we are working with another jurisdiction on this where there is already been a long process of system development and working with a supply partner. A key part of that is mitigating the risk of rolling out a system in Tasmania and avoiding having to discover for ourselves all the risks and the pitfalls of developing a new system. Associated with that is the data security that goes with that. A big part of what we get by piggybacking off a system that is already being implemented in a larger jurisdiction is that we get all of that experience and we get all of that capacity and capability that comes in. Clearly, data privacy is a key element of all of this, that is integral to the risk management of this program and the decision-making that we are making at the moment.

**CHAIR** - Do you know at this stage what data you will be collected and stored on customers that will interact with this system?

**Mr GARDNER** - In the first instance, the fundamental that you would have to provide, effectively what we will be seeking is the data that any ticketing system will require. You need to provide enough personal identification information regarding whether you are a full fare paying customer or you are a concession holder. Beyond that, you will need to provide payment details. If you are accessing an account through payment through your phone or your watch or a credit card, clearly, that information has got to be logged in the system for that to work.

Katie is there anything else?

**Ms COOPER** - No, the way I would describe it is it is an improvement on what we have at the moment. At the moment we work on the Greencard system works where, and if I can use you as an example because you are in front of me. Your name, your details, you have set up and registered an account with us and you might put - I am making it up here - but \$20 on

that account. We know there is \$20 against Ruth. In an account-based system which is what we are talking about moving to, we don't have that money sitting on our account waiting for us. As you use it, you go through it so we are going to be holding quite a bit less because it is based on your form of payment.

Clearly, we will need a token because not everybody has a debit card and not everyone wants to pay with a debit card. Most six-year-olds going to school probably don't have a debit card so there is an opportunity to have both. The idea is that the customer will have some choice as to, do they want to be registered with us or do they want to pay on their own card or do they want to use a token. They will have options, more options than they have now.

**CHAIR** - What capacity within the organisation have you got in terms of managing cybersecurity risks? Once you get your live bus, Track My Bus now, if someone hacked into that and your bus is suddenly off at the other end of the state when it is no -

**Ms COOPER** - Cybersecurity is something that is incredibly topical at the moment with regard to Optus and Medibank and a number of organisations that are experiencing that. If I look at where Metro is at with regard to its cybersecurity, I think that we are at the beginning of our journey if I am really honest. We have a number of steps that we use to mitigate the risks that we know about with regard to penetration and testing, we do phishing exercises et cetera.

We have just had a review - like everyone in the business world at the moment is having a review done on their business cyber. We have just gone through that and we are working through, we have one person in our business at the moment who is coming in just to help us on that journey. How do we mature more quickly in that space to make sure that is protected?

**CHAIR** - Do you have dedicated staff for that in the organisation?

**Ms COOPER** - No, at the moment we have a very small and limited IT team. Last year we developed our road map and we are currently in the process of recruiting an IT manager who, we haven't announced but if my staff are listening, he is starting in January. We have someone coming onboard to bring that to life. We currently have a company that is working with us at the moment that is helping us work out our governance and our risks. They have done some assessments on our current cyber requirements and have mapped out a path of what we need to do going forward to make ourselves more secure.

**Mr GARDNER** - If I can add to that, everyone would understand this is an incredibly fluid environment so the board has got a critical eye to this. We are comfortable there has been a strong focus on the technical solutions and the technical controls, the essential eight and multifactor authentication, all those elements from the technical perspective. Now, we have lifted the view and we have brought some specialists in to the organisation to take a broader view to make sure that we are actually setting ourselves up to be stronger and as the environment changes, to be able to respond more.

We take this very seriously and we are working very hard on it. We now have an ICT road map and a lot of the investment for the organisation is modernising ourselves so we are actually strengthened in this space. Then a new ticketing system can be fully integrated into that in the way that we operate.



**Mr EDMUNDS** - I would like to ask about the disability standards for accessible public transport which was a 20-year goal, set in 2002 which said all low floor buses, bus stops and interchanges must be 100 per cent compliant with all the transport standards by 31 December 2022.

I used to be a journalist and I know how deadlines can work but 20 years is a long time for the collective industry to get its act together. I know several jurisdictions are struggling to meet that. There is urgency around cybersecurity because it is topical and it has come out of the blue. We have this deadline which is a month away. How is Metro going in achieving that? If it is not, what sort of urgency are we seeing to try to reach it within the time of that deadline?

**Mr FERGUSON** - We will take this question together. Thank you for it, Mr Edmunds, it is a very important subject. We have discussed this at Estimates and a previous GBE scrutiny hearing as well. I might pick up a couple of pieces but ask Katie to focus on DVA compliance by Metro and I will deal with the bus stops and interchanges so I will speak at a high level on some of those matters.

The disability standards for accessible public transport requires 80 per cent general access services to be provided by accessible buses. I am pleased to inform the committee that due to the fleet renewal program Metro has achieved fully-compliant accessible services in all three networks.

Metro now provides 100 per cent of services with accessible buses in Launceston and Burnie and we are now up to 98 per cent of services in Hobart. More needs to occur. We realise as well the comfort and ease of access, not only for people living with disability but for the whole community to be able to have easier and more functional access to buses is part of our next upgrade plans.

To achieve that, we have specifically committed \$10 million to upgrade bus stops at priority locations so that they are all accessed and all-weather. I will highlight to you and the committee, that funding is the responsibility of the road asset owner to provide bus stop infrastructure that meets those requirements, at least for disability. That means the state Government and it means local councils.

While there has been different appetite by different levels of government to get in and invest in this space, we are putting forward \$10 million and we are proposing that we not just be only responsible for our own roads and our own bus stops. The funding will deliver a significant improvement to bus stops around the state, which number around 3500. I note that we want to have a prioritised model there so that we get to help the most people soonest. That framework has been developed to ensure that bus stop upgrade funds are used effectively. Stops have been categorised in those ways.

We have now developed a grants program, not really for this scrutiny hearing but for my other hat in the department and the Minister of Infrastructure and Transport. In my role with the department, we have developed a grants program that will help in this space. I am very comfortable talking about it here. That has been developed in a way where local government is also able to apply for some of that funding. I am currently planning, with my department, to announce the opening of applications shortly and we have consulted with local government on that prior to doing so.

I will throw to Katie in respect of the other matters, but Mr Edmunds, it is a fair question. For us to achieve and get better results, we need to see local government, as a major asset owner in Tasmania, working with the Tasmanian Government. I hope that the framework that we have laid out will help to deliver that.

**Ms COOPER** - We have a very small number of buses that ultimately are going to get retired. We are just waiting on the new ones to arrive from the supplier which has been slightly delayed. We only ever use those if we had an immediate - they are backups, quite frankly, not scheduled for services. Either an operational constraint, an on-road incident, or if there is an unplanned maintenance issue. They are not a scheduled regular run for us.

**Mr GAFFNEY** - Do you sell the buses?

**Ms COOPER** - At the end of life? Generally, we try but the market for some of the really old buses is not particularly huge, but when we do retire buses we normally send them off to market through an auction house.

**Mr GARDNER** - Some of them went to be mobile COVID-19 clinics.

**Mr FERGUSON** - Let me know if you would like any?

**Mr GAFFNEY** - I am thinking of accommodation you often see in caravan parks that people are quite comfortable in an old bus as part of their accommodation and housing.

**Ms COOPER** - People have converted them for mini homes, I think that is the term that they use for those. We will not convert them; we normally just sell them.

**Mr GAFFNEY** - They have to do 10 000 in 10 years.

**Mr FERGUSON** - Thank you for the suggestion. It is probably not exactly where we want to go, but there are probably some opportunities for some limited use pending the planning systems requirements. Yes, we will sell them on the open market, that's how they will be disposed of.

**Ms COOPER** - We have a couple that the heritage groups are interested in as well so we are conscious of that too.

**Mr GAFFNEY** - Thank you.

**Mr EDMUNDS** - We could possibly sell them to pubs, I see Preachers has got an old Metro bus. On the same topic, and also what we were talking about, do you have a contract for the new buses, in terms of replacing the old fleet?

**Ms COOPER** - Yes, the BusTech buses you are referring to, that was where we were at, so we have an agreement in place for the 10 that we have partially built. We are currently in a procurement process for the other ones we require which is why we are a bit limited. We are getting close to where that needs to land.

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**Ms LOVELL** - Again, regarding the fleet, we are coming up to summer again, and driving a bus around all day can be pretty hot and uncomfortable as the weather warms up. How many buses do you have currently without any air conditioning?

**Ms COOPER** - From memory it is about 20 in the overall fleet, but I will confirm you for that exactly, let me just bring up the fleet paper.

**Ms LOVELL** - Further to that, what plans do you have, or if there are plans to have air conditioning fitted to those buses or will that be part of the fleet replacement?

**Ms COOPER** - It is about 25 that do not have air conditioning across the fleet. Some of those will be transferred as we do the fleet replacement over time, it just really depends when we need to do the replacements coming through. To give you a full holistic picture, we have 229 operational vehicles, and they are used for both urban and non-urban services; 224 of those have the low-floor wheelchair accessibility, 98 per cent of our fleet. Mixed within those, all 229 have CCTV vision and 204 have air-conditioning.

**CHAIR** - Regarding the CCTV, how often is that checked for functionality?

**Ms COOPER** - I do not know the answer off the top of my head. It's part of our maintenance service checking, normally it would get reported if there was a problem.

**CHAIR** - How would you know if there was a problem if someone did not call it up to check on an incident or something like that, and then you discover it? Is there any regular maintenance or checking of its functionality?

**Ms COOPER** - We have in-house mechanics who do look after CCTV, but I do not know the frequency of that, to be honest. It's not one I have the answer to.

**Mr FERGUSON** - We will take that on notice.

**CHAIR** - That would be good, I think it's just important to give drivers and passengers comfort that if some incident does occur on a bus that it is pretty likely the CCTV is working.

**Mr GARDNER** - We have yet to have an incident where it's been called upon where it has not worked, but we can find out the frequency of the maintenance program for CCTV.

**Mr DUIGAN** - Thank you, Chair. The annual report says that Metro has carried passengers over 9 million kilometres in 2021-22. Can you detail any new service initiatives that may provide more options for Tasmanian commuters and get more people on board?

**Mr FERGUSON** - Thanks, Mr Duigan, yes, exactly, it was part of our \$81.5 million commitment to improve and invest in passenger transport, \$20 million has been earmarked to deliver extra school or commuter buses on busy routes. Mr Harris, perhaps you would be most excited in this area at the moment, the senior launch of express services for Huon? This is very new and quite a transport innovation for that community, as well as for Kingborough and new services associated with the Huntingfield Park and Ride facility, which is now open.

Residents in those areas now have got more reason than ever before to take the bus. I hope that for some people who love the car, will give it a go on the bus. Huntingfield Park

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and Ride is providing parking for 174 vehicles, including motorcycle and accessible bays. It is not just for people who want to park there; it is also for people who might ride their bike or get dropped off there, in what is sometimes known as drop and ride or kiss and ride. It also provides an amenities block, baby changing facilities and secure storage as well, for 26 bikes.

There are also an extra 43 express bus services between Kingborough and Hobart. As an added incentive, when that new facility was opened, we worked with Metro to provide free adult greencards, preloaded at least with enough for a return fare, to the first 300 customers who did not have one. That was again an incentive for that mode shift and encouraging people to consider leaving the car at home, particularly on a congested route.

So, these new services and facilities are working with other southern project initiatives to keep Hobart moving. We intend to do that by providing more transport options, but importantly, for the southern project program, the next projects include a new transit lane on the southern outlet for buses, which I was very pleased that the standing committee on public works gave the nod to recently. Also, for buses, emergency vehicles and multi-occupant private vehicles to be able to use that extra fifth lane provision just for them, which does not just stop at the lights, it goes around the corner and then through an extra lane down Macquarie Street through the removal of parking in the creation of a clearway.

I will wrap it up there, except to say we have actually now created new networks in the north-west, in the north and in the south in response to customer requests to make more frequent, more direct routes so we can try to provide public transport for a very regionally dispersed state that better meets the needs of customers and encourage them to give it a try.

**Mr DUIGAN** - Thank you, Minister. You mentioned in there park and ride services, particularly Huntingfield and some of the things that are there, do you have any more of those facilities planned?

**Mr FERGUSON** - We do. Most of the congestion challenge is in the south, not in Windermere or in Bass, we do have challenges in our neck of the woods, but Hobart does suffer congestion, particularly during the morning peak, which is the worst, and the afternoon peak. As part of our commitment, a further \$20 million out of that \$81.5 million is for more park and ride facilities. We have pioneered the two at Firthside and at Huntingfield, they are now up and running. Please, I will ask the committee to understand that, for us as to state globally, park and ride is not new, but for us in Tasmania, it is new, has not been done before and arguably has not been necessary before.

We have now identified, after investigating, three more sites to support the key arterials. They include the Brooker, the South Arm Highway corridor, and the Tasman Highway. Sites have been identified at Claremont Link Road, at Pass Road, and at Fenton Street at Midway Point and, with the exception of a small parcel at Midway Point, the land at these locations is owned by the state Government which is helpful. Concept of designs have now been prepared for the three locations, we took it to public consultation, it closed in July. Those comments being received will inform a more detailed design and I look forward to getting the final advice on those plans, not through Metro, but through the Department of State Growth.

It demonstrates we have to get innovative with public transport, my ambition here; is more services that are more frequent, more direct, and more attractive and all the questions that

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have been asked here today lead us to more solutions so the public will respond in a way we would want.

**Ms LOVELL** - To follow up on that, minister, who owns the parcel of land at Midway Point? Is that privately owned?

**Mr FERGUSON** - Just as I finished my sentence, I lost the feed. Could you please repeat that?

**Ms LOVELL** - I was wondering who owns the parcel of land at Midway Point that is not owned by the state?

**Mr FERGUSON** - I understand that might be owned by the council at Midway Point.

**CHAIR** - If I could go back to the financial report, I noticed Metro's revenue consists of ticket sales and payments from State Growth. On page 38, under notes (c) (1), what the trade receivables of \$500 000 relate to?

**Ms COOPER** - I imagine that it is another revenue stream for us which is advertising and things like that. Whether it is the full figure or whether it is the majority of it, bear with me. It is the advertising we sell on the buses.

**CHAIR** - Okay, that is all of that pretty much?

**Ms COOPER** - Not all of it, but the majority.

**CHAIR** - I want to have a discussion about the defined benefits of superannuation of members of Metro. Metro has about 500 employees. How many of them are members of RBF defined benefits superannuation - the unfunded scheme?

**Ms COOPER** - I might need to take that one on notice or get a clarification to wait. It is not many and it is around 10.

**CHAIR** - It not a lot out of 500.

The defined benefit superannuation liability decreased by \$4.4 million due to actuarial changes. Interest rate rises led to a fall in the total liability - \$21 million to \$16.3 million, but employee payments for that year rose from \$1.2 million to \$1.7 million. That is quite a jump. What does the short-term future hold for Metro in terms of managing their superannuation liability, including the defined benefits because you are still responsible for both? Potentially, what does the whale graph look like? You probably haven't heard of the whale graph. It's in the budget papers - it looks like a whale; that is why it's called a whale graph. It goes up to a peak and tails away. The move in the total liability and more crucially when the employer cash payments are expected to peak, at what level and when?

**Mr FERGUSON** - I am happy for people to answer. I suspect they will not have that information. I am quite happy to take it on notice on their behalf if Tim or Katie cannot answer it right now.

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That whale chart from the state budget papers reflects the whole workforce and it is possible the shape may be a little different for Metro, depending on the age demographics and expected retirement age in the workforce, but I am happy to take it -

**Mr GARDNER** - We will take that on notice, if we may, Chair?

**CHAIR** - I thought it might have been more than 10 members.

**Ms COOPER** - It is not many, we can get the exact number.

**CHAIR** - It was a few years ago the state government took over the defined benefit members of Forestry Tasmania. It was still Forestry Tasmania then - it is now Sustainable Timber Tasmania so they just had to deal with, not the defined benefits members, the other members.

**Mr GARDNER** - I am happy to take that on notice and provide the information you are after. Just to note that when we were putting together our 10-year financial plan, we had Mercer develop a projection for us over that period. That is factored into our financial planning. We have that factored, but we can provide you with the information you require.

**CHAIR** - In your view then there is no need to consider the Government taking it over because you have factored it all in and it is a manageable liability?

**Mr GARDNER** - We are working on the assumption that we're managing it. I suppose all we can work on, as an organisation, is what is our stated obligation at the moment; and to the extent that it is currently our obligation, we are managing it. If that should shift, then we'll accommodate that accordingly or adjust our financial planning accordingly.

**CHAIR** - So, you wouldn't seek the support of the state Government, to take the defined benefit members over into their remit?

**Mr GARDNER** - It's a state policy. If the state Government decides to change its policy we'll respond accordingly; but in the meantime, we'll do with what we have.

**CHAIR** - I would have imagined that Forestry Tasmania asked the state Government to assist in that, because they were certainly struggling at the time.

**Mr GARDNER** - It's not something that we've been pursuing at this stage. We've factored it into our long-term financial planning.

**Mr EDMUNDS** - I was just going to ask about the Jack Jumpers. The report talks about how the partnership was able to drive people to the game day trips. Has that dropped off this season without having Metro? How's the uptake in season 2, of those buses? I caught one, and it was very full.

**Mr GARDNER** -Katie has probably more direct information, if you're happy.

**Ms COOPER** - Minister, are you happy for me to go?

**Mr FERGUSON** - Yes, of course, please.

**Ms COOPER** - We normally expect for those types of events, around five per cent. It very much peaks and troughs. It depends on the day of the week. We're actually finding that's fluctuating a little bit more, which I think is not unsurprising; a Sunday night versus a Friday night, people perhaps have different drinking patterns, or driving patterns - if they want to have a beer, is what I mean.

We're very proud and happy that last year we were a named sponsor on the jersey. This year we've revised our sponsorship program and really targeted to be the sponsor of Jack the Jumper, that is the actual mascot itself. We're utilising the mascot to promote the behaviour and anti-social behaviour, through the schools' program. We've modified what we are trying to achieve under the sponsorship program.

We are still providing the free services to encourage passengers who, perhaps, don't use us very often, to try the services. A lot of people still think that buses are - showing my age now, but when I went to school they were pretty old, and tired and not very comfortable. New, modern buses are not that. They're very comfortable. They've got space. They're comfortable for people to travel on. So, it's really trying to convert the passengers who are irregular travellers to be more regular travellers, or bringing new passengers on board. If I think back, for example, the most recent game in Launceston, we provided services there, and we had the highest number we've ever had. It was something around the 190 mark, to get passengers to and from that service. So, it is proving to be really popular, but it does depend on days of the week.

**Mr EDMUNDS** - Jack obviously gives you plenty to use in your annual report. It is a very well-presented report. Is the quantum of the sponsorships obviously down a fair bit then if you're not on the front of the jersey? What's the sponsorship worth this season?

**Ms COOPER** - That's commercial-in-confidence as a figure to have on record, I'm afraid. I can't disclose that.

**Mr EDMUNDS** - Why not?

**Ms COOPER** - Because it's a commercial arrangement with another entity, and what they value it at depends on their value.

**Mr FERGUSON** - Yes, we do get questions like this at different scrutiny hearings with sponsorships, but that is a commercial arrangement for Metro.

**Mr EDMUNDS** - It is a very nice annual report.

**Ms COOPER** - I will pass it onto our graphics and corporate affairs team, they will be grateful for the positive feedback about how the annual report presents. We'll take that, thank you.

**CHAIR** - There was a typo in this one though, minister. Yes, page 5. That takes it back to being as good as some of the others. There is always one in the budget papers, too; it's okay.

**Ms COOPER** - The digital one will be fixed, I can assure you.

**CHAIR** - Probably being fixed as we speak.

**Ms COOPER** - I can live with that, if that's the only typo.

**Mr FERGUSON** - I haven't seen a spelling mistake in the budget papers this year.

**CHAIR** - No, I actually didn't find one this year. Anyway, we won't fight. If I could go then to your people. It is obviously a very male-dominated workforce; 83 per cent of your workers are male. Can you provide a bit of a breakdown across the organisation in the senior levels? I am trying to address the gender pay gap here. Do you have many female bus drivers, and the percentage of those; and then in the senior levels of the organisation, how many women are in senior roles as compared to men?

**Ms COOPER** - I can give you a breakdown probably off the top of my head if I think about it, from the executive and leadership team. In fact, no - I am probably better to take the question and give you a specific breakdown on numbers. We had a change of our board last week. Prior to that we had three women and now we have two.

**CHAIR** - And two or three men?

**Ms COOPER** - It is a five-person board. From the executive team, including myself, there are six of us and there are three women at the moment. From our broader leadership group, there is around 15 managers, and I think there are about three women in that, so that is where it starts to diminish. In the front-line and worker/staff level, it is certainly much more male-dominated.

**CHAIR** - How many female bus drivers do you have?

**Ms COOPER** - I would have to look that up, I don't have that off the top of my head.

**Mr FERGUSON** - We will take that on notice, if you could place it in your letter?

**CHAIR** - Are you actively seeking to address some of that disparity and have more female bus drivers, and what are the barriers to that?

**Ms COOPER** - We would love to have more female bus drivers but if I'm really honest, I would just love to have more bus drivers. We are still actively recruiting and we certainly are looking to increase the number of staff in our business. I would love to have a more gender diverse, and a more diverse workforce overall. We are certainly seeing that culturally, we are seeing some more diversity come in. At the moment we are looking for the right people, that is probably the driving force, to make sure we can deliver services for the Tasmanian community.

**CHAIR** - The buses are not limited in their functionality and their set-up to favour male drivers? Can a female easily step into the bus?

**Ms COOPER** - Yes. There's no difference as far as driving skills go. We've women who have been with us for many years, and we have got some we are recruiting; and it is not even age related. They only have to pass the test.



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**Ms LOVELL** - Minister, for the last financial year how many claims for workers compensation were lodged, and how many - if any - of those were related to assaults on drivers?

**Mr FERGUSON** - I will definitely reach for our team to help answer these questions. Perhaps the CEO might commence? I'm not sure I have that level of data here.

**Ms COOPER** - I don't specifically, either. I do know that we've had some claims lodged; but I also know some haven't been progressed - as in, been accepted - so I would need to take that on notice. I don't have the answer to that in front of me.

**Mr FERGUSON** - I will take that on notice, if that's okay, Ms Lovell. We don't have that in front of us.

**Ms LOVELL** - To add to that, I was going to ask a follow-up question about the number of stress-related or mental health related workers compensation claims.

**Mr FERGUSON** - What if we roll that together.

**Ms LOVELL** - That would be wonderful, thank you.

**Mr FERGUSON** - Often at budget Estimates, we have that as a subset, don't we? I am sure we can do that again here.

**CHAIR** - I'm just reframing my questions to go on notice. Did you ask about the access to the EAP or not?

**Ms LOVELL** - No, I did not.

**CHAIR** - I am interested in whether you have the number of workers who have accessed your Employment Assistance Program during the last financial year?

**Ms COOPER** - No, I don't.

**CHAIR** - I am not asking any details, just the number.

**Mr GARDNER** - We can provide that information, certainly. We have provided it as unidentified data about the numbers of people.

**CHAIR** - All you get is unidentified data.

**Mr GARDNER** - We do.

**Ms COOPER** - The gender split at the moment across the whole business, if I can refer back to that, is 83 per cent male and 17 per cent female, as you referred to. I don't have it broken down by bus operator. If I can respond on the question you asked before, I can answer one of the ones you said we would take on notice. CCTV is actually checked every week. We get a report every week on whether there are any faults that need to be rectified; it's done on a weekly basis.

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**CHAIR** - This goes to Sarah's question about looking after people and their mental health and welfare. Knowing that some bus drivers particularly and even people in the customer-facing role can have abusive behaviour toward them. You have zero tolerance, but that does not stop it actually occurring. How do you particularly support those people?

**Ms COOPER** - We have a number of mechanisms that are in place. We use the EAP extensively, quite honestly, so if we have a serious incident on a road, we sometimes can bring the EAP out so that they are on site that day. Other times they can be available by phone depending on the person's requirements.

We have had circumstances recently where there have been serious accidents on the road, not necessarily antisocial behaviour but a similar type event. As part of our contract with the EAP, the EAP officer will meet with that staff member as part of their treatment, debrief, and learning but also how to try to cope with some of those situations. Sometimes it's not people related; sometimes it might be accident related, but we look after both in a similar way.

**CHAIR** - You have seen an increase in need, over the COVID-19 period, or has it been pretty consistent?

**Ms COOPER** - If I can just talk on the two years I have been here, I was not here pre-COVID-19 so if I can talk to that. We are seeing staff seeking services regularly in that space, but as a business we are offering it more actively as well. For example, the company will arrange for the person to speak with an EAP counsellor on occasion rather than waiting for the employee to make contact themselves, so we are utilising it both proactively and reactively.

**CHAIR** - What's your feedback on that from the staff?

**Ms COOPER** - Overall, I am thinking of a couple individual circumstances. I cannot talk about the whole because I don't know it but the circumstances I have seen have been positive. We have EAP officers who go our depots and spend time in the staff lunchrooms, so they build a relationship with people, not just when there's crisis or there's problem or they need help. They actually know the person and are more comfortable. That is something that happens on a regular basis through our providers, in our three depots.

**CHAIR** - Thank you minister and your team. Is there anything you would like to make by way of a closing comment?

**Mr FERGUSON** - Thank you, Chair, and thank you to our team from Metro for attending a well. While we are on broadcast, I thought I would add to earlier answers. I have a number I have taken on notice. If it's okay with you, I will do it now.

From the discussion this morning with the Public Finance Corporation, the question was about the cost of credit ratings, I have been encouraged to note that these are expense amounts which align with the annual report. The amounts at the committee this morning were approximate USD, actuals for Standard & Poors in 2021-22 was \$212 880.04 and for Moody's, \$184 070.30. The second question was about interest expense on borrowings for the Department of Treasury and Finance in 2021-22, at an average rate on an accrual basis of \$1.73 million, the amount was \$33 707 836 and the other question I will take on notice as well.

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Thank you for your discussion today. I hope it was useful.

**CHAIR** - I appreciate your time, minister, and I hope you do not feel too exhausted from your long day sitting and looking at a screen.

**The Committee adjourned at 5.05 p.m.**